

US CONCRETE INC  
Form 10-Q  
August 07, 2018  
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, 2018

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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>	Emerging growth company <input type="checkbox"/>
(Do not check if a smaller reporting 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.

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

There were 16,817,964 shares of common stock, par value \$.001 per share, of the registrant outstanding as of August 1, 2018.

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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)

	June 30, 2018 (Unaudited)	December 31, 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$21,511	\$ 22,581
Trade accounts receivable, net of allowances of \$5,399 as of June 30, 2018 and \$5,785 as of December 31, 2017	247,634	214,221
Inventories	48,784	48,085
Prepaid expenses	8,281	5,297
Other receivables	12,197	19,191
Other current assets	7,282	2,310
Total current assets	345,689	311,685
Property, plant and equipment, net of accumulated depreciation, depletion and amortization of \$205,249 as of June 30, 2018 and \$178,168 as of December 31, 2017	674,192	636,268
Goodwill	217,316	204,731
Intangible assets, net	122,187	118,123
Other assets	7,191	5,327
Total assets	\$1,366,575	\$ 1,276,134
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$130,279	\$ 117,070
Accrued liabilities	85,928	65,420
Current maturities of long-term debt	28,753	25,951
Total current liabilities	244,960	208,441
Long-term debt, net of current maturities	721,801	667,385
Other long-term obligations and deferred credits	78,523	93,341
Deferred income taxes	3,493	4,825
Total liabilities	1,048,777	973,992
Commitments and contingencies (Note 13)		
Equity:		
Preferred stock	—	—
Common stock	18	18
Additional paid-in capital	324,243	319,016
Accumulated deficit	(1,377)	(13,784)
Treasury stock, at cost	(26,668)	(24,799)
Total shareholders' equity	296,216	280,451
Non-controlling interest	21,582	21,691
Total equity	317,798	302,142
Total liabilities and equity	\$1,366,575	\$ 1,276,134

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		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Revenue	\$404,200	\$340,926	\$731,987	\$640,059
Cost of goods sold before depreciation, depletion and amortization	320,238	263,574	587,470	499,333
Selling, general and administrative expenses	31,875	30,200	64,151	56,017
Depreciation, depletion and amortization	22,142	16,350	42,717	32,209
Change in value of contingent consideration	(1,626	) 720	(1,258	) 1,328
Impairment of assets	1,299	—	1,299	—
Gain on sale of assets, net	(371	) (198	) (561	) (390
Operating income	30,643	30,280	38,169	51,562
Interest expense, net	11,514	10,368	22,823	20,510
Derivative loss	—	15,766		