

Helmerich & Payne, Inc.
Form 10-Q
August 04, 2017
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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 quarterly period ended: June 30, 2017

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: 1-4221

HELMERICH & PAYNE, INC.

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(Exact name of registrant as specified in its charter)

Delaware	73-0679879
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. Number)

1437 South Boulder Avenue, Tulsa, Oklahoma, 74119

(Address of principal executive office)(Zip Code)

(918) 742-5531

(Registrant's telephone number, including area code)

N/A

(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, 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

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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

CLASS	OUTSTANDING AT July 31, 2017
Common Stock, \$0.10 par value	108,581,547

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HELMERICH & PAYNE, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

HELMERICH & PAYNE, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

(in thousands, except share and per share amounts)

ITEM 1. FINANCIAL STATEMENTS

	June 30, 2017	September 30, 2016
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 572,787	\$ 905,561
Short-term investments	39,894	44,148
Accounts receivable, less reserve of \$6,352 in June 30, 2017 and \$2,696 in September 30, 2016	440,872	375,169
Inventories	138,403	124,325
Prepaid expenses and other	58,425	78,067
Assets held for sale	—	45,352
Current assets of discontinued operations	7	64
Total current assets	1,250,388	1,572,686
NONCURRENT ASSETS:		
Investments	76,986	84,955
Property, plant and equipment, at cost:	5,062,914	5,144,733
Goodwill	51,967	4,718
Intangible assets, net of amortization	51,569	919
Other assets	20,067	24,008
Total noncurrent assets	5,263,503	5,259,333
TOTAL ASSETS	\$ 6,513,891	\$ 6,832,019
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES:		
Accounts payable	\$ 137,206	\$ 95,422
Accrued liabilities	196,643	234,639
Current liabilities of discontinued operations	80	59
Total current liabilities	333,929	330,120
NONCURRENT LIABILITIES:		
Long-term debt less unamortized discount and debt issuance costs	492,637	491,847
Deferred income taxes	1,325,250	1,342,456

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Other	108,946	102,781
Noncurrent liabilities of discontinued operations	3,225	3,890
Total noncurrent liabilities	1,930,058	1,940,974
SHAREHOLDERS' EQUITY:		
Common stock, \$.10 par value, 160,000,000 shares authorized, 111,897,106 shares and 111,400,339 shares issued as of June 30, 2017 and September 30, 2016 respectively and 108,581,547 shares and 108,077,916 shares outstanding as of June 30, 2017 and September 30, 2016 respectively	11,190	11,140
Preferred stock, no par value, 1,000,000 shares authorized, no shares issued	—	—
Additional paid-in capital	478,231	448,452
Retained earnings	3,954,705	4,289,807
Accumulated other comprehensive income (loss)	(4,101)	(204)
	4,440,025	4,749,195
Treasury stock, at cost	(190,121)	(188,270)
Total shareholders' equity	4,249,904	4,560,925
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,513,891	\$ 6,832,019

The accompanying notes are an integral part of these statements.

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HELMERICH & PAYNE, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Operating revenues				
Drilling - U.S. Land	\$ 405,516	\$ 285,028	\$ 1,000,119	\$ 1,004,116
Drilling - Offshore	33,711	30,492	103,758	106,697
Drilling - International Land	55,075	47,983	157,863	171,529
Other	4,262	2,983	10,697	10,182
	498,564	366,486	1,272,437	1,292,524
Operating costs and expenses				
Operating costs, excluding depreciation	337,463	186,146	881,971	684,401
Depreciation	145,043	138,690	431,667	422,336
Asset impairment charge	—	6,250	—	6,250