

RPC INC
Form 10-Q
November 04, 2010

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 September 30, 2010

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

As of October 29, 2010, RPC, Inc. had 98,764,369 shares of common stock outstanding.

RPC, INC. AND SUBSIDIARIES

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

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2010 AND DECEMBER 31, 2009
(In thousands)
(Unaudited)

	September 30, 2010	December 31, 2009 (Note 1)
ASSETS		
Cash and cash equivalents	\$ 3,234	\$ 4,489
Accounts receivable, net	279,990	130,619
Inventories	61,888	55,783
Deferred income taxes	6,819	4,894
Income taxes receivable	788	18,184
Prepaid expenses and other current assets	4,021	5,485
Total current assets	356,740	219,454
Property, plant and equipment, net	410,265	396,222
Goodwill	24,093	24,093
Other assets	11,767	9,274
Total assets	\$ 802,865	\$ 649,043
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 78,321	\$ 49,882
Accrued payroll and related expenses	22,511	10,708
Accrued insurance expenses	5,153	4,315
Accrued state, local and other taxes	4,941	2,001
Income taxes payable	13,794	647
Other accrued expenses	1,020	220
Total current liabilities	125,740	67,773
Long-term accrued insurance expenses	8,524	8,597
Notes payable to banks	108,300	90,300
Long-term pension liabilities	15,303	14,647
Other long-term liabilities	1,749	1,838
Deferred income taxes	53,009	56,165
Total liabilities	312,625	239,320
Common stock	9,876	9,836
Capital in excess of par value	10,235	7,638
Retained earnings	478,560	401,055
Accumulated other comprehensive loss	(8,431)	(8,806)
Total stockholders' equity	490,240	409,723
Total liabilities and stockholders' equity	\$ 802,865	\$ 649,043

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

RPC, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009
 (In thousands except per share data)
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Revenues	\$ 302,200	\$ 132,159	\$ 768,240	\$ 435,448
Cost of revenues	162,529	90,442	431,621	291,492
Selling, general and administrative expenses	33,095	22,843	90,410	73,821
Depreciation and amortization	33,091	33,289	98,736	97,685
(Gain) loss on disposition of assets, net	(905)	492	(1,574)	(1,542)
Operating profit (loss)	74,390	(14,907)	149,047	(26,008)
Interest expense	(707)	(533)	(1,750)	(1,654)
Interest income	14	41	46	126
Other income, net	441	602	556	1,353
Income (loss) before income taxes	74,138	(14,797)	147,899	(26,183)
Income tax provision (benefit)	27,869	(4,412)	56,628	(8,640)
Net income (loss)	\$ 46,269	\$ (10,385)	\$ 91,271	\$ (17,543)
Earnings (loss) per share				
Basic	\$ 0.48	\$ (0.11)	\$ 0.94	\$ (0.18)
Diluted	\$ 0.47	\$ (0.11)	\$ 0.93	\$ (0.18)
Dividends per share	\$ 0.06	\$ 0.04	\$ 0.14	\$ 0.18
Average shares outstanding				
Basic	96,707	96,352	96,633	96,282
Diluted	97,838	96,352	97,641	96,282
PRO FORMA BASIS (AS ADJUSTED FOR 3-FOR-2 STOCK SPLIT TO BE EFFECTIVE DECEMBER 10, 2010)				
Earnings (loss) per share				
Basic	\$ 0.32	\$ (0.07)	\$ 0.63	\$ (0.12)
Diluted	\$ 0.32	\$ (0.07)	\$ 0.62	\$ (0.12)
Dividends per share	\$ 0.04	\$ 0.03	\$ 0.09	\$ 0.12
Average shares outstanding				
Basic	145,061	144,528	144,950	144,423
Diluted	146,757	144,528	146,462	144,423

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

RPC, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(In thousands)

(Unaudited)

	Comprehensive Income (Loss)	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive	
		Shares	Amount			Loss	Total
Balance, December 31, 2009		98,364	\$9,836	\$7,638	\$401,055	\$ (8,806)	\$409,723
Stock issued for stock incentive plans, net		542	54	3,693	—	—	3,747
Stock purchased and retired		(142)	(14)	(1,738)	—	—	(1,752)
Net income	\$ 91,271	—	—	—	91,271	—	91,271
Pension adjustment, net of taxes	91	—	—	—	—	91	91