

Intrepid Potash Announces Fourth Quarter and Full Year 2012 Financial Results; Provides Outlook for First Quarter and Full Year 2013; Affirms Progress on Capital Investment Program

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DENVER; Feb. 13, 2013 - Intrepid Potash Inc. (Intrepid) (NYSE:IPI) announced 2012 fourth quarter and full year results today and highlighted its progress on capital projects.

Fourth Quarter and Full Year Financial Highlights:

- * Fourth quarter average net realized sales price(1) of \$434 per ton (\$479 per metric tonne) for potash, and \$347 per ton (\$383 per metric tonne) for Trio(®)
- * Adjusted EBITDA(2) for the quarter was \$41.5 million, compared with \$45.2 million for prior year's fourth quarter
- * Quarterly net income was \$14.5 million, or \$0.19 per diluted share, compared with fourth quarter 2011 net income of \$24.9 million, or \$0.33 per diluted share
- * Adjusted net income(3) for the fourth quarter was \$19.7 million, or \$0.26 per diluted share, compared with \$21.0 million, or \$0.28 per diluted share, in the same period last year
- * Capital investment totaled \$85.8 million for the fourth quarter and \$253.0 million for the full year 2012
- * A special cash dividend of \$0.75 per share, or \$56.5 million total, was paid in December
- * Cash flows from operating activities totaled \$55.5 million, up from \$44.3 million for the fourth quarter of 2011; full year cash flows from operations were \$187.8 million, compared to \$173.9 million for 2011
- * At year end, cash, cash equivalents, and investments were \$57.7 million; there was no debt outstanding under the unsecured revolving credit facility, with \$250 million available; and the \$150 million unsecured senior notes are scheduled to fund in April 2013

(1) Average net realized sales price is an operating performance measure calculated as gross sales less freight costs, divided by the number of tons sold in the period.

(2) Adjusted earnings before interest, taxes, depreciation, and amortization (adjusted EBITDA) is a financial measure not calculated in accordance with U.S. Generally Accepted Accounting Principles (non-GAAP). See the non-GAAP reconciliations set forth later in this press release for additional information.

(3) Adjusted net income and adjusted net income per diluted share are financial measures not calculated in accordance with U.S. Generally Accepted Accounting Principles (non-GAAP). See the non-GAAP reconciliations set forth later in this press release for additional information.

"Our ability to achieve healthy financial results concurrent with successfully advancing multiple significant capital projects is a testament to the highly

skilled and dedicated team of people at Intrepid," said Bob Jornayvaz, Intrepid's Executive Chairman of the Board. "We are unwavering in our commitment to invest in our people and facilities in order to drive shareholder value through the growth of production of lower cost tons while fully participating in the North American potash market. We successfully achieved significant milestones in 2012 on each and every one of our major projects. We began pumping brine into the first evaporation pond at our HB Solar Solution mine in the fourth quarter, and the North compaction plant will come on line beginning in 2013, as expected, allowing us increased as well as more flexible production capabilities that better align with our customers' needs. We paid a special dividend in 2012 reflecting our confidence in the company, as well as in our progress toward our capital investment program."

Commenting on the market, Mr. Jornayvaz continued, "We see favorable trends in the coming year. Specifically, the high commodity prices and low stocks-to-use ratios should have farmers looking to maximize yields through a balanced fertilization approach, which remains a cornerstone to accomplish this objective. Furthermore, our diverse product offerings, marketing flexibility, geographic advantage, and strong customer relationships position us to prosper even in the face of another potentially low moisture season."

Fourth Quarter Results

Income before income taxes for the fourth quarter of 2012 was \$28.4 million compared with \$35.3 million in the fourth quarter of 2011. Adjusted net income for the fourth quarter of 2012 was \$19.7 million compared with \$21.0 million in the same period in the prior year. Although average net realized sales price decreased in the fourth quarter of 2012, Intrepid sold 20,000 more tons of potash in the fourth quarter of 2012 compared with the same period in 2011. Cash flows from operating activities were \$55.5 million for the fourth quarter of 2012 compared with \$44.3 million for the fourth quarter of 2011.

Potash

* Average net realized sales price in the fourth quarter of 2012 was \$434 per ton (\$479 per metric tonne); fourth quarter 2011 average net realized sales price was \$497 per ton (\$548 per metric tonne)

* Cash operating cost of goods sold, net of by-product credits(4), was \$180 per ton, an improvement from \$194 per ton in the fourth quarter of 2011

* Potash sales increased to 203,000 tons in the fourth quarter of 2012, from 183,000 tons in the fourth quarter of 2011

* Potash production in the fourth quarter of 2012 was 218,000 tons, compared with 197,000 tons in the same period a year ago

(4) Cash operating cost of goods sold and cash operating cost of goods sold, net of by-product credits, are operating performance measures defined as total cost of goods sold excluding royalties, depreciation, depletion, and amortization (and, if applicable, excluding by-product credits), divided by the number of tons sold in the period.

The solid potash sales volume was driven by a robust fall application season and the continued strength of customer relationships. The average net realized sales price was down \$10 per ton from the third quarter 2012.

The continued improvement in potash production was driven by the East facility, where fourth quarter potash production was the highest since the first quarter of 2011. This is a direct result of, and a solid return on, the multi-faceted long-term improvement plan. Some operating inefficiencies will result at the East facility as this work progresses, which may impact production levels and cause variability in cash operating cost of goods sold.

Cash operating cost of goods sold, net of by-product credits for potash improved to \$180 per ton in the fourth quarter of 2012 from \$194 per ton in the fourth quarter of 2011. Cash operating cost of goods sold increased sequentially from

the third quarter of 2012, reflecting some of the normal quarter-to-quarter fluctuations that exist due to the mix of production and sales from each of the individual facilities. Each facility has a different per ton cost of goods sold result with the Utah operations having the lowest as they benefit from the cost-effective combination of solution mining and solar evaporation. This underscores the expectation for producing lower cost tons from the HB Solar Solution mine as it begins to contribute meaningfully to production levels in 2014.

Langbeinite - Trio(®)

* Average net realized sales price for langbeinite, which is marketed as Trio(®), was \$347 per ton (\$383 per metric tonne), compared with \$287 per ton (\$316 per metric tonne) in the fourth quarter of 2011

* Cash operating cost of goods sold was \$211 per ton, compared with \$187 per ton in the same quarter of 2011

* Trio(®) sales increased to 43,000 tons in the fourth quarter of 2012 from 28,000 tons for the same period in the prior year

* Langbeinite production was 34,000 tons in the fourth quarter of 2012 and 31,000 tons in the fourth quarter of 2011

In the fourth quarter of 2012, the average net realized sales price for Trio(®) of \$347 per ton was a sequential increase of \$11 per ton from the third quarter of 2012. Compared with the prior year's fourth quarter the average net realized sales price was up \$60 per ton. This upward pricing trend highlights the value of Trio(®), specifically, the value of the magnesium and sulfate components contained in this specialty product.

Pricing and demand for Trio(®) remain strong as evidenced by the 43,000 tons sold in the fourth quarter of 2012, an increase from the 28,000 tons sold in the prior year's fourth quarter and the 27,000 tons sold in the third quarter of 2012. As demand remains in excess of current production levels, all of Intrepid's Trio(®) inventory and anticipated 2013 production is expected to be sold in the current year.

Langbeinite production increased slightly from the same period last year, and came in line with expected results. Intrepid continues to focus on the execution of the previously announced East facility long-term improvement plan. Specific modifications to the langbeinite portion of the plant were installed recently and continue to be commissioned together with the rest of the dense media separation section of the plant.

Cash operating cost of goods sold for Trio(®) was \$211 per ton in the fourth quarter of 2012 and \$187 per ton in the fourth quarter of 2011. Cash operating cost of goods sold continues to be impacted by the production levels from the facility. The long-term improvement plan and commissioning activities are expected to increase operating efficiencies and are expected to result in incremental production and an associated improvement in per ton cash operating cost of goods sold.

