

Complete Production Services, Inc.
Form 10-Q
November 04, 2011
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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 September 30, 2011

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: 1-32858

Complete Production Services, Inc.

(Exact name of registrant as specified in its charter)

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Delaware (State or Other Jurisdiction of Incorporation or Organization)	72-1503959 (I.R.S. Employer Identification No.)
11700 Katy Freeway, Suite 300	
Houston, Texas (Address of principal executive offices)	77079 (Zip Code)
Registrant's telephone number, including area code: (281) 372-2300	

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 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 small reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting 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

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

Number of shares of the common stock, par value \$0.01 per share, of the registrant outstanding as of November 3, 2011: 79,283,178.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****COMPLETE PRODUCTION SERVICES, INC.****Consolidated Balance Sheets****September 30, 2011 (unaudited) and December 31, 2010**

	2011	2010
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 208,281	\$ 119,135
Accounts receivable, net	435,595	341,984
Inventory, net	36,286	28,389
Prepaid expenses	33,378	18,357
Income tax receivable	22,724	23,462
Current deferred tax assets	15,462	2,499
Other current assets		1,384
Current assets of discontinued operations		16,700
Total current assets	751,726	551,910
Property, plant and equipment, net	1,073,825	950,932
Intangible assets, net of accumulated amortization of \$25,180 and \$21,293, respectively	9,802	9,209
Deferred financing costs, net of accumulated amortization of \$11,242 and \$9,316, respectively	10,246	9,694
Goodwill	252,137	247,675
Restricted cash	17,000	17,000
Other long-term assets	6,226	5,259
Long-term assets of discontinued operations		8,897
Total assets	\$ 2,120,962	\$ 1,800,576
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 104,262	\$ 74,502
Accrued liabilities	51,878	42,047
Accrued payroll and payroll burdens	36,113	26,568
Accrued interest	15,668	2,446
Income taxes payable	2,200	
Current liabilities of discontinued operations		2,841
Total current liabilities	210,121	148,404
Long-term debt	650,000	650,000
Deferred income taxes	275,784	190,389
Other long-term liabilities	4,512	5,916
Long-term liabilities of discontinued operations		33
Total liabilities	1,140,417	994,742
Commitments and contingencies		
Stockholders' equity:	780	764

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Common stock, \$0.01 par value per share, 200,000,000 shares authorized, 78,012,457 (2010 76,443,926) issued		
Preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued and outstanding		
Additional paid-in capital	688,709	657,993
Retained earnings	278,790	126,165
Treasury stock, 372,341 (2010 167,643) shares at cost	(7,408)	(1,765)
Accumulated other comprehensive income	19,674	22,677
Total stockholders' equity	980,545	805,834
Total liabilities and stockholders' equity	\$ 2,120,962	\$ 1,800,576

See accompanying notes to consolidated financial statements.

Table of Contents**COMPLETE PRODUCTION SERVICES, INC.****Consolidated Statements of Operations****Quarters and Nine Months Ended September 30, 2011 and 2010 (unaudited)**

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(In thousands, except per share data)			
Revenues	\$ 590,289	\$ 410,270	\$ 1,623,707	\$ 1,064,489
Service expenses	379,192	257,776	1,042,269	690,023
Selling, general and administrative expenses	53,830	41,448	152,453	125,128
Depreciation and amortization	48,695	44,563	146,832	134,798
Income from continuing operations before interest and taxes	108,572	66,483	282,153	114,540
Interest expense	12,917	14,151	40,709	43,653
Interest income	(180)	(73)	(407)	(249)
Income from continuing operations before taxes	95,835	52,405	241,851	71,136
Taxes	36,513	20,814	91,420	28,609
Income from continuing operations	59,322	31,591	150,431	42,527
Income (loss) from discontinued operations (net of tax expense of \$707, \$242, \$1,149 and \$638, respectively)	(136)	1,439	2,194	3,412
Net income	\$ 59,186	\$ 33,030	\$ 152,625	\$ 45,939
Earnings (loss) per share information:				
Continuing operations	\$ 0.76	\$ 0.41	\$ 1.94	\$ 0.56
Discontinued operations	(0.00)	0.02	0.03	0.04
Basic earnings per share	\$ 0.76	\$ 0.43	\$ 1.97	\$ 0.60
Continuing operations	\$ 0.75	\$ 0.41	\$ 1.90	\$ 0.55
Discontinued operations	(0.01)	0.01	0.03	0.04
Diluted earnings per share	\$ 0.74	\$ 0.42	\$ 1.93	\$ 0.59
Weighted average shares:				
Basic	78,004	76,130	77,578	75,957
Diluted	79,445	77,792	79,080	77,395

Consolidated Statements of Comprehensive Income**Quarters and Nine Months Ended September 30, 2011 and 2010****(unaudited)**

Quarter Ended September 30,	Nine Months Ended September 30,
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	2011	2010	2011	2010
	(In thousands)			
Net income	\$ 59,186	\$ 33,030	\$ 152,625	\$ 45,939
Change in cumulative translation adjustment	(4,647)	1,309	(3,003)	1,368
Comprehensive income	\$ 54,539	\$ 34,339	\$ 149,622	\$ 47,307

See accompanying notes to consolidated financial statements.

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COMPLETE PRODUCTION SERVICES, INC.

Consolidated Statement of Stockholders Equity

Nine Months Ended September 30, 2011 (unaudited)

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total
			(In thousands, except share data)				
Balance at December 31, 2010	76,443,926	\$ 764	\$ 657,993	\$ 126,165	\$ (1,765)	\$ 22,677	\$ 805,834