

CORE LABORATORIES N V  
Form 10-Q  
October 25, 2018

UNITED STATES  
SECURITIES AND  
EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q  
(Mark One)

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

For the quarterly period ended  
September 30, 2018  
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: 001-14273

CORE LABORATORIES N.V.  
(Exact name of registrant as  
specified in its charter)

The Netherlands    Not  
                          Applicable  
                          (I.R.S.  
(State or other       Employer  
jurisdiction of       Identification  
                          No.)

incorporation or organization)  
Strawinskylaan  
913  
Tower A, Level 9  
1077 XX  
Amsterdam

The Netherlands  Not Applicable  
(Address of principal executive(Zip Code) offices)

(31-20) 420-3191  
(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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of common shares of the registrant, par value EUR 0.02 per share, outstanding at October 24, 2018 was 44,220,731.

CORE LABORATORIES N.V.  
FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

## CORE LABORATORIES N.V.

## CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 30, 2018	December 31, 2017
	(Unaudited)	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 14,100	\$ 14,400
Accounts receivable, net of allowance for doubtful accounts of \$2,841 and \$2,590 at 2018 and 2017, respectively	143,325	133,097
Inventories	47,215	33,317
Prepaid expenses	13,308	12,592
Income taxes receivable	9,061	7,508
Other current assets	12,116	6,513
<b>TOTAL CURRENT ASSETS</b>	<b>239,125</b>	<b>207,427</b>
<b>PROPERTY, PLANT AND EQUIPMENT, net</b>	<b>121,945</b>	<b>123,098</b>
<b>INTANGIBLES, net</b>	<b>9,724</b>	<b>9,396</b>
<b>GOODWILL</b>	<b>222,876</b>	<b>179,044</b>
<b>DEFERRED TAX ASSETS</b>	<b>12,977</b>	<b>10,719</b>
<b>OTHER ASSETS</b>	<b>59,950</b>	<b>55,128</b>
<b>TOTAL ASSETS</b>	<b>\$ 666,597</b>	<b>\$ 584,812</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 41,012	\$ 41,697
Accrued payroll and related costs	25,603	28,887
Taxes other than payroll and income	6,976	7,313
Unearned revenue	15,265	12,627
Income taxes payable	2,569	825
Other current liabilities	12,084	9,227
<b>TOTAL CURRENT LIABILITIES</b>	<b>103,509</b>	<b>100,576</b>
<b>LONG-TERM DEBT, net</b>	<b>295,745</b>	<b>226,989</b>
<b>CONTRACT LIABILITIES</b>	<b>2,378</b>	<b>4,442</b>
<b>DEFERRED COMPENSATION</b>	<b>56,819</b>	<b>52,786</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>7,229</b>	<b>5,323</b>
<b>OTHER LONG-TERM LIABILITIES</b>	<b>39,505</b>	<b>45,964</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>		
<b>EQUITY:</b>		
Preference shares, EUR 0.02 par value; 6,000,000 shares authorized, none issued or outstanding	—	—
Common shares, EUR 0.02 par value; 200,000,000 shares authorized, 44,796,252 issued and 44,220,731 outstanding at 2018 and 44,796,252 issued and 44,184,205 outstanding at 2017	1,148	1,148
Additional paid-in capital	61,649	54,463
Retained earnings	171,617	173,855
Accumulated other comprehensive income (loss)	(7,277)	(8,353)
Treasury shares (at cost), 575,521 at 2018 and 612,047 at 2017	(69,699)	(76,269)
<b>Total Core Laboratories N.V. shareholders' equity</b>	<b>157,438</b>	<b>144,844</b>

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Non-controlling interest	3,974	3,888
TOTAL EQUITY	161,412	148,732
TOTAL LIABILITIES AND EQUITY	\$ 666,597	\$ 584,812

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

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CORE LABORATORIES N.V.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

	Three Months Ended September 30,	
	2018	2017
	(Unaudited)	
REVENUE:		
Services	\$ 124,145	\$ 117,285
Product sales	58,001	45,602
Total revenue	182,146	162,887
OPERATING EXPENSES:		
Cost of services, exclusive of depreciation expense shown below	88,435	83,715
Cost of product sales, exclusive of depreciation expense shown below	39,744	34,646
General and administrative expense, exclusive of depreciation expense shown below	13,278	11,887
Depreciation	5,436	5,743
Amortization	244	250
Other (income) expense, net	130	(23 )
OPERATING INCOME		