# 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): **February 27, 2013**

# Dynamic Materials Corporation
(Exact Name of Registrant as Specified in its Charter)

| | | |
|---|---|---|
| **Delaware** | **0-8328** | **84-0608431** |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

**5405 Spine Road**
**Boulder, Colorado 80301**
(Address of Principal Executive Offices, Including Zip Code)

**(303) 665-5700**
(Registrant's Telephone Number, Including Area Code)

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))

**Item 2.02 Results of Operations and Financial Condition.**

On February 27, 2013, Dynamic Materials Corporation, a Delaware corporation (the "Company"), issued a press release announcing its preliminary financial results for the fourth quarter and full fiscal year ended December 31, 2012. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information provided in this Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference in any filings under the Securities Act of 1933, as amended, unless specifically stated so therein.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release, February 27, 2013. |



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DYNAMIC MATERIALS CORPORATION

Dated: February 27, 2013

By: /s/ Richard A. Santa
Richard A. Santa
Senior Vice President and Chief Financial Officer



**EXHIBIT INDEX**

| Exhibit Number | Description |
| --- | --- |
| 99.1 | Press Release, February 27, 2013. |

Exhibit 99.1

FOR IMMEDIATE RELEASE:

**CONTACT:**
Pfeiffer High Investor Relations, Inc.
Geoff High
303-393-7044

**DYNAMIC MATERIALS REPORTS FOURTH QUARTER AND FULL-YEAR FINANCIAL RESULTS**

**BOULDER**, Colo. — February 27, 2013 — Dynamic Materials Corporation (DMC) (Nasdaq: BOOM), today reported financial results for its fourth quarter and fiscal year ended December 31, 2012.

Fourth quarter sales were $52.5 million, down 3% from $54.3 million reported in last year's fourth quarter, but a 5% sequential improvement from third quarter sales of $50.1 million. Fourth quarter gross margin improved to 31% from 27% in the year-ago fourth quarter and was unchanged compared with the third quarter.

Operating income was $4.5 million, down 13% from $5.2 million reported in both last year's fourth quarter and the 2012 third quarter. Net income was $2.9 million, or $0.21 per diluted share, down 21% from $3.6 million, or $0.27 per diluted share, in the year-ago fourth quarter, and a decline of 24% from net income of $3.8 million, or $0.28 per diluted share, in the third quarter. The decline in operating income reflects $672,000 in stock-based compensation expense related to the accelerated vesting of restricted stock awards associated with management retirements.

Adjusted EBITDA was $9.1 million, up 5% from $8.7 million in last year's fourth quarter, and a 2% increase from the $9.0 million reported in the third quarter. Adjusted EBITDA is a non-GAAP (generally accepted accounting principles) financial measure used by management to measure operating performance. See additional information about adjusted EBITDA at the end of this news release, as well as a reconciliation of adjusted EBITDA to GAAP measures.

*Explosive Metalworking*
Nobelclad, the Company's Explosive Metalworking segment, reported sales of $30.7 million, down 1% from $31.0 million in the fourth quarter last year. Operating income was $4.3 million, flat versus the same quarter a year ago. Adjusted EBITDA was $5.7 million, also unchanged versus the comparable year-ago quarter. The segment closed the year with an order backlog of $46 million versus $48 million at the end of the third quarter.

*Oilfield Products*
Sales at DMC's Oilfield Products segment declined by 8% to $19.5 million from $21.2 million in the prior year's fourth quarter. Operating income was $2.2 million, flat versus last year's fourth quarter, while adjusted EBITDA improved 6% to $3.6 million from $3.4 million in the 2011 fourth quarter.

*AMK Welding*
Sales at DMC's AMK Welding segment improved 16% to $2.4 million from $2.1 million in the prior year's fourth quarter. Operating income was $461,000, up 47% from $314,000 in the same quarter of 2011, and adjusted EBITDA was $610,000, an increase of 44% versus $424,000 in the prior year's fourth quarter.

**Full-year Results**

Sales for 2012 were $201.6 million, down 4% from $208.9 million in 2011. Gross margin improved to 30% from 27% in the prior year. Operating income was $17.4 million, down 4% from $18.2 million in 2011. Net income declined 6% to $11.7 million, or $0.87 per diluted share, from $12.5 million, or $0.93 per diluted share, in the prior year. Adjusted EBITDA increased 2% to $33.6 million from $32.9 million in 2011. Cash flow from operating activities more than doubled to $20.0 million versus $9.7 million during the prior year.

Nobelclad reported full-year sales of $115.3 million, a decline of 9% from $126.2 million in 2011. Operating income improved 9% to $17.4 million from $16.1 million in the prior year. Adjusted EBITDA increased 5% to $23.0 million from $21.9 million in 2011.

Full-year sales at DMC's Oilfield Products segment increased 6% to $77.4 million from $72.8 million in 2011 The segment reported full-year operating income of $7.0 million, up 14% from $6.2 million in 2011. Adjusted EBITDA improved 14% to $12.7 from $11.1 million in 2011.

AMK Welding recorded full-year sales of $8.8 million, down 11% from $9.9 million in 2011. Operating income was $925,000 versus $2.1 million in the prior year. Adjusted EBITDA was $1.5 million compared with $2.5 million in 2011.

**Management Commentary**

Yvon Cariou, president and CEO, said, "Although global economic conditions during 2012 slowed capital investment activity in our end markets, the year was marked by several strategic achievements that have further strengthened DMC's structural foundation, as well as its prospects for long-range growth. We enhanced the management teams of all three business segments, established a much stronger foothold in Asia, initiated the construction of major oilfield-product production facilities in Russia and North America, and expanded our customer base and end markets at AMK Welding. Most importantly, the recent selection of Kevin Longe as my successor has ensured that DMC is supported by very strong leadership. I am proud of the selection and transition process we executed during the past year, and could not be more confident in Kevin's vision for the Company and his skill as a leader. As I've said previously, I look forward to working closely with him from my position on the board of directors."

Longe, who assumes the role of president and CEO on March 1, said, "We have worked hard in recent months to solidify the roadmap for DMC's future, and I am very encouraged about the opportunities we have identified for each of our business segments and the Company as a whole.

"Our near-term focus will be both on the execution of several strategic and operational initiatives currently underway, and on achieving our sales and profit objectives in the face of continued challenging economic conditions. Our Nobelclad team is working hard to capture some large order opportunities in the upstream energy and petrochemical sectors; our DYNAenergetics team is focused on the build-out of our shaped charge plants in Texas and Siberia, and enhanced product and inventory management programs; and we are expanding our overall sales and marketing presence in China, to name just a few.

"Our longer range objective is to accelerate the growth and cash flow generation of our existing segments. We also intend to expand our family of technical niche businesses serving the global energy, infrastructure and industrial markets. I believe we have established a very compelling strategy for enhancing our growth and bolstering shareholder value, and I look forward to leading DMC in the pursuit of our growth objectives."

**Guidance**

Rick Santa, senior vice president and chief financial officer, said, "Based on the project opportunities we see at Nobelclad and the full-year sales forecasts at DYNAenergetics and AMK Welding, we currently anticipate our consolidated sales for 2013 will increase by 8% to 10% from the $201.6 million reported in 2012. We also expect our gross margin will be in a range of 27% to 29% versus the 30% we reported in 2012."

Santa said DMC's blended effective tax rate for the full-year of 2013 is projected to be in a range of 20% to 22%. The anticipated reduction versus the 2012 tax rate of 29.3% reflects the impact of certain recently enacted federal tax legislation that is applicable to 2012, but must be recognized in 2013 according to GAAP. To reflect the effect of the legislation, the Company will recognize a tax benefit of approximately $900,000 in the 2013 first quarter. Excluding the impact of the first quarter tax benefit, the blended effective tax rate for fiscal 2013 is projected to be in a range of 25% to 27%.

Given the recent dip in backlog at Nobelclad, management anticipates sales in the first fiscal quarter will decline between 7% and 10% versus the $50.2 million reported in the first quarter of 2012. Gross margin is expected in a range of 27% and 28%. During the quarter, the Company also expects to record a one-time expense of approximately $3.0 million associated with management retirements.

**Conference call information**

Management will hold a conference call to discuss these results today at 5:00 p.m. Eastern (3:00 p.m. Mountain). Investors are invited to listen to the call live via the Internet at www.dynamicmaterials.com, or by dialing into the teleconference at 877-407-8031 (201-689-8031 for international callers). No passcode is necessary. Participants should access the website at least 15 minutes early to register and download any necessary audio software. A replay of the webcast will be available for 90 days and a telephonic replay will be available through March 6, 2013, by calling 877-660-6853 (201-612-7415 for international callers) and entering the Conference ID # 408763.

***Use of Non-GAAP Financial Measures***

Non-GAAP results are presented only as a supplement to the financial statements based on U.S. generally accepted accounting principles (GAAP). The non-GAAP financial information is provided to enhance the reader's understanding of DMC's financial performance, but no non-GAAP measure should be considered in isolation or as a substitute for financial measures calculated in accordance with GAAP. Reconciliations of the most directly comparable GAAP measures to non-GAAP measures are provided within the schedules attached to this release.

EBITDA is defined as net income plus or minus net interest plus taxes, depreciation and amortization. Adjusted EBITDA excludes from EBITDA stock-based compensation and, when appropriate, other items that management does not utilize in assessing DMC's operating performance (as further described in the attached financial schedules). None of these non-GAAP financial measures are recognized terms under GAAP and do not purport to be an alternative to net income as an indicator of operating performance or any other GAAP measure.

Management uses these non-GAAP measures in its operational and financial decision-making, believing that it is useful to eliminate certain items in order to focus on what it deems to be a more reliable indicator of ongoing operating performance and the company's ability to generate cash

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flow from operations. As a result, internal management reports used during monthly operating reviews feature the adjusted EBITDA. Management also believes that investors may find non-GAAP financial measures useful for the same reasons, although investors are cautioned that non-GAAP financial measures are not a substitute for GAAP disclosures. EBITDA and adjusted EBITDA are also used by research analysts, investment bankers and lenders to assess operating performance. For example, a measure similar to EBITDA is required by the lenders under DMC's credit facility.

Because not all companies use identical calculations, DMC's presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. However, these measures can still be useful in evaluating the company's performance against its peer companies because management believes the measures provide users with valuable insight into key components of GAAP financial disclosures. For example, a company with greater GAAP net income may not be as appealing to investors if its net income is more heavily comprised of gains on asset sales. Likewise, eliminating the effects of interest income and expense moderates the impact of a company's capital structure on its performance.

All of the items included in the reconciliation from net income to EBITDA and adjusted EBITDA are either (i) non-cash items (e.g., depreciation, amortization of purchased intangibles and stock-based compensation) or (ii) items that management does not consider to be useful in assessing DMC's operating performance (e.g., income taxes and gain on sale of assets). In the case of the non-cash items, management believes that investors can better assess the company's operating performance if the measures are presented without such items because, unlike cash expenses, these adjustments do not affect DMC's ability to generate free cash flow or invest in its business. For example, by adjusting for depreciation and amortization in computing EBITDA, users can compare operating performance without regard to different accounting determinations such as useful life. In the case of the other items, management believes that investors can better assess operating performance if the measures are presented without these items because their financial impact does not reflect ongoing operating performance.

***About Dynamic Materials Corporation***

Based in Boulder, Colorado, Dynamic Materials Corporation serves a global network of customers in the energy, industrials and infrastructure markets through two core business segments — Nobelclad and DYNAenergetics — as well as a specialized industrial service provider, AMK Welding. The Nobelclad segment is the world's largest manufacturer of explosion-welded clad metal plates, which are used to fabricate capital equipment utilized within various process industries and other industrial sectors. DYNAenergetics is an international manufacturer and marketer of advanced explosive components and systems used to perforate oil and gas wells. AMK Welding utilizes various specialized technologies to weld components for use in power-generation turbines, and commercial and military jet engines. For more information, visit the Company's websites at http://www.dynamicmaterials.com and http://www.dynaenergetics.com.

***Safe Harbor Language***

Except for the historical information contained herein, this news release contains forward-looking statements, including our guidance for first quarter and full-year 2013 sales, margins, tax rates and one-time expenses and tax benefits, expectations regarding our global growth and operational initiatives, Nobelclad sales opportunities, technical niche business expansion and the Company's China initiative and the other prospects we are pursuing at each of our three business segments. These risks and uncertainties include, but are not limited to, the following: our ability to realize sales from our backlog; our ability to obtain new contracts at attractive prices; the size and timing of customer orders and shipments; fluctuations in customer demand; our ability to successfully

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execute upon international growth opportunities; the success of planned senior leadership transition; fluctuations in foreign currencies, changes to customer orders; the cyclicality of our business; competitive factors; the timely completion of contracts; the timing and size of expenditures; the timing and price of metal and other raw material; the adequacy of local labor supplies at our facilities; current or future limits on manufacturing capacity at our various operations; the availability and cost of funds; and general economic conditions, both domestic and foreign, impacting our business and the business of the end-market users we serve; as well as the other risks detailed from time to time in the Company's SEC reports, including the annual report on Form 10-K for the year ended December 31, 2011.

DYNAMIC MATERIALS CORPORATION & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011
(Dollars in Thousands, Except Share Data)
(unaudited)

| | Three months ended December 31, 2012 | Three months ended December 31, 2011 | Twelve months ended December 31, 2012 | Twelve months ended December 31, 2011 |
|---|---|---|---|---|
| NET SALES | $ 52,519 | $ 54,262 | $ 201,567 | $ 208,891 |
| COST OF PRODUCTS SOLD | 36,476 | 39,422 | 141,859 | 153,445 |
| Gross profit | 16,043 | 14,840 | 59,708 | 55,446 |
| COSTS AND EXPENSES: | | | | |
| General and administrative expenses | 5,327 | 4,484 | 19,141 | 16,711 |
| Selling and distribution expenses | 4,624 | 3,812 | 16,954 | 14,809 |
| Amortization of purchased intangible assets | 1,626 | 1,383 | 6,210 | 5,707 |
| Total costs and expenses | 11,577 | 9,679 | 42,305 | 37,227 |
| INCOME FROM OPERATIONS | 4,466 | 5,161 | 17,403 | 18,219 |
| OTHER INCOME (EXPENSE): | | | | |
| Other income (expense), net | (422) | 876 | (32) | 528 |
| Interest expense, net | (222) | (719) | (819) | (1,937) |
| INCOME BEFORE INCOME TAXES | 3,822 | 5,318 | 16,552 | 16,810 |
| INCOME TAX PROVISION | 976 | 1,732 | 4,858 | 4,369 |
| NET INCOME | 2,846 | 3,586 | 11,694 | 12,441 |
| Less: Net loss attributable to non-controlling interest | (15) | (13) | (2) | (50) |
| NET INCOME ATTRIBUTABLE TO DYNAMIC MATERIALS CORPORATION | $ 2,861 | $ 3,599 | $ 11,696 | $ 12,491 |
| NET INCOME PER SHARE: | | | | |
| Basic | $ 0.21 | $ 0.27 | $ 0.87 | $ 0.94 |
| Diluted | $ 0.21 | $ 0.27 | $ 0.87 | $ 0.93 |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: | | | | |
| Basic | 13,269,079 | 13,093,517 | 13,264,636 | 13,089,691 |
| Diluted | 13,272,757 | 13,101,972 | 13,268,713 | 13,099,121 |
| DIVIDENDS DECLARED PER COMMON SHARE | $ 0.04 | $ 0.04 | $ 0.16 | $ 0.16 |

DYNAMIC MATERIALS CORPORATION & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2012 AND 2011
(Dollars in Thousands)

| | 2012 (unaudited) | 2011 |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $ 8,200 | $ 5,276 |
| Accounts receivable, net | 36,981 | 36,368 |
| Inventories | 48,320 | 43,218 |
| Other current assets | 7,165 | 6,327 |
| Total current assets | 100,666 | 91,189 |
| Property, plant and equipment, net | 53,976 | 41,402 |
| Goodwill, net | 37,431 | 37,507 |
| Purchased intangible assets, net | 41,958 | 42,054 |
| Other long-term assets | 1,400 | 1,274 |
| Total assets | $ 235,431 | $ 213,426 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Accounts payable | $ 11,281 | $ 14,753 |
| Customer advances | 1,363 | 1,918 |
| Dividend payable | 540 | 535 |
| Accrued income taxes | 406 | 780 |
| Other current liabilities | 9,742 | 10,158 |
| Current debt obligations | 1,046 | 1,166 |
| Total current liabilities | 24,378 | 29,310 |
| Lines of credit | 37,779 | 26,462 |

| | | |
|---|---|---|
| Long-term debt | 55 | 118 |
| Deferred tax liabilities | 9,211 | 10,185 |
| Other long-term liabilities | 1,452 | 1,308 |
| Stockholders' equity | 162,556 | 146,043 |
| Total liabilities and stockholders' equity | $ 235,431 | $ 213,426 |

DYNAMIC MATERIALS CORPORATION & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Dollars in Thousands)

| | 2012 (unaudited) | 2011 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 11,694 | $ 12,441 |
| Adjustments to reconcile net income to net cash provided by operating activities - | | |
| Depreciation (including capital lease amortization) | 5,537 | 5,492 |
| Amortization of purchased intangible assets | 6,210 | 5,707 |
| Amortization of deferred debt issuance costs | 124 | 649 |
| Stock-based compensation | 4,443 | 3,397 |
| Deferred income tax benefit | (1,267) | (1,587) |
| Loss on disposal of property, plant and equipment | — | 35 |
| Change in working capital, net | (6,771) | (16,408) |
| Net cash provided by operating activities | 19,970 | 9,726 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisition of property, plant and equipment | (15,647) | (7,726) |
| Acquisition of TRX Industries | (10,294) | — |
| Change in other non-current assets | 386 | (5) |
| Net cash used in investing activities | (25,555) | (7,731) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payment on syndicated term loans | — | (22,247) |
| Borrowings on lines of credit, net | 12,174 | 24,191 |
| Payments on long-term debt | (1,176) | (663) |
| Payments on capital lease obligations | (66) | (295) |
| Payment of dividends | (2,155) | (2,130) |
| Payment of deferred debt issuance costs | — | (435) |
| Contribution from non-controlling stockholder | — | 42 |
| Net proceeds from issuance of common stock | 193 | 177 |
| Tax impact of stock-based compensation | (453) | (35) |
| Net cash provided by (used in) financing activities | 8,517 | (1,395) |
| EFFECTS OF EXCHANGE RATES ON CASH | (8) | 104 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 2,924 | 704 |
| CASH AND CASH EQUIVALENTS, beginning of the period | 5,276 | 4,572 |
| CASH AND CASH EQUIVALENTS, end of the period | $ 8,200 | $ 5,276 |

**DYNAMIC MATERIALS CORPORATION & SUBSIDIARIES**
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS TO MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASUREMENTS**
**(Dollars in thousands)**
**(unaudited)**

| | Three months ended December 31, 2012 | Three months ended December 31, 2011 | Twelve months ended December 31, 2012 | Twelve months ended December 31, 2011 |
|---|---|---|---|---|
| Explosive Metalworking | $ 30,653 | $ 30,979 | $ 115,333 | $ 126,199 |
| Oilfield Products | 19,463 | 21,219 | 77,404 | 72,782 |
| AMK Welding | 2,403 | 2,064 | 8,830 | 9,910 |
| **Net sales** | $ 52,519 | $ 54,262 | $ 201,567 | $ 208,891 |
| Explosive Metalworking | $ 4,300 | $ 4,301 | $ 17,439 | $ 16,058 |
| Oilfield Products | 2,161 | 2,224 | 7,047 | 6,188 |
| AMK Welding | 461 | 314 | 925 | 2,056 |
| Unallocated expenses | (2,456) | (1,678) | (8,008) | (6,083) |
| **Income from operations** | $ 4,466 | $ 5,161 | $ 17,403 | $ 18,219 |

| For the three months ended December 31, 2012 | Explosive Metalworking | Oilfield Products | AMK Welding | Unallocated Expenses | Total |
|---|---|---|---|---|---|
| **Income from operations** | $ 4,300 | $ 2,161 | $ 461 | $ (2,456) | $ 4,466 |
| Adjustments: | | | | | |
| Net loss attributable to non-controlling interest | — | 15 | — | — | 15 |
| Stock-based compensation | — | — | — | 1,604 | 1,604 |
| Depreciation | 925 | 342 | 149 | | 1,416 |
| Amortization of purchased intangibles | 518 | 1,108 | — | — | 1,626 |

| | | | | | |
|---|---|---|---|---|---|
| **Adjusted EBITDA** | $ 5,743 | $ 3,626 | $ 610 | $ (852) | $ 9,127 |

| | For the three months ended December 31, 2011 | | | | |
|---|---|---|---|---|---|
| | **Explosive Metalworking** | **Oilfield Products** | **AMK Welding** | **Unallocated Expenses** | **Total** |
| **Income from operations** | $ 4,301 | $ 2,224 | $ 314 | $ (1,678) | $ 5,161 |
| Adjustments: | | | | | |
| Net loss attributable to non-controlling interest | — | 13 | — | — | 13 |
| Stock-based compensation | — | — | — | 862 | 862 |
| Depreciation | 875 | 324 | 110 | — | 1,309 |
| Amortization of purchased intangibles | 539 | 844 | — | — | 1,383 |
| **Adjusted EBITDA** | $ 5,715 | $ 3,405 | $ 424 | $ (816) | $ 8,728 |

**DYNAMIC MATERIALS CORPORATION & SUBSIDIARIES**
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS TO MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASUREMENTS**
**(Dollars in thousands)**
**(unaudited)**

| | For the twelve months ended December 31, 2012 | | | | |
|---|---|---|---|---|---|
| | **Explosive Metalworking** | **Oilfield Products** | **AMK Welding** | **Unallocated Expenses** | **Total** |
| **Income from operations** | $ 17,439 | $ 7,047 | $ 925 | $ (8,008) | $ 17,403 |
| Adjustments: | | | | | |
| Net loss attributable to non-controlling interest | — | 2 | — | — | 2 |
| Stock-based compensation | — | — | — | 4,443 | 4,443 |
| Depreciation | 3,526 | 1,475 | 536 | — | 5,537 |
| Amortization of purchased intangibles | 2,054 | 4,156 | — | — | 6,210 |
| **Adjusted EBITDA** | $ 23,019 | $ 12,680 | $ 1,461 | $ (3,565) | $ 33,595 |

| | For the twelve months ended December 31, 2011 | | | | |
|---|---|---|---|---|---|
| | **Explosive Metalworking** | **Oilfield Products** | **AMK Welding** | **Unallocated Expenses** | **Total** |
| **Income from operations** | $ 16,058 | $ 6,188 | $ 2,056 | $ (6,083) | $ 18,219 |
| Adjustments: | | | | | |
| Net loss attributable to non-controlling interest | — | 50 | — | — | 50 |
| Stock-based compensation | — | — | — | 3,397 | 3,397 |
| Depreciation | 3,609 | 1,394 | 489 | — | 5,492 |
| Amortization of purchased intangibles | 2,224 | 3,483 | — | — | 5,707 |
| **Adjusted EBITDA** | $ 21,891 | $ 11,115 | $ 2,545 | $ (2,686) | $ 32,865 |

| | Three months ended December 31, | | Twelve months ended December 31, | |
|---|---|---|---|---|
| | **2012** | **2011** | **2012** | **2011** |
| **Net income attributable to DMC** | $ 2,861 | $ 3,599 | $ 11,696 | $ 12,491 |
| Interest expense | 222 | 723 | 832 | 1,945 |
| Interest income | — | (4) | (13) | (8) |
| Provision for income taxes | 976 | 1,732 | 4,858 | 4,369 |
| Depreciation | 1,416 | 1,309 | 5,537 | 5,492 |
| Amortization of purchased intangible assets | 1,626 | 1,383 | 6,210 | 5,707 |
| **EBITDA** | 7,101 | 8,742 | 29,120 | 29,996 |
| Stock-based compensation | 1,604 | 862 | 4,443 | 3,397 |
| Other (income) expense, net | 422 | (876) | 32 | (528) |
| Equity in earnings of joint ventures | — | — | — | — |
| **Adjusted EBITDA** | $ 9,127 | $ 8,728 | $ 33,595 | $ 32,865 |