

Edgar Filing: RPC INC - Form 8-K

RPC INC
Form 8-K
April 26, 2006

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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 26, 2006

RPC, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-8726	58-1550825
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2170 Piedmont Road, NE, Atlanta, Georgia 30324
(Address of principal executive office) (zip code)

Registrant's telephone number, including area code: (404) 321-2140

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02 Results of Operations and Financial Condition.

On April 26, 2006, RPC, Inc. issued a press release entitled "RPC, Inc. Reports 2006 First Quarter Financial Results," that announced the financial results for the first quarter ended March 31, 2006.

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Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit 99 - Press Release dated April 26, 2006

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, RPC, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RPC, Inc.

Date: April 26, 2006

/s/ BEN M. PALMER

Ben M. Palmer
Vice President,
Chief Financial Officer and Treasurer

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	Three Months Ended March 31	
	2006	2005
	(in thousands)	
Revenues:		
Technical services	\$ 114,761	\$ 77,958
Support services	21,263	14,355
Other	0	17
Total revenues	\$ 136,024	\$ 92,330
Operating Profit:		
Technical services	\$ 36,239	\$ 14,788
Support services	5,191	2,171
Other	0	(165)
Corporate expenses	(2,945)	(2,561)
Gain on disposition of assets, net	1,032	626
Total operating profit	\$ 39,517	\$ 14,859
Other income, net	261	1,270
Interest income, net	153	92
Income before income taxes	\$ 39,931	\$ 16,221

RPC INCORPORATED AND SUBSIDIARIES

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CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands except per share data)

Periods ended March 31, (Unaudited)	First Quarter		% BETTER (WORSE)
	2006	2005	
REVENUES	\$136,024	\$92,330	47.3%
COSTS AND EXPENSES:			
Cost of services rendered and goods sold	65,751	50,411	(30.4)
Selling, general and administrative expenses	21,083	18,406	(14.5)
Depreciation and amortization	10,705	9,280	(15.4)
Gain on disposition of assets, net	(1,032)	(626)	64.9
Operating profit	39,517	14,859	165.9
Interest income, net	153	92	66.3
Other income, net	261	1,270	(79.4)
Income before income taxes	39,931	16,221	146.2
Income tax provision	15,031	6,294	(138.8)
NET INCOME	\$ 24,900	\$ 9,927	150.8%
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EARNINGS PER SHARE			
Basic	\$ 0.39	\$ 0.15	160.0%
Diluted	\$ 0.38	\$ 0.15	153.3%
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AVERAGE SHARES OUTSTANDING			
Basic	63,354	63,920	
Diluted	65,831	66,049	
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RPC INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

At March 31, (Unaudited)	(In thousands)	
	2006	2005
ASSETS		
Cash and cash equivalents	\$ 7,386	\$ 22,272
Accounts receivable, net	116,165	79,805
Inventories	15,090	11,565
Deferred income taxes	4,273	5,151
Income taxes receivable	--	286
Prepaid expenses and other current assets	3,542	3,462
Total current assets	146,456	122,541
Property, plant and equipment, net	156,159	117,941
Goodwill	24,093	20,468
Other assets	4,254	3,162
Total assets	\$ 330,962	\$ 264,112

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LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 31,066	\$ 23,804
Accrued payroll and related expenses	9,872	7,645
Accrued insurance expenses	3,606	3,844
Accrued state, local and other taxes	1,781	1,581
Income taxes payable	2,393	--
Current portion of long-term debt	--	2,000
Other accrued expenses	503	5,086
Total current liabilities	49,221	43,960
Accrued insurance expenses	6,479	6,294
Pension liabilities	11,798	10,527
Deferred income taxes	7,777	11,467
Other long-term liabilities	789	1,372
Total liabilities	76,064	73,620
Common stock	6,480	6,521
Capital in excess of par value	14,584	28,668
Retained earnings	241,637	168,411
Deferred compensation	--	(6,335)
Accumulated other comprehensive loss	(7,803)	(6,773)
Total stockholders' equity	254,898	190,492
Total liabilities and stockholders' equity	\$ 330,962	\$ 264,112

Certain prior year balances have been reclassified to conform with current year presentation.

RPC INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, (Unaudited)	(In thousands)	
	2006	2005
Operating Activities:		
Net income	\$ 24,900	\$ 9,927
Depreciation, amortization and other non-cash charges	11,405	9,621
Other net changes in operating activities	(14,020)	(10,428)
Net cash provided by operating activities	22,285	9,120

Investing Activities:

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Capital expenditures	(25,970)	(13,318)
Other investing activities	1,357	947

Net cash used for investing activities	(24,613)	(12,371)

Financing Activities:		
Payment of dividends	(3,170)	(1,704)
Payments on debt	--	(2,800)
Cash paid for common stock purchased and retired	(1,110)	(73)
Other financing activities	1,185	464

Net cash used for financing activities	(3,095)	(4,113)

Net (decrease) in cash and cash equivalents	(5,423)	(7,364)
Cash and cash equivalents at beginning of period	12,809	29,636

Cash and cash equivalents at end of period	\$ 7,386	\$ 22,272
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