

OCEANEERING INTERNATIONAL INC

Form 10-Q

November 04, 2015

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 September 30, 2015

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: 1-10945

OCEANEERING INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware

95-2628227

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

11911 FM 529

77041

Houston, Texas

(Address of principal executive offices)

(Zip Code)

(713) 329-4500

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed from 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 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

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 Common Stock outstanding as of October 30, 2015: 97,844,976

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	Sep 30, 2015	Dec 31, 2014
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$271,155	\$430,714
Accounts receivable, net of allowances for doubtful accounts of \$1,043 and \$137	702,793	778,372
Inventory	373,234	375,588
Other current assets	163,248	128,876
Total Current Assets	1,510,430	1,713,550
Property and Equipment, at cost	2,748,734	2,660,788
Less accumulated depreciation	1,476,100	1,354,966
Net Property and Equipment	1,272,634	1,305,822
Other Assets:		
Goodwill	421,603	331,474
Other non-current assets	215,963	154,094
Total Other Assets	637,566	485,568
Total Assets	\$3,420,630	\$3,504,940
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$92,937	\$123,688
Accrued liabilities	482,294	490,260
Income taxes payable	48,596	65,189
Total Current Liabilities	623,827	679,137
Long-term Debt	797,495	743,469
Other Long-term Liabilities	410,392	424,863
Commitments and Contingencies		
Shareholders' Equity:		
Common Stock, par value \$0.25 per share; 360,000,000 shares authorized; 110,834,088 shares issued	27,709	27,709
Additional paid-in capital	224,621	229,640
Treasury stock; 12,989,112 and 11,220,682 shares, at cost	(743,823) (656,917
Retained earnings	2,363,699	2,240,229
Accumulated other comprehensive loss	(283,290) (183,190
Total Shareholders' Equity	1,588,916	1,657,471
Total Liabilities and Shareholders' Equity	\$3,420,630	\$3,504,940
The accompanying Notes are an integral part of these Consolidated Financial Statements.		

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OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME
 (unaudited)

(in thousands, except per share data)	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
	2015	2014	2015	2014
Revenue	\$743,613	\$973,089	\$2,340,688	\$2,740,697
Cost of services and products	575,300	731,234	1,841,381	2,091,136
Gross Margin	168,313	241,855	499,307	649,561
Selling, general and administrative expense	54,849	59,937	171,253	173,470
Income from Operations	113,464	181,918	328,054	476,091
Interest income	229	130	436	250
Interest expense, net of amounts capitalized	(6,396) (677) (18,696) (1,486
Equity in losses of unconsolidated affiliates	1,567	9	1,313	(19
Other expense, net	(9,099) (392) (14,883) (515
Income before Income Taxes	99,765	180,988		