

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):

June 10, 2020

Mitcham Industries, Inc.

(Exact name of registrant as specified in its charter)

Texas

001-13490

76-0210849

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

2002 Timberloch Place, Suite 400, The
Woodlands, Texas

77380

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

936-291-2277

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing 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))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol (s) | Name of each exchange on which registered |
|-------------------------------------------------------|--------------------|-------------------------------------------|
| Common Stock - \$0.01 par value per share | MIND | The NASDAQ Stock Market LLC |
| Series A preferred Stock - \$1.00 par value per share | MINDP | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operation and Financial Condition.

On June 10, 2020, Mitcham Industries, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended April 30, 2020. The date and time for a conference call discussing the earnings are also included in the press release. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated by reference into Item 2.02.

The Company’s press release contains non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company’s performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with United States generally accepted accounting principles, or GAAP. Pursuant to the requirements of Regulation G, the Company has provided within the press release quantitative reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

The information in this Item 2.02 (including the press release attached as Exhibit 99.1 and incorporated by reference into Item 2.02) is being furnished, not filed, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Securities Act”), is not subject to the liabilities of that section, and will not be incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 7.01 Regulation FD Disclosure.

On June 10, 2020, the Company issued a press release announcing its financial results for the quarter ended April 30, 2020 and that it is seeking shareholder approval for a reincorporation from the State of Texas to the State of Delaware, which will include rebranding and renaming the Company as MIND Technology, Inc. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated by reference into Item 7.01.

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained in this report should be considered forward-looking statements. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about the Company’s plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on the Company’s current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in the Company’s Annual Report on Form 10-K for the year ended January 31, 2020 (especially in Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations), and other risks and uncertainties listed from time to time in the Company’s other filings with the SEC. There may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. In addition, there is uncertainty about the spread of the COVID-19 virus and the impact it may have on the Company’s operations, the demand for the Company’s products or services, global supply chains and economic activity in general. The Company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

The information in this Item 7.01 (including the press release attached as Exhibit 99.1 and incorporated by reference into Item 7.01) is being furnished, not filed, for purposes of Section 18 of the Securities Act, is not subject to the liabilities of that section, and will not be incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|-----------------------------------------------------------------------------|
| 99.1 | Mitcham Industries, Inc. press release dated June 10, 2020. |

Contacts:

Rob Capps, Co-CEO
Mitcham Industries, Inc.
936-291-2277
Ken Dennard / Zach Vaughan
Dennard Lascar Investor Relations
713-529-6600

MITCHAM INDUSTRIES REPORTS FISCAL 2021 FIRST QUARTER RESULTS

THE WOODLANDS, TX – June 10, 2020 – Mitcham Industries, Inc. (NASDAQ: MIND) (“Mitcham” or “the Company”) today announced financial results for its fiscal 2021 first quarter ending April 30, 2020.

Total revenues for the first quarter of fiscal 2021 were \$7.4 million compared to \$13.3 million in the fourth quarter of fiscal 2020 and \$9.9 million in the first quarter of fiscal 2020. The sequential decline was attributable to a 64% decline in Marine Technology Products segment revenues, coupled with a 6% decrease in Equipment Leasing segment revenues.

The Company reported a net loss of \$6.6 million in the first quarter of fiscal 2021 compared to a net loss of \$3.7 million in the fourth quarter of fiscal 2020 and a net loss of \$2.4 million in the first quarter of fiscal 2020. The fiscal 2021 first quarter included a non-cash charge of approximately \$2.5 million related to the impairment of goodwill. Net loss attributable to common shareholders was \$7.2 million, or a \$(0.59) loss per share in the first quarter of fiscal 2021. This compares to a fiscal 2020 fourth quarter loss of \$4.3 million, or a \$(0.35) loss per share, and a \$2.9 million loss, or a \$(0.24) loss per share, in the first quarter of fiscal 2020.

