
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): August 5, 2019

PARKER DRILLING COMPANY

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-7573
(Commission
File Number)

73-0618660
(IRS Employer
Identification No.)

5 Greenway Plaza, Suite 100
Houston, Texas 77046
(Address of Principal Executive Offices) (Zip Code)

(281) 406-2000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|--|--------------------------|--|
| Common Stock, par value \$0.01 per share | PKD | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition

On August 5, 2019, Parker Drilling Company (the "Registrant") issued a press release announcing results of operations for the second quarter ended June 30, 2019. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

This information is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is furnished herewith:

| Number | Exhibit |
|----------------------|--|
| 99.1 | Press Release dated August 5, 2019, issued by Registrant |

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 hereunto duly authorized.

PARKER DRILLING COMPANY

Date: August 5, 2019

By: /s/ Michael W. Sumruld

Name: Michael W. Sumruld

Title: Senior Vice President and Chief Financial Officer

Parker Drilling Reports 2019 Second Quarter Results

HOUSTON, August 5, 2019 - Parker Drilling Company (NYSE: PKD) today announced results for the second quarter ended June 30, 2019, which included a net income of \$4.6 million, or diluted earnings of \$0.31 per share on revenues of \$156.0 million. Second quarter Adjusted EBITDA was \$37.8 million ⁽¹⁾.

Gary Rich, the Company's President and CEO, said, "Our second quarter results, as demonstrated by our positive net income and strong Adjusted EBITDA, is a testament to our strong operational execution, ability to capture additional opportunities and improved balance sheet.

"In our rental tools business, our International rentals segment benefited from whipstock sales and continued demand for tubular running services, in particular our proprietary casing running tool. Our U.S. rental tools segment performed admirably in the second quarter in spite of the U.S. land rig count continuing to decline. Despite this softness, the U.S. offshore market continues to show modest signs of strength, and we are confident in our ability to perform well in both the U.S. land and offshore markets this year.

"In our drilling services business, our ongoing shift to more capital efficient and increasingly profitable operating activities supported the second quarter results. We also benefited from ongoing O&M activities and improving rig utilization, in both our U.S. (lower 48) drilling and International and Alaska drilling segments, as rigs returned to service in the inland barge and Mexico markets.

"Despite current market softness in the U.S., our diversified global exposure, ability to adjust capex spending, and improved capital structure provide us the ability to execute on profitable projects and deliver solid returns."

Second Quarter Review

Revenues were \$156.0 million and \$157.4 million for the second and first quarter, respectively. Operating gross margin, excluding depreciation and amortization expense (gross margin) was \$43.4 million and \$36.5 million for the second and first quarter, respectively.

Rental Tools Services

For the Company's rental tools services business, which is comprised of the U.S. rental tools and international rental tools segments, revenues were \$75.1 million and \$73.7 million for the second and first quarter, respectively. Gross margin was \$30.6 million and \$29.5 million for the second and first quarter, respectively. Gross margin as a percentage of revenues was 40.8 percent and 40.1 percent for the second and first quarter, respectively.

U.S. Rental Tools

U.S. rental tools segment revenues were \$52.9 million and \$52.6 million for the second and first quarter, respectively. Gross margin was \$27.7 million and \$29.0 million for the second and first quarter, respectively. Our second quarter revenues were primarily driven by customer activity in U.S. land and offshore shelf rentals.

International Rental Tools

International rental tools segment revenues were \$22.2 million and \$21.1 million for the second and first quarter, respectively. Gross margin was \$2.9 million and \$0.5 million for the second and first quarter, respectively. Our second quarter revenues were primarily driven by well construction, well intervention services and surface and tubular services.

⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. See the reconciliation and table of net income/(loss) to EBITDA and Adjusted EBITDA later in this release for more information on non-GAAP financial measures.

Drilling Services

For the Company's drilling services business, which is comprised of the U.S. (lower 48) drilling and International & Alaska drilling segments, revenues were \$80.9 million and \$83.7 million for the second and first quarter, respectively. Gross margin was \$12.8 million and \$7.0 million for the second and first quarter, respectively. Gross margin as a percentage of revenues was 15.8 percent, and 8.3 percent for the second and first quarter, respectively.

