

US CONCRETE INC
Form 10-Q
November 06, 2015

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2015

o 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: 001-34530
U.S. CONCRETE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

76-0586680
(I.R.S. Employer Identification Number)

331 N. Main Street, Euless, Texas 76039
(Address of principal executive offices, including zip code)
(817) 835-4105
(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

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
(Do not check if a 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

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Indicate by check mark whether the registrant has filed all documents required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by the court. Yes No

There were 14,654,743 shares of common stock, par value \$.001 per share, of the registrant outstanding as of November 4, 2015.

U.S. CONCRETE, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

U.S. CONCRETE, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in thousands)

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$8,608	\$30,202
Trade accounts receivable, net of allowances of \$6,090 and \$3,726 as of September 30, 2015 and December 31, 2014, respectively	196,147	114,902
Inventories	34,938	31,722
Deferred income taxes	2,858	1,887
Prepaid expenses	5,501	3,965
Other receivables	7,596	6,519
Other current assets	1,623	301
Assets held for sale	—	3,779
Total current assets	257,271	193,277
Property, plant and equipment, net of accumulated depreciation, depletion, and amortization of \$94,738 and \$72,962 as of September 30, 2015 and December 31, 2014, respectively	222,380	176,524
Goodwill	92,385	50,757
Intangible assets, net	89,116	31,720
Other assets	9,050	8,250
Total assets	\$670,202	\$460,528
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$82,307	\$48,705
Accrued liabilities	68,071	50,391
Current maturities of long-term debt	8,883	5,104
Derivative liabilities	65,384	25,246
Liabilities held for sale	—	902
Total current liabilities	224,645	130,348
Long-term debt, net of current maturities	283,184	215,333
Other long-term obligations and deferred credits	31,799	6,940
Deferred income taxes	7,771	6,427
Total liabilities	547,399	359,048
Commitments and contingencies (Note 15)		
Equity:		
Preferred stock	—	—
Common stock	15	15
Additional paid-in capital	183,547	156,745
Accumulated deficit	(41,905)	(42,743)
Treasury stock, at cost	(18,854)	(12,537)
Total stockholders' equity	122,803	101,480
Total liabilities and equity	\$670,202	\$460,528

The accompanying notes are an integral part of these condensed consolidated financial statements.

U.S. CONCRETE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenue	\$295,111	\$197,589	\$711,144	\$524,204
Cost of goods sold before depreciation, depletion and amortization	226,620	157,689	558,702	427,538
Selling, general and administrative expenses	23,555	15,404	63,853	43,435
Depreciation, depletion and amortization	12,565	6,010	31,411	16,392
Gain on revaluation of contingent consideration	(723)	—	(1,387)	—
Loss (gain) on sale of assets	43	(3)	5	(306)
Income from operations	33,051	18,489	58,560	37,145
Interest expense, net	(5,446)	(5,080)	(15,966)	(15,145)
Derivative (loss) gain	(26,854)	65	(46,401)	(2,306)
Other income, net	940	580	2,231	1,606
Income (loss) from continuing operations before income taxes	1,691	14,054	(1,576)	21,300
Income tax (benefit) expense	(22)	788	(2,805)	1,540
Income from continuing operations	1,713	13,266	1,229	19,760
Loss from discontinued operations, net of taxes	(94)	(259)	(391)	