GENUINE PARTS CO
Form 4
July 06, 2007

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BULLOCK MARY BROWN

(Last) (First) (Middle)

GENUINE PARTS COMPANY, 2999 CIRCLE 75 PKWY

(Street)

ATLANTA, GA 30339

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
GENUINE PARTS CO [GPC]

3. Date of Earliest Transaction (Month/Day/Year)
07/05/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. Price of Derivativ

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)		Security (Instr. 5)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Shares	$ 0 (1)	07/05/2007		A		173		(2)	(2)	Common Stock	173	$ 50.4

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BULLOCK MARY BROWN GENUINE PARTS COMPANY 2999 CIRCLE 75 PKWY ATLANTA, GA 30339	X			

Signatures

Carol B. Yancey Attorney in Fact	07/06/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Security converts to Common Stock on a one for one basis.

(2) Exercisable and expiration date is equal to effective retirement date.

(3) Includes 19 shares of Phantom Stock acquired through most recent Dividend Reinvestment Plan purchase.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Condensed Consolidating Statements of Operations

Three Months Ended March 31, 2018

(in thousands)

(unaudited)

Parent

Issuer

Guarantor
Subsidiaries

Non-
Guarantor
Subsidiaries

Eliminations

Consolidated

Revenues

$

-

$

-

$

435,134

$

53,259

$

(6,075)

$

482,318

Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)

-

(2,626)

311,064

41,097

(6,075)

Explanation of Responses:

343,460

Depreciation, depletion, amortization and

accretion

-

Explanation of Responses:

1,019

92,714

11,986

-

105,719

General and administrative expenses

-

25,664

38,689

Explanation of Responses:

11,467

-

75,820

Loss from operations

-

(24,057)

(7,333)

(11,291)

-

Explanation of Responses:

(42,681)

Other income (expense):

Interest expense, net

-

(25,870)

967

16

Explanation of Responses:

-

(24,887)

Other income (expense)

-

(66)

274

(1,943)

-

(1,735)

Equity in losses of consolidated subsidiaries

(59,724)

(17,470)

(168)

-

77,362

-

Loss from continuing operations before income taxes

(59,724)

(67,463)

Explanation of Responses:

(6,260)

(13,218)

77,362

(69,303)

Income taxes

-

(7,739)

(1,076)

(540)

-

(9,355)

Net loss from continuing operations

(59,724)

(59,724)

(5,184)

(12,678)

77,362

(59,948)

Loss from discontinued operations, net of income tax

-

-

-

224

-

224

Net loss

$

(59,724)

$

(59,724)

$

(5,184)

Explanation of Responses:

$

(12,454)

$

77,362

$

(59,724)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidating Statements of Comprehensive Loss

Three Months Ended March 31, 2018

(in thousands)

(unaudited)

Parent

Issuer

Guarantor
Subsidiaries

Non-
Guarantor
Subsidiaries

Eliminations

Consolidated

Net loss

$

(59,724)

$

(59,724)

$

(5,184)

$

(12,454)

$

77,362

$

(59,724)

Change in cumulative translation adjustment, net of tax

4,388

4,388

-

4,388

(8,776)

4,388

Comprehensive loss

$

(55,336)

$

(55,336)

$

(5,184)

$

(8,066)

$

68,586

$

(55,336)

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SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Operations
Three Months Ended March 31, 2017
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ -	$ -	$ 353,860	$ 52,188	$ (5,112)	$ 400,936
Cost of services and rentals (exclusive of depreciation, depletion, amortization and accretion)	-	760	284,960	41,378	(5,112)	321,986
Depreciation, depletion, amortization and accretion	-	1,046	100,568	12,667	-	114,281
General and administrative expenses	-	25,935	37,144	12,414	-	75,493
Loss from operations	-	(27,741)	(68,812)	(14,271)	-	(110,824)
Other income (expense):						
Interest expense, net	-	(25,241)	802	189	-	(24,250)
Other income (expense)	-	(411)	241	819	-	649
Equity in losses of consolidated subsidiaries	(91,659)	(54,562)	(60)	-	146,281	-
Loss from continuing operations before income taxes	(91,659)	(107,955)	(67,829)	(13,263)	146,281	(134,425)
Income taxes	-	(16,296)	(28,968)	500	-	(44,764)
Net income (loss) from continuing operations	(91,659)	(91,659)	(38,861)	(13,763)	146,281	(89,661)
Loss from discontinued operations, net of income tax	-	-	-	(1,998)	-	(1,998)
Net loss	$ (91,659)	$ (91,659)	$ (38,861)	$ (15,761)	$ 146,281	$ (91,659)

