

RPC INC  
Form 10-Q  
August 02, 2011

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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, 2011

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 22, 2011, RPC, Inc. had 148,293,722 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 JUNE 30, 2011 AND DECEMBER 31, 2010  
(In thousands)  
(Unaudited)

	June 30, 2011	December 31, 2010 (Note 1)
<b>ASSETS</b>		
Cash and cash equivalents	\$7,190	\$ 9,035
Accounts receivable, net	400,348	294,002
Inventories	78,657	64,059
Deferred income taxes	7,684	7,426
Income taxes receivable	604	17,251
Prepaid expenses and other current assets	15,646	6,905
Total current assets	510,129	398,678
Property, plant and equipment, net	568,112	453,017
Goodwill	24,093	24,093
Other assets	12,458	12,083
Total assets	\$1,114,792	\$ 887,871
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$119,324	\$ 78,743
Accrued payroll and related expenses	25,079	23,881
Accrued insurance expenses	6,018	5,141
Accrued state, local and other taxes	5,636	2,988
Income taxes payable	19,081	5,788
Other accrued expenses	472	963
Total current liabilities	175,610	117,504
Long-term accrued insurance expenses	9,189	8,489
Notes payable to banks	173,100	121,250
Long-term pension liabilities	18,935	18,397
Other long-term liabilities	2,318	2,448
Deferred income taxes	89,376	80,888
Total liabilities	468,528	348,976
Common stock	14,829	14,818
Capital in excess of par value	-	6,460
Retained earnings	640,562	527,150
Accumulated other comprehensive loss	(9,127 )	(9,533 )
Total stockholders' equity	646,264	538,895
Total liabilities and stockholders' equity	\$1,114,792	\$ 887,871

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, 2011 AND 2010

(In thousands except per share data)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Revenues	\$ 443,029	\$ 252,896	\$ 824,790	\$ 466,040
Cost of revenues	242,991	139,478	444,243	269,092
Selling, general and administrative expenses	35,956	29,478	72,013	57,315
Depreciation and amortization	44,893	33,384	84,430	65,645
Gain on disposition of assets, net	(78 )	(1,533 )	(1,489 )	(669 )
Operating profit	119,267	52,089	225,593	74,657
Interest expense	(998 )	(502 )	(2,077 )	(1,043 )
Interest income	3	9	7	32
Other (expense) income, net	(10 )	(288 )	324	115
Income before income taxes	118,262	51,308	223,847	73,761
Income tax provision	45,097	19,706	85,158	28,759
Net income	\$ 73,165	\$ 31,602	\$ 138,689	\$ 45,002
Earnings per share				
Basic	\$ 0.50	\$ 0.22	\$ 0.96	\$ 0.31
Diluted	\$ 0.50	\$ 0.21	\$ 0.94	\$ 0.31
Dividends per share	\$ 0.07	\$ 0.027	\$ 0.14	\$ 0.054
Average shares outstanding				
Basic	145,215	144,990	145,115	144,894
Diluted	146,842	146,126	146,984	146,222

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, 2011

(In thousands)

(Unaudited)

	Comprehensive Income (Loss)	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2010		148,176	\$ 14,818	\$ 6,460	\$ 527,150	(\$ 9,533 )	\$ 538,895
Stock issued for stock incentive plans, net		1,217	121	5,043	—	—	5,164
Stock purchased and retired		(1,099 )	(110 )	(14,922 )	(4,597 )	—	(19,629 )
Net income	\$ 138,689	—	—	—	138,689	—	138,689
Pension adjustment, net of taxes	148	—	—	—	—	148	148
Change in cash flow hedge, net of taxes	272	—	—	—	—	272	272
Foreign currency translation, net of taxes	126	—	—	—	—	126	126
Unrealized loss on securities, net of taxes	(140 )	—	—	—	—	(140 )	(140 )
Comprehensive income	\$ 139,095						
Dividends declared		—	—	—	(20,680 )	—	(20,680 )
Excess tax benefits for share- based payments		—	—	3,419	—	—	3,419
Balance, June 30, 2011		148,294	\$ 14,829	\$ 0	\$ 640,562		