

WABASH NATIONAL CORP /DE
Form 10-K
February 26, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

x

For the Fiscal Year Ended December 31, 2015

**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: 1-10883

WABASH NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

52-1375208

(State or other jurisdiction of
incorporation or organization) (IRS Employer
Identification Number)

1000 Sagamore Parkway South 47905
Lafayette, Indiana (Zip Code)
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (765) 771-5300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 website, 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. "

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 Act). Yes " No

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2015 was \$819,745,393 based upon the closing price of the Company's common stock as quoted on the New York Stock Exchange composite tape on such date.

The number of shares outstanding of the registrant's common stock as of February 18, 2016 was 64,935,898.

Part III of this Form 10-K incorporates by reference certain portions of the registrant's Proxy Statement for its Annual Meeting of Stockholders to be filed within 120 days after December 31, 2015.

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FORWARD LOOKING STATEMENTS

This Annual Report of Wabash National Corporation (together with its subsidiaries, “Wabash,” “Company,” “us,” “we,” or “our”) contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). Forward-looking statements may include the words “may,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect,” “plan” or “anticipate” and other similar words. Our “forward-looking statements” include, but are not limited to, statements regarding:

- our business plan;
- our expected revenues, income or loss;
- our ability to manage our indebtedness
- our strategic plan and plans for future operations;
- financing needs, plans and liquidity, including for working capital and capital expenditures;
- our ability to achieve sustained profitability;
- reliance on certain customers and corporate relationships;
- availability and pricing of raw materials;
- availability of capital and financing;
- dependence on industry trends;
- the outcome of any pending litigation or notice of environmental dispute;
- export sales and new markets;
- engineering and manufacturing capabilities and capacity;

acceptance of new technology and products;

government regulation; and

assumptions relating to the foregoing.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in this Annual Report. Each forward-looking statement contained in this Annual Report reflects our management's view only as of the date on which that forward-looking statement was made. We are not obligated to update forward-looking statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events, except as required by law.

Currently known risks and uncertainties that could cause actual results to differ materially from our expectations are described throughout this Annual Report, including in "Item 1A. *Risk Factors*." We urge you to carefully review that section for a more complete discussion of the risks of an investment in our securities.

PART I

ITEM 1—BUSINESS

Overview

Wabash National Corporation (together with its subsidiaries, “Wabash,” “Company,” “us,” “we,” or “our”) was founded in 1985 as a start-up company in Lafayette, Indiana. We are now a diversified industrial manufacturer and North America’s leading producer of semi-trailers and liquid transportation systems. We design, manufacture and market a diverse range of products, including dry freight and refrigerated trailers, platform trailers, bulk tank trailers, dry and refrigerated truck bodies, truck-mounted tanks, intermodal equipment, aircraft refueling equipment, structural composite panels and products, trailer aerodynamic solutions and specialty food grade and pharmaceutical equipment. We believe our position as a leader in our key industries is the result of longstanding relationships with our core customers, our demonstrated ability to attract new customers, our broad and innovative product lines, our technological leadership and our extensive distribution and service network. Our management team is focused on continuing to optimize our manufacturing and retail operations to match the current demand environment, implementing cost savings initiatives and lean manufacturing techniques, strengthening our capital structure, developing innovative products that enable our customers to succeed, improving earnings and continuing diversification of the business into higher margin opportunities that leverage our intellectual and process capabilities.

Wabash was incorporated in Delaware in 1991 and is the successor by merger to a Maryland corporation organized in 1985. Our internet website is www.wabashnational.com. We make our electronic filings with the Securities Exchange Commission (the “SEC”), including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports available on our website free of charge as soon as practicable after we file or furnish them with the SEC. Information on the website is not part of this Annual Report.

