

UNIVERSAL FOREST PRODUCTS INC

Form 10-Q

August 01, 2018

Table of Contents

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

OR

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

Commission File Number 0 22684

UNIVERSAL FOREST PRODUCTS, INC.

(Exact name of registrant as specified in its charter)

Michigan	38 1465835
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2801 East Beltline NE, Grand Rapids, Michigan	49525
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (616) 364 6161

NONE

(Former name or former address, if changed since last report.)

Indicate by checkmark 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

Edgar Filing: UNIVERSAL FOREST PRODUCTS INC - Form 10-Q

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth 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 Accelerated Filer Non-Accelerated Filer Smaller reporting company
Emerging Growth 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 an new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

Class	Outstanding as of June 30, 2018
Common stock, \$1 par value	61,632,401

Table of Contents

UNIVERSAL FOREST PRODUCTS, INC.

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION.	Page No.
Item 1.	Financial Statements	
	<u>Consolidated Condensed Balance Sheets at June 30, 2018, December 30, 2017 and July 1, 2017</u>	3
	<u>Consolidated Condensed Statements of Earnings and Comprehensive Income for the Three Months Ended and Six Months Ended June 30, 2018 and July 1, 2017</u>	4
	<u>Consolidated Condensed Statements of Shareholders' Equity for the Three Months Ended and Six Months Ended June 30, 2018 and July 1, 2017</u>	5
	<u>Consolidated Condensed Statements of Cash Flows for the Six Months Ended June 30, 2018 and July 1, 2017</u>	6
	<u>Notes to Unaudited Consolidated Condensed Financial Statements</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	29
Item 4.	<u>Controls and Procedures</u>	30
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings – NONE	
Item 1A.	<u>Risk Factors</u>	31
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
Item 3.	Defaults upon Senior Securities – NONE	
Item 4.	Mine Safety Disclosures – NONE	
Item 5.	<u>Other Information – NONE</u>	31
Item 6.	<u>Exhibits</u>	32

Table of Contents

UNIVERSAL FOREST PRODUCTS, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

(in thousands, except share data)

	June 30, 2018	December 30, 2017	July 1, 2017
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 27,501	\$ 28,339	\$ 24,625
Restricted cash	16,758	477	905
Investments	14,493	11,269	10,401
Accounts receivable, net	489,145	327,751	398,529
Inventories:			
Raw materials	272,765	234,354	218,356
Finished goods	259,109	225,954	220,079
Total inventories	531,874	460,308	438,435
Refundable income taxes	2,396	7,228	—
Other current assets	30,464	28,115	21,970
TOTAL CURRENT ASSETS	1,112,631	863,487	894,865
DEFERRED INCOME TAXES	2,235	1,865	1,981
RESTRICTED INVESTMENTS	10,950	8,359	7,911
OTHER ASSETS	7,081	7,368	7,842
GOODWILL	219,595	212,644	213,597
INDEFINITE-LIVED INTANGIBