TETRA TECHNOLOGIES INC Form 10-Q August 10, 2015

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON D.C. 20549

### FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2015

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

FOR THE TRANSITION PERIOD FROM TO

TETRA Technologies, Inc. (Exact name of registrant as specified in its charter)

Delaware (State of incorporation)

24955 Interstate 45 North The Woodlands, Texas (Address of principal executive offices) 74-2148293 (I.R.S. Employer Identification No.)

77380 (zip code)

(281) 367-1983 (Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No []

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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 [ X ] Accelerated filer [ ] Non-accelerated filer [ ] (Do not check if a 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 [ X ]

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 June 30,		Six Months Ended 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

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

	Three Months Ended June 30,		Six Months Ended June 30,		
	2015	2014	2015	2014	
Net income (loss)	\$15,367	\$(1,550	\$11,743	\$(7,640	)
Foreign currency translation adjustment, including taxes	5				
of \$0 and \$0 in 2015 and including taxes of \$(750) and	2,358	3,244	(7,429	) 777	
\$446 in 2014					
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

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# 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