

OIL STATES INTERNATIONAL, INC

Form SC 13G/A

January 11, 2016

SCHEDULE 13G

Amendment No. 13

OIL STATES INTERNATIONAL INC

COMMON STOCK

Cusip #678026105

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

Cusip #678026105

Item 1: Reporting Person - FMR LLC

Item 2: (a)

(b)

Item 4: Delaware

Item 5: 293,755

Item 6: 0

Item 7: 5,261,055

Item 8: 0

Item 9: 5,261,055

Item 11: 10.355%

Item 12: HC

Cusip #678026105

Item 1: Reporting Person - Abigail P. Johnson

Item 2: (a)

(b)

Item 4: United States of America

Item 5: 0

Item 6: 0

Item 7: 5,261,055

Item 8: 0

Item 9: 5,261,055

Item 11: 10.355%

Item 12: IN

Cusip #678026105

Item 1: Reporting Person - Fidelity Low-Priced Stock Fund

Item 2: (a)

(b)

Item 4: Massachusetts

Item 5: 2,596,100

Item 6: 0

Item 7: 0

Item 8: 0

Item 9: 2,596,100

Item 11: 5.109%

Item 12: IV

Item 1(a). Name of Issuer:

OIL STATES INTERNATIONAL INC

Item 1(b). Address of Issuer's Principal Executive Offices:

Three Allen Center

333 Clay Street Suite 4620

Houston, TX 77002

USA

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Item 2(a). Name of Person Filing:

FMR LLC

Item 2(b). Address or Principal Business Office or, if None,
Residence:

245 Summer Street, Boston, Massachusetts 02210

Item 2(c). Citizenship:

Not applicable

Item 2(d). Title of Class of Securities:

COMMON STOCK

Item 2(e). CUSIP Number:

678026105

Item 3. This statement is filed pursuant to Rule 13d-1(b) or 13d-2(b) or (c) and the person filing, FMR LLC, is a parent holding company in accordance with Section 240.13d-1(b) (1) (ii) (G). (Note: See Exhibit A).

Item 4. Ownership

(a) Amount Beneficially Owned: 5,261,055

(b) Percent of Class: 10.355%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote:
293,755

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the
disposition of: 5,261,055

(iv) shared power to dispose or to direct the
disposition of: 0

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the COMMON STOCK of OIL STATES INTERNATIONAL INC. No one other person's interest in the COMMON STOCK of OIL STATES INTERNATIONAL INC is more than five percent of the total outstanding COMMON STOCK.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

See attached Exhibit A.

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- Item 8. Identification and Classification of Members of the Group.
Not applicable.
- Item 9. Notice of Dissolution of Group.
Not applicable.
- Item 10. Certifications.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 8, 2016
Date

/s/ Marc R. Bryant
Signature

Marc R. Bryant
Duly authorized under Power of Attorney effective as of September 23, 2015, by and on behalf of FMR LLC and its direct and indirect subsidiaries*

* This power of attorney is incorporated herein by reference to Exhibit 24 to the Form 4 filed by FMR LLC on November 25, 2015, accession number: 0000315066-15-003312

Exhibit A

Pursuant to the instructions in Item 7 of Schedule 13G, the following table lists the identity and Item 3 classification, if applicable, of each relevant entity that beneficially owns shares of the security class being reported on this Schedule 13G.

| Entity | ITEM 3 Classification |
|----------------|-----------------------|
| FMR CO., INC * | IA |

* Entity beneficially owns 5% or greater of the outstanding shares of the security class being reported on this Schedule 13G.

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Abigail P. Johnson is a Director, the Vice Chairman, the Chief Executive Officer and the President of FMR LLC.

Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC.

Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity Management & Research Company ("FMR Co"), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees.

This filing reflects the securities beneficially owned, or that may be deemed to be beneficially owned, by FMR LLC, certain of its subsidiaries and affiliates, and other companies (collectively, the "FMR Reporters"). This filing does not reflect securities, if any, beneficially owned by certain other companies whose beneficial ownership of securities is disaggregated from that of the FMR Reporters in accordance with Securities and Exchange Commission Release No. 34-39538 (January 12, 1998).

RULE 13d-1(k) (1) AGREEMENT

The undersigned persons, on January 8, 2016, agree and consent to the joint filing on their behalf of this Schedule 13G in connection with their beneficial ownership of the COMMON STOCK of OIL STATES INTERNATIONAL INC at December 31, 2015.

FMR LLC

By /s/ Marc R. Bryant
Marc R. Bryant

Duly authorized under Power of Attorney effective as of September 23, 2015, by and on behalf of FMR LLC and its direct and indirect subsidiaries*

Abigail P. Johnson

By /s/ Marc R. Bryant
Marc R. Bryant

Duly authorized under Power of Attorney effective as of October 12, 2015, by and on behalf of Abigail P. Johnson*

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Fidelity Low-Priced Stock Fund

By /s/ Marc R. Bryant
Marc R. Bryant
Secretary

* This power of attorney is incorporated herein by reference to Exhibit 24 to the Form 4 filed by FMR LLC on November 25, 2015, accession number: 0000315066-15-003312

ont>

15

General and administrative

—

—

123

57

—

180

Other expenses

—

—

17

17

(5
)

29

—

—

276

792

(5
)

1,063

Other expenses from managed and franchised properties

—

—

1,917

254

—

2,171

Total expenses

—

—

2,193

1,046

(5
)

3,234

Gain on sales of assets, net

—

—

—

1

—

1

Operating income

—

—

346

97

—

443

Interest expense

—

(134
)

(31
)

(24
)

—

(189
)

Gain (loss) on foreign currency transactions

—

—

(64
)

38

—

(26
)

Other non-operating income (loss), net

—

—

6

(1
)

—

5

Income (loss) from continuing operations before income taxes and equity in earnings from subsidiaries

—

(134
)

257

110

—

233

Income tax benefit (expense)

192

51

(142

)

(43

)

—

58

Income (loss) from continuing operations before equity in earnings from subsidiaries

192

(83
)

115

67

—

291

Equity in earnings from subsidiaries

96

179

64

—

(339
)

—

Income from continuing operations, net of taxes

288

96

179

67

(339
)

291

Income from discontinued operations, net of taxes

260

260

260

240

(757
)

263

Net income

548

356

439

307

(1,096
)

554

Net income attributable to noncontrolling interests

—

—

—

(6
)

—

(6
)

Net income attributable to Hilton stockholders

\$
548

\$
356

\$
439

\$
301

\$
(1,096
)

\$
548

Comprehensive income

\$
506

\$
350

\$
400

\$
308

\$
(1,054
)

\$
510

Comprehensive income attributable to noncontrolling interests

—

—

—

(4
)

—

(4
)

Comprehensive income attributable to Hilton stockholders

\$
506

\$
350

\$
400

\$
304

\$
(1,054
)

\$
506

29

Six Months Ended June 30, 2017

| | | | | | | | |
|--|---------------|----------------|-----|------------|----------------|--------------|-------|
| | Parent | HWF Issuers | HOC | Guarantors | Non-Guarantors | Eliminations | Total |
| | (in millions) | | | | | | |

| | | | | | | | |
|--|-------|---------|--------|--------|--------|------|---------|
| Operating Activities: | | | | | | | |
| Net cash provided by (used in) operating activities | \$— | \$(69) | \$(58) | \$ 395 | \$ 108 | \$ — | \$376 |
| Investing Activities: | | | | | | | |
| Capital expenditures for property and equipment | — | — | (3) | (3) | (12) | — | (18) |
| Contract acquisition costs | — | — | — | (17) | (15) | — | (32) |
| Capitalized software costs | — | — | — | (29) | — | — | (29) |
| Other | — | (13) | — | (5) | 3 | (3) | (18) |
| Net cash used in investing activities | — | (13) | (3) | (54) | (24) | (3) | (97) |
| Financing Activities: | | | | | | | |
| Borrowings | — | 1,823 | — | — | — | — | 1,823 |
| Repayment of debt | — | (1,832) | — | — | (4) | — | (1,836) |
| Debt issuance costs and redemption premium | — | (68) | — | — | — | — | (68) |
| Repayment of intercompany borrowings | — | — | (3) | — | — | 3 | — |
| Intercompany transfers | 450 | 159 | 92 | (351) | (350) | — | — |
| Dividends paid | (98) | — | — | — | — | — | (98) |
| Cash transferred in spin-offs of Park and HGV | — | — | — | — | (501) | — | (501) |
| Repurchases of common stock | (352) | — | — | — | — | — | (352) |
| Distributions to noncontrolling interests | — | — | — | — | (1) | — | (1) |
| Tax withholdings on share-based compensation | — | — | (28) | — | — | — | (28) |
| Net cash provided by (used in) financing activities | — | 82 | 61 | (351) | (856) | 3 | (1,061) |
| Effect of exchange rate changes on cash, restricted cash and cash equivalents | — | — | — | — | 7 | — | 7 |
| Net decrease in cash, restricted cash and cash equivalents | — | — | — | (10) | (765) | — | (775) |
| Cash, restricted cash and cash equivalents from continuing operations, beginning of period | — | — | 90 | 31 | 1,062 | — | 1,183 |
| Cash, restricted cash and cash equivalents from discontinued operations, beginning of period | — | — | — | — | 501 | — | 501 |
| Cash, restricted cash and cash equivalents, beginning of period | — | — | 90 | 31 | 1,563 | — | 1,684 |
| Cash, restricted cash and cash equivalents, end of period | \$— | \$— | \$90 | \$ 21 | \$ 798 | \$ — | \$909 |

Six Months Ended June 30, 2016

Parent HWF
Issuers Guarantors Non-Guarantors Elimination Total
(in millions)

| | | | | | |
|--|-------|-----------|--------|----------|----------|
| Operating Activities: | | | | | |
| Net cash provided by (used in) operating activities | \$— | \$ (133) | \$ 861 | \$ (54) | \$ 674 |
| Investing Activities: | | | | | |
| Capital expenditures for property and equipment | — | (1) | (168) | — | (169) |
| Proceeds from asset dispositions | — | — | 1 | — | 1 |
| Contract acquisition costs | — | (16) | (2) | — | (18) |
| Capitalized software costs | — | (32) | (3) | — | (35) |
| Other | — | (18) | 3 | — | (15) |
| Net cash used in investing activities | — | (67) | (169) | — | (236) |
| Financing Activities: | | | | | |
| Repayment of debt | — | — | (64) | — | (64) |
| Intercompany transfers | 138 | 214 | (352) | — | — |
| Dividends paid | (138) | — | — | — | (138) |
| Intercompany dividends | — | — | (54) | 54 | — |
| Distributions to noncontrolling interests | — | — | (4) | — | (4) |
| Tax withholdings on share-based compensation | — | (13) | — | — | (13) |
| Net cash provided by (used in) financing activities | — | 201 | (474) | 54 | (219) |
| Effect of exchange rate changes on cash, restricted cash and cash equivalents | — | — | 6 | — | 6 |
| Net increase in cash, restricted cash and cash equivalents | — | 1 | 224 | — | 225 |
| Cash, restricted cash and cash equivalents from continuing operations, beginning of period | — | 109 | 524 | — | 633 |
| Cash, restricted cash and cash equivalents from discontinued operations, beginning of period | — | — | 223 | — | 223 |
| Cash, restricted cash and cash equivalents, beginning of period | — | 109 | 747 | — | 856 |
| Cash, restricted cash and cash equivalents from continuing operations, end of period | — | 110 | 608 | — | 718 |
| Cash, restricted cash and cash equivalents from discontinued operations, end of period | — | — | 363 | — | 363 |
| Cash, restricted cash and cash equivalents, end of period | \$— | \$ 110 | \$ 971 | \$ — | \$ 1,081 |

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. The unaudited condensed consolidated financial statements present the consolidated financial position of Hilton as of June 30, 2017 and December 31, 2016 and the results of operations of Hilton for the three and six months ended June 30, 2017 and 2016 giving effect to the spin-offs, with the historical financial results of Park and HGV reflected as discontinued operations. Unless indicated otherwise, the following discussion and analysis herein refers to Hilton's continuing operations. Refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 as updated by our Current Reports on Form 8-K dated May 24, 2017 and July 26, 2017 (Item 8.01) for the presentation of Hilton's consolidated results of operations and financial position as of and for the year ended December 31, 2016 giving effect to the spin-offs, and for other additional information, including our significant accounting policies and principal components and factors affecting our results of operations.

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 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, the spin-offs and other non-historical statements. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties including, among others, risks inherent to the hospitality industry, macroeconomic factors beyond our control, competition for hotel guests, management and franchise agreements, risks related to doing business with third-party hotel owners, performance of our information technology systems, growth of reservation channels outside of our system, risks of doing business outside of the U.S. and our indebtedness. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under "Part I—Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Quarterly Report on Form 10-Q. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Overview

Our Business

Hilton is one of the largest and fastest growing hospitality companies in the world, with 5,079 properties comprising 825,747 rooms in 103 countries and territories as of June 30, 2017. Our premier brand portfolio includes: our luxury and lifestyle hotel brands, Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts and Canopy by Hilton; our full-service hotel brands, Hilton Hotels & Resorts, Curio - A Collection by Hilton, DoubleTree by Hilton, Tapestry Collection by Hilton and Embassy Suites by Hilton; our focused-service hotel brands, Hilton Garden Inn, Hampton by Hilton, Tru by Hilton, Homewood Suites by Hilton and Home2 Suites by Hilton; and our timeshare brand, Hilton Grand Vacations. We had approximately 67 million members in our award-winning guest loyalty program, Hilton Honors, as of June 30, 2017.

Recent Events

On January 3, 2017, we completed the spin-offs of Park and HGV. The historical financial results of Park and HGV are reflected in our unaudited condensed consolidated financial statements as discontinued operations. See Note 3: "Discontinued Operations" in our unaudited condensed consolidated financial statements for additional information.

On January 3, 2017, we completed a 1-for-3 reverse stock split of Hilton's outstanding common stock. See Note 1: "Organization and Basis of Presentation" in our unaudited condensed consolidated financial statements for additional information.

Segments and Regions

Management analyzes our operations and business by both operating segments and geographic regions. Our operations consist of two reportable segments following the spin-offs that are based on similar products or services: (i) management and franchise; and (ii) ownership. The management and franchise segment provides services, including hotel management and licensing of our brands. This segment generates its revenue from management and franchise fees charged to: (i) third-party hotel owners; (ii) owned and leased hotels; and (iii) license fees for the exclusive right to use certain Hilton marks and intellectual property. As a manager of hotels, we typically are responsible for supervising or operating the property in exchange for management fees. As a franchisor of hotels, we charge franchise fees in exchange for the use of one of our brand names and related commercial services, such as our reservation system, marketing and information technology services. The ownership segment primarily derives earnings from providing hotel room rentals, food and beverage sales and other services at our owned and leased hotels.

Geographically, management conducts business through three distinct geographic regions: (i) the Americas; (ii) Europe, Middle East and Africa ("EMEA"); and (iii) Asia Pacific. The Americas region includes North America, South America and Central America, including all Caribbean nations. Although the U.S. is included in the Americas, it represents a significant portion of our system-wide hotel rooms, which was 74 percent as of June 30, 2017; therefore, the U.S. is often analyzed separately and apart from the Americas geographic region and, as such, it is presented separately within the analysis herein. The EMEA region includes Europe, which represents the western-most peninsula of Eurasia stretching from Ireland in the west to Russia in the east, and the Middle East and Africa ("MEA"), which represents the Middle East region and all African nations, including the Indian Ocean island nations. Europe and MEA are often analyzed separately and, as such, are presented separately within the analysis herein. The Asia Pacific region includes the eastern and southeastern nations of Asia, as well as India, Australia, New Zealand and the Pacific island nations.

System Growth and Pipeline

We continue to expand our global footprint and fee-based business. As we enter into new management and franchise agreements, we expand our business with minimal or no capital investment by us as the manager or franchisor, since the capital required to build and maintain hotels is typically provided by the third-party owner of the hotel with whom we contract to provide the management or franchise services. Additionally, prior to approving the addition of new hotels to our management and franchise development pipeline, we evaluate the economic viability of the hotel based on the geographic location, the credit quality of the third-party owner and other factors. By increasing the number of management and franchise agreements with third-party owners, we expect to increase overall return on invested capital.

As of June 30, 2017, we had a total of 2,153 hotels in our development pipeline, representing approximately 332,000 rooms under construction or approved for development throughout 104 countries and territories, including 36 countries and territories where we do not currently have any open hotels. All of the rooms in the pipeline are within our management and franchise segment. Of the rooms in the pipeline, 169,000 rooms, or more than half of the pipeline, were located outside the U.S., and over 169,000 rooms were under construction. We do not consider any individual development project to be material to us.

Key Business and Financial Metrics Used by Management

Comparable Hotels

We define our comparable hotels as those that: (i) were active and operating in our system for at least one full calendar year as of the end of the current period, and open January 1st of the previous year; (ii) have not undergone a change in brand or ownership type during the current or comparable periods reported, excluding the hotels distributed in the spin-offs; and (iii) have not sustained substantial property damage, business interruption, undergone large-scale capital projects or for which comparable results are not available. Of the 5,031 hotels in our system as of June 30, 2017, 4,012 hotels have been classified as comparable hotels. Our 1,019 non-comparable hotels included 234 hotels, or approximately five percent of the total hotels in our system, that were removed from the comparable group during the last twelve months because they sustained substantial property damage, business interruption, underwent large-scale capital projects or comparable results were not available.

Occupancy

Occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels for a given period. Occupancy measures the utilization of our hotels' available capacity. Management uses

occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable average daily rate levels as demand for hotel rooms increases or decreases.

Average Daily Rate ("ADR")