

FORUM ENERGY TECHNOLOGIES, INC.

Form 10-Q

November 02, 2016

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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 the Quarterly Period Ended September 30, 2016

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 001-35504

FORUM ENERGY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware 61-1488595

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

920 Memorial City Way, Suite 1000

Houston, Texas 77024

(Address of principal executive offices)

(281) 949-2500

(Registrant's telephone number, including area code)

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, or a smaller 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 Smaller reporting company

(Do not check if a 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

As of November 1, 2016, there were 91,424,555 common shares outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Forum Energy Technologies, Inc. and subsidiaries

Condensed consolidated statements of comprehensive income (loss)

(Unaudited)

(in thousands, except per share information)	Three months ended		Nine months ended	
	September 30, 2016	2015	September 30, 2016	2015
Revenue	\$138,268	\$244,993	\$440,432	\$877,504
Cost of sales	108,984	179,231	371,310	617,733
Gross profit	29,284	65,762	69,122	259,771
Operating expenses				
Selling, general and administrative expenses	53,362	57,235	171,638	197,020
Transaction expenses	341	193	571	433
Loss (gain) on sale of assets and other	2,217	11	2,233	(264)
Total operating expenses	55,920	57,439	174,442	197,189
Earnings from equity investment	414	3,870	1,207	12,281
Operating income (loss)	(26,222)	12,193	(104,113)	74,863
Other expense (income)				
Interest expense	6,746	7,453	20,664	22,687
Deferred financing costs written off	—	—	2,588	—
Foreign exchange (gains) losses and other, net	(3,152)	(2,910)	(14,546)	(5,511)
Total other expense	3,594	4,543	8,706	17,176
Income (loss) before income taxes	(29,816)	7,650	(112,819)	57,687
Provision (benefit) for income tax expense	(11,821)	932	(43,374)	13,448
Net income (loss)	(17,995)	6,718	(69,445)	44,239
Less: Income (loss) attributable to noncontrolling interest	(6)	(2)	24	(27)
Net income (loss) attributable to common stockholders	(17,989)	6,720	(69,469)	44,266
Weighted average shares outstanding				
Basic	90,860	90,058	90,682	89,770
Diluted	90,860	91,687	90,682	91,576
Earnings (losses) per share				
Basic	\$(0.20)	\$0.07	\$(0.77)	\$0.49
Diluted	\$(0.20)	\$0.07	\$(0.77)	\$0.48
Other comprehensive income (loss), net of tax:				
Net income (loss)	(17,995)	6,718	(69,445)	44,239
Change in foreign currency translation, net of tax of \$0	(6,243)	(18,747)	(25,618)	(30,553)
Gain (loss) on pension liability	(14)	(2)	(33)	68
Comprehensive income (loss)	(24,252)	(12,031)	(95,096)	13,754
Less: comprehensive loss (income) attributable to noncontrolling interests	(27)	64	(156)	118
Comprehensive income (loss) attributable to common stockholders	\$(24,279)	\$		