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidating Statements of Comprehensive Loss
Three Months Ended March 31, 2017

(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net loss	$ (91,659)	$ (91,659)	$ (38,861)	$ (15,761)	$ 146,281	$ (91,659)
Change in cumulative translation adjustment, net of tax	1,724	1,724	-	1,724	(3,448)	1,724
Comprehensive loss	$ (89,935)	$ (89,935)	$ (38,861)	$ (14,037)	$ 142,833	$ (89,935)

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SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
Three Months Ended March 31, 2018
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	$ 6,229	$ (42,958)	$ 17,549	$ (15,047)	$ 9,269	$ (24,958)
Cash flows from investing activities:						
Payments for capital expenditures	-	-	(63,489)	(2,245)	-	(65,734)
Proceeds from sales of assets	-	-	2,003	10,132	-	12,135
Net cash used in investing activities	-	-	(61,486)	7,887	-	(53,599)
Cash flows from financing activities:						
Proceeds from issuance of long-term debt	-	-	-	744	-	744
Intercompany dividends	-	-	-	9,269	(9,269)	-
Changes in notes with affiliated companies, net	(845)	(41,727)	44,181	(1,609)	-	-
Other	(5,384)	(75)	-	-	-	(5,459)
Net cash provided by (used in) financing activities	(6,229)	(41,802)	44,181	8,404	(9,269)	(4,715)
Effect of exchange rate changes on cash	-	-	-	1,812	-	1,812
Net decrease in cash, cash equivalents, and restricted cash	-	(84,760)	244	3,056	-	(81,460)
Cash, cash equivalents, and restricted cash at beginning of period	-	126,533	20,923	45,027	-	192,483
Cash, cash equivalents, and restricted cash at end of period	$ -	$ 41,773	$ 21,167	$ 48,083	$ -	$ 111,023

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SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidating Statements of Cash Flows
Three Months Ended March 31, 2017
(in thousands)
(unaudited)

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	$ 6,832	$ (42,698)	$ (560)	$ (6,299)	$ (42,725)
Cash flows from investing activities:					
Payments for capital expenditures	-	(70)	(16,231)	(4,887)	(21,188)
Other	-	-	4,090	-	4,090
Net cash used in investing activities	-	(70)	(12,141)	(4,887)	(17,098)
Cash flows from financing activities:					
Changes in notes with affiliated companies, net	1,723	18,058	(17,874)	(1,907)	-
Other	(8,555)	(151)	-	-	(8,706)
Net cash used in financing activities	(6,832)	17,907	(17,874)	(1,907)	(8,706)
Effect of exchange rate changes on cash	-	-	-	2,194	2,194
Net decrease in cash, cash equivalents, and restricted cash	-	(24,861)	(30,575)	(10,899)	(66,335)
	-	127,445	51,789	66,858	246,092

Cash, cash equivalents, and restricted cash at beginning of period					
Cash, cash equivalents, and restricted cash at end of period	$ -	$ 102,584	$ 21,214	$ 55,959	$ 179,757

(13) Discontinued Operations

At March 31, 2018, the remaining assets of the Company's former subsea construction business were being actively marketed and the Company's management is committed to selling the remaining assets, which were classified as held for sale.

The following summarizes the assets and liabilities related to the businesses reported as discontinued operations (in thousands):

	March 31, 2018	December 31, 2017
Current assets	$ 2,860	$ 3,144
Property, plant and equipment, net	1,000	10,500
Total assets	$ 3,860	$ 13,644
Current liabilities	$ 4,851	$ 6,463

Income/(loss) from discontinued operations for the three months ended March 31, 2018 and 2017 was $0.2 million income and $(2.0) million loss, respectively.

(14) New Accounting Pronouncements

Standards adopted

In May 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-09, Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting. The guidance in this ASU applies to all entities that change the terms or conditions of a share-based payment award. The amendments provide clarity and reduce diversity in practice as well as cost and complexity when applying the guidance in Topic 718, Compensation – Stock Compensation, to the modification of the terms and conditions of a share-based payment award. The amendments in ASU 2017-09 include guidance on determining which changes to the terms and conditions of share-based payment awards require an entity to apply modification accounting under Topic 718. The Company adopted the accounting guidance as of January 1, 2018. The adoption of this ASU did not have a material impact on the Company's condensed consolidated financial statements.

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In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. The amendments affect all companies and other reporting organizations that must determine whether they have acquired or sold a business. The amendments are intended to help companies and other organizations evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments provide a more robust framework to use in determining when a set of assets and activities is a business. The Company adopted the accounting guidance as of January 1, 2018. The adoption of this ASU did not have a material impact on the Company's condensed consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, Statements of Cash Flows (Topic 230): Restricted Cash. The guidance in this ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company adopted the accounting guidance as of January 1, 2018 and applied it retrospectively to the periods presented in the Company's condensed consolidated statements of cash flows. For the three months ended March 31, 2017, net cash used in investing activities was adjusted to exclude the change in restricted cash related to cash held in escrow for the future decommissioning obligations associated with an oil and gas property. The adjustment resulted in a $30.6 million decrease in net cash used in investing activities for the three months ended March 31, 2017.

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory. The guidance in this ASU requires entities to recognize at the transaction date the income tax consequences of intercompany asset transfers other than inventory. The Company adopted the accounting guidance as of January 1, 2018. The adoption of this ASU did not have a material impact on the Company's condensed consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which replaced most existing revenue recognition guidance in GAAP. The guidance in this ASU requires an entity to recognize the amount of revenue that it expects to be entitled for the transfer of promised goods or services to customers. The Company adopted the accounting guidance as of January 1, 2018. The Company adopted this ASU using the modified retrospective adoption method. There was no impact on the condensed consolidated financial statements and no cumulative effect adjustment was recognized.

Standards not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize the assets and liabilities arising from leases on the balance sheet. This new ASU will require the lessee to recognize a lease liability equal to the present value of the lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 month or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and recognize the lease expense for such leases generally on a straight-line basis over the lease term. Under the new guidance, the Company will revise its leasing policies to require most of the leases, where the Company is the lessee, to be recognized on the balance sheet as a lease and lease liability. Further, the Company will separate leases from other contracts where the Company is either the lessor or lessee when the rights conveyed under the contracts indicate there is a lease. The Company is evaluating the effect ASU 2016-02 will have on its condensed consolidated financial statements. The Company anticipates that its assets and liabilities will increase by a significant amount. The new standard is effective for the Company beginning on January 1, 2019.

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Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q and other documents filed by us with the SEC contain, and future oral or written statements or press releases by us and our management may contain, forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, the words “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks” and “estimates,” variations of such words and similar exp identify forward-looking statements, although not all forward-looking statements contain these identifying words. All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q or such other materials regarding our financial position, financial performance, liquidity, strategic alternatives, market outlook, future capital needs, capital allocation plans, business strategies and other plans and objectives of our management for future operations and activities are forward-looking statements. These statements are based on certain assumptions and analyses made by our management in light of its experience and prevailing circumstances on the date such statements are made. Such forward-looking statements, and the assumptions on which they are based, are inherently speculative and are subject to a number of risks and uncertainties that could cause our actual results to differ materially from such statements. Such uncertainties include, but are not limited to: the cyclicality and volatility of the oil and gas industry, including changes in prevailing oil and gas prices or expectations about future prices; operating hazards, including the significant possibility of accidents resulting in personal injury or death, property damage or environmental damage for which we may have limited or no insurance coverage or indemnification rights; the effect of regulatory programs (including regarding worker health and safety laws) and environmental matters on our operations or prospects, including the risk that future changes in the regulation of hydraulic fracturing could reduce or eliminate demand for our pressure pumping and fluid management services, or that future changes in climate change legislation could result in increased operating costs or reduced commodity demand globally; counterparty risks associated with reliance on key suppliers; risks associated with the uncertainty of macroeconomic and business conditions worldwide; changes in competitive and technological factors affecting our operations; credit risk associated with our customer base; the potential inability to retain key employees and skilled workers; challenges with estimating our oil and natural gas reserves and potential liabilities related to our oil and natural gas property; risks associated with potential changes of Bureau of Ocean Energy management security and bonding requirements for offshore platforms; risks inherent in acquiring businesses; risks associated with cyber-attacks; risks associated with business growth during an industry recovery outpacing the capabilities of our infrastructure and workforce; political, legal, economic and other risks and uncertainties associated with our international operations; potential changes in tax laws, adverse positions taken by tax authorities or tax audits impacting our operating results; risks associated with our outstanding debt obligations and the potential effect of limiting our future growth and operations; our continued access to credit markets on favorable terms; the impact that unfavorable or unusual weather conditions could have on our operations; claims, litigation or other proceedings that require cash payments or could impair financial condition; not realizing the benefits of acquisitions or divestitures and volatility of the Company’s common stock . These risks and other uncertainties related to our business are described in detail in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Investors are cautioned that many of the assumptions on which our forward-looking statements are based are likely to change after such statements are made, including for example the market prices of oil and gas and regulations affecting oil and gas operations, which we cannot control or anticipate. Further, we may make changes to our business strategies and plans (including our capital spending and capital allocation plans) at any time and without notice, based on any changes in the above-listed factors, our assumptions or otherwise, any of which could or will affect our results. For all these reasons, actual events and results may differ materially from those anticipated, estimated, projected or implied by us in our forward-looking statements. We undertake no obligation to update any of our forward-looking statements for any reason and, notwithstanding any changes in our assumptions, changes in our business plans, our actual experience, or other changes. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

