

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 31, 2014

# Trecora Resources

(Exact name of registrant as specified in its charter)

Delaware  
(State or jurisdiction of  
incorporation or organization)

1-33926  
(Commission File Number)

75-1256622  
(I.R.S. Employer  
Identification No.)

1650 Hwy 6 South, Suite 190  
Sugar Land, Texas 77478  
(Address of principal executive offices)

(409) 385-8300  
(Registrant's telephone number, including area code)

(Arabian American Development Company)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

The information regarding the results of operations and financial condition of Trecora Resources (the "Company") for the second quarter ended June 30, 2014, responsive to this Item 2.02, and contained in Exhibit 99.1 filed herewith, is incorporated into this Item 2.02 by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 7.01 Regulation FD Disclosure.**

In accordance with General Instruction B.2 to Form 8-K, the following information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Trecora Resources (the "Company"), a leading provider of high purity specialty chemicals, will present via live web cast its fiscal 2014 second quarter financial results on Thursday, July 31, 2014 at 4:30 p.m. ET. The call can be accessed via the internet live or as a replay. Those who would like to listen to the call may access the webcast by going to the investor relations section of the Company's web site at <http://www.trecora.com/> or by using this link: <http://public.viavid.com/index.php?id=110113>, or by dialing 1-888-427-9419 or 1-719-325-2177 if calling internationally. An archived version of the conference call webcast will be available for replay at the link above approximately three hours following its conclusion. To listen to the playback, please call 1-877-870-5176 if calling within the United States or 1-858-384-5517 if calling internationally. Use pin number 5953598 for the replay.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The following documents are filed herewith:

**Exhibit**

<b>Number</b>	<b>Description</b>
99.1	Press Release, dated July 31, 2014.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following person on behalf of the Company in the capacities indicated on July 31, 2014.

**Signature**  
**/s/ Connie Cook**  
Connie Cook

**Title**  
Chief Financial Officer  
(principal financial and accounting officer)

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## **Trecora Resources Releases Second Quarter 2014 Results**

- Revenue up 33.2% to \$74.6 million
- Volume increased 32.0% to 20.7 million gallons
- Earnings Call to be Held Today at 4:30 pm EDT

SUGAR LAND, Texas, July 31, 2014 /PRNewswire/ -- Trecora Resources (NYSE:TREC), a leading provider of high purity, specialty chemicals and minority owner of Al Masane Al Kobra Mining Co. ("AMAK"), released their financial results for the second quarter ended June 30, 2014.

"The strength that we experienced in the 1<sup>st</sup> quarter continued into the 2<sup>nd</sup> quarter driven by record revenue and volume trends at South Hampton Resources," said Nick Carter, Chief Executive Officer and President of Trecora. "Our Operating Income and Adjusted EBITDA results were also at record levels aided by higher gross margins. AMAK, the Saudi Arabian mining company in which we hold a 35% equity investment, experienced a doubling in revenues; however, lower average metal prices and higher overhead costs prevented AMAK from contributing to Trecora's profitability."

### **Financial Results**

Revenue was a record for the second quarter at \$74.6 million, a 33.2% increase from the \$56.0 million in the second quarter of 2013.

Volume was also a record for the quarter at 20.7 million gallons, a 32.0% increase from 15.7 million gallons for the second quarter of 2013.

Gross profit for the quarter was \$11.7 million compared to \$8.6 million in the same quarter last year. Gross profit margin for the quarter was 15.7% compared to 15.3% for the second quarter 2013 and up from 13.6% for the first quarter of 2014.

Net income for Trecora Resources in the second quarter 2014 was \$5.0 million, or \$0.20 per diluted share compared to \$6.3 million or \$0.26 per diluted share in the second quarter of 2013. During the second quarter of 2013 a gain of approximately \$4.0 million was recorded for the additional equity issuance by AMAK. During 2014 no such gain was recorded. This contributed to the decline in earnings per share. Operating Income increased 48.7% to \$7.4 million in the second quarter reflecting the strength at South Hampton Resources.

EBITDA for the second quarter was \$8.4 million compared to \$10.6 million for second quarter of 2013. Adjusted EBITDA, which removes the effects of AMAK for comparative purposes, for the second quarter of 2014 was \$8.4 million compared to \$5.9 million in 2013.