Adjusted EBITDA for the first quarter of fiscal 2021 declined sequentially to a loss of \$952,000 compared to a positive \$124,000 in the fourth quarter of fiscal 2020 and \$61,000 in the first quarter of fiscal 2020. However, net cash provided by operating activities was \$929,000 in the first quarter of fiscal 2021 and cash balances increased to approximately \$4.7 million as of April 30, 2020, as compared to approximately \$3.2 million as of January 31, 2020. Adjusted EBITDA, which is a non-GAAP measure, is defined and reconciled to reported net loss and cash provided by operating activities, the most directly comparable financial measures calculated and presented in accordance with United States generally accepted accounting principles, in the accompanying financial tables.

Rob Capps, Mitcham’s Co-Chief Executive Officer, stated, “The unprecedented disruptions caused by the COVID-19 pandemic have had a negative impact on our operations and near-term order flow, as reflected by the lower sales in our Marine Technology Products segment. It is difficult to predict the future impact of the global pandemic and economic downturn on our business.

However, we are hopeful that it will be short-lived. One encouraging sign is an increase in our backlog to approximately \$10.2 million at April 30, 2020 versus approximately \$8.9 million at January 31, 2020.

“We also continued to focus on our cost structure and lowered our selling, general and administrative expenses during the quarter by 11% year-over-year,” added Capps. “Gross margins during the first quarter were negatively impacted by unabsorbed overhead costs due to the significantly lower level of sales and production activity. We are taking a number of actions to reduce costs in response to the disruptions caused by the global downturn and to other structural changes in our business.

“We remain focused on our vision of making the Company a leading provider of innovative marine technology and products and are excited about a number of new business and technology initiatives that we are pursuing. As announced last week, we think it now appropriate to rebrand and refocus the Company. Accordingly, we have proposed to our shareholders a reincorporation from the State of Texas to Delaware, which will include changing the name of the Company to MIND Technology, Inc. We think this name is more appropriate for the Company, as it has moved away from its traditional seismic leasing business and become a leading technology provider in the marine survey, marine exploration and maritime defense industries.”

Please refer to the Definitive Proxy that was filed with the Securities and Exchange Commission on May 29, 2020, accessible at <http://ir.mitчамindustries.com/> under SEC filings, and that is being mailed to shareholders for more details on the proposed reincorporation.

Mr. Capps concluded, “We believe that our operational flexibility, next-generation marine technology portfolio, debt-free capital structure and additional benefits from our proposed reincorporation and rebranding will provide a solid foundation to pursue our envisioned opportunities in the worldwide marine technology market.”

CONFERENCE CALL

Management has scheduled a conference call for Thursday, June 11th at 9:00 a.m. Eastern Time (8:00 a.m. Central Time) to discuss fiscal 2021 first quarter results and its rebranding efforts. To access the call, please dial (412) 902-0030 and ask for the Mitcham Industries call at least 10 minutes prior to the start time. Investors may also listen to the conference live on the Mitcham Industries corporate website, <http://www.mitчамindustries.com>, by logging onto the site and clicking “Investor Relations.” A telephonic replay of the conference call will be available through June 18, 2020 and may be accessed by calling (201) 612-7415 and using passcode 13703929#. A webcast archive will also be available at <http://www.mitчамindustries.com> shortly after the call and

will be accessible for approximately 90 days. For more information, please contact Dennard Lascar Investor Relations by email mind@dennardlascar.com.

About Mitcham Industries

Mitcham Industries, Inc. provides technology to the oceanographic, hydrographic, defense, seismic and security industries. Headquartered in The Woodlands, Texas, Mitcham has a global presence with operating locations in the United States, Canada, Singapore, Malaysia, Hungary, Colombia and the United Kingdom. Mitcham's worldwide Marine Technology Products segment, which includes its Seamap and Klein Marine Systems units, designs, manufactures and sells specialized, high performance, marine sonar and seismic equipment.

Forward-looking Statements

Certain statements and information in this press release concerning results for the quarter ended April 30, 2020 may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “expect,” “anticipate,” “plan,” “intend,” “should,” “would,” “could” or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts of our existing operations and do not include the potential impact of any future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, without limitation, reductions in our customers’ capital budgets, our own capital budget, limitations on the availability of capital or higher costs of capital, volatility in commodity prices for oil and natural gas and the extent of disruptions caused by the COVID-19 outbreak.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, unless required by law, whether as a result of new information, future events or otherwise. All forward-looking statements included in this press release are expressly qualified in their entirety by the cautionary statements contained or referred to herein.