Operating Segments

We manage our business in three segments: Commercial Trailer Products, Diversified Products and Retail. Certain corporate-related administrative costs, interest and income taxes are not allocated to these three segments, but are reported in our Corporate and Eliminations segment. Financial results by operating segment, including information about revenues from customers, measures of profit and loss and financial information regarding geographic areas and export sales are discussed in Note 12, Segments and Related Information, of the accompanying consolidated financial statements. By operating segment, net sales, prior to the elimination of intersegment sales, were as follows (dollars in thousands):

	Year Ended December 31,		
	2015	2014	2013
Sales by Segment			
Commercial Trailer Products	\$ 1,509,380	\$ 1,294,164	\$ 1,082,456
Diversified Products	428,021	466,238	458,653
Retail	167,291	190,080	181,486
Corporate and Eliminations	(77,203)	(87,167)	(86,909)
Total	\$2,027,489	\$ 1,863,315	\$ 1,635,686

Commercial Trailer Products

Commercial Trailer Products segment sales as a percentage of our consolidated net sales and gross margin measured prior to intersegment eliminations were:

	Year Ended December 31,		
	2015	2014	2013
Percentage of net sales	71.7%	66.4%	62.8%
Percentage of gross profit	61.1%	45.8%	39.5%

The Commercial Trailer Products segment manufactures standard and customized van and platform trailers. We seek to identify and produce proprietary custom products that offer exceptional value to customers with the potential to generate higher profit margin than standardized products. We believe that we have the engineering and manufacturing capability to produce these products efficiently. We introduced our proprietary composite product, DuraPlate[®], in 1996 and have experienced widespread truck trailer industry acceptance. Since 2002, sales of our DuraPlate[®] trailers have represented approximately 94% of our total new dry van trailer sales. We are also a competitive producer of refrigerated trailer products as well as other specialty products, including converter dollies. Through our Transcraft subsidiary we also manufacture steel and aluminum flatbed and dropdeck trailers. Through our Commercial Trailer Products segment, we also operate a wood flooring production facility that manufactures laminated hard wood oak products for our van trailer products.

Commercial Trailer Products' transportation equipment is marketed under the Wabash[®], DuraPlate[®], DuraPlateHD[®], DuraPlate[®] XD-35[®], ArcticLite[®], RoadRailer[®], Transcraft[®] and Benson[®] trademarks directly to customers, through independent dealers and through our Company-owned retail branch network. Historically, we have focused on our longstanding core customers representing many of the largest companies in the trucking industry, but have expanded this focus over the past several years to include numerous additional key accounts. Our relationships with our core customers have been central to our growth since inception. We have also actively pursued the diversification of our customer base through our network of independent dealers. For our van business we utilize a total of 25 independent dealers with approximately 63 locations throughout North America to market and distribute our trailers. We distribute our flatbed and dropdeck trailers through a network of 73 independent dealers with approximately 123 locations throughout North America. In addition, we maintain a used fleet sales center to focus on selling both large and small fleet trade packages to the wholesale market.

Diversified Products

Diversified Products segment sales as a percentage of our consolidated net sales and gross margin measured prior to intersegment eliminations were:

	Year Ended December 31,		
	2015	2014	2013
Percentage of net sales	20.3%	23.9%	26.7%

Percentage of gross profit 32.4% 45.2% 51.0%

The Diversified Products segment focuses on our commitment to expand our customer base, diversify our product offerings, end markets and revenues, and extend our market leadership by leveraging our intellectual property and technology, including our proprietary DuraPlate® panel technology, drawing on our core manufacturing expertise and making available products that are complementary to the truck and tank trailers and transportation equipment we offer. This segment includes a wide array of products and customer-specific solutions. Leveraging our intellectual property and technology and core manufacturing expertise into new applications and market sectors enables us to deliver greater value to our customers and shareholders.