Cash at the end of the quarter was \$6.4 million compared to \$7.6 million as of December 31, 2013. Cash provided by operations during the quarter was \$6.0 million, cash used by investing activities was \$3.6 million and cash used by financing was \$3.6 million during the second quarter. During the quarter we made net principal payments of \$3.0 million on our line of credit and made a standard payments totaling \$700,000 on our term loan.

### **Earnings Call**

The conference call and presentation slides will be simulcast live on the Internet, and can be accessed by going to the investor relations section of the Company's web site at <http://www.trecora.com/> or by using this link: <http://public.viaavid.com/index.php?id=110113>. A replay of the call will also be available through the same link.

To participate via telephone, callers should dial in five to ten minutes prior to the 4:30 pm Eastern start time; domestic callers (U.S. and Canada) should call 1-888-427-9419 or 1-719-325-2177 if calling internationally. To listen to the playback, please call 1-877-870-5176 if calling within the United States or 1-858-384-5517 if calling internationally. Use pin number 5953598 for the replay.

### **Use of Non-GAAP Measures**

The Company reports its financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). This press release contains the non-GAAP measures: EBITDA and Adjusted EBITDA. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

### **Forward-Looking Statements**

Statements in this press release that are not historical facts are forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements are based upon our belief, as well as, assumptions made by and information currently available to us. Because such statements are based upon expectations as to future economic performance and are not statements of fact, actual results may differ from those projected. These risks, as well

as others, are discussed in greater detail in Trecora Resources' filings with the Securities and Exchange Commission, including Trecora Resources' Annual Report on Form 10-K for the year ended December 31, 2013, and the Company's subsequent Quarterly Reports on Form 10-Q. All forward-looking statements included in this press release are based upon information available to the Company as of the date of this press release.

## About Trecora Resources (TREC)

TREC owns and operates a petrochemical facility located in southeast Texas, just north of Beaumont which specializes in high purity petrochemical solvents and other solvent type manufacturing. The Company is also the original developer and a 35% owner of Al Masane Al Kobra Mining Co., a Saudi Arabian joint stock company.

### Company Contact:

Nick Carter, President and Chief Executive Officer  
(409) 385-8300  
ncarter@trecora.com

### Investor Relations Contact:

Jeffery Fowlds  
Genesis Select  
(303) 415-0200  
jfowlds@genesisselect.com

## TRECORA RESOURCES AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	JUNE 30, <u>2014</u> (unaudited)	DECEMBER 31, <u>2013</u>
	<i>(thousands of dollars)</i>	
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,379	\$ 7,608
Trade receivables, net	28,176	22,069
Advance to AMAK	-	536
Inventories	11,702	12,063
Prepaid expenses and other assets	2,269	2,075
Contractual based intangible assets, net	-	104
Taxes receivable	-	571
Deferred income taxes	<u>1,113</u>	<u>1,324</u>
Total current assets	49,639	46,350
 <b>Plant, pipeline and equipment, net</b>	 43,222	 41,925
 <b>Investment in AMAK</b>	 53,751	 54,095
<b>Mineral properties in the United States</b>	588	588
<b>Other assets</b>	<u>586</u>	<u>709</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 147,786</u>	 <u>\$ 143,667</u>
<b><u>LIABILITIES</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,006	\$ 7,362
Accrued interest	80	102
Current portion of derivative instruments	215	292
Accrued liabilities	4,338	3,060
Accrued liabilities in Saudi Arabia	140	140
Current portion of post-retirement benefit	282	278
Current portion of long-term debt	1,400	1,400
Current portion of other liabilities	<u>1,425</u>	<u>1,654</u>
Total current liabilities	14,886	14,288
 <b>Long-term debt, net of current portion</b>	 8,139	 11,839
<b>Post-retirement benefit, net of current portion</b>	649	649
<b>Derivative instruments, net of current portion</b>	251	319
<b>Other liabilities, net of current portion</b>	775	1,369
<b>Deferred income taxes</b>	<u>11,141</u>	<u>11,984</u>
<b>Total liabilities</b>	<u>35,841</u>	<u>40,448</u>

