

CORE LABORATORIES N V  
Form 10-Q  
October 21, 2016

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

FORM 10-Q  
(Mark One)

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: 001-14273

CORE LABORATORIES N.V.  
(Exact name of registrant as  
specified in its charter)

The Netherlands    Not  
                          Applicable  
                          (I.R.S.  
(State or other      Employer  
jurisdiction of      Identification  
                          No.)

incorporation or  
organization)

Strawinskylaan

913

Tower A, Level 9

1077 XX

Amsterdam

The Netherlands      Not  
   Applicable

(Address of  
principal executive(Zip Code)  
offices)

(31-20) 420-3191

(Registrant's telephone number,  
including area code)

None

(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, 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.

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

The number of common shares of the registrant, par value EUR 0.02 per share, outstanding at October 20, 2016 was 44,109,761.

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CORE LABORATORIES N.V.  
FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2016

INDEX

PART I - FINANCIAL INFORMATION

	Page
Item 1. Financial Statements	
<u>Consolidated Balance Sheets (Unaudited) at September 30, 2016 and December 31, 2015</u>	<u>1</u>
<u>Consolidated Statements of Operations (Unaudited) for the Three Months Ended September 30, 2016 and 2015</u>	<u>2</u>
<u>Consolidated Statements of Operations (Unaudited) for the Nine Months Ended September 30, 2016 and 2015</u>	<u>3</u>
<u>Consolidated Statements of Comprehensive Income (Unaudited) for the Three and Nine Months Ended September 30, 2016 and 2015</u>	<u>4</u>
<u>Consolidated Statements of Cash Flows (Unaudited) for the Nine Months Ended September 30, 2016 and 2015</u>	<u>5</u>
<u>Notes to the Unaudited Consolidated Interim Financial Statements</u>	<u>6</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>16</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>27</u>
<u>Item 4. Controls and Procedures</u>	<u>27</u>
 PART II - OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	<u>28</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>28</u>
<u>Item 6. Exhibits</u>	<u>29</u>
<u>Signature</u>	<u>30</u>



## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

## CORE LABORATORIES N.V.

## CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 30, 2016	December 31, 2015
	(Unaudited)	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 17,219	\$ 22,494
Accounts receivable, net of allowance for doubtful accounts of \$3,146 and \$4,136 at 2016 and 2015, respectively	108,520	145,689
Inventories	37,339	40,906
Prepaid expenses	8,971	12,053
Income taxes receivable	6,374	7,209
Other current assets	6,931	10,196
<b>TOTAL CURRENT ASSETS</b>	<b>185,354</b>	<b>238,547</b>
<b>PROPERTY, PLANT AND EQUIPMENT, net</b>	<b>131,210</b>	<b>143,211</b>
<b>INTANGIBLES, net</b>	<b>10,019</b>	<b>10,041</b>
<b>GOODWILL</b>	<b>179,044</b>	<b>178,159</b>
<b>DEFERRED TAX ASSETS, net</b>	<b>9,793</b>	<b>11,693</b>
<b>OTHER ASSETS</b>	<b>46,718</b>	<b>43,607</b>
<b>TOTAL ASSETS</b>	<b>\$ 562,138</b>	<b>\$ 625,258</b>
<b>LIABILITIES AND EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 32,201	\$ 33,474
Accrued payroll and related costs	23,541	36,475
Taxes other than payroll and income	6,816	9,495
Unearned revenue	12,990	14,101
Income taxes payable	5,596	1,733
Other current liabilities	12,398	25,480
<b>TOTAL CURRENT LIABILITIES</b>	<b>93,542</b>	<b>120,758</b>
<b>LONG-TERM DEBT, net</b>	<b>206,363</b>	<b>430,987</b>
<b>DEFERRED COMPENSATION</b>	<b>45,977</b>	<b>43,478</b>
<b>DEFERRED TAX LIABILITIES, net</b>	<b>5,859</b>	<b>4,881</b>
<b>OTHER LONG-TERM LIABILITIES</b>	<b>47,600</b>	<b>48,853</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>		
<b>EQUITY (DEFICIT):</b>		
Preference shares, EUR 0.02 par value; 6,000,000 shares authorized, none issued or outstanding	—	—
Common shares, EUR 0.02 par value; 200,000,000 shares authorized, 44,796,252 issued and 44,100,116 outstanding at 2016 and 44,350,002 issued and 42,375,905 outstanding at 2015	1,148	1,142
Additional paid-in capital	62,479	—
Retained earnings	196,760	219,207
Accumulated other comprehensive income (loss)	(11,253	) (10,538
Treasury shares (at cost), 696,136 at 2016 and 1,974,097 at 2015	) (91,545	) (238,875
Total Core Laboratories N.V. shareholders' equity (deficit)	157,589	(29,064
Non-controlling interest	5,208	5,365

TOTAL EQUITY (DEFICIT)	162,797	(23,699 )
TOTAL LIABILITIES AND EQUITY (DEFICIT)	\$ 562,138	\$ 625,258

The accompanying notes are an integral part of these consolidated financial statements.

1

[Return to Index](#)

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CORE LABORATORIES N.V.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

	Three Months Ended September 30,	
	2016	2015
	(Unaudited)	
REVENUE:		
Services	\$114,137	\$150,128
Product sales	29,346	47,137
Total revenue	143,483	197,265
OPERATING EXPENSES:		
Cost of services, exclusive of depreciation expense shown below	80,419	94,117
Cost of product sales, exclusive of depreciation expense shown below	26,734	34,933
General and administrative expense, exclusive of depreciation expense shown below	8,406	12,155
Depreciation	6,548	6,695
Amortization	176	215
Other (income) expense, net	(288)	) 2,332
OPERATING INCOME	21,488	46,818
Interest expense	2,569	3,471
Income before income tax expense	18,919	