Income Taxes

During the fourth quarter of 2012, Intrepid decreased the estimate of its future state income tax rate resulting in a decrease in the value of the deferred income tax asset and an increase in deferred income tax expense of approximately \$5.3 million, or \$0.07 per diluted share. There was a state income tax adjustment, for similar reasons, resulting in a tax benefit in the third quarter of 2012 of \$4.3 million, or \$0.06 per diluted share, making the net result for the full year an additional tax expense of \$1.0 million, or \$0.01 per diluted share.

During the fourth quarter of 2011, Intrepid recorded a deferred tax benefit of \$3.7 million, or \$0.05 per diluted share, also as a result of adjustments to the aggregate state tax rate.

Dividends

In the fourth quarter, Intrepid declared and paid a special cash dividend of \$0.75 per share, or \$56.5 million.

Market Conditions

The fall application season was in line with expectations and suggests good overall potash demand across North America for the upcoming growing season.

Macro trends including below-average yields for the past crop year have tightened stocks-to-use ratios. The result has been historically strong commodity prices for corn, soybeans, and other crops. The belief is that, on average, farmer cash flows from the 2012 growing season were above average due to these higher commodity prices and the benefit of crop insurance. In the upcoming growing season, Intrepid anticipates that farmers will seek to maximize yields to take advantage of the strong profit potential in front of them.

Dealers continue to manage risk by timing fertilizer purchases to meet downstream demand. They are utilizing just-in-time ordering as they seek additional clarity on spring demand from the farm gate. As such, it is a challenge to predict timing of sales and Intrepid's quarterly results may be impacted by this volatility. Intrepid's focus is on the overall delivery of product over the course of the full application seasons and less on the specific monthly timing within the season.

The diversity of the markets served by Intrepid continues to provide a strategic advantage with the feed and industrial markets remaining relatively steady contributors to the overall sales mix.

Capital Investment

In the full year of 2012, capital investments totaled \$253.0 million. The strategic capital projects, which are designed to provide the opportunity to increase profitability and cash flows from the production of incremental lower cost tons, continued to progress within expectations.

HB Solar Solution Mine

Construction of the HB Solar Solution mine in Carlsbad, New Mexico, continues to progress. In November 2012, Intrepid achieved a significant milestone when it began pumping potash-enriched brine into the first new solar evaporation pond. Also during the fourth quarter, the mill design was finalized and construction began with concrete pours for the mill foundation. These are major events keeping the original project timeline intact with the first production expected to occur in the fourth quarter of 2013 at the conclusion of the evaporation season and completion of mill construction. The total investment is now anticipated to be in the range of \$225 to \$245 million, which accounts for improvements made to the mill design as well as capital to add additional brine water supply wells. Intrepid believes that these improvements will better ensure the long-term reliability, operating efficiency and predictability of its HB Solar Solution mine. As of December 31, 2012, total capital invested in this project was \$128.3 million.

North Compaction Project

Construction of the North compaction project in Carlsbad, New Mexico, began in the second quarter of 2012. This project upgrades the granulation facility and increases its capacity to handle the anticipated production from the HB Solar Solution mine and the expansion of the West facility. Construction remains on schedule with concrete and steel erection work substantially complete and most major equipment in place including the compactors. Total capital investment for the project is still expected to be approximately \$95 to \$100 million, of which approximately \$55.4 million was invested as of the end of 2012. The North compaction facility is expected to have its first and second lines operational in 2013 with the third line becoming operational early in 2014. The first and second lines are designed to handle all of the expected production in 2013.

Moab Cavern System

The addition of new solution mining caverns at the Moab, Utah facility continued during the fourth quarter. The second cavern system has been put into service and development of the third cavern system began in early 2013. These additional horizontal cavern systems are expected to benefit the Moab operations beginning with the 2013 evaporation season. The capital investment associated with the third cavern is expected to be in the range of \$20 to \$30 million, the majority of which will be invested during 2013.

2013 Outlook

Intrepid's outlook for the first quarter and full year 2013 is presented below. This information is the best estimate at the current time and will be impacted by actual market conditions, results of operations, and production results. Outlook information for capital investment is provided on a full year basis only.