Tables to Follow

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

| | April 30, 2020 | January 31, 2020 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,705 | \$ 3,090 |
| Restricted cash | — | 144 |
| Accounts receivable, net of allowance for doubtful accounts of \$2,196 and \$4,054 at April 30, 2020 and January 31, 2020, respectively | 7,996 | 11,921 |
| Inventories, net | 13,783 | 13,261 |
| Prepaid expenses and other current assets | 2,515 | 2,211 |
| Total current assets | 28,999 | 30,627 |
| Seismic equipment lease pool and property and equipment, net | 12,002 | 13,777 |
| Operating lease right-of-use assets | 1,957 | 2,300 |
| Intangible assets, net | 7,703 | 8,161 |
| Goodwill | — | 2,531 |
| Long-term receivables, net of allowance for doubtful accounts of \$- and \$- at April 30, 2020 and January 31, 2020, respectively | 535 | 403 |
| Other assets | 7 | \$ 429 |
| Total assets | \$ 51,203 | \$ 58,228 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 3,292 | \$ 2,650 |
| Deferred revenue | 602 | 765 |
| Accrued expenses and other current liabilities | 3,071 | 3,452 |
| Income taxes payable | 620 | 242 |
| Operating lease liabilities - current | 966 | 1,339 |
| Total current liabilities | 8,551 | 8,448 |
| Operating lease liabilities - non-current | 991 | 961 |
| Other non-current liabilities | 911 | 967 |
| Deferred tax liability | 200 | 200 |
| Total liabilities | 10,653 | 10,576 |
| Shareholders' equity: | | |
| Preferred stock, \$1.00 par value; 1,000 shares authorized; 994 and 994 shares issued and outstanding at April 30, 2020 and January 31, 2020, respectively | 22,104 | 22,104 |
| Common stock, \$0.01 par value; 20,000 shares authorized; 14,097 and 14,097 shares issued at April 30, 2020, and January 31, 2020, respectively | 141 | 141 |
| Additional paid-in capital | 124,194 | 123,964 |
| Treasury stock, at cost (1,929 shares at April 30, 2020 and January 31, 2020) | (16,860) | (16,860) |
| Accumulated deficit | (84,511) | (77,310) |
| Accumulated other comprehensive loss | (4,518) | (4,387) |
| Total shareholders' equity | 40,550 | 47,652 |
| Total liabilities and shareholders' equity | \$ 51,203 | \$ 58,228 |

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

| | For the Three Months Ended April 30, | |
|--------------------------------------------------------|-------------------------------------------------|-------------|
| | 2020 | 2019 |
| Revenues: | | |
| Sale of marine technology products | \$ 3,187 | \$ 5,977 |
| Equipment leasing | 2,575 | 3,323 |
| Sale of lease pool and other equipment | 1,613 | 557 |
| Total revenues | 7,375 | 9,857 |
| Cost of sales: | | |
| Sale of marine technology products | 2,703 | 3,455 |
| Equipment leasing (including lease pool depreciation) | 1,770 | 2,411 |
| Equipment sales | 713 | 250 |
| Total cost of sales | 5,186 | 6,116 |
| Gross profit | 2,189 | 3,741 |
| Operating expenses: | | |
| Selling, general and administrative | 4,654 | 5,232 |
| Research and development | 410 | 315 |
| Impairment of intangible assets | 2,531 | — |
| Depreciation and amortization | 774 | 650 |
| Total operating expenses | 8,369 | 6,197 |
| Operating loss | (6,180) | (2,456) |
| Other income (expense): | | |
| Interest expense, net | (11) | (11) |
| Other, net | 70 | 107 |
| Total other income | 59 | 96 |
| Loss before income taxes | (6,121) | (2,360) |
| Provision for income taxes | (521) | (55) |
| Net loss | \$ (6,642) | \$ (2,415) |
| Preferred stock dividends | (559) | (471) |
| Net loss attributable to common shareholders | \$ (7,201) | \$ (2,886) |
| Net loss per common share: | | |
| Basic | \$ (0.59) | \$ (0.24) |
| Diluted | \$ (0.59) | \$ (0.24) |
| Shares used in computing loss per common share: | | |
| Basic | 12,172 | 12,119 |
| Diluted | 12,172 | 12,119 |

