

OIL STATES INTERNATIONAL, INC
Form 10-Q
November 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2013

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: 001-16337

OIL STATES INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

76-0476605
(I.R.S. Employer
Identification No.)

Three Allen Center, 333 Clay Street, Suite 4620, 77002
Houston, Texas

(Zip Code)

(Address of principal executive offices)

(713) 652-0582

(Registrant's telephone number, including area code)

None

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

(Check one):

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

The Registrant had 55,153,548 shares of common stock, par value \$0.01, outstanding and 3,979,910 shares of treasury stock as of October 30, 2013.

OIL STATES INTERNATIONAL, INC.

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PART I -- FINANCIAL INFORMATION**ITEM 1. Financial Statements**

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Amounts)

	THREE MONTHS ENDED SEPTEMBER 30, 2013		NINE MONTHS ENDED SEPTEMBER 30, 2012	
	2013	2012	2013	2012
Revenues	\$684,456	\$644,512	\$1,994,985	\$1,944,151
Costs and expenses:				
Cost of sales and services	433,786	393,644	1,250,596	1,174,164
Selling, general and administrative expenses	54,130	46,284	156,697	133,648
Depreciation and amortization expense	70,217	58,871	204,545	162,610
Other operating expense	4,346	1,566	3,485	1,703
	562,479	500,365	1,615,323	1,472,125
Operating income	121,977	144,147	379,662	472,026
Interest expense, net of capitalized interest	(18,678)	(15,736)	(58,426)	(51,617)
Interest income	506	440	1,708	979
Loss on extinguishment of debt	(3,265)	--	(3,265)	--
Equity in earnings (losses) of unconsolidated affiliates	72	(103)	(758)	150
Other income	3,854	2,243	5,603	7,781
Income from continuing operations before income taxes	104,466	130,991	324,524	429,319
Income tax provision	(27,059)	(33,635)	(86,429)	(113,878)
Net income from continuing operations	77,407	97,356	238,095	315,441
Net income from discontinued operations, net of tax (including a net gain on disposal of \$84,209 in the third quarter of 2013)	90,679	6,753	109,445	35,616
Net income	168,086	104,109	347,540	351,057
Less: Net income attributable to noncontrolling interest	346	317	1,086	967
Net income attributable to Oil States International, Inc.	\$167,740	\$103,792	\$346,454	\$350,090

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Net income attributable to Oil States International, Inc.:				
Continuing operations	\$77,061	\$97,039	\$237,009	\$314,474
Discontinued operations	90,679	6,753	109,445	35,616
Net income attributable to Oil States International, Inc.	\$167,740	\$103,792	\$346,454	\$350,090

Basic net income per share attributable to Oil States International, Inc. common stockholders from:

Continuing operations	\$1.40	\$1.80	\$4.31	\$6.01
Discontinued operations	1.64	0.12	1.99	0.68
Net income	\$3.04	\$1.92	\$6.30	\$6.69

Diluted net income per share attributable to Oil States International, Inc. common stockholders from:

Continuing operations	\$1.38	\$1.75	\$4.27	\$5.68
Discontinued operations	1.63	0.12	1.97	0.64
Net income	\$3.01	\$1.87	\$6.24	\$6.32

Weighted average number of common shares outstanding:

Basic	55,092	53,975	54,987	52,347
Diluted	55,672	55,365	55,542	55,391

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2013	2012	SEPTEMBER 30, 2013	2012
Net income	\$168,086	\$104,109	\$347,540	\$351,057
Other comprehensive income (loss):				
Foreign currency translation adjustment	44,693	43,564	(125,407)	40,527
Unrealized loss on forward contracts, net of tax	(190)	(434)	(74)	(434)
Total other comprehensive income (loss)	44,503	43,130	(125,481)	40,093
Comprehensive income	212,589	147,239	222,059	391,150
Comprehensive income attributable to noncontrolling interest	(380)	(357)	(1,045)	(996)
Comprehensive income attributable to Oil States International, Inc.	\$212,209	\$146,882	\$221,014	\$390,154

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

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands)

	SEPTEMBER 30, 2013 (UNAUDITED)	DECEMBER 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 775,979	\$ 253,172
Accounts receivable, net	616,170	647,933
Inventories, net	256,665	253,994
Current assets held for sale	--	632,496
Prepaid expenses and other current assets	34,228	38,497
Total current assets	1,683,042	1,826,092
Property, plant, and equipment, net	1,914,088	1,827,242
Goodwill, net	499,830	