Executive Summary

General

We provide a wide variety of services and products to the energy industry. We serve major, national and independent oil and natural gas exploration and production companies around the world and offer products and services with respect to the various phases of a well's economic life cycle. We report our operating results in four business segments: Drilling Products and Services; Onshore Completion and Workover Services; Production Services; and Technical Solutions.

Industry Trends

The oil and gas industry is both cyclical and seasonal. The level of spending by oil and gas companies is highly influenced by current and expected demand and future prices of oil and natural gas. Changes in spending result in an increased or decreased demand for our services and products. Rig count is an indicator of the level of spending by oil and gas companies. Our financial performance is significantly affected by the rig count in the U.S. land and offshore market areas as well as oil and natural gas prices and worldwide rig activity, which are summarized in the tables below.

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	Three Months Ended March 31,		
	2018	2017	% Change
Worldwide Rig Count (1)			
U.S.:			
Land	951	722	32%
Offshore	16	21	-24%
Total	967	743	30%
International (2)	970	939	3%
Worldwide Total	1,937	1,682	15%
Commodity Prices (average)			
Crude Oil (West Texas Intermediate)	$ 62.91	$ 51.62	22%
Natural Gas (Henry Hub)	$ 3.07	$ 3.02	2%

(1) Estimate of drilling activity as measured by the average active drilling rigs based on Baker Hughes, a GE company, rig count information.

(2) Excludes Canadian Rig Count.

Comparison of the Results of Operations for the Three Months Ended March 31, 2018 and December 31, 2017

For the three months ended March 31, 2018, revenue was $482.3 million and the net loss from continuing operations was $59.9 million, or a $0.39 loss per share. Net loss was $59.7 million, or a $0.39 loss per share. This compares to net income from continuing operations of $21.9 million, or $0.14 per diluted share for the three months ended December 31, 2017, on revenue of $497.0 million. Net income for the three months ended December 31, 2017 was $8.6 million, or $0.06 per diluted share. Worldwide rig count increased by 4% during the three months ended March 31, 2018 from 1,871 rigs for the three months ended December 31, 2017. U.S. land rig count increased by 5% for the three months ended March 31, 2018 from 902 rigs for the three months ended December 31, 2017. The increase in U.S land market drilling activity largely contributed to the overall increase in our total revenues for the three months ended March 31, 2018.

First quarter 2018 revenue in our Drilling Products and Services segment increased 8% sequentially to $85.2 million, as compared to $79.2 million in the fourth quarter of 2017. U.S. land revenue increased 16% sequentially to $40.7 million due to the increase in drilling activity during the quarter. International revenue increased 9% sequentially to $23.5 million due to an increase in rentals of premium drill pipe. Gulf of Mexico revenue decreased 7% sequentially to $21.0 million primarily due to a decrease in demand for accommodation units.

First quarter 2018 revenue in our Onshore Completion and Workover Services segment remained flat sequentially at $231.5 million. All of this segment's revenue is derived from the U.S. land market area.

