

RPC INC
Form 10-Q
July 31, 2013

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, 2013

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 July 19, 2013, RPC, Inc. had 219,356,447 shares of common stock outstanding.

RPC, INC. AND SUBSIDIARIES
Table of Contents

Part I. Financial Information		Page No.
Item 1.	Financial Statements (Unaudited)	
	Consolidated Balance Sheets –As of June 30, 2013 and December 31, 2012	3
	Consolidated Statements of Operations – For the three and six months ended June 30, 2013 and 2012	4
	Consolidated Statements of Comprehensive Income – For the three and six months ended June 30, 2013 and 2012	5
	Consolidated Statement of Stockholders’ Equity – For the six months ended June 30, 2013	6
	Consolidated Statements of Cash Flows – For the six months ended June 30, 2013 and 2012	7
	Notes to Consolidated Financial Statements	8 – 16
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	17 – 25
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	25
Item 4.	Controls and Procedures	25
Part II. Other Information		
Item 1.	Legal Proceedings	26
Item 1A.	Risk Factors	26
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	26
Item 3.	Defaults upon Senior Securities	27
Item 4.	Mine Safety Disclosures	27
Item 5.	Other Information	27
Item 6.	Exhibits	28
Signatures		29

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

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2013 AND DECEMBER 31, 2012
(In thousands)
(Unaudited)

	June 30, 2013	December 31, 2012 (Note 1)
ASSETS		
Cash and cash equivalents	\$ 10,259	\$ 14,163
Accounts receivable, net	380,951	387,530
Inventories	134,170	140,867
Deferred income taxes	7,662	5,777
Income taxes receivable	-	4,234
Prepaid expenses	8,056	10,762
Other current assets	5,294	4,494
Total current assets	546,392	567,827
Property, plant and equipment, net	739,624	756,326
Goodwill	24,093	24,093
Other assets	18,873	18,917
Total assets	\$ 1,328,982	\$ 1,367,163
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 108,286	\$ 109,846
Accrued payroll and related expenses	28,800	32,053
Accrued insurance expenses	6,321	6,152
Accrued state, local and other taxes	7,932	7,326
Income taxes payable	10,111	6,428
Other accrued expenses	1,098	2,706
Total current liabilities	162,548	164,511
Long-term accrued insurance expenses	11,005	10,400
Notes payable to banks	67,200	107,000
Long-term pension liabilities	27,066	26,543
Deferred income taxes	141,382	155,007
Other long-term liabilities	2,634	4,470
Total liabilities	411,835	467,931
Common stock	21,936	22,014
Retained earnings	909,867	891,464
Accumulated other comprehensive loss	(14,656)	(14,246)
Total stockholders' equity	917,147	899,232
Total liabilities and stockholders' equity	\$ 1,328,982	\$ 1,367,163

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

3

RPC, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012

(In thousands except per share data)

(Unaudited)

	Three months ended June		Six months ended June	
	2013	30, 2012	2013	30, 2012
Revenues	\$457,566	\$500,106	\$883,387	\$1,002,663
Cost of revenues	287,578	281,279	555,805	555,078
Selling, general and administrative expenses	47,611	43,115	92,525	88,042
Depreciation and amortization	52,767	53,950	105,588	105,520
Loss on disposition of assets, net	1,757	1,904	4,397	3,308
Operating profit	67,853	119,858	125,072	250,715
Interest expense	(942)	(650)	(1,282)	(1,246)
Interest income	60	4		