

HELMERICH & PAYNE INC  
Form 10-Q  
May 01, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For quarterly period ended: **March 31, 2015**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **1-4221**

**HELMERICH & PAYNE, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**73-0679879**  
(I.R.S. Employer I.D. Number)

**1437 South Boulder Avenue, Tulsa, Oklahoma, 74119**

(Address of principal executive office)(Zip Code)

**(918) 742-5531**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of large accelerated filer, accelerated filer and small reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

**CLASS**  
Common Stock, \$0.10 par value

**OUTSTANDING AT April 30, 2015**  
107,654,499



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HELMERICH & PAYNE, INC. AND SUBSIDIARIES

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## PART I. FINANCIAL INFORMATION

## HELMERICH &amp; PAYNE, INC. AND SUBSIDIARIES

## CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

(in thousands, except share and per share amounts)

## ITEM 1. FINANCIAL STATEMENTS

	March 31, 2015	September 30, 2014 (as adjusted)
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 719,127	\$ 360,909
Accounts receivable, less reserve of \$4,592 at March 31, 2015 and \$4,597 at September 30, 2014	623,706	705,214
Inventories	124,269	106,241
Deferred income taxes	14,649	16,519
Prepaid expenses and other	79,132	80,912
Current assets of discontinued operations	7,486	7,206
Total current assets	1,568,369	1,277,001
Investments	164,648	236,644
Property, plant and equipment, net	5,572,818	5,188,544
Other assets	38,315	18,809
Total assets	\$ 7,344,150	\$ 6,720,998
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
Current liabilities:		
Long-term debt due within one year less unamortized debt issuance costs	\$ 39,207	\$ 39,635
Accounts payable	172,373	182,031
Accrued liabilities	176,256	282,278
Current liabilities of discontinued operations	3,309	3,217
Total current liabilities	391,145	507,161
Noncurrent liabilities:		
Long-term debt less unamortized discount and debt issuance costs	532,908	39,502
Deferred income taxes	1,320,364	1,215,259
Other	93,180	64,110
Noncurrent liabilities of discontinued operations	4,177	3,989
Total noncurrent liabilities	1,950,629	1,322,860
Shareholders' equity:		
Common stock, \$.10 par value, 160,000,000 shares authorized, 110,846,112 shares and 110,508,605 shares issued as of March 31, 2015 and September 30, 2014, respectively and 107,654,499 shares and 108,232,284 shares outstanding as of March 31, 2015 and	11,085	11,051

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September 30, 2014, respectively

Preferred stock, no par value, 1,000,000 shares authorized, no shares issued

Additional paid-in capital	402,442	383,972
Retained earnings	4,729,390	4,525,797
Accumulated other comprehensive income	40,072	83,126
Treasury stock, at cost	(180,613)	(112,969)
Total shareholders' equity	5,002,376	4,890,977

Total liabilities and shareholders' equity	\$	7,344,150	\$	6,720,998
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The accompanying notes are an integral part of these statements.

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HELMERICH & PAYNE, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(Unaudited)

(in thousands, except per share data)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
<b>Operating revenues:</b>				
Drilling U.S. Land	\$ 718,463	\$ 741,791	\$ 1,608,510	\$ 1,473,465
Drilling Offshore	62,626	63,276	132,099	122,330
Drilling International Land	98,222	85,533	191,107	180,874
Other	3,741	2,830	7,921	5,913
	883,052	893,430	1,939,637	1,782,582
<b>Operating costs and other:</b>				
Operating costs, excluding depreciation	469,328	480,167	1,023,571	954,215
Depreciation	149,708	123,963	287,321	244,200
General and administrative	34,902	34,431	67,809	66,674
Research and development	4,857	3,625	9,015	7,882
Income from asset sales	(2,915)	(4,098)	(7,070)	(9,762)
	655,880	638,088	1,380,646	1,263,209
Operating income from continuing operations	227,172	255,342	558,991	519,373
<b>Other income (expense):</b>				
Interest and dividend income	2,549	490	2,834	943
Interest expense	(2,471)	(1,725)	(3,032)	(2,919)
Gain from sale of investment securities		21,352		21,352
Other	55	(32)	369	(377)
	133	20,085	171	18,999
Income from continuing operations before income taxes	227,305	275,427	559,162	538,372
Income tax provision	77,769	100,838	206,569	190,601
Income from continuing operations	149,536	174,589	352,593	347,771
<b>Income (loss) from discontinued operations before income taxes</b>				
	(76)	2,786	(91)	2,786
Income tax provision	(77)	2,805	(77)	2,805
Income (loss) from discontinued operations	1	(19)	(14)	(19)
<b>NET INCOME</b>	<b>\$ 149,537</b>	<b>\$ 174,570</b>	<b>\$ 352,579</b>	<b>\$ 347,752</b>
<b>Basic earnings per common share:</b>				
Income from continuing operations	\$ 1.38	\$ 1.61	\$ 3.25	\$ 3.22
Income from discontinued operations				
Net income	\$ 1.38	\$ 1.61	\$ 3.25	\$ 3.22
<b>Diluted earnings per common share:</b>				

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Income from continuing operations	\$	1.37	\$	1.59	\$	3.23	\$	3.17
Income from discontinued operations								
Net income	\$	1.37	\$	1.59	\$	3.23	\$	3.17
Weighted average shares outstanding:								
Basic		107,646		107,692		107,812		107,417
Diluted		108,370		109,081		108,620		108,945
Dividends declared per common share	\$	0.6875	\$	0.6250	\$	1.3750	\$	1.2500

The accompanying notes are an integral part of these statements.



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HELMERICH & PAYNE, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(in thousands, except per share data)

**Three Months Ended  
March 31,**

**Six Months Ended  
March 31,**