U.S. (Lower 48) Drilling

U.S. (lower 48) drilling segment revenues were \$12.5 million and \$6.6 million for the second and first quarter, respectively. Gross margin was \$2.6 million for the second quarter and a loss of \$0.7 million for the first quarter. Our second quarter revenues were primarily driven by our inland barge rig fleet and operations and management ("O&M") revenue.

International & Alaska Drilling

International & Alaska drilling segment revenues were \$68.5 million and \$77.1 million for the second and first quarter, respectively. Gross margin were \$10.2 million and \$7.7 million for the second and first quarter, respectively. Our second quarter revenues were primarily driven by O&M revenue and revenue from Company-owned rigs in Sakhalin Island, Russia, Mexico and the Kurdistan region of Iraq.

Consolidated

General and administrative expense was \$5.6 million for the 2019 second quarter. Total liquidity at the end of the quarter, exclusive of \$2.0 million restricted cash, was \$163.9 million, consisting of \$139.1 million in unrestricted cash and cash equivalents and \$24.8 million available under the Company's credit facility.

Capital expenditures in the second quarter were \$25.1 million, primarily related to the Company's Rentals Tools Services business.

Conference Call

Parker Drilling has scheduled a conference call for 10:00 a.m. Central Time (11:00 a.m. Eastern Time) on Tuesday, August 6, 2019, to review second quarter results. The call will be available by telephone by dialing (+1) (412) 902-0003 and asking for the Parker Drilling Second Quarter Conference Call. The call can also be accessed through the Investor Relations section of the Company's website. A replay of the call can be accessed on the Company's website for 12 months and will be available by telephone through August 13, 2019 at (+1) (201) 612-7415, conference ID 13692051#.

Cautionary Statement

This press release contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). All statements contained in this Form 10-Q, other than statements of historical facts, are forward-looking statements for purposes of these provisions. In some cases, you can identify these statements by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "outlook," "may," "should," "plan," "seek," "forecast," "target," "will," and "would" or similar words. Forward-looking statements are based on certain assumptions and analyses we make in light of our experience and perception of historical trends, current conditions, expected future developments, and other factors we believe are relevant. Although we believe our assumptions are reasonable based on information currently available, those assumptions are subject to significant risks and uncertainties, many of which are outside our control. Each forward-looking statement speaks only as of the date of this Form 10-Q, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. You should be aware that certain events could have a material adverse effect on our business, results of operations, financial condition, and cash flows. For more information about such events, see "Risk Factors" described in Item 1A. of the Company's Annual Report filed on Form 10-K, and the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2019, along with additional risk factors described from time to time in our SEC filings.

This news release contains non-GAAP financial measures as defined by SEC Regulation G. A reconciliation of each such measure to its most directly comparable U.S. Generally Accepted Accounting Principles (GAAP) financial measure, together with an explanation of why management believes that these non-GAAP financial measures provide useful information to investors, is provided in the following tables.

Company Description

Parker Drilling provides drilling services and rental tools to the energy industry. The Company's Drilling Services business serves operators through the use of Parker-owned and customer-owned rig fleets in select U.S. and international markets, specializing in remote and harsh environment regions. The Company's Rental Tools Services business supplies premium equipment and well services to operators on land and offshore in the U.S. and international markets. More information about Parker Drilling can be found on the Company's website at www.parkerdrilling.com.

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PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Dollars in Thousands)

| | Successor June 30, 2019 (Unaudited) | Predecessor December 31, 2018 |
|--|--|-------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 139,099 | \$ 48,602 |
| Restricted cash | 2,024 | 10,389 |
| Accounts and notes receivable, net of allowance for bad debts | 162,718 | 136,437 |
| Rig materials and supplies | 19,360 | 36,245 |
| Other current assets | 25,234 | 35,231 |
| Total current assets | 348,435 | 266,904 |
| Property, plant and equipment, net of accumulated depreciation | 304,978 | 534,371 |
| Intangible assets, net | 16,558 | 4,821 |
| Deferred income taxes | 4,618 | 2,143 |
| Other non-current assets | 33,322 | 20,175 |
| Total assets | \$ 707,911 | \$ 828,414 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Debtor in possession financing | \$ — | \$ 10,000 |
| Accounts payable and accrued liabilities | 121,245 | 75,063 |
| Accrued income taxes | 5,021 | 3,385 |
| Total current liabilities | 126,266 | 88,448 |
| Long-term debt | 211,132 | — |
| Other long-term liabilities | 16,801 | 11,544 |
| Long-term deferred tax liability | 4,554 | 510 |
| Commitments and contingencies | | |
| Total liabilities not subject to compromise | 358,753 | 100,502 |
| Liabilities subject to compromise | — | 600,996 |
| Total liabilities | 358,753 | 701,498 |
| Stockholders' equity: | | |
| Predecessor preferred stock | — | 500 |
| Predecessor common stock | — | 1,398 |
| Predecessor capital in excess of par value | — | 766,347 |
| Predecessor accumulated other comprehensive income (loss) | — | (6,879) |
| Successor common stock | 150 | — |
| Successor capital in excess of par value | 344,519 | — |
| Successor accumulated other comprehensive income (loss) | (152) | — |
| Retained earnings (accumulated deficit) | 4,641 | (634,450) |
| Total stockholders' equity | 349,158 | 126,916 |
| Total liabilities and stockholders' equity | \$ 707,911 | \$ 828,414 |

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands, Except Per Share Data)
(Unaudited)

| | Successor | Predecessor | |
|---|--------------------------------|--------------------------------|---------------------------------|
| | Three Months Ended June 30, | Three Months Ended June 30, | Three Months Ended March 31, |
| | 2019 | 2018 | 2019 |
| Revenues | \$ 156,031 | \$ 118,603 | \$ 157,397 |
| Expenses: | | | |
| Operating expenses | 112,649 | 91,634 | 120,871 |
| Depreciation and amortization | 20,391 | 27,136 | 25,102 |
| | 133,040 | 118,770 | 145,973 |
| Total operating gross margin (loss) | 22,991 | (167) | 11,424 |
| General and administrative expense | (5,610) | (8,288) | (8,147) |
| Gain (loss) on disposition of assets, net | (53) | (478) | 384 |
| Reorganization items | (962) | — | (92,977) |
| Total operating income (loss) | 16,366 | (8,933) | (89,316) |
| Other income (expense): | | | |
| Interest expense | (7,663) | (11,197) | (274) |
| Interest income | 374 | 30 | 8 |
| Other | (644) | (1,191) | (10) |
| Total other income (expense) | (7,933) | (12,358) | (276) |
| Income (loss) before income taxes | 8,433 | (21,291) | (89,592) |
| Income tax expense | 3,792 | 1,586 | 656 |
| Net income (loss) | 4,641 | (22,877) | (90,248) |
| Less: Predecessor preferred stock dividend | — | 907 | — |
| Net income (loss) available to common stockholders | \$ 4,641 | \$ (23,784) | \$ (90,248) |
| Basic earnings (loss) per common share: | \$ 0.31 | \$ (2.56) | \$ (9.63) |
| Diluted earnings (loss) per common share: | \$ 0.31 | \$ (2.56) | \$ (9.63) |
| Number of common shares used in computing earnings per share: | | | |
| Basic | 15,044,739 | 9,292,224 | 9,368,322 |
| Diluted | 15,044,739 | 9,292,224 | 9,368,322 |

