

RPC INC
Form 10-Q
August 02, 2012

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 the quarterly period ended June 30, 2012

Commission File No. 1-8726

RPC, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

58-1550825
(I.R.S. Employer Identification
Number)

2801 Buford Highway, Suite 520, Atlanta, Georgia 30329
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code -- (404) 321-2140

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 smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated
filer

Accelerated filer

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

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

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As of July 20, 2012, RPC, Inc. had 219,603,169 shares of common stock outstanding.

RPC, INC. AND SUBSIDIARIES
Table of Contents

	Page No.
Part I. Financial Information	
Item 1.	
Financial Statements (Unaudited)	
Consolidated Balance Sheets – As of June 30, 2012 and December 31, 2011	3
Consolidated Statements of Operations – For the three and six months ended June 30, 2012 and 2011	4
Consolidated Statements of Comprehensive Income – for the three and six months ended June 30, 2012 and 2011	5
Consolidated Statement of Stockholders’ Equity – For the six months ended June 30, 2012	6
Consolidated Statements of Cash Flows – For the six months ended June 30, 2012 and 2011	7
Notes to Consolidated Financial Statements	8 – 20
Item 2.	
Management’s Discussion and Analysis of Financial Condition and Results of Operations	21 – 32
Item 3.	
Quantitative and Qualitative Disclosures about Market Risk	33
Item 4.	
Controls and Procedures	33
Part II. Other Information	
Item 1.	
Legal Proceedings	34
Item 1A.	
Risk Factors	34
Item 2.	
Unregistered Sales of Equity Securities and Use of Proceeds	34
Item 3.	
Defaults upon Senior Securities	35
Item 4.	
Mine Safety Disclosures	35
Item 5.	
Other Information	35
Item 6.	
Exhibits	36
Signatures	37

RPC, INC. AND SUBSIDIARIES
PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2012 AND DECEMBER 31, 2011
(In thousands)
(Unaudited)

	June 30, 2012	December 31, 2011 (Note 1)
ASSETS		
Cash and cash equivalents	\$9,256	\$7,393
Accounts receivable, net	413,511	461,272
Inventories	119,046	100,438
Deferred income taxes	8,947	7,183
Income taxes receivable	528	10,805
Prepaid expenses	6,000	8,478
Other current assets	37,591	30,986
Total current assets	594,879	626,555
Property, plant and equipment, net	748,806	675,360
Goodwill	24,093	24,093
Other assets	15,863	12,203
Total assets	\$1,383,641	\$1,338,211
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$117,003	\$122,987
Accrued payroll and related expenses	32,156	33,680
Accrued insurance expenses	5,463	5,744
Accrued state, local and other taxes	8,434	5,066
Income taxes payable	2,865	10,705
Other accrued expenses	235	1,284
Total current liabilities	166,156	179,466
Long-term accrued insurance expenses	9,230	9,000
Notes payable to banks	162,000	203,300
Long-term pension liabilities	21,963	24,445
Other long-term liabilities	2,814	3,480
Deferred income taxes	164,665	155,928
Total liabilities	526,828	575,619
Common stock	21,943	22,119
Retained earnings	847,443	753,119
Accumulated other comprehensive loss	(12,573)	(12,646)
Total stockholders' equity	856,813	762,592
Total liabilities and stockholders' equity	\$1,383,641	\$1,338,211

The accompanying notes are an integral part of these consolidated financial statements.

RPC, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(In thousands except per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Revenues	\$500,106	\$443,029	\$1,002,663	\$824,790
Cost of revenues	281,279	242,991	555,078	444,243
Selling, general and administrative expenses	43,115	35,956	88,042	72,013
Depreciation and amortization	53,950	44,893	105,520	84,430
Loss (gain) on disposition of assets, net	1,904	(78)	3,308	(1,489)
Operating profit	119,858	119,267	250,715	225,593
Interest expense	(650)	(998)	(1,246)	(2,077)
Interest income	4	3	9	7
Other (expense) income, net	(880)	(10)	40	324
Income before income taxes	118,332	118,262	249,518	223,847
Income tax provision	46,072	45,097	96,503	85,158
Net income	\$72,260	\$73,165	\$153,015	\$138,689
Earnings per share				
Basic	\$0.34	\$0.34	\$0.71	\$0.64
Diluted	\$0.33	\$0.33	\$0.71	\$0.63
Dividends per share	\$0.08	\$0.05	\$0.16	\$0.09
Average shares outstanding				
Basic	214,893	217,822	215,241	217,672
Diluted	216,127	220,262	216,780	220,476

The accompanying notes are an integral part of these consolidated financial statements.

RPC, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(In thousands)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Net income	\$ 72,260	\$ 73,165	\$ 153,015	\$ 138,689
Other comprehensive income (loss), net of taxes:				
Pension adjustment	106	74	212	148
Cash flow hedge, net	—	140	—	272
Foreign currency translation	(119)	23	(18)	126
Unrealized gain(loss) on securities and reclassification adjustments	(116)	(160)	(121)	(140)
Comprehensive income	\$ 72,131	\$ 73,242	\$ 153,088	\$ 139,095

The accompanying notes are an integral part of these consolidated financial statements.

RPC, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2012

(In thousands)

(Unaudited)

	Common Stock		Capital in	Retained	Accumulated	
	Shares	Amount	Excess of	Earnings	Other	Total
			Par Value		Comprehensive	
					Loss	
Balance, December 31, 2011	221,188	\$22,119	\$—	\$753,119	(\$ 12,646)	\$762,592
Stock issued for stock incentive plans, net	773	77	4,009	—	—	4,086
Stock purchased and retired	(1,967)	(197)	(6,237)	(23,608)	—	(30,042)
Net income	—	—	—	153,015	—	153,015
Pension adjustment, net of taxes	—	—	—	—	212	212
Foreign currency translation, net of taxes	—	—	—	—	(18)	(18)
Unrealized loss on securities, net of taxes	—	—	—	—	(121)	(121)