## EQUITY

**Common stock**—authorized 40 million shares of \$.10 par value; issued and outstanding 23.9 million

and 23.8 million shares in 2014 and 2013, respectively

	2,386	2,383
<b>Additional paid-in capital</b>	47,125	46,064
<b>Accumulated other comprehensive loss</b>	(303)	(366)
<b>Retained earnings</b>	<u>62,448</u>	<u>54,849</u>
Total Trecora Resources Stockholders' Equity	111,656	102,930
Noncontrolling Interest	<u>289</u>	<u>289</u>
<b>Total equity</b>	<u>111,945</u>	<u>103,219</u>

**TOTAL LIABILITIES AND EQUITY**

\$ 147,786      \$ 143,667

**TRECORA RESOURCES AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

	<b>THREE MONTHS ENDED JUNE 30,</b>		<b>SIX MONTHS ENDED JUNE 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<i>(thousands of dollars)</i>			
<b>REVENUES</b>				
Petrochemical Product Sales	\$ 72,842	\$ 54,762	\$ 135,234	\$ 106,382
Processing Fees	<u>1,711</u>	<u>1,213</u>	<u>3,419</u>	<u>2,338</u>
	74,553	55,975	138,653	108,720
<b>OPERATING COSTS AND EXPENSES</b>				
Cost of Sales and Processing (including depreciation of \$868, \$838, \$1,733, and \$1,663, respectively)	<u>62,853</u>	<u>47,408</u>	<u>118,239</u>	<u>93,474</u>
<b>GROSS PROFIT</b>	11,700	8,567	20,414	15,246
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
General and Administrative	4,154	3,452	8,343	6,957
Depreciation	<u>136</u>	<u>131</u>	<u>275</u>	<u>260</u>
	<u>4,290</u>	<u>3,583</u>	<u>8,618</u>	<u>7,217</u>
<b>OPERATING INCOME</b>	7,410	4,984	11,796	8,029
<b>OTHER INCOME (EXPENSE)</b>				
Interest Income	9	--	18	1
Interest Expense	11	(123)	(99)	(238)
Losses on Cash Flow Hedge Reclassified from OCI	(63)	(80)	(130)	(158)
Equity in earnings (loss) of AMAK	6	4,732	(344)	7,696
Miscellaneous Expense	<u>(4)</u>	<u>(69)</u>	<u>(49)</u>	<u>(89)</u>
	<u>(41)</u>	<u>4,460</u>	<u>(604)</u>	<u>7,212</u>
<b>INCOME BEFORE INCOME TAXES</b>	7,369	9,444	11,192	15,241
<b>INCOME TAXES</b>	<u>2,369</u>	<u>3,135</u>	<u>3,593</u>	<u>4,146</u>
<b>NET INCOME</b>	5,000	6,309	7,599	11,095
<b>NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST</b>	--	--	--	--
<b>NET INCOME ATTRIBUTABLE TO TRECORA RESOURCES</b>	<u>\$ 5,000</u>	<u>\$ 6,309</u>	<u>\$ 7,599</u>	<u>\$ 11,095</u>
<b>Basic Earnings per Common Share</b>				
Net Income Attributable to Trecora Resources (dollars)	\$ 0.21	\$ 0.26	\$ 0.32	\$ 0.46
Basic Weighted Average Number of Common Shares Outstanding	<u>24,165</u>	<u>24,110</u>	<u>24,158</u>	<u>24,108</u>
<b>Diluted Earnings per Common Share</b>				
Net Income Attributable to Trecora Resources (dollars)	\$ 0.20	\$ 0.26	\$ 0.31	\$ 0.45
Diluted Weighted Average Number of Common Shares Outstanding	<u>24,813</u>	<u>24,652</u>	<u>24,866</u>	<u>24,655</u>

**TRECORA RESOURCES AND SUBSIDIARIES  
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP  
MEASURES<sup>(1)</sup>**

THREE MONTHS ENDED

30-Jun

2014

2013

**NET INCOME**

\$ 5,000

\$ 6,309

Add back:

Interest

52

203

Taxes

2,369

3,135

Depreciation

1,004

969

**EBITDA**

\$ 8,425

\$ 10,616

Equity in Earnings in AMAK

(6)

(4,732)

**Adjusted EBITDA**

\$ 8,419

\$ 5,884

(1) This press release includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.