The Diversified Products segment is comprised of four strategic business units: Tank Trailer, Aviation & Truck Equipment, Process Systems and Composites. The Tank Trailer business sells products through several brands including Walker Transport, Brenner® Tank, Bulk International and Beall® Trailers. These brands represent leading positions in liquid transportation systems and include a full line of stainless steel and aluminum tank trailers for the North American chemical, dairy, food and beverage, and petroleum and energy services markets. Offerings related to our Process Systems business include brands such as Walker® Engineered Products and Extract Technology® and represent what we estimate to be leading positions in isolators, stationary silos and downflow booths around the world for the chemical, dairy, food and beverage, pharmaceutical and nuclear markets. The Aviation & Truck Equipment business is a leading manufacturer of truck-mounted tanks used in the aviation, refined fuel, heating oil, propane and liquid waste industries with products offered under the Garsite and Progress Tank brands. Our Composites business includes offerings under our DuraPlate® composite panel technology, which contains unique properties of strength and durability that can be utilized in numerous applications in addition to truck trailers and truck bodies. The Diversified Products segment has leveraged our DuraPlate® panel technology to develop numerous proprietary products, including the DuraPlate® AeroSkirt®, an aerodynamic solution for over-the-road trailers that provides approximately 6% improvement in fuel economy, as well as a line of foldable portable storage containers. Leveraging its experience with DuraPlate® and trailer aerodynamics, the Composites business has developed a full line of aerodynamic solutions designed to improve overall trailer aerodynamics and fuel economy, most notably the AeroSkirt CX™, Ventix DRS™ and AeroFin™. In addition, we utilize our DuraPlate® technology in the production of truck bodies, overhead doors and other industrial applications. These DuraPlate® composite products are sold to original equipment manufacturers and aftermarket customers.

Through these brands and product offerings, our Diversified Products segment now serves a variety of end markets, a number of which we believe are less cyclical than the markets served by our Commercial Trailer Products and Retail segments. We expect to continue to focus on diversifying our Diversified Products segment to enhance our business model, strengthen our revenues and become a stronger company that can deliver greater value to our shareholders.

Retail

Retail segment sales as a percentage of our consolidated net sales and gross margin measured prior to intersegment eliminations were:

	Year Ended December 31,		
	2015	2014	2013
Percentage of net sales	8.0%	9.7 %	10.5%
Percentage of gross profit	6.5%	9.0 %	9.5 %

The Retail segment includes our 15 Company-owned retail branch locations, which are strategically located near large metropolitan areas to provide additional opportunities to distribute our products, diversify our factory direct sales and also offer services and support capabilities for our customers. Additionally, this segment includes 9 on-site service locations, where we provide dedicated service on a customer’s site in conjunction with long-term service and maintenance contracts. Our retail branch network’s sale of new and used trailers, aftermarket parts and service generally provides enhanced margin opportunities.

Strategy

We are committed to a corporate strategy that seeks to maximize shareholder value by executing on the core elements of our strategic plan:

Value Creation. We intend to continue our focus on improved earnings and cash flow.

Operational Excellence. We are focused on maintaining a reduced cost structure by adhering to continuous improvement and lean manufacturing initiatives.

People. We recognize that to achieve our strategic goals we must continue to develop the organization's skills to advance our employees' capabilities and to attract talented people.

Customer Focus. We have been successful in developing longstanding relationships with core customers, and while we intend to maintain these relationships we seek to create new revenue opportunities by developing new customer relationships through the offering of customized transportation solutions.

Innovation. We intend to continue to be the technology leader by providing new and differentiated products and services that generate enhanced profit margins.

Corporate Growth. We intend to expand our product offering and competitive advantage by increasing our focus on the diversification of products and leveraging our intellectual and physical assets for organic growth.

Industry and Competition

Trucking in the U.S., according to the American Trucking Association (ATA), was estimated to be a \$700 billion industry in 2014, representing approximately 80% of the total transportation industry revenue. Furthermore, ATA estimates that approximately 69% of all freight tonnage in 2014 was carried by trucks. Trailer demand is a direct function of the amount of freight to be transported. Furthermore, ATA estimates that the percentage of freight tonnage carried by trucks will grow 25% by 2026. To meet this continued high demand for freight, truck carriers will need to replace and expand their fleets, which typically results in increased trailer orders.

