

NEWPARK RESOURCES INC
Form 10-Q
October 31, 2017

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, 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 No. 1-2960

Newpark Resources, Inc.

(Exact name of registrant as specified in its charter)

Delaware

72-1123385

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

9320 Lakeside Boulevard, Suite 100

The Woodlands, Texas

77381

(Address of principal executive offices)

(Zip Code)

(281) 362-6800

(Registrant's telephone number, including area code)

Not Applicable

(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

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

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As of October 27, 2017, a total of 85,836,916 shares of common stock, \$0.01 par value per share, were outstanding.

NEWPARK RESOURCES, INC.
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FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2017

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. We also may provide oral or written forward-looking statements in other materials we release to the public. Words such as "will", "may", "could", "would", "anticipates", "believes", "estimates", "expects", "plans", "intends", and similar expressions are intended to identify these forward-looking statements but are not the exclusive means of identifying them. These forward-looking statements reflect the current views of our management; however, various risks, uncertainties, contingencies and other factors, some of which are beyond our control, are difficult to predict and could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, these statements, including the success or failure of our efforts to implement our business strategy.

We assume no obligation to update, amend or clarify publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities laws. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Quarterly Report on Form 10-Q might not occur. For further information regarding these and other factors, risks and uncertainties affecting us, we refer you to the risk factors set forth in Item 1A, "Risk Factors", in Part I of our Annual Report on Form 10-K for the year ended December 31, 2016.

PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

Newpark Resources, Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands, except share data)	September 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	\$ 64,741	\$ 87,878
Receivables, net	262,105	214,307
Inventories	164,384	143,612
Prepaid expenses and other current assets	104,703	17,143
Total current assets	595,933	462,940
Property, plant and equipment, net	298,663	303,654
Goodwill	20,415	19,995
Other intangible assets, net	4,312	6,067
Deferred tax assets	3,379	1,747
Other assets	3,221	3,780
Total assets	\$ 925,923	\$ 798,183
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current debt	\$ 85,119	\$ 83,368
Accounts payable	85,049	65,281
Accrued liabilities	50,138	31,152
Total current liabilities	220,306	179,801
Long-term debt, less current portion	139,721	72,900
Deferred tax liabilities	36,559	38,743
Other noncurrent liabilities	7,577	6,196
Total liabilities	404,163	297,640
Commitments and contingencies (Note 10)		
Common stock, \$0.01 par value, 200,000,000 shares authorized and 101,150,629 and 99,843,094 shares issued, respectively	1,012	998
Paid-in capital	568,743	558,966
Accumulated other comprehensive loss	(53,727) (63,208)
Retained earnings	132,825	129,873
Treasury stock, at cost; 15,316,359 and 15,162,050 shares, respectively	(127,093) (126,086)
Total stockholders' equity	521,760	500,543
Total liabilities and stockholders' equity	\$ 925,923	\$ 798,183

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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Newpark Resources, Inc.
 Condensed Consolidated Statements of Operations
 (Unaudited)

(In thousands, except per share data)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenues	\$201,663	\$104,554	\$543,374	\$334,413
Cost of revenues	164,587	99,293	442,608	313,669
Selling, general and administrative expenses	27,270	21,736	79,297	66,663
Other operating income, net	(76)	(1,420)	(127)	(3,829)
Impairments and other charges	—	—	—	6,925
Operating income (loss)	9,882	(15,055)	21,596	(49,015)
Foreign currency exchange loss (gain)	174	761	1,100	(440)
Interest expense, net	3,586	2,127	10,245	7,230
Gain on extinguishment of debt	—	—	—	(1,894)
Income (loss) from operations before income taxes	6,122	(17,943)	10,251	(53,911)
Provision (benefit) for income taxes	3,469	(4,492)	6,949	(13,256)
Net income (loss)	\$2,653	\$(13,451)		