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands, Except Per Share Data)
(Unaudited)

| | Successor | Predecessor | |
|---|--------------------------------|---------------------------------|------------------------------|
| | Three Months Ended June 30, | Three Months Ended March 31, | Six Months Ended June 30, |
| | 2019 | 2019 | 2018 |
| Revenues | \$ 156,031 | \$ 157,397 | \$ 228,278 |
| Expenses: | | | |
| Operating expenses | 112,649 | 120,871 | 183,168 |
| Depreciation and amortization | 20,391 | 25,102 | 55,685 |
| | 133,040 | 145,973 | 238,853 |
| Total operating gross margin (loss) | 22,991 | 11,424 | (10,575) |
| General and administrative expense | (5,610) | (8,147) | (14,489) |
| Gain (loss) on disposition of assets, net | (53) | 384 | (135) |
| Reorganization items | (962) | (92,977) | — |
| Total operating income (loss) | 16,366 | (89,316) | (25,199) |
| Other income (expense): | | | |
| Interest expense | (7,663) | (274) | (22,437) |
| Interest income | 374 | 8 | 53 |
| Other | (644) | (10) | (900) |
| Total other income (expense) | (7,933) | (276) | (23,284) |
| Income (loss) before income taxes | 8,433 | (89,592) | (48,483) |
| Income tax expense | 3,792 | 656 | 3,190 |
| Net income (loss) | 4,641 | (90,248) | (51,673) |
| Less: Predecessor preferred stock dividend | — | — | 1,813 |
| Net income (loss) available to common stockholders | \$ 4,641 | \$ (90,248) | \$ (53,486) |
| Basic earnings (loss) per common share: | \$ 0.31 | \$ (9.63) | \$ (5.77) |
| Diluted earnings (loss) per common share: | \$ 0.31 | \$ (9.63) | \$ (5.77) |
| Number of common shares used in computing earnings per share: | | | |
| Basic | 15,044,739 | 9,368,322 | 9,271,759 |
| Diluted | 15,044,739 | 9,368,322 | 9,271,759 |

PARKER DRILLING COMPANY AND SUBSIDIARIES
SELECTED FINANCIAL DATA
(Dollars in Thousands)
(Unaudited)

| | Successor | Predecessor | |
|--|--------------------------------|--------------------------------|---------------------------------|
| | Three Months Ended June 30, | Three Months Ended June 30, | Three Months Ended March 31, |
| | 2019 | 2018 | 2019 |
| Revenues: | | | |
| U.S. rental tools | \$ 52,936 | \$ 42,083 | \$ 52,595 |
| International rental tools | 22,155 | 19,935 | 21,109 |
| Total rental tools services | 75,091 | 62,018 | 73,704 |
| U.S. (lower 48) drilling | 12,479 | 3,283 | 6,627 |
| International and Alaska drilling | 68,461 | 53,302 | 77,066 |
| Total drilling services | 80,940 | 56,585 | 83,693 |
| Total revenues | 156,031 | 118,603 | 157,397 |
| Operating expenses: | | | |
| U.S. rental tools | 25,267 | 19,326 | 23,591 |
| International rental tools | 19,224 | 19,344 | 20,575 |
| Total rental tools services | 44,491 | 38,670 | 44,166 |
| U.S. (lower 48) drilling | 9,923 | 4,686 | 7,327 |
| International and Alaska drilling | 58,235 | 48,278 | 69,378 |
| Total drilling services | 68,158 | 52,964 | 76,705 |
| Total operating expenses | 112,649 | 91,634 | 120,871 |
| Operating gross margin (loss), excluding depreciation and amortization: | | | |
| U.S. rental tools | 27,669 | 22,757 | 29,004 |
| International rental tools | 2,931 | 591 | 534 |
| Total rental tools services | 30,600 | 23,348 | 29,538 |
| U.S. (lower 48) drilling | 2,556 | (1,403) | (700) |
| International and Alaska drilling | 10,226 | 5,024 | 7,688 |
| Total drilling services | 12,782 | 3,621 | 6,988 |
| Total operating gross margin (loss), excluding depreciation and amortization | 43,382 | 26,969 | 36,526 |
| Depreciation and amortization | (20,391) | (27,136) | (25,102) |
| Total operating gross margin (loss) | \$ 22,991 | \$ (167) | \$ 11,424 |

PARKER DRILLING COMPANY AND SUBSIDIARIES

ADJUSTED EBITDA

(Dollars in Thousands)