Transportation in the U.S., including trucking, is a cyclical industry that has experienced three cycles over the last 20 years. In each of the last three cycles the decline in freight tonnage preceded the general U.S. economic downturn by approximately two and one-half years and the recovery has generally preceded that of the economy as a whole. The trailer industry generally follows the transportation industry, experiencing cycles in the early and late 90's lasting approximately 58 and 67 months, respectively. Truck freight tonnage, according to ATA statistics, started declining year-over-year in 2006 and remained at depressed levels through 2009. The most recent cycle concluded in 2009, lasting a total of 89 months. After three consecutive years with total trailer demand well below normal replacement demand levels estimated to be approximately 220,000 trailers, the four year period ending December 2015 represent consecutive years of significant improvement in which the total trailer market increased year-over-year by 14%, 1%, 15% and 14% in 2012, 2013, 2014 and 2015, respectively, with total shipments of approximately 232,000; 234,000, 269,000 and 307,000, respectively. In our view, we expect to see continued strong demand for new trailer equipment as the economic and industry specific indicators we track, including but not limited to ATA's truck tonnage index, employment growth, housing and auto sectors, as well as the overall gross domestic product, appear to be trending in a positive direction.

Wabash, and its three largest competitors, Great Dane, Utility and Hyundai Translead, are generally viewed as the top trailer manufacturers in the U.S. and accounted for approximately 69% of U.S. new trailer market share in 2015. Our market share of U.S. total trailer shipments in 2015 was approximately 20%. Trailer manufacturers compete primarily through the quality of their products, customer relationships, service availability and price. Over the past several years, we have seen a number of our competitors follow our leadership in the development and use of composite sidewalls that compete directly with our DuraPlate[®] products. Our product development is focused on maintaining our leading position with respect to these products and on development of new products and markets, leveraging our proprietary DuraPlate[®] product, as well as our expertise in the engineering and design of customized products.

The table below sets forth new trailer production for Wabash and, as provided by Trailer Body Builders Magazine, our largest competitors and the trailer industry as a whole within North America. The data represents all segments of

the market, except containers and chassis. For the years included below, we have participated primarily in the van and platform trailer segments and added the tank trailer segment beginning in 2012 with the acquisitions of Walker Group Holdings (“Walker”) in May 2012 and certain assets of Beall Corporation (“Beall”) in February 2013. Van trailer demand, the largest segment within the trailer industry, has continued to show sequential improvements over each of the last five years from a low of approximately 52,000 trailers in 2009 and recovering to an estimated 227,000 van trailers in 2015. Our market share for van trailers in 2015 was approximately 24%, a decrease of less than 1% from 2014.

	2015	2014	2013	2012	2011
Wabash	63,000	56,000	46,000	45,000 (2)	49,000
Great Dane	52,000	48,000	44,000	44,000	39,000
Utility	49,000	41,000	39,000	38,000	33,000
Hyundai Translead	43,000	34,000	27,000	23,000	18,000
Stoughton	15,000	13,000	12,000	11,000	9,000
Other principal producers	40,000	37,000	31,000	33,000	25,000
Total Industry	302,000	265,000	232,000 ⁽¹⁾	227,000	201,000 ⁽¹⁾

(1) Data revised by publisher in a subsequent year.

(2) The 2012 production includes Walker volumes on a full-year pro forma basis.

Our diversified product segment, in most cases, participates in markets different than our traditional van and platform trailer product offerings. The end markets that our diversified products serve are broader and more diverse than the trailer industry, including environmental, pharmaceutical, biotech, oil and gas, moving and storage and specialty vehicle. In addition, our diversification efforts pertain to new and emerging markets and many of the products are driven by regulatory requirements or, in most cases, customer-specific needs. However, some of our diversification efforts are considered to be in the early growth stages and future success is largely dependent on continued customer adoption of our product solutions and general expansion of our customer base and distribution channels.

Competitive Strengths

We believe our core competitive strengths include:

Long-Term Core Customer Relationships – We are the leading provider of trailers to a significant number of top tier trucking companies, generating a revenue base that has helped to sustain us as one of the market leaders. Our van products are preferred by many of the industry’s leading carriers. We are also a leading provider of liquid-transportation systems and engineered products and we have a strong customer base, consisting of mostly private fleets, and have earned a leading market position across many of the markets we serve.

