

Edgar Filing: TETRA TECHNOLOGIES INC - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 7, 2015, there were 80,192,311 shares outstanding of the Company’s Common Stock, \$0.01 par value per share.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

TETRA Technologies, Inc. and Subsidiaries
Consolidated Statements of Operations
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Revenues:				
Product sales	\$149,652	\$82,871	\$234,538	\$159,623
Services and rentals	166,667	159,618	332,873	295,723
Total revenues	316,319	242,489	567,411	455,346
Cost of revenues:				
Cost of product sales	105,084	76,706	168,663	141,735
Cost of services and rentals	102,307	108,301	205,391	208,239
Depreciation, amortization, and accretion	39,067	22,007	77,410	45,047
Total cost of revenues	246,458	207,014	451,464	395,021
Gross profit	69,861	35,475	115,947	60,325
General and administrative expense	37,472	32,270	72,741	65,690
Interest expense, net	12,340	4,604	25,226	9,315
Other (income) expense, net	1,941	1,095	1,927	(1,503)
Income (loss) before taxes	18,108	(2,494)	16,053	(13,177)
Provision (benefit) for income taxes	2,741	(944)	4,310	(5,537)
Net income (loss)	15,367	(1,550)	11,743	(7,640)
Less: income attributable to noncontrolling interest	(442)	(907)	(1,266)	(1,751)
Net income (loss) attributable to TETRA stockholders	\$14,925	\$(2,457)	\$10,477	\$(9,391)
Basic net income (loss) per common share:				
Net income (loss) attributable to TETRA stockholders	\$0.19	\$(0.03)	\$0.13	\$(0.12)
Average shares outstanding	79,165	78,525	79,037	78,416
Diluted net income (loss) per common share:				
Net income (loss) attributable to TETRA stockholders	\$0.19	\$(0.03)	\$0.13	\$(0.12)
Average diluted shares outstanding	79,915	78,525	79,506	78,416

See Notes to Consolidated Financial Statements

TETRA Technologies, Inc. and Subsidiaries
 Consolidated Statements of Comprehensive Income (Loss)
 (In Thousands)
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Net income (loss)	\$ 15,367	\$(1,550)) \$ 11,743	\$(7,640)
Foreign currency translation adjustment, including taxes of \$0 and \$0 in 2015 and including taxes of \$(750) and \$446 in 2014	2,358	3,244	(7,429)) 777
Comprehensive income (loss)	17,725	1,694	4,314	(6,863)
Less: comprehensive income attributable to noncontrolling interest	(442)) (907)) (1,266)) (1,751)
Comprehensive income (loss) attributable to TETRA stockholders	\$ 17,283	\$ 787	\$ 3,048	\$(8,614)

See Notes to Consolidated Financial Statements

TETRA Technologies, Inc. and Subsidiaries
 Consolidated Balance Sheets
 (In Thousands)

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$41,941	\$48,384
Restricted cash	8,697	8,721
Trade accounts receivable, net of allowances of \$5,299 in 2015 and \$2,485 in 2014	190,908	226,966
Deferred tax asset, net	351	392
Inventories	181,942	189,357
Assets held for sale	—	2,568
Prepaid expenses and other current assets	27,634	24,463
Total current assets	451,473	500,851
Property, plant, and equipment:		
Land and building	79,173	75,200
Machinery and equipment	1,359,786	1,292,734
Automobiles and trucks	51,311	57,035
Chemical plants	180,078	174,108
Construction in progress	6,894	21,483
Total property, plant, and equipment	1,677,242	1,620,560