(Unaudited)

| | Successor | Predecessor | | | |
|--|---------------------------|---------------------------|--------------------------|---------------------------|----------------------|
| | Three Months Ended | Three Months Ended | | | |
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
| Net income (loss) available to common stockholders | \$ 4,641 | \$ (90,248) | \$ (43,073) | \$ (71,857) | \$ (23,784) |
| Interest expense | 7,663 | 274 | 8,778 | 11,350 | 11,197 |
| Income tax expense | 3,792 | 656 | 2,235 | 2,371 | 1,586 |
| Depreciation and amortization | 20,391 | 25,102 | 24,340 | 27,520 | 27,136 |
| Predecessor preferred stock dividend | — | — | — | 906 | 907 |
| EBITDA | 36,487 | (64,216) | (7,720) | (29,710) | 17,042 |
| Adjustments: | | | | | |
| Loss on impairment | — | — | 6,708 | 43,990 | — |
| (Gain) loss on disposition of assets, net | 53 | (384) | 1,598 | (9) | 478 |
| Pre-petition restructuring charges ⁽¹⁾ | — | — | 11,411 | 7,724 | 2,685 |
| Reorganization items | 962 | 92,977 | 9,789 | — | — |
| Interest income | (374) | (8) | (15) | (23) | (30) |
| Other | 644 | 10 | 414 | 709 | 1,191 |
| Adjusted EBITDA ⁽¹⁾⁽²⁾ | \$ 37,772 | \$ 28,379 | \$ 22,185 | \$ 22,681 | \$ 21,366 |

(1) Pre-petition restructuring charges have been allocated to the respective period in which the expense was incurred. Accordingly adjusted EBITDA will differ from what was reported previously.

(2) We believe Adjusted EBITDA is an important measure of operating performance because it allows management, investors, and others to evaluate and compare our core operating results from period to period by removing the impact of our capital structure (interest expense from our outstanding debt), asset base (depreciation and amortization), remeasurement of foreign currency transactions, tax consequences, impairment and other special items. Special items include items impacting operating expenses that management believes detract from an understanding of normal operating performance. Management uses Adjusted EBITDA as a supplemental measure to review current period operating performance and period to period comparisons. Our Adjusted EBITDA may not be comparable to a similarly titled measure of another company because other entities may not calculate EBITDA in the same manner. EBITDA and Adjusted EBITDA are not measures of financial performance under U.S. Generally Accepted Accounting Principles (GAAP), and should not be considered in isolation or as an alternative to operating income or loss, net income or loss, cash flows provided by or used in operating, investing, and financing activities, or other income or cash flow statement data prepared in accordance with GAAP.

PARKER DRILLING COMPANY AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED EARNINGS PER SHARE
(Dollars in Thousands, except Per Share)
(Unaudited)

| | Successor | | Predecessor | |
|--|--------------------------------|-------|--------------------------------|---------------------------------|
| | Three Months Ended June 30, | | Three Months Ended June 30, | Three Months Ended March 31, |
| | 2019 | | 2018 | 2019 |
| Net income (loss) available to common stockholders | \$ | 4,641 | \$ (23,784) | \$ (90,248) |
| Diluted earnings (loss) per common share | \$ | 0.31 | \$ (2.56) | \$ (9.63) |
| Adjustments: | | — | — | — |
| Net adjustments | | — | — | — |
| Adjusted net income (loss) available to common stockholders ⁽¹⁾ | \$ | 4,641 | \$ (23,784) | \$ (90,248) |
| Adjusted diluted earnings (loss) per common share ⁽¹⁾ | \$ | 0.31 | \$ (2.56) | \$ (9.63) |

(1) We believe Adjusted net income (loss) available to common stockholders and Adjusted diluted earnings (loss) per common share are useful financial measures for investors to assess and understand operating performance for period to period comparisons. Management views the adjustments to Net income (loss) available to common stockholders and Diluted earnings (loss) per common share to be items outside of the Company's normal operating results. Adjusted net income (loss) available to common stockholders and Adjusted diluted earnings (loss) per common share are not measures of financial performance under GAAP, and should not be considered in isolation or as an alternative to Net income (loss) available to common stockholders or Diluted earnings (loss) per common share.