

OIL STATES INTERNATIONAL, INC
Form 10-Q
July 31, 2018
Table of Contents

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 June 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: 001-16337

OIL STATES INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware 76-0476605
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) 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)

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, 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. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth 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 [X]

As of July 27, 2018, the number of shares of common stock outstanding was 59,985,264.

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES
INDEX

	Page No.
Part I -- FINANCIAL INFORMATION	
Item 1. Financial Statements:	
Condensed Consolidated Financial Statements	
Unaudited Consolidated Statements of Operations	<u>3</u>
Unaudited Consolidated Statements of Comprehensive Loss	<u>4</u>
Consolidated Balance Sheets	<u>5</u>
Unaudited Consolidated Statement of Stockholders' Equity	<u>6</u>
Unaudited Consolidated Statements of Cash Flows	<u>7</u>
Notes to Unaudited Condensed Consolidated Financial Statements	<u>8 -24</u>
Cautionary Statement Regarding Forward-Looking Statements	<u>26-27</u>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>27-40</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>41</u>
Item 4. Controls and Procedures	<u>42</u>
Part II -- OTHER INFORMATION	
Item 1. Legal Proceedings	<u>43</u>
Item 1A. Risk Factors	<u>43</u>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	<u>43</u>
Item 3. Defaults Upon Senior Securities	<u>43</u>
Item 4. Mine Safety Disclosures	<u>43</u>
Item 5. Other Information	<u>44</u>
Item 6. Exhibits	<u>44</u>
Signature Page	<u>45</u>

PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

OIL STATES INTERNATIONAL, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Products	\$136,182	\$82,750	\$265,008	\$155,930
Service	149,663	88,652	274,413	166,939
	285,845	171,402	539,421	322,869
Costs and expenses:				
Product costs	95,324	59,309	188,300	109,659
Service costs	118,079	72,539	214,993	141,101
Selling, general and administrative expense	35,919	29,482	70,114	57,212
Depreciation and amortization expense	30,922	27,784	60,112	55,764
Other operating (income) expense, net	(3,099)	794	(1,884)	963
	277,145	189,908	531,635	364,699
Operating income (loss)	8,700	(18,506)	7,786	(41,830)
Interest expense	(4,913)	(1,149)	(9,446)	(2,223)
Interest income	123	85	202	170
Other income	571	273	1,218	270
Income (loss) before income taxes	4,481	(19,297)	(240)	(43,613)
Income tax (provision) benefit	(1,739)	5,051	(510)	11,689
Net income (loss)	\$2,742	\$(14,246)	\$(750)	\$(31,924)
Net income (loss) per share:				
Basic	\$0.05	\$(0.28)	\$(0.01)	\$(0.63)
Diluted	0.05	(0.28)	(0.01)	(0.63)
Weighted average number of common shares outstanding:				
Basic	59,005	50,232	58,396	50,296
Diluted	59,005	50,232		