Innovative Product Offerings – Our DuraPlate® proprietary technology offers what we believe to be a superior trailer, which customers value. A DuraPlate® trailer is a composite plate trailer using material that contains a high-density polyethylene core bonded between high-strength steel skins. We believe that the competitive advantages of our DuraPlate® trailers compared to standard trailers include providing a lower total cost of ownership through the following:

- Extended Service Life – operate three to five years longer;
- Lower Operating and Maintenance Costs – greater durability and performance;
- Less Downtime – higher utilization for fleets;
- Extended Warranty – warranty period for DuraPlate® panels is ten years; and
- Improved Resale Value – higher trade-in and resale values.

We have been manufacturing DuraPlate^â trailers for over 20 years and through December 2015 have sold approximately 600,000 DuraPlate[®] trailers. We believe that this proven experience, combined with ownership and knowledge of the DuraPlate^â panel technology, will help ensure continued industry leadership in the future. We continue to introduce new innovations in our DuraPlate[®] line of products, including DuraPlateHD[®] and DuraPlate XD-35[®], along with new innovations in other product lines, including our ArcticLite[®] refrigerated trailers and Lean Duplex tank trailers.

Significant Market Share and Brand Recognition – We have been one of the three largest manufacturers of trailers in North America since 1994, with one of the most widely recognized brands in the industry. We are currently the largest producer of van trailers in North America and, according to data published by Trailer Body Builders Magazine, our Transcraft subsidiary is one of the leading producers of platform trailers. We are also the largest manufacturers of liquid stainless steel and aluminum tank trailers in North America through our Walker Transport, Brenner[®] Tank, Bulk International and Beall[®] brands. We participate broadly in the transportation industry through each of our three business segments. As a percentage of our consolidated net sales, new trailer sales for our dry and refrigerated vans, platforms and tanks represented approximately 83% in 2015.

Committed Focus on Operational Excellence – Safety, quality, on-time delivery, productivity and cost reduction are the core elements of our program of continuous improvement. We currently maintain an ISO 14001 registration of our Environmental Management System at our Lafayette, Indiana facilities and an ISO 9001 registration of our Quality Management System at our Lafayette, Indiana and Cadiz, Kentucky facilities.

Technology –We continue to be recognized by the trucking industry as a leader in developing technology to provide value-added solutions for our customers that reduce trailer operating costs, improve revenue opportunities, and solve unique transportation problems. Throughout our history, we have been and we expect we will continue to be a leading innovator in the design and production of trailers. Recent new trailer introductions and value-added options include the Lean Duplex tank trailer, a stainless steel option that reduces weight while providing enhanced performance characteristics over typical chemical tank trailers; Trustlock Plus[®], a proprietary single-lock rear door mechanism; a combination ID/Stop light, a dual-function rear ID light that also actuates as a brake indicator; MaxClearance[™] Overhead Door System, a vertical door that provides an opening that would be comparable to that of swing door models; and the DuraPlate[®] AeroSkirt[®], Ventix DRST[™], AeroFin[™] and AeroSkirt CX[™], durable aerodynamic solutions that, based on verified laboratory and track testing, provides improved fuel efficiencies of 9% or greater when used in specific combinations.

In addition to the introduction of new trailer product innovations made through our DuraPlate[®] family over the past 20 years, we have also focused on a customer-centered approach in developing product enhancements for other industries we serve. Some of the more recent innovations include: the development of mobile clean rooms, or self-contained laboratories, which are configured to provide isolation and containment solutions into a rapidly deployable and flexible manufacturing facility for pharmaceutical and other technology applications; the development of a Refined Fuel truck with integrated Auxiliary Power Unit designed to improve fuel efficiency and prolong the useful operating life of fuel delivery vehicles; and the introduction of the Truck Body line leveraging our fleet-proven DuraPlate[®] technology for dry truck bodies as well as the introduction of a revolutionary proprietary composite panel designed to improve weight and thermal efficiency in refrigerated truck body applications.

Corporate Culture – We benefit from an experienced, value-driven management team and dedicated workforce focused on operational excellence.

Extensive Distribution Network – Our 15 Company-owned retail branches extend our sales network throughout North America, diversify our factory direct sales, provide an outlet for used trailer sales and support our national service contracts. Additionally, we utilize a network of 25 independent dealers with approximately 63 locations throughout North America to distribute our van trailers, and our Transcraft distribution network consists of 73 independent dealers with approximately 123 locations throughout North America. Our tank trailers are distributed through a network of 65 independent dealers with 66 locations throughout North America.

Regulation

Truck trailer length, height, width, maximum weight capacity and other specifications are regulated by individual states. The federal government also regulates certain safety and environmental sustainability features incorporated in the design and use of truck and tank trailers. These regulations include, but are not limited to, requirements on anti-lock braking systems and rear-impact guard standards, the use of aerodynamic devices and fuel saving technologies, as well as operator restrictions as to hours of service and minimum driver safety standards (see "Industry Trends"). In addition, most tank trailers we manufacture have specific federal regulations and restrictions that dictate tank design, material type and thickness. Manufacturing operations are subject to environmental laws enforced by federal, state and local agencies (see "Environmental Matters").

Products

Since our inception, we have expanded our product offerings from a single truck trailer dry van product to a broad range of transportation equipment and diversified industrial products.

Our Commercial Trailer Products segment specializes in the development of innovative proprietary products for our key markets. Commercial Trailer Products segment sales represented approximately 72%, 66% and 63% of our consolidated net sales as measured before elimination of intersegment sales in 2015, 2014 and 2013, respectively. Our current Commercial Trailer Products primarily include the following:

Dry Van Trailers. The dry van market represents our largest product line and includes trailers sold under DuraPlate[®], DuraPlateHD[®], and DuraPlate[®] XD-35[®] trademarks. Our DuraPlate[®] trailers utilize a proprietary technology that consists of a composite plate wall for increased durability and greater strength.

Platform Trailers. Platform trailers are sold under the Transcraft[®] and Benson[®] trademarks. Platform trailers consist of a trailer chassis with a flat or “drop” loading deck without permanent sides or a roof. These trailers are primarily utilized to haul steel coils, construction materials and large equipment. In addition to our all steel and combination steel and aluminum platform trailers, we also offer a premium all-aluminum platform trailer.

Refrigerated Trailers. Refrigerated trailers have insulating foam in the walls, roof and floor, which improves both the insulation capabilities and durability of the trailers. Our refrigerated trailers are sold under the ArcticLite[®] trademark and use our proprietary SolarGuard[®] technology, coupled with our foaming process, which we believe enables customers to achieve lower costs through reduced operating hours of refrigeration equipment and therefore reduced fuel consumption.

Specialty Trailers. These products include a wide array of specialty equipment and services generally focused on products that require a higher degree of customer specifications and requirements. These specialty products include converter dollies, Big Tire Hauler, Steel Coil Hauler and RoadRailer[®] trailers.

Aftermarket Parts and Rail. Aftermarket component products are manufactured to provide continued support to our customers throughout the life cycle of the trailer. Aurora Parts & Accessories, LLC is the exclusive supplier of the aftermarket component products for the company’s dry van, refrigerated and platform trailers. Additionally, rail components are sold to provide continued support of the Road Railer[®] product line as well as to expand our offerings in the rail markets.

Truck Bodies. Introduced in 2015, the truck body product leverages our fleet-proven DuraPlate[®] technology utilized in dry van trailers and also includes the introduction of a revolutionary proprietary molded structural composite panel designed to improve weight and thermal efficiency in refrigerated truck body applications.

Used Trailers. This includes the sale of used trailers through our used fleet sales center to facilitate new trailer sales with a focus on selling both large and small fleet trade packages to the wholesale market.

Wood Products. We manufacture laminated hardwood oak products used primarily in our dry van trailer segment at our manufacturing operations located in Harrison, Arkansas.

