

US CONCRETE INC
Form 10-Q
August 05, 2016

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 June 30, 2016

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 76-0586680
(State or other jurisdiction of incorporation or organization) (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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There were 15,231,480 shares of common stock, par value \$.001 per share, of the registrant outstanding as of August 3, 2016.

U.S. CONCRETE, INC.

INDEX

	Page No.
Part I – Financial Information	
Item 1. Financial Statements (Unaudited)	
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>4</u>
<u>Condensed Consolidated Statements of Changes in Equity</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	<u>37</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>38</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>49</u>
Item 4. <u>Controls and Procedures</u>	<u>49</u>
Part II – Other Information	
Item 1. <u>Legal Proceedings</u>	<u>50</u>
Item 1A. <u>Risk Factors</u>	<u>50</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>50</u>
Item 4. <u>Mine Safety Disclosures</u>	<u>50</u>
Item 6. <u>Exhibits</u>	<u>51</u>
<u>SIGNATURE</u>	<u>52</u>
<u>INDEX TO EXHIBITS</u>	<u>53</u>

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2016 (Unaudited)	December 31, 2015 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 101,116	\$ 3,925
Trade accounts receivable, net of allowances of \$4,853 and \$6,125 as of June 30, 2016 and December 31, 2015, respectively	186,171	171,256
Inventories	39,819	36,726
Prepaid expenses	6,543	4,243
Other receivables	6,878	7,765
Other current assets	2,614	2,374
Total current assets	343,141	226,289
Property, plant and equipment, net of accumulated depreciation, depletion, and amortization of \$119,500 and \$102,479 as of June 30, 2016 and December 31, 2015, respectively	300,428	248,123
Goodwill	114,544	100,204
Intangible assets, net	96,879	95,754
Deferred income taxes	7,941	6,026
Other assets	3,245	5,301
Total assets	\$ 866,178	\$ 681,697
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 92,505	\$ 80,419
Accrued liabilities	76,772	85,854
Current maturities of long-term debt	13,185	9,386
Derivative liabilities	71,695	67,401
Total current liabilities	254,157	243,060
Long-term debt, net of current maturities	428,459	266,214
Other long-term obligations and deferred credits	46,525	38,416
Total liabilities	729,141	547,690
Commitments and contingencies (Note 15)		
Equity:		
Preferred stock	—	—
Common stock	16	16
Additional paid-in capital	220,203	201,015
Accumulated deficit	(61,661)	(48,157)
Treasury stock, at cost	(21,521)	(18,867)
Total stockholders' equity	137,037	134,007
Total liabilities and equity	\$ 866,178	\$ 681,697

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 June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$275,750	\$244,695	\$520,795	\$416,033
Cost of goods sold before depreciation, depletion and amortization	222,216	192,296	420,974	332,082
Selling, general and administrative expenses	23,180	21,992	46,343	39,900
Depreciation, depletion and amortization	13,015	10,567	24,656	18,846
Loss (gain) on revaluation of contingent consideration	364	(664)	1,611	(664)
(Gain) loss on sale of assets	(114)	) 25	(13)	) (38)
Income from operations	17,089	20,479	27,224	25,907
Interest expense, net	(6,598)	) (5,367)	) (12,298)	) (10,520)
Derivative loss	(2,562)	) (8,048)	) (15,342)	) (19,547)
Loss on extinguishment of debt	(12,003)	) —	(12,003)) —
Other income, net	510	450	1,007	893
(Loss) income from continuing operations before income taxes	(3,564)	) 7,514	(11,412)	) (3,267)
Income tax (benefit) expense	(251)	) (2,709)	) 1,740	(2,783)
(Loss) income from continuing operations	(3,313)	) 10,223	(13,152)	) (484)
Loss from discontinued operations, net of taxes	(164)	) (520)	) (352)	) (297)
Net (loss) income	\$ (3,477)			