

ATWOOD OCEANICS INC
Form 424B5
January 09, 2017
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-209647

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the securities described herein and are not soliciting an offer to buy such securities in any jurisdiction where such offer or sale is not permitted.

Subject to Completion Dated January 9, 2017

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated November 15, 2016)

13,500,000 Shares

Common Stock

We are offering 13,500,000 shares of our common stock, par value \$1.00 per share.

Our common stock is listed on the New York Stock Exchange under the trading symbol ATW. The last reported sales price of our common stock on January 6, 2017 was \$13.24 per share.

| | Per Share | Total |
|---|------------------|--------------|
| Initial price to public | \$ | \$ |
| Underwriting discount | \$ | \$ |
| Proceeds, before expenses, to Atwood Oceanics, Inc. | \$ | \$ |

We have granted the underwriters the option to acquire up to an additional 2,025,000 shares of common stock from us at the price set forth above within 30 days of the date of this prospectus supplement.

The underwriters expect to deliver the shares of common stock against payment therefor on or about January , 2017.

Investing in our common stock involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement and page 3 of the accompanying base prospectus to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Goldman, Sachs & Co.

Prospectus Supplement dated January , 2017

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

| | Page |
|---|-------------|
| <u>About this Prospectus Supplement</u> | S-ii |
| <u>Where You Can Find More Information</u> | S-ii |
| <u>Prospectus Summary</u> | S-1 |
| <u>The Offering</u> | S-4 |
| <u>Summary Consolidated Financial Data</u> | S-5 |
| <u>Risk Factors</u> | S-6 |
| <u>Use of Proceeds</u> | S-8 |
| <u>Capitalization</u> | S-9 |
| <u>Price Range of Common Stock</u> | S-10 |
| <u>Dividends</u> | S-10 |
| <u>Material U.S. Federal Income Tax Considerations for Non-U.S. Holders</u> | S-11 |
| <u>Underwriting</u> | S-15 |
| <u>Legal Matters</u> | S-20 |
| <u>Experts</u> | S-20 |

Prospectus

| | Page |
|--|-------------|
| <u>ABOUT THIS PROSPECTUS</u> | 2 |
| <u>ABOUT ATWOOD OCEANICS, INC.</u> | 3 |
| <u>RISK FACTORS</u> | 3 |
| <u>FORWARD-LOOKING STATEMENTS</u> | 3 |
| <u>USE OF PROCEEDS</u> | 4 |
| <u>RATIO OF EARNINGS TO FIXED CHARGES</u> | 4 |
| <u>DESCRIPTION OF DEBT SECURITIES</u> | 5 |
| <u>DESCRIPTION OF CAPITAL STOCK</u> | 13 |
| <u>DESCRIPTION OF WARRANTS</u> | 17 |
| <u>PLAN OF DISTRIBUTION</u> | 17 |
| <u>LEGAL MATTERS</u> | 20 |
| <u>EXPERTS</u> | 20 |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u> | 20 |

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters. The second part, the base prospectus, provides more general information about the various securities that we may offer from time to time, some of which information may not apply to this offering. Generally when we refer to this prospectus, we are referring to both this prospectus supplement and the base prospectus combined. If any of the information in this prospectus supplement is inconsistent with any of the information in the base prospectus, you should rely on the information in this prospectus supplement. Before you invest in our common stock, you should carefully read this prospectus supplement, along with the base prospectus, in addition to the information contained in the documents we refer to under the heading "Where You Can Find More Information" in the base prospectus.

We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus or any free writing prospectus we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares of our common stock offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information we have included in this prospectus supplement or the accompanying base prospectus is accurate only as of the date of this prospectus supplement or base prospectus, respectively, and that any information we have incorporated by reference herein is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since these dates. It is important for you to read and consider all information contained in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein in making your investment decision. You should also read and consider the additional information under the caption "Where You Can Find More Information" in the base prospectus.