First quarter 2018 revenue in our Production Services segment decreased 15% sequentially to $100.8 million, as compared to $118.2 million in the fourth quarter of 2017. U.S. land revenue decreased 5% sequentially to $52.5 million and Gulf of Mexico revenue decreased 12% sequentially to $17.5 million primarily due to a decrease in hydraulic workover and snubbing and coil tubing activities in those markets. International revenue decreased 29% sequentially to $30.8 million primarily due to a decrease in hydraulic workover and snubbing activities.

First quarter 2018 revenue in our Technical Solutions segment decreased 3% sequentially to $64.8 million, as compared to $66.9 million in the fourth quarter of 2017. Gulf of Mexico revenue increased 10% sequentially to $37.5 million due to an increase in oil and gas activities and completion tools and products. U.S. land revenue decreased 16% sequentially to $6.8 million and international revenue decreased 17% sequentially to $20.5 million primarily due to a decrease in demand for well control services.

Comparison of the Results of Operations for the Three Months Ended March 31, 2018 and March 31, 2017

For the three months ended March 31, 2018, our revenue was $482.3 million, an increase of $81.4 million or 20%, as compared to the same period in 2017. The increase is largely attributable to a 32% increase in the U.S. land rig count. The net loss from continuing operations was $59.9 million, or a $0.39 loss per share. Net loss was $59.7 million, or a $0.39 loss per share. This compares to a net loss from continuing operations for the three months ended March 31, 2017 of $89.7 million, or a $0.59 loss per share. Net loss for the three months ended March 31, 2017 was $91.7 million, or a $0.60 loss per share.

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The following table compares our operating results for the three months ended March 31, 2018 and 2017 (in thousands, except percentages). Cost of services and rentals excludes depreciation, depletion, amortization and accretion for each of our business segments.

	Revenue				Cost of Services and Rentals				
	2018	2017	Change	%	2018	%	2017	%	Change
Drilling Products and Services	$ 85,202	$ 68,431	$ 16,771	25%	$ 35,070	41%	$ 29,058	42%	$ 6,012
Onshore Completion and Workover Services	231,489	204,979	26,510	13%	180,651	78%	193,689	94%	(13,038)
Production Services	100,717	68,605	32,112	47%	85,936	85%	60,780	89%	25,156
Technical Solutions	64,910	58,921	5,989	10%	41,803	64%	38,459	65%	3,344
Total	$ 482,318	$ 400,936	$ 81,382	20%	$ 343,460	71%	$ 321,986	80%	$ 21,474

Operating Segments:

Drilling Products and Services Segment

Revenue from our Drilling Products and Services segment increased 25% to $85.2 million for the three months ended March 31, 2018, as compared to $68.4 million for the same period in 2017. Cost of services and rentals as a percentage of revenue decreased to 41% of segment revenue for the three months ended March 31, 2018, as compared to 42% for the same period in 2017. Revenue from the U.S. land market areas increased 92% as a result of increases in revenue from rentals of premium drill pipe, bottom hole assemblies and accommodation units, as demand for these rental products increased along with the increase in U.S. land rig count. The increase was partially offset by decreases in revenue from the Gulf of Mexico and international markets. Revenue from the Gulf of Mexico market area decreased 11% primarily due to a decrease in revenue from rentals of bottom hole assemblies. The revenue from the international market areas decreased 1% primarily due to decreases in revenue from rentals of accommodation units and bottom hole assemblies, partially offset by an increase in revenue from rentals of premium drill pipe.

Onshore Completion and Workover Services Segment

Revenue from our Onshore Completion and Workover Services segment increased 13% to $231.5 million for the three months ended March 31, 2018, as compared to $205.0 million for the same period in 2017. All of this segment's revenue is derived from the U.S. land market area, in which rig count increased by 32%. Cost of services and rentals as a percentage of revenue decreased to 78% of segment revenue for the three months ended March 31, 2018, as compared to 94% for the same period in 2017, primarily due to improved pricing and efficiencies, as well as decreased start-up and fleet reactivation costs for our pressure pumping business. The increase in revenue is primarily attributable to an increase in activity in our pressure pumping and fluid management businesses.

Production Services Segment

Revenue from our Production Services segment for the three months ended March 31, 2018 increased by 47% to $100.8 million, as compared to $68.6 million for the same period in 2017. Cost of services and rentals as a percentage of revenue decreased to 85% of segment revenue for the three months ended March 31, 2018, as compared to 89% for the same period in 2017. Revenue from the U.S. land market area increased 124%, primarily due to increased activity in coiled tubing and pressure control services. The revenue from the international market areas increased 12%, primarily due to an increase in hydraulic workover and snubbing and electric line activities. These increases were partially offset by a decrease in revenue from the Gulf of Mexico market area. Revenue from Gulf of Mexico market area decreased 1%, primarily due to a decrease in slickline services and specialty rentals, partially offset by an increase in electric line services and hydraulic workover and snubbing activities.

Technical Solutions Segment

Revenue from our Technical Solutions segment increased 10% to $64.8 million for the three months ended March 31, 2018, as compared to $58.9 million for the same period in 2017. Cost of services and rentals as a percentage of revenue decreased to 64% of segment revenue for the three months ended March 31, 2018, as compared to 65% for the same period in 2017. Revenue derived from the Gulf of Mexico market area increased 11%, primarily due to an increase in plug and abandonment services. Revenue from the international market areas increased 27%, primarily due to an increase in demand for well control services. These increases were offset by a decrease in revenue from the U.S. land market area, which decreased 25%, primarily due to a decrease in demand for completion tools and products.

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Depreciation, Depletion, Amortization and Accretion

Depreciation, depletion, amortization and accretion decreased to $105.7 million during the three months ended March 31, 2018 from $114.3 million during the same period in 2017. Depreciation and amortization expense decreased for our Drilling Products and Services segment by $5.1 million, or 15%, for our Onshore Completion and Workover Services segment by $1.5 million, or 3%; for our Production Services segment by $1.3 million, or 6%; and for our Technical Solutions segment by $0.6 million, or 8%. Depreciation expense for Corporate and Other remained flat. The decrease in depreciation, depletion, amortization and accretion is primarily due to assets becoming fully depreciated.

General and Administrative Expenses

General and administrative expenses were $75.8 million for the three months ended March 31, 2018, as compared to $75.5 million during the same period in 2017. Despite a 20% increase in revenue, our total general and administrative expenses remained flat. This demonstrates that we continue to benefit from the steps taken during the industry downturn, to reduce our cost structure and integrate product and service lines.

Income Taxes

Our effective income tax rate for the three months ended March 31, 2018 was 13% compared to a 33% effective income tax rate for the same period in 2017. The effective tax rate for the three months ended March 31, 2018 was primarily impacted by the enactment of the Tax Cuts and Jobs Act of 2017, including a reduced U.S. corporate tax rate.

Liquidity and Capital Resources

For the three months ended March 31, 2018, cash used in operating activities was $25.0 million, as compared to cash used in operating activities of $42.7 million for the same period in 2017. Our primary liquidity needs during the next twelve months are for working capital and capital expenditures. Our primary sources of liquidity are cash flows from operations and available borrowings under our credit facility. We had cash and cash equivalents of $90.4 million at March 31, 2018, compared to $172.0 million at December 31, 2017.

We spent $65.7 million of cash on capital expenditures during the three months ended March 31, 2018. Approximately $13.3 million was used to expand and maintain our Drilling Products and Services segment's equipment inventory. Approximately $48.6 million was spent on our Onshore Completion and Workover Services segment, primarily to rebuild our pressure pumping fleet. Approximately $0.8 million and $2.1 million was spent in our Production Services and Technical Solutions segments, respectively and $0.9 million was spent in Corporate and Other. We expect to spend up to approximately $225 million on capital expenditures during 2018. We plan to continue adjusting our capital spending to align with market conditions and customer demand.

We have a $300 million asset-based revolving credit facility which matures in October 2022. The borrowing base under the credit facility is calculated based on a formula referencing the borrower's and the subsidiary guarantors' eligible accounts receivable, eligible inventory and eligible premium rental drill pipe less reserves. Availability under the credit facility is the lesser of (i) the commitments, (ii) the borrowing base and (iii) the highest principal amount permitted to be secured under the indenture governing the 7 1/8% senior unsecured notes due 2021. At March 31, 2018, the borrowing base was $267.7 million and we had $35.3 million of letters of credit outstanding under the revolving credit facility. The borrowing base may increase or decrease as a result of, among other things, changes to the Company's consolidated tangible assets. The credit agreement contains various covenants, including, but not limited to, limitations on the incurrence of indebtedness, permitted investments, liens on assets, making distributions, transactions with affiliates, merger, consolidations, dispositions of assets and other provisions customary in similar types of agreements. At March 31, 2018, we were in compliance with all such covenants.