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

| | For the Three Months Ended April 30, | |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------|
| | 2020 | 2019 |
| Cash flows from operating activities: | | |
| Net loss | \$ (6,642) | \$ (2,415) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 1,701 | 2,131 |
| Stock-based compensation | 230 | 172 |
| Impairment of intangible assets | 2,531 | — |
| Provision for inventory obsolescence | 22 | — |
| Gross profit from sale of lease pool equipment | (850) | (363) |
| Deferred tax expense | — | 135 |
| Changes in: | | |
| Accounts receivable | 3,728 | 76 |
| Unbilled revenue | (9) | 5 |
| Inventories | (554) | (501) |
| Prepaid expenses and other current assets | 201 | (672) |
| Income taxes receivable and payable | 424 | 2 |
| Accounts payable, accrued expenses and other current liabilities | 300 | (382) |
| Deferred revenue | (153) | (23) |
| Foreign exchange losses net of gains | — | (16) |
| Net cash provided by (used in) operating activities | 929 | (1,851) |
| Cash flows from investing activities: | | |
| Purchases of seismic equipment held for lease | (110) | — |
| Purchases of property and equipment | (65) | (366) |
| Sales of used lease pool equipment | 1,414 | 730 |
| Sale of business, net of cash sold | — | 239 |
| Net cash provided by investing activities | 1,239 | 603 |
| Cash flows from financing activities: | | |
| Net proceeds from preferred stock offering | — | 409 |
| Preferred stock dividends | (559) | (471) |
| Net cash used in financing activities | (559) | (62) |
| Effect of changes in foreign exchange rates on cash, cash equivalents and restricted cash | (138) | (100) |
| Net decrease in cash, cash equivalents and restricted cash | 1,471 | (1,410) |
| Cash, cash equivalents and restricted cash, beginning of period | 3,234 | 9,549 |
| Cash, cash equivalents and restricted cash, end of period | \$ 4,705 | \$ 8,139 |

MITCHAM INDUSTRIES, INC.
Reconciliation of Net Loss and Net Cash Provided by Operating Activities to EBITDA and
Adjusted EBITDA
(in thousands)
(unaudited)

| | For the Three Months Ended | |
|--------------------------------------------------------------------------------------------------|-----------------------------------|-----------------|
| | April 30, | |
| | 2020 | 2019 |
| Reconciliation of Net loss to EBITDA and Adjusted EBITDA | | |
| Net loss | \$ (6,642) | \$ (2,415) |
| Interest expense (income), net | 11 | 11 |
| Depreciation and amortization | 1,701 | 2,131 |
| Provision (benefit) for income taxes | 521 | 55 |
| EBITDA (1) | (4,409) | (218) |
| Non-cash foreign exchange losses | 109 | 52 |
| Stock-based compensation | 230 | 172 |
| Impairment of intangible assets | 2,531 | — |
| Cost of lease pool sales | 587 | 55 |
| Adjusted EBITDA (1) | <u>\$ (952)</u> | <u>\$ 61</u> |
| Reconciliation of Net Cash Provided by Operating Activities to EBITDA | | |
| Net cash provided by (used in) operating activities | \$ 929 | \$ (1,851) |
| Stock-based compensation | (230) | (172) |
| Provision for inventory obsolescence | (22) | — |
| Changes in accounts receivable (current and long-term) | (3,719) | (76) |
| Interest paid | 11 | 14 |
| Taxes paid, net of refunds | 149 | 97 |
| Gross profit from sale of lease pool equipment | 850 | 363 |
| Changes in inventory | 554 | 501 |
| Changes in accounts payable, accrued expenses and other current liabilities and deferred revenue | (147) | 405 |
| Impairment of intangible assets | (2,531) | — |
| Changes in prepaid expenses and other current assets | (201) | 672 |
| Foreign exchange (losses) gains, net | — | 16 |
| Other | (52) | (187) |
| EBITDA (1) | <u>\$ (4,409)</u> | <u>\$ (218)</u> |

- EBITDA is defined as net income before (a) interest income and interest expense, (b) provision for (or benefit from) income taxes and (c) depreciation and amortization. Adjusted EBITDA excludes non-cash foreign exchange gains and losses, non-cash costs of lease pool equipment sales, impairment of intangible assets, stock-based compensation and other non-cash tax related items. We consider EBITDA and Adjusted EBITDA to be important indicators for the performance of our business, but not measures of performance or liquidity calculated in accordance with GAAP. These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with GAAP. Rather, we have included these non-GAAP financial measures because management utilizes this information for assessing our performance and liquidity, and as indicators of our ability to make capital expenditures and finance working capital requirements and. We believe that EBITDA and Adjusted EBITDA are measurements that are commonly used by analysts and some investors in evaluating the performance and liquidity of companies such as us. In particular, we believe that it is useful to our analysts and investors to understand this relationship because it excludes transactions not related to our core cash operating activities. We believe that excluding these transactions allows investors to meaningfully trend and analyze the performance of our core cash operations. EBITDA and Adjusted EBITDA are not measures of financial performance or liquidity under GAAP and should not be considered in isolation or as alternatives to cash flow from operating activities or as alternatives to net income as indicators of operating performance or any other measures of performance derived in accordance with GAAP. In evaluating our performance as measured by EBITDA, management recognizes and considers the limitations of this measurement. EBITDA and Adjusted EBITDA do not reflect our obligations for the payment of income taxes, interest expense or other obligations such as capital expenditures. Accordingly, EBITDA and Adjusted EBITDA are only two of the measurements that management utilizes. Other companies in our industry may calculate EBITDA or Adjusted EBITDA differently than we do and EBITDA and Adjusted EBITDA may not be comparable with similarly titled measures reported by other companies.

Mitcham Industries, Inc.
Segment Operating Results
(in thousands)
(unaudited)

| | For the Three Months Ended | |
|--------------------------------------------|-----------------------------------|-------------|
| | April 30, | |
| | 2020 | 2019 |
| Revenues: | | |
| Marine technology products | \$ 3,212 | \$ 5,982 |
| Equipment leasing | 4,188 | 3,935 |
| Inter-segment sales | (25) | (60) |
| Total revenues | 7,375 | 9,857 |
| Cost of sales: | | |
| Marine technology products | 2,728 | 3,515 |
| Equipment leasing | 2,483 | 2,661 |
| Inter-segment costs | (25) | (60) |
| Total cost of sales | 5,186 | 6,116 |
| Gross profit | 2,189 | 3,741 |
| Operating expenses: | | |
| Selling, general and administrative | 4,654 | 5,232 |
| Research and development | 410 | 315 |
| Impairment of intangible assets | 2,531 | — |
| Depreciation and amortization | 774 | 650 |
| Total operating expenses | 8,369 | 6,197 |
| Operating loss | \$ (6,180) | \$ (2,456) |
| Marine Technology Products Segment: | | |
| Revenues: | | |
| Seamap | \$ 2,213 | \$ 4,324 |
| Klein | 1,241 | 1,561 |
| SAP | — | 101 |
| Intra-segment sales | (242) | (4) |
| Total revenues | 3,212 | 5,982 |
| Cost of sales: | | |
| Seamap | 1,894 | 2,323 |
| Klein | 1,076 | 1,101 |
| SAP | — | 95 |
| Intra-segment sales | (242) | (4) |
| Total cost of sales | 2,728 | 3,515 |
| Gross profit | \$ 484 | \$ 2,467 |
| Gross profit margin | 15 % | 41 % |
| Equipment Leasing Segment: | | |
| Revenue: | | |
| Equipment leasing | \$ 2,576 | \$ 3,378 |
| Lease pool equipment sales | 1,436 | 419 |
| Other equipment sales | 176 | 138 |
| Total revenues | 4,188 | 3,935 |
| Cost of sales: | | |
| Direct costs-equipment leasing | 844 | 965 |
| Lease pool depreciation | 926 | 1,446 |
| Cost of lease pool equipment sales | 587 | 56 |
| Cost of other equipment sales | 126 | 194 |
| Total cost of sales | 2,483 | 2,661 |
| Gross profit | \$ 1,705 | \$ 1,274 |

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