We obtained the industry, market and competitive position data used in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein from our own research, internal surveys or studies conducted by third parties, independent industry or general publications and other publicly available information. Independent industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "Risk Factors" in this prospectus supplement, the accompanying base prospectus and our Annual Report on Form 10-K for the year ended September 30, 2016, which is incorporated by reference herein. These and other factors could cause results to differ materially from those expressed in these publications. While we believe that each of these studies and publications is reliable, neither we nor the underwriters have independently verified such data, and neither we nor the underwriters make any representations as to the accuracy of such information. Similarly, we believe that our internal research is reliable, but it has not been verified by any independent sources.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. You can read and copy any materials we file with the SEC at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a Web site that contains information we file electronically with the SEC, which you can access over the Internet at <http://www.sec.gov>. You can obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We are incorporating by reference herein information we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information we incorporate

S-ii

Table of Contents

by reference is an important part of this prospectus supplement, and later information that we file with the SEC automatically will update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities and Exchange Act of 1934, as amended, until the termination of the offering:

our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 filed with the SEC on November 15, 2016;

our Current Reports on Form 8-K filed with the SEC on November 22, 2016, December 6, 2016 and December 22, 2016;

our Definitive Proxy Statement on Schedule 14A filed with the SEC on January 9, 2017; and

the description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on July 2, 1997, as that description may be updated from time to time.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or telephoning us at the following address:

Atwood Oceanics, Inc.

15011 Katy Freeway, Suite 800

Houston, Texas 77094

Attention: Investor Relations Department

Telephone: (281) 749-7800

S-iii

Table of Contents**PROSPECTUS SUMMARY**

This summary highlights information from this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein to help you understand our business and an investment in the shares of our common stock offered hereby. You should read carefully this entire prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein for a more complete understanding of this offering. For more information about important risks that you should consider before making your investment decision, you should read the Risk Factors beginning on page S-6 of this prospectus supplement and page 3 of the accompanying base prospectus, as well as the Risk Factors appearing in our most recent annual report on Form 10-K. Unless the context requires otherwise, references to Atwood Oceanics, Atwood, us, we and our mean Atwood Oceanics, Inc. together with its subsidiaries.

Atwood Oceanics, Inc.

We are a global offshore drilling contractor engaged in the drilling and completion of exploratory and developmental oil and gas wells. We currently own a diversified fleet of 10 mobile offshore drilling units located in the U.S. Gulf of Mexico, the Mediterranean Sea, offshore West Africa, offshore Southeast Asia and offshore Australia, and are constructing two ultra-deepwater drillships currently scheduled for delivery in fiscal years 2019 and 2020. We were founded in 1968 and are headquartered in Houston, Texas with support offices in Australia, Malaysia, Thailand, Singapore, Luxembourg, Mauritius, the Cayman Islands, the United Arab Emirates and the United Kingdom.

The majority of our drilling units operate outside of United States waters, and we have conducted drilling operations in most of the major offshore exploration areas of the world. In fiscal year 2016, 61% of our contract revenues were derived from foreign operations.

The following table presents our rig fleet as of January 6, 2017, all of which are wholly-owned by our subsidiaries:

| Rig Name | Rig Type | Scheduled Contract End Date⁽¹⁾ | Water Depth Rating (feet) |
|-------------------------|-----------------|--|----------------------------------|
| <i>Atwood Achiever</i> | Drillship | November 2017 | 12,000 |
| <i>Atwood Advantage</i> | Drillship | August 2017 | 12,000 |
| <i>Atwood Condor</i> | Semisubmersible | January 2017 | 10,000 |
| <i>Atwood Osprey</i> | Semisubmersible | September 2019 ⁽²⁾ | 8,200 |
| <i>Atwood Eagle</i> | Semisubmersible | N/A ⁽³⁾ | 5,000 |
| <i>Atwood Mako</i> | Jackup | N/A ⁽³⁾ | 400 |
| <i>Atwood Manta</i> | Jackup | N/A ⁽³⁾ | 400 |
| <i>Atwood Orca</i> | Jackup | N/A ⁽³⁾ | 400 |
| <i>Atwood Beacon</i> | Jackup | N/A ⁽³⁾ | 400 |
| <i>Atwood Aurora</i> | Jackup | N/A ⁽³⁾ | 350 |

(1) Does not include customer options to extend the contract, except as otherwise noted below.

(2) Current contract may extend to January 2017, followed by contract extending to March 2017. To be actively marketed from March 2017 to December 2017, followed by contract commencing January 2018.

(3) Currently idled and actively marketed.

S-1

Table of Contents

In addition to our existing drilling rigs, we have two additional ultra-deepwater drillships under construction at the Daewoo Shipbuilding and Marine Engineering Co., Ltd. construction yard in South Korea (DSME). The following table presents our current newbuild projects:

| Rig Name | Rig Type | Expected Delivery Date | Water Depth Rating (feet) |
|-----------------------|-----------------|-------------------------------|----------------------------------|
| <i>Atwood Admiral</i> | Drillship | September 30, 2019 | 12,000 |
| <i>Atwood Archer</i> | Drillship | June 30, 2020 | 12,000 |

The *Atwood Admiral* and *Atwood Archer* are DP-3 dynamically-positioned, dual derrick, ultra-deepwater drillships rated to operate in water depths up to 12,000 feet. These drillships will have enhanced technical capabilities, including two seven-ram blowout preventers, three 100-ton knuckle boom cranes, a 165-ton active heave tree-running knuckle boom crane and 200 person accommodations. We believe that we will be able to fund all additional construction costs with cash flow from operations and borrowings under our credit facility.

DSME Agreements

On December 5, 2016, we and DSME entered into an agreement providing for, among other things, (i) a delay in the requirement to take delivery of the *Atwood Admiral* until September 30, 2019, (ii) an interim payment of \$10 million to DSME on the earlier of the actual date of delivery of the *Atwood Admiral* or September 30, 2017 and (iii) an extension of the remaining milestone payment of \$83.9 million plus interest (with accrued interest being added to principal on the actual delivery date of the *Atwood Admiral*) and fees (the Final Admiral Payment Amount) until December 30, 2022. Upon delivery of the *Atwood Admiral*, our obligation to pay the Final Admiral Payment Amount will be evidenced by a promissory note, which will accrue interest at a rate of 5% and which will be secured by a first preferred ship mortgage on the *Atwood Admiral* and an assignment of related insurances. The obligations of DSME are conditioned, among other things, upon the payment of \$125 million to DSME as described below.

In addition, we and DSME entered into an agreement providing for, among other things: (i) a delay in the requirement to take delivery of the *Atwood Archer* until June 30, 2020, (ii) a payment of \$125 million to DSME, which was made on December 13, 2016 and was financed with borrowings under our credit facility, (iii) an interim payment of \$15 million on the earlier of the actual date of delivery of the *Atwood Archer* or June 30, 2018 and (iv) an extension of the remaining milestone payment of \$165 million plus interest (with accrued interest being added to principal on the actual delivery date of the *Atwood Archer*) and fees (the Final Archer Payment Amount) until December 30, 2022. Upon delivery of the *Atwood Archer*, our obligation to pay the Final Archer Payment Amount will be evidenced by a promissory note, which will accrue interest at a rate of 5% and which will be secured by a first preferred ship mortgage on the *Atwood Archer* and an assignment of related insurances.

As a result of the DSME agreements, capital expenditures with respect to our newbuilds will increase by approximately \$45 million in fiscal year 2017.

Senior Notes Transactions

From time to time, we may purchase our outstanding 6.50% Senior Notes due 2020 (the Notes) in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or we may redeem our Notes pursuant to the terms of the Notes, which transactions may be funded with available cash balances, including the net proceeds of this offering. In connection with any exchange, we may also issue common stock, issue new indebtedness (including indebtedness secured by our assets) and/or pay cash consideration. Any future purchases, exchanges or

redemptions by us will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we may

S-2

Table of Contents

choose to pursue in the future. There can be no assurance that an active trading market will exist for our outstanding Notes following any such transactions. The extent of the trading market will depend upon a number of factors, including the size of the float, the number of holders remaining at such time, and the interest in maintaining a market in the notes on the part of securities firms.

Principal Executive Offices and Internet Address

Our principal executive offices are located at 15011 Katy Freeway, Suite 800, Houston, Texas 77094, and our telephone number is (281) 749-7800. Our website is located at *www.atwd.com*. We make available our periodic reports and other information filed with or furnished to the Securities and Exchange Commission, the SEC, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus supplement or the accompanying base prospectus.

Table of Contents**THE OFFERING**

The following is a brief summary of some of the terms of this offering. This summary does not contain all of the information that is important to you. You should read this prospectus supplement and the accompanying base prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus carefully before making an investment decision. Unless we indicate otherwise or the context otherwise requires, all of the information in this prospectus supplement assumes no exercise of the underwriters' option to purchase additional shares of common stock.

| | |
|---|---|
| Common Stock Offered by Atwood | 13,500,000 shares. |
| Common Stock Outstanding after this Offering | 78,444,981 shares ⁽¹⁾ . |
| Option to Acquire Additional Shares of Common Stock | We have granted the underwriters a 30-day option to purchase up to 2,025,000 additional shares of common stock at the same price as set forth on the cover page of this prospectus supplement. |
| Use of Proceeds | We expect the net proceeds from this offering to be approximately \$ million, or approximately \$ million if the underwriters exercise their option to acquire additional shares of common stock in full, in each case after deducting the estimated underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, and any proceeds from the exercise of the underwriters' option to acquire additional shares of common stock, for general corporate purposes, which may include the repayment of borrowings under our credit facility, the funding of future purchases of our outstanding Notes, working capital and capital expenditures, and otherwise to enhance our liquidity. Please read "Use of Proceeds." |
| Dividend Policy | In February 2016, our board of directors eliminated the payment of a quarterly dividend in order to preserve liquidity. Furthermore, in March 2016, we entered into an amendment to our credit facility that, among other things, revised the restricted payments covenant under our credit facility to prohibit us from paying dividends during the term of the facility. Future reinstatement of dividends would require the amendment or waiver of such provision. In addition, the declaration and amount of any future dividends would be at the discretion of our board of directors and would depend on our financial condition, results of operations, cash flows, prospects, industry conditions, capital requirements and other factors and restrictions our board of directors deemed relevant. There can be no assurance that we will pay a dividend in the future. |

NYSE Symbol

ATW.

Risk Factors

You should consider carefully the information set forth in the section entitled "Risk Factors" beginning on page S-6 of the prospectus supplement and page 3 of the accompanying base prospectus and all other information contained or incorporated by reference in this prospectus before deciding to invest in our common stock.

⁽¹⁾ Based on 64,944,981 shares of common stock outstanding as of December 31, 2016.

S-4

Table of Contents**SUMMARY CONSOLIDATED FINANCIAL DATA**

We have derived the selected consolidated financial information as of and for the fiscal years ended September 30, 2016, 2015 and 2014 from our audited consolidated financial statements. You should read the summary historical financial data below in conjunction with our historical financial statements and the accompanying notes, which are incorporated by reference into this prospectus supplement. You should also read the sections entitled **Risk Factors** elsewhere in this prospectus supplement and the accompanying base prospectus and **Management's Discussion and Analysis of Financial Condition and Results of Operations** and **Risk Factors** included in our annual report on Form 10-K for the year ended September 30, 2016 (the **2016 Annual Report**), which is incorporated by reference into this prospectus supplement.

| (in thousands) | For the Years Ended September 30, | | |
|---|--------------------------------------|-------------------|-------------------|
| | 2016 | 2015 | 2014 |
| Statement of Operations Data: | | | |
| Operating revenues | \$ 1,020,644 | \$ 1,395,851 | \$ 1,173,953 |
| Contract drilling costs and reimbursable expenses | (406,826) | (559,165) | (562,353) |
| Depreciation | (165,669) | (171,947) | (147,358) |
| General and administrative | (50,550) | (57,229) | (61,461) |
| Asset impairment | (103,539) | (60,777) | |
| Gain (loss) on sale of equipment | (77) | (15,303) | 34,139 |
| Other, net | 299 | | 1,864 |
| Operating income | 294,282 | 531,430 | 438,784 |
| Other (expense) income | 18,473 | (52,460) | (41,491) |
| Income tax provision | (47,483) | (46,397) | (56,471) |
| Net income | \$ 265,272 | \$ 432,573 | \$ 340,822 |
| Balance Sheet Data (at end of period): | | | |
| Cash and cash equivalents | \$ 145,427 | \$ 113,983 | \$ 80,080 |
| Working capital | 343,686 | 470,487 | 330,430 |
| Net property and equipment | 4,127,696 | 4,172,132 | 3,967,028 |
| Total assets | 4,539,792 | 4,801,333 | 4,507,228 |
| Total long-term debt | 1,227,919 | 1,678,268 | 1,742,122 |
| Shareholders' equity | 3,230,386 | 2,947,170 | 2,555,524 |
| Other Financial Data: | | | |
| EBITDA ⁽¹⁾ | \$ 546,969 | \$ 703,377 | \$ 586,142 |

- (1) We define EBITDA as net income before interest expense (income), net, income taxes and depreciation. EBITDA is presented as a supplemental financial measurement in the evaluation of our business. We believe that it provides additional information regarding our performance. This measure is widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies. EBITDA is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for net income, income from operations or cash flow provided by operating activities prepared in accordance with

GAAP. EBITDA is reconciled to net income as follows:

| (in thousands) | For the Years Ended September 30, | | |
|-----------------------|--|-------------------|-------------------|
| | 2016 | 2015 | 2014 |
| Net income | \$ 265,272 | \$ 432,573 | \$ 340,822 |
| Interest expense, net | 68,545 | 52,460 | 41,491 |
| Income tax provision | 47,483 | 46,397 | 56,471 |
| Depreciation | 165,669 | 171,947 | 147,358 |
| EBITDA | \$ 546,969 | \$ 703,377 | \$ 586,142 |

S-5

Table of Contents

RISK FACTORS

An investment in our common stock involves risks. Before making an investment decision, you should carefully consider the risks described in the section titled Risk Factors, as well as those risks and other factors described in the sections titled Management's Discussion and Analysis of Financial Condition and Results of Operations and Forward-Looking Statements, in our filings with the SEC referred to under the heading Where You Can Find More Information in this prospectus supplement, including our most recent annual report on Form 10-K and other reports and documents we file with the SEC that are incorporated by reference herein, together with all of the other information included in this prospectus supplement, the accompanying base prospectus and the documents we incorporate by reference. If any of these risks were to materialize, our business, results of operations, cash flows and financial condition could be materially adversely affected. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to the Offering and Our Common Stock

The trading price for our common stock may be volatile, and you could lose all or part of your investment as a result.

You should consider an investment in our common stock to be risky and subject to significant fluctuations in market value. The trading price of our common stock could be subject to significant fluctuations in response to, among other things, the factors described in this Risk Factors section and in Item 1A, Risk Factors of our 2016 Annual Report and other factors, some of which are beyond our control. Furthermore, the equity markets have historically experienced price and volume fluctuations that have affected and continue to affect the market price of equity securities, often due to factors unrelated or disproportionate to the operating performance of the issuer of the equity securities. These broad market fluctuations, as well as general economic, systemic, political and market conditions, such as recessions, loss of investor confidence, interest rate changes or international currency fluctuations, may negatively affect the market price of our common stock. The foregoing may cause the market price for our common stock to fall and you could lose all or part of your investment as a result.

Future sales, or the perception of future sales, by us or our stockholders in the public market following this offering could cause the market price for our common stock to decline.

After this offering, the sale of a substantial number of shares of our common stock in the public market by us or our existing stockholders, or the perception that such sales could occur, could harm the prevailing market price of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell common stock in the future at a time and at a price that we deem appropriate. We may also issue shares of common stock in connection with investments, acquisitions or debt exchange transactions. The amount of shares of common stock issued in connection with any such transaction could constitute a material portion of our then-outstanding common stock and may result in additional dilution.

Because we will have broad discretion in using the net proceeds of this offering, the benefits from our use of the proceeds may not meet investors' expectations.

Our management will have broad discretion over the allocation of the net proceeds from this offering as well as over the timing of their expenditure without shareholder approval. We intend to use the net proceeds from this offering, and any proceeds from the exercise of the underwriters' option to acquire additional shares of common stock, for general corporate purposes, which may include the repayment of borrowings under our credit facility, the funding of future purchases of our outstanding Notes, working capital and capital expenditures, and otherwise to enhance our liquidity.

Investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the net proceeds of this offering. Our failure to apply these proceeds effectively could cause our business to suffer. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

S-6

Table of Contents

We do not intend to pay, and the covenants contained in our credit facility and the indenture governing our Notes include restrictions on our ability to pay, dividends on our common stock and, consequently, our stockholders only opportunity to achieve a return on their investment is if the price of our stock appreciates.

In February 2016, our board of directors eliminated the payment of a quarterly dividend in order to preserve liquidity. Furthermore, in March 2016, we entered into an amendment to our credit facility that, among other things, revised the restricted payments covenant under our credit facility to prohibit us from paying dividends during the term of the facility. Future reinstatement of dividends would require the amendment or waiver of such provision. In addition, the declaration and amount of any future dividends would be at the discretion of our board of directors and would depend on our financial condition, results of operations, cash flows, prospects, industry conditions, capital requirements and other factors and restrictions our board of directors deemed relevant. There can be no assurance that we will pay a dividend in the future. Consequently, a stockholder's only opportunity to achieve a return on its investment in us will be if the market price of our common stock appreciates as compared to the stockholder's purchase price of our shares, which may not occur, and the stockholder sells its shares at a profit. There is no guarantee that the price of our common stock will ever exceed the price that a stockholder paid.

If equity research analysts cease to publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price of shares of our common stock could decline.

The trading market for shares of our common stock relies in part on the research and reports that equity research analysts publish about us and our business. We do not control these analysts. The market price of our common stock could decline if one or more equity analysts downgrade our common stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

We are subject to the anti-takeover provisions of our constitutive documents and Texas law.

Holders of the shares of an acquisition target often receive a premium for their shares upon a change of control. Texas law and provisions of constitutive documents could have the effect of delaying or preventing a change of control and could prevent holders of our common stock from receiving such a premium. For example, Texas law prohibits us from engaging in a business combination with any shareholder for three years from the date that person became an affiliated shareholder by beneficially owning 20% or more of our outstanding common stock, in the absence of certain board of director or shareholder approvals.

In addition, under our By-laws, special meetings of shareholders may not be called by anyone other than our Board of Directors, the Chairman of the Board of Directors, our President and Chief Executive Officer, or the holders of at least 10% of the shares of our capital stock entitled to vote at such meeting.

Goldman, Sachs & Co. may waive or release the lock-up restrictions entered into in connection with this offering, which could adversely affect the price of our common stock.

In connection with this offering, we and each of our directors and executive officers have agreed to certain lock-up restrictions with respect to the sale and resale of shares of our common stock for a period of 60 days after the date of this prospectus supplement. Goldman, Sachs & Co., at any time and without notice, may release all or any portion of the common stock subject to the foregoing lock-up restrictions. If such restrictions are waived, then common stock will be available for sale into the public markets, which could cause the market price of our common stock to decline and impair our ability to raise capital.

Table of Contents

USE OF PROCEEDS

We expect the net proceeds from this offering to be approximately \$ million, or approximately \$ million if the underwriters exercise their option to acquire additional shares of common stock in full, in each case after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes, which may include the repayment of borrowings under our credit facility, the funding of future purchases of our outstanding Notes, working capital and capital expenditures, and otherwise to enhance our liquidity. We may, at any time, re-borrow amounts repaid under our credit facility, if any, subject to the terms of our credit facility.

As of December 31, 2016, we had outstanding borrowings under our credit facility of \$850.0 million and \$448.7 million aggregate principal amount of Notes outstanding, with a weighted average interest rate of approximately 4.93% per annum. The effective rate was determined after giving consideration to the effect of our interest rate swaps accounted for as hedges and the amortization of premiums or discounts. Approximately \$275 million of the commitments mature in May 2018 and approximately \$1.12 billion of the commitments under the credit facility mature in May 2019. The Notes will mature in February 2020.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and our unaudited capitalization as of September 30, 2016:

on an actual historical basis;

on an as adjusted basis to give effect to the sale of shares of common stock in this offering, assuming that the net proceeds from this offering will be held as cash.

The following table is unaudited and should be read together with our financial statements and accompanying notes incorporated by reference in this prospectus supplement.

| (in thousands) | As of September 30, 2016 | |
|--|--------------------------|---------------------|
| | Historical | As Adjusted |
| Cash and cash equivalents | \$ 145,427 | \$ |
| Long-term debt: | | |
| Senior secured revolving credit facility ⁽¹⁾ | \$ 780,000 | \$ 780,000 |
| 6.50% senior notes due 2020 | 447,919 | 447,919 |
| Total long-term debt | \$ 1,227,919 | \$ 1,227,919 |
| Shareholders equity: | | |
| Preferred stock, no par value, 1,000 shares authorized, none outstanding | | |
| Common stock, \$1.00 par value, 180,000 shares authorized, 64,799 shares issued actual, 78,299 shares issued as adjusted | \$ 64,799 | \$ |
| Paid-in capital | 237,542 | |
| Retained earnings | 2,929,839 | 2,929,839 |
| Accumulated other comprehensive income | (1,794) | (1,794) |
| Total shareholders equity | \$ 3,230,386 | \$ |
| Total capitalization | \$ 4,458,305 | \$ |

⁽¹⁾ As of December 31, 2016, \$850.0 million of borrowings were outstanding under our credit facility.

Table of Contents**PRICE RANGE OF COMMON STOCK**

Our common stock is listed and traded on the New York Stock Exchange (the NYSE) under the ticker symbol ATW. The closing price of our common stock on the NYSE on January 6, 2017 was \$13.24 per share.

Many of our stockholders hold shares electronically, all of which are owned by a nominee of DTC. We had 61 stockholders of record on January 6, 2017. This number excludes owners for whom common stock may be held in street name.

The following table presents the reported high and low sales prices per share of common stock during the periods indicated.

| | High | Low |
|---|-------------|------------|
| Fiscal Year Ended September 30, 2017 | | |
| First Quarter | \$ 15.37 | \$ 6.86 |
| Second Quarter (through January 6, 2017) | 14.07 | 12.57 |
| Fiscal Year Ended September 30, 2016 | | |
| First Quarter | \$ 19.65 | \$ 9.98 |
| Second Quarter | 11.46 | 4.82 |
| Third Quarter | 13.33 | 7.52 |
| Fourth Quarter | 13.79 | 6.12 |
| Fiscal Year Ended September 30, 2015 | | |
| First Quarter | \$ 43.85 | \$ 26.36 |
| Second Quarter | 35.24 | 26.12 |
| Third Quarter | 35.66 | 25.89 |
| Fourth Quarter | 26.50 | 14.15 |

DIVIDENDS

We paid quarterly dividends of \$0.075 per share for the first quarter of fiscal year 2016 and \$0.25 per share for each quarter of fiscal year 2015. We did not pay cash dividends historically prior to fiscal year 2015. In February 2016, our board of directors eliminated the payment of a quarterly dividend in order to preserve liquidity. Furthermore, in March 2016, we entered into an amendment to our credit facility that, among other things, revised the restricted payments covenant under our credit facility to prohibit us from paying dividends during the term of the facility. Future reinstatement of dividends would require the amendment or waiver of such provision. In addition, the declaration and amount of any future dividends would be at the discretion of our board of directors and would depend on our financial condition, results of operations, cash flows, prospects, industry conditions, capital requirements and other factors and restrictions our board of directors deemed relevant. There can be no assurance that we will pay a dividend in the future.

Tab