Three Months Ended Year Ended

March 31, 2013 December 31, 2013

Potash

Production (tons) 200,000 - 215,000 850,000 - 880,000

Sales (tons) 170,000 - 200,000 850,000 - 870,000

Cash COGS, net of by-product
credit (\$/ton) \$185 - \$195 \$170 - \$190

Total COGS (\$/ton) \$245 - \$255 \$240 - \$260

Trio(®)

Production (tons) 35,000 - 45,000 150,000 - 180,000

Sales (tons) 25,000 - 35,000 150,000 - 175,000

Cash COGS (\$/ton) \$175 - \$190 \$175 - \$190

Total COGS (\$/ton) \$255 - \$270 \$240 - \$280

Other

Selling and Administrative \$8 - \$10 million \$37 - \$39 million

Capital Investment Not Provided Quarterly \$235 - \$285 million

Dave Honeyfield, President and Chief Financial Officer commented on the outlook, "We are committed to investing appropriate levels of capital to achieve our goal of producing incremental tons at meaningfully lower cash costs. We take a disciplined approach to investing capital and extensively manage and review all of our projects underway and in our project pipeline." Mr. Honeyfield noted that the capital investment plan for 2013 includes investments to complete the construction of the HB Solar Solution mine; the North compaction facility; the third mining cavern system in Moab; approximately \$50 million in smaller

opportunity projects that are geared towards recovery and capacity enhancements; and approximately \$50 million of sustaining capital investments. The 2013 capital program is expected to be funded out of cash flow, existing cash and investments, proceeds from the unsecured senior notes funding in April 2013, and possible minimal utilization of the unsecured credit facility prior to the funding of the senior notes.

Notes

Adjusted net income, adjusted net income per diluted share, and adjusted EBITDA are non-GAAP financial measures. Reconciliations of these measures to the most directly comparable U.S. GAAP measures are included in the tables at the end of this release. Average net realized sales price, cash operating cost of goods sold, and cash operating cost of goods sold net of by-product credits are operating measures. Definitions of these measures are included in the footnotes in this release.

Unless expressly stated otherwise or the context otherwise requires, references to "tons" in this press release refer to short tons. One short ton equals 2,000 pounds. One metric tonne, which many international competitors use, equals 1,000 kilograms or 2,204.62 pounds.

Conference Call Information

The conference call to discuss fourth quarter and full year 2012 results is scheduled for Thursday, February 14, 2013, at 8:00 a.m. MT (10:00 a.m. ET). The call participation number is (800) 319-4610. A recording of the conference call will be available two hours after the completion of the call at (800) 319-6413.

International participants can dial (631) 982-4565 to take part in the conference call and can access a replay of the call at (412) 317-0088. The replay of the call will require the input of the conference identification number 763324. The call will also be streamed on the Intrepid website, www.intrepidpotash.com. In addition, the press release announcing fourth quarter and full year 2012 results will be available on the Intrepid website before the call under "Investor Relations - Press Releases." An audio recording of the conference call will be available at www.intrepidpotash.com through March 14, 2013.

About Intrepid

Intrepid (NYSE: IPI) is the largest producer of potash in the U.S. and is dedicated to the production and marketing of potash and Trio®), a product produced from langbeinite ore. Intrepid owns five active potash production facilities - three in New Mexico and two in Utah. The HB Solar Solution mine, which is currently under construction, will increase the number of our active potash production facilities to six.

We routinely post important information about our business, including information about upcoming investor presentations, on our website under the Investor Relations tab. We encourage our investors and other interested parties to enroll on our website to receive automatic email alerts or Really Simple Syndication (RSS) feeds regarding new postings. Our website address is www.intrepidpotash.com.

Forward-looking Statements

This document contains forward-looking statements - that is, statements about future, not past, events. The forward-looking statements in this document often relate to our future performance and management's expectations for the future, including statements about our financial outlook. These statements are based on assumptions that we believe are reasonable. Forward-looking statements by their nature address matters that are uncertain. For us, the particular uncertainties that could cause our actual results to be materially different from our forward-looking statements include the following:

- * changes in the price, demand, or supply of potash or Trio®/langbeinite
- * circumstances that disrupt or limit our production, including operational

difficulties or operational variances due to geological or geotechnical variances

* interruptions in rail or truck transportation services, or fluctuations in the costs of these services

* increased labor costs or difficulties in hiring and retaining qualified employees and contractors, including workers with mining, mineral processing or construction expertise

* the costs of, and our ability to successfully construct, commission and execute, our strategic projects, including the development of our HB Solar Solution mine, the further development of our langbeinite recovery and granulation assets, our North granulation plant, and our Moab cavern systems

* adverse weather events, including events affecting evaporation rates at our solar solution mines

* changes in the prices of raw materials, including chemicals, natural gas, and power

* the impact of federal, state, or local government regulations, including environmental and mining regulations, the enforcement of those regulations, and government policy changes

* our ability to obtain any necessary government permits relating to the construction and operation of assets

* changes in our reserve estimates

* competition in the fertilizer industry

* declines in U.S. or world agricultural production

* declines in the use of potash products by oil and gas companies in their drilling operations

* changes in economic conditions

* our ability to comply with covenants in our debt-related agreements to avoid a default under those agreements

* disruption in the credit markets

* our ability to secure additional federal and state potash leases to expand our existing mining operations

* the other risks and uncertainties described in our periodic filings with the U.S. Securities and Exchange Commission

All information in this document speaks as of February 13, 2013. New information or events after that date may cause our forward-looking statements in this document to change. We have no duty to update or revise publicly any forward-looking statements to conform the statements to actual results or to reflect new information or future events.

INTREPID POTASH, INC.

SELECTED OPERATIONS DATA (UNAUDITED)

FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011

Three Months Ended

December 31, Year ended December 31,

2012 2011 2012 2011

Production volume (in thousands of tons):

Potash 218 197 796 813

Langbeinite 34 31 131 141

Sales volume (in thousands of tons):

Potash 203 183 839 793

Trio(®) 43 28 125 173

Gross sales (in thousands):

Potash	\$ 93,654	\$ 94,706	\$ 402,382	\$ 392,331
Trio(®)	17,285	9,897	48,934	50,623
Total	110,939	104,603	451,316	442,954

Freight costs (in thousands):

Potash	5,529	4,124	21,396	18,470
Trio(®)	2,351	1,895	7,768	9,869
Total	7,880	6,019	29,164	28,339

Net sales (in thousands):

Potash	88,125	90,582	380,986	373,861
Trio(®)	14,934	8,002	41,166	40,754
Total	\$ 103,059	\$ 98,584	\$ 422,152	\$ 414,615

Potash statistics (per ton):

Average net realized sales price \$ 434 \$ 497 \$ 454 \$ 472

Cash operating cost of goods sold, net of by-product credits* (exclusive of items shown separately below) 180 194 180 173

Depreciation, depletion, and amortization 43 39 43 33

Royalties 17 18 17 17

Total potash cost of goods sold \$ 240 \$ 251 \$ 240 \$ 223

Warehousing and handling costs 18 16 15 14

Average potash gross margin (exclusive of costs associated with abnormal production) \$ 176 \$ 230 \$ 199 \$ 235

Trio(®) statistics (per ton):

Average net
realized sales price \$ 347 \$ 287 \$ 329 \$ 236

Cash operating cost
of goods sold
(exclusive of
items shown separately
below) 211 187 209 176

Depreciation,
depletion, and
amortization 65 27 61 22

Royalties 17 14 16 12

Total Trio(®)
cost of goods sold \$ 293 \$ 228 \$ 286 \$ 210

Warehousing and
handling costs 17 17 16 15

Average Trio(®)
gross margin (exclusive
of costs associated
with
abnormal production) \$ 37 \$ 42 \$ 27 \$ 11

* On a per ton basis, by-product credits were \$9 and \$11 for the fourth quarter of 2012, and 2011, respectively. By-product credits were \$1.9 million and \$2.0 million for the fourth quarter of 2012, and 2011, respectively. On a per ton basis, by-product credits were \$8 for both the year ended December 31, 2012, and 2011. By-product credits were \$6.5 million and \$6.0 million for the year ended December 31, 2012, and 2011, respectively.

INTREPID POTASH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011
(In thousands, except share and per share amounts)

Three Months Ended December
31, Year Ended December 31,

2012 2011 2012 2011

Sales \$ 110,939 \$ 104,603 \$ 451,316 \$ 442,954

Less:

Freight costs 7,880 6,019 29,164 28,339

Warehousing and
handling costs 4,363 3,410 14,966 14,027

Cost of goods
sold 61,453 52,413 236,480 213,670

Other 60 3 568 698

Gross Margin 37,183 42,758 170,138 186,220

Selling and
administrative 8,744 7,673 33,750 31,807

Accretion of asset retirement obligation	181	184	724	750
Insurance settlements income from				
property and business losses	-	-	-	(12,500)
Other expense (income)	123	90	263	(7,714)
Operating Income	28,135	34,811	135,401	173,877

Other Income (Expense)

Interest expense, including realized

and unrealized derivative gains and losses (216) (192) (905) (869)

Interest income 317 499 1,843 1,730

Other income 175 183 588 523

Income Before Income Taxes 28,411 35,301 136,927 175,261

Income Tax Expense (13,874) (10,384) (49,484) (65,850)

Net Income \$ 14,537 \$ 24,917 \$ 87,443 \$ 109,411

Weighted Average Shares Outstanding:

Basic	75,300,628	75,203,865	75,276,609	75,180,714
Diluted	75,371,295	75,291,162	75,336,982	75,281,050

Earnings Per Share:

Basic	\$ 0.19	\$ 0.33	\$ 1.16	\$ 1.46
Diluted	\$ 0.19	\$ 0.33	\$ 1.16	\$ 1.45

INTREPID POTASH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
AS OF DECEMBER 31, 2012 AND 2011
(In thousands, except share and per share amounts)

December 31,

2012 2011

ASSETS

Cash and cash equivalents \$ 33,619 \$ 73,372

Short-term investments 24,128 97,242

Accounts receivable:

Trade, net 31,508 29,304

Other receivables 9,122 6,898

Refundable income taxes 3,306 4,493

Inventory, net 53,275 55,390

Prepaid expenses and other current assets 5,393 5,015

Current deferred tax asset 2,005 4,931

Total current assets 162,356 276,645

Property, plant, and equipment, net of accumulated depreciation

of \$142,137 and \$98,654, respectively 543,169 387,423

Mineral properties and development costs, net of accumulated

depletion of \$11,060 and \$9,773, respectively 94,096 33,482

Long-term parts inventory, net 10,208 9,559

Long-term investments - 6,180

Other assets 4,246 3,949

Non-current deferred tax asset 180,548 215,632

Total Assets \$ 994,623 \$ 932,870

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable:

Trade \$ 19,431 \$ 20,900

Related parties 203 134

Accrued liabilities 32,496 14,795

Accrued employee compensation and benefits 11,680 12,370

Other current liabilities 3,578 1,476

Total current liabilities 67,388 49,675

Asset retirement obligation 19,344 9,708

Other non-current liabilities 2,155 2,354

Total Liabilities 88,887 61,737

Commitments and Contingencies

Common stock, \$0.001 par value; 100,000,000 shares

authorized; and 75,312,805 and 75,207,533
shares

outstanding at December 31, 2012 and 2011,
respectively 75 75

Additional paid-in capital 568,375 564,285

Accumulated other comprehensive loss (1,729) (1,431)

Retained earnings 339,015 308,204

Total Stockholders' Equity 905,736 871,133

Total Liabilities and Stockholders' Equity \$ 994,623 \$ 932,870

INTREPID POTASH, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011 (In thousands)

Three Months Ended
December 31, Year Ended December 31,

2012 2011 2012 2011

Cash Flows from Operating Activities:

Reconciliation of net
income to net cash
provided
by operating
activities:

Net income \$ 14,537 \$ 24,917 \$ 87,443 \$ 109,411

Deferred income taxes 9,423 6,414 38,011 49,028

Insurance settlements
income from property
and business
losses - - - (12,500)

Items not affecting cash:

Depreciation,
depletion, and accretion 12,872 9,744 47,599 35,787

Stock-based
compensation 1,438 1,208 5,116 4,984

Unrealized derivative
gain (280) (376) (1,049) (1,289)

Other 888 955 3,827 2,520

Changes in operating
assets and liabilities:

Trade accounts
receivable 16,287 4,858 (2,204) (5,537)

Other receivables 537 4,091 (2,223) (5,743)

Refundable income
taxes (3,306) 2,603 1,187 2,051

Inventory 475 (2,738) 1,464 (9,734)

Prepaid expenses and
other assets 1,303 1,924 (378) 1,383

Accounts payable,
accrued liabilities, and
accrued employee
compensation and benefits 608 (8,018) 7,324 5,225

Other liabilities 732 (1,325) 1,717 (1,717)

Net cash provided by
operating activities 55,514 44,257 187,834 173,869

Cash Flows from Investing
Activities:

Additions to property,
plant, and equipment (69,895) (34,764) (192,949) (135,700)

Additions to mineral
properties
and development
costs (16,479) (634) (53,457) (1,414)

Proceeds from
insurance settlements
from property and
business losses - - - 806

Purchases of
investments (2,034) (23,671) (85,359) (102,031)

Proceeds from
investments 68,084 20,758 161,580 63,537

Other - - 2 -

Net cash used in
investing activities (20,324) (38,311) (170,183) (174,802)

Cash Flows from Financing
Activities:

Cash paid for common
stock dividend (56,474) - (56,474) -

Debt issuance costs (80) - (141) (1,454)

Employee tax
withholding paid for
restricted stock
upon vesting (132) (40) (878) (1,117)

Excess income tax
benefit from
stock-based
compensation - (21) 55 413

Proceeds from exercise
of stock options - - 34 330

Net cash used in
financing activities (56,686) (61) (57,404) (1,828)

Net Change in Cash and
Cash Equivalents (21,496) 5,885 (39,753) (2,761)

Cash and Cash
Equivalents, beginning of
period 55,115 67,487 73,372 76,133

Cash and Cash
Equivalents, end of
period \$ 33,619 \$ 73,372 \$ 33,619 \$ 73,372

Supplemental disclosure
of cash flow information

Net cash paid during the
period for:

Interest, including
settlements on
derivatives \$ 484 \$ 183 \$ 1,840 \$ 1,348

Income taxes \$ 7,217 \$ 895 \$ 8,379 \$ 13,878

Accrued purchases for
property, plant, and
equipment, and mineral
properties and
development costs \$ 23,963 \$ 17,350 \$ 23,963 \$ 17,350

INTREPID POTASH, INC.
UNAUDITED NON-GAAP ADJUSTED NET INCOME AND
ADJUSTED NET INCOME PER DILUTED SHARE RECONCILIATIONS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011
(In thousands)

Adjusted net income and adjusted net income per diluted share are non-GAAP
financial measures that are calculated as net income or earnings per diluted
share adjusted for certain items that impact comparability of results from
period to period including, among other items, insurance settlements from

property and business losses, a portion of the income associated with the refundable employment-related credits from the State of New Mexico, non-cash unrealized gains or losses associated with derivative adjustments, and the effect of changes to Intrepid's state income tax rates on the value of its net deferred tax asset. Management believes that the presentation of adjusted net income and adjusted net income per diluted share provides useful additional information to investors for analysis of Intrepid's fundamental business on a recurring basis. In addition, management believes that the concept of adjusted net income and adjusted net income per diluted share are widely used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in the potash mining industry, and many investors use the published research of industry research analysts in making investment decisions.

Adjusted net income and adjusted net income per diluted share should not be considered in isolation or as a substitute for net income or earnings per diluted share, income from operations, cash provided by operating activities or other income, profitability, cash flow, or liquidity measures prepared under U.S. GAAP. Because adjusted net income and adjusted net income per diluted share exclude some but not all items that affect net income and may vary among companies, the adjusted net income and adjusted net income per diluted share amounts presented may not be comparable to similarly titled measures of other companies. The following are reconciliations of adjusted net income to net income and adjusted net income per diluted share to earnings per diluted share, respectively, which are the most directly comparable U.S. GAAP measures:

ADJUSTED NET INCOME:

Three Months Ended

December 31, Year Ended December 31,

	2012	2011	2012	2011
Net Income	\$ 14,537	\$ 24,917	\$ 87,443	\$ 109,411

Adjustments

Insurance settlements
income from

property and business
losses - - - (12,500)

Income associated with

New Mexico refundable
employment related
credit** - - - (7,922)

Unrealized derivative
gain (280) (376) (1,049) (1,289)

Other 60 3 568 698

Calculated income tax
effect* 78 148 170 8,342

Change in blended
state tax rate

to value deferred
income tax asset 5,271 (3,699) 981 (3,699)

Total adjustments 5,129 (3,924) 670 (16,370)

Adjusted Net Income \$ 19,666 \$ 20,993 \$ 88,113 \$ 93,041

* Estimated annual effective tax rate of 35.4% for 2012 and 39.7% for 2011.

** Included in "Other operating
(income) loss" line item.

ADJUSTED NET INCOME PER DILUTED SHARE:

Three Months Ended Year Ended December
December 31, 31,

2012 2011 2012 2011

Earnings Per Diluted Share 0.19 0.33 1.16 1.45

Adjustments

Insurance settlements income
from

property and business losses - - - (0.17)

Income associated with
New Mexico refundable

employment-related credit - - - (0.11)

Unrealized derivative gain - - (0.01) (0.02)

Other - - 0.01 0.01

Calculated income tax effect - - - 0.11

Change in blended state tax rate

to value deferred income tax
asset 0.07 (0.05) 0.01 (0.05)

Total adjustments 0.07 (0.05) 0.01 (0.23)

Adjusted Net Income Per Diluted
Share \$ 0.26 \$ 0.28 \$ 1.17 \$ 1.22

INTREPID POTASH, INC.
UNAUDITED NON-GAAP ADJUSTED EBITDA RECONCILIATIONS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011
(In thousands)

Adjusted earnings before interest, taxes, depreciation, and amortization (or
adjusted EBITDA) is a non-GAAP financial measure that is calculated as net

income adjusted for the add back of interest expense (including derivatives), income tax expense, depreciation, depletion, and amortization, and asset retirement obligation accretion. Management believes that the presentation of adjusted EBITDA assists investors and analysts in comparing Intrepid's performance across reporting periods on a consistent basis by excluding items that management does not believe are indicative of the Company's core operating performance. Intrepid uses adjusted EBITDA as one of the tools to evaluate the effectiveness of its business strategies. In addition, adjusted EBITDA is widely used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in the potash mining industry, and many investors use the published research of industry research analysts in making investment decisions.

Adjusted EBITDA should not be considered in isolation or as a substitute for performance or liquidity measures calculated in accordance with U.S. GAAP. Because adjusted EBITDA excludes some but not all items that affect net income and net cash provided by operating activities and may vary among companies, the adjusted EBITDA amounts presented may not be comparable to similarly titled measures of other companies. The following is a reconciliation of adjusted EBITDA to net income, which is the most directly comparable U.S. GAAP measure:

Three Months Ended

December 31, Year Ended December 31,

2012 2011 2012 2011

Net Income \$ 14,537 \$ 24,917 \$ 87,443 \$ 109,411

Interest expense,
including realized and

unrealized derivative
gains and losses 216 192 905 869

Income tax expense 13,874 10,384 49,484 65,850

Depreciation, depletion,
amortization, and
accretion 12,872 9,744 47,599 35,787

Total adjustments 26,962 20,320 97,988 102,506

Adjusted Earnings Before
Interest, Taxes,
Depreciation,

and Amortization \$ 41,499 \$ 45,237 \$ 185,431 \$ 211,917

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