We have outstanding $500 million of 7 3/4% senior unsecured notes due September 2024. The indenture governing the 7 3/4% senior unsecured notes due 2024 requires semi-annual interest payments on March 15th and September 15th of each year, beginning on March 15, 2018, through the maturity date of September 15, 2024. The indenture contains customary events of default and requires that we satisfy various covenants. At March 31, 2018, we were in compliance with all such covenants.

We also have outstanding $800 million of 7 1/8% unsecured senior notes due December 2021. The indenture governing the 7 1/8% senior notes due 2021 requires semi-annual interest payments on June 15th and December 15th of each year through the maturity date of December 15, 2021. The indenture contains customary events of default and requires that we satisfy various covenants. At March 31, 2018, we were in compliance with all such covenants.

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Other Matters

Off-Balance Sheet Arrangements and Hedging Activities

At March 31, 2018, we had no off-balance sheet arrangements and no hedging contracts.

Recently Issued Accounting Guidance

See Part I, Item 1, “Financial Statements – Note 14 – New Accounting Pronouncements.”

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks associated with foreign currency fluctuations and changes in interest rates. A discussion of our market risk exposure in financial instruments follows.

Foreign Currency Exchange Rates Risk

Because we operate in a number of countries throughout the world, we conduct a portion of our business in currencies other than the U.S. dollar. The functional currency for our international operations, other than certain operations in the United Kingdom and Europe, is the U.S. dollar, but a portion of the revenues from our international operations is paid in foreign currencies. The effects of foreign currency fluctuations are partly mitigated because local expenses of such international operations are also generally denominated in the same currency. We continually monitor the currency exchange risks associated with all contracts not denominated in the U.S. dollar.

Assets and liabilities of certain subsidiaries in the United Kingdom and Europe are translated at end of period exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as the foreign currency translation component of accumulated other comprehensive loss in stockholders’ equity.

We do not hold derivatives for trading purposes or use derivatives with complex features. When we believe prudent, we enter into forward foreign exchange contracts to hedge the impact of foreign currency fluctuations. We do not enter into forward foreign exchange contracts for trading or speculative purposes. At March 31, 2018, we had no outstanding foreign currency forward contracts.

Interest Rate Risk

At March 31, 2018, we had no variable rate debt outstanding.

Commodity Price Risk

Our revenues, profitability and future rate of growth significantly depend upon the market prices of oil and natural gas. Lower prices may also reduce the amount of oil and natural gas that can economically be produced.

For additional discussion, see Part 1, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. As of the end of the period covered by this quarterly report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation, that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) are effective for ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures and is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

(b) Changes in internal control. There has been no change in our internal control over financial reporting that occurred during the three months ended March 31, 2018, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in various legal actions incidental to our business. The outcome of these proceedings is not predictable. However, based on current circumstances, we do not believe that the ultimate resolution of these proceedings, after considering available defenses and any insurance coverage or indemnification rights, will have a material adverse effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors

For information regarding certain risks relating to our operations, any of which could negatively affect our business, financial condition, operating results or prospects, see Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased (1)	(b) Average Price Paid per Share
January 1 - 31, 2018	456,896	$ 11.27
February 1 - 28, 2018	585	$ 10.37
March 1 - 31, 2018	-	$ -
Total	457,481	$ 11.27

(1) Through our stock incentive plans, 457,481 shares were delivered to us by our employees to satisfy their tax withholding requirements upon vesting of restricted stock units.

Item 6. Exhibits

(a) The following exhibits are filed with this Form 10-Q:

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Superior Energy Services, Inc. (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Quarterly Report on Form 10-Q filed August 7, 2013 (File No. 001-34037)).
3.2	Amended and Restated Bylaws of Superior Energy Services, Inc. (as amended through March 7, 2012) (incorporated herein by reference to Exhibit 3.1 to Superior Energy Services, Inc.'s Current Report on Form 8-K filed March 12, 2012 (File No. 001-34037))
31.1*	Officer's certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Officer's certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Officer's certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Officer's certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

*Filed herein

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUPERIOR ENERGY SERVICES, INC.

By: /s/ Westervelt T. Ballard, Jr.
Westervelt T. Ballard, Jr.

Executive Vice President, Chief Financial Officer and Treasurer

By: /s/ James W. Spexarth
James W. Spexarth
Chief Accounting Officer

Date: April 25, 2018