Our Diversified Products segment focuses on our commitment to expand our customer base, diversify our product offerings, end markets and revenues, and extend our market leadership by leveraging our intellectual property and technology, including our proprietary DuraPlate® panel technology, drawing on our core manufacturing expertise and making available products that are complementary to the truck and tank trailers and transportation equipment we offer. Diversified Products segment sales represented approximately 20%, 24% and 27% of our consolidated net sales as measured before elimination of intersegment sales in 2015, 2014 and 2013, respectively. Our current Diversified Products segment primarily includes the following:

Tank Trailers. Tank Trailers currently has several principal brands dedicated to transportation products including Walker Transport, Brenner® Tank, Bulk Tank International as well as Beall® Trailers. Equipment sold under these brands include stainless steel and aluminum liquid and dry bulk tank trailers and other transport solutions for the dairy, food and beverage, chemical, environmental, petroleum and refined fuel industries.

Walker Transport – Founded as the original Walker business in 1943, the Walker Transport brand includes stainless-steel tank trailers for the dairy, food and beverage end markets.

Brenner® Tank – Founded in 1900, Brenner® Tank manufactures stainless-steel and aluminum tank trailers, dry bulk trailers, fiberglass reinforced poly tank trailers as well as vacuum tank trailers and carbon steel frac tanks for the oil and gas, chemical, energy and environmental services end markets.

- Bulk Tank International – Manufactures stainless-steel tank trailers for the oil and gas and chemical end markets.

Beall® Trailers – With tank trailer production dating to 1928, the Beall® brand includes aluminum tank trailers and related tank trailer equipment for the dry bulk and petroleum end markets.

Process Systems. Process Systems currently sells products under the Walker Engineered Products and Extract Technology® brands and specializes in the design and production of a broad range of products including: a portfolio of products for storage, mixing and blending, including process vessels, as well as round horizontal and vertical storage silo tanks; containment and isolation systems for the pharmaceutical, chemical, and nuclear industries, including custom designed turnkey systems and spare components for full service and maintenance contracts; containment systems for the pharmaceutical, chemical and biotech markets; and mobile water storage tanks used in the oil and gas industry to pump high-pressure water into underground wells.

Walker Engineered Products – Since the 1960s, Walker has marketed stainless-steel storage tanks and silos, mixers, and processors for the dairy, food and beverage, pharmaceutical, chemical and biotech end markets under the Walker Engineered Products brand.

Extract Technology® – Since 1981, the Extract Technology® brand has included stainless-steel isolators and downflow booths, as well as custom-fabricated equipment, including workstations and drum booths for the pharmaceutical, fine chemical, biotech and nuclear end markets.

Aviation & Truck Equipment. Aviation & Truck Equipment currently sells products under the Progress Tank and Garsite brands, which are dedicated to serving aircraft refuelers and hydrant dispensers for in-to-plane fueling companies, airlines, freight distribution companies and fuel marketers around the globe; military grade refueling and water tankers for applications and environments required by the military; truck mounted tanks for fuel delivery; and vacuum tankers.

Progress Tank – Since 1920, the Progress Tank brand has included aluminum and stainless-steel truck-mounted tanks for the oil and gas and environmental end markets.

Garsite – Founded in 1952, Garsite is a value-added assembler of aircraft refuelers, hydrant dispensers, and above-ground fuel storage tanks for the aviation end market.

Composites. Our composite products expand the use of DuraPlate® composite panels, already a proven product in the semi-trailer market for over 20 years, into new product and market applications. In 2009, we introduced our EPA Smartway®¹ approved DuraPlate® AeroSkirt®. In February 2015 we introduced three solutions designed to significantly improve trailer aerodynamics and fuel economy featuring a trailer drag reduction system to manage airflow across the entire length of trailer, or Ventix DRS™, an aerodynamic tail devised to direct airflow across the rear of the trailer, or AeroFin™, and a new lighter version of our AeroSkirt design called AeroSkirt CX™. Other composite products include truck bodies, overhead doors, foldable portable storage containers and other industrial applications. We continue to develop new products and actively explore markets that can benefit from the proven performance of our proprietary technology.

¹ EPA Smartway® is a registered trademark of U.S. Environmental Protection Agency (EPA)

Our Retail segment offers products in three general categories, including new trailers, used trailers and parts and service. Retail segment sales represented approximately 8% of our consolidated net sales as measured before elimination of intersegment sales in 2015 and approximately 10% in each of the prior two years. The following is a description of each product category: