

EQT Corp
Form 10-Q
April 28, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2016

or

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

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-3551

EQT CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA

(State or other jurisdiction of incorporation or organization)

25-0464690

(IRS Employer Identification No.)

625 Liberty Avenue, Suite 1700, Pittsburgh, Pennsylvania

(Address of principal executive offices)

15222

(Zip code)

(412) 553-5700

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of March 31, 2016, 160,594 (in thousands) shares of common stock, no par value, of the registrant were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EQT CORPORATION AND SUBSIDIARIES

Statements of Consolidated Income (Unaudited)

	Three Months Ended March 31,	
	2016	2015
	(Thousands, except per share amounts)	
Revenues:		
Sales of natural gas, oil and NGLs	\$ 364,427	\$ 586,408
Pipeline and marketing services	71,647	84,815
Gain on derivatives not designated as hedges	108,995	43,592
Total operating revenues	545,069	714,815
Operating expenses:		
Transportation and processing	77,193	65,776
Operation and maintenance	31,483	28,247
Production	26,896	31,356
Exploration	3,123	12,554
Selling, general and administrative	57,942	63,126
Depreciation, depletion and amortization	221,231	194,745
Impairment of long-lived assets	—	4,252
Total operating expenses	417,868	400,056
Operating income	127,201	314,759
Other income	4,840	939
Interest expense	36,180	37,216
Income before income taxes	95,861	278,482
Income tax expense	7,436	57,314
Net income	88,425	221,168
Less: Net income attributable to noncontrolling interests	82,789	47,741
Net income attributable to EQT Corporation	\$ 5,636	\$ 173,427
Earnings per share of common stock attributable to EQT Corporation:		
Basic:		
Weighted average common stock outstanding	156,720	152,036
Net income	\$ 0.04	\$ 1.14
Diluted:		
Weighted average common stock outstanding	157,195	152,756
Net income	\$ 0.04	\$ 1.14
Dividends declared per common share	\$ 0.03	\$ 0.03

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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EQT CORPORATION AND SUBSIDIARIES

Statements of Consolidated Comprehensive Income (Unaudited)

	Three Months Ended March 31,	
	2016	2015
	(Thousands)	
Net income	\$88,425	\$221,168
Other comprehensive (loss) income, net of tax:		
Net change in cash flow hedges:		
Natural gas, net of tax benefit of \$(8,339) and \$(27,000)	(12,424)	(40,751)
Interest rate, net of tax expense of \$25 and \$25	36	36
Pension and other post-retirement benefits liability adjustment, net of tax expense of \$135 and \$128	213	202
Other comprehensive loss	(12,175)	(40,513)
Comprehensive income	76,250	180,655
Less: Comprehensive income attributable to noncontrolling interests	82,789	47,741
Comprehensive (loss) income attributable to EQT Corporation	\$(6,539)	\$132,914

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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EQT CORPORATION AND SUBSIDIARIES

Statements of Condensed Consolidated Cash Flows (Unaudited)

	Three Months Ended March 31, 2016 2015 (Thousands)	
Cash flows from operating activities:		
Net income	\$88,425	\$221,168
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income tax expense (benefit)	7,073	(31,070)
Depreciation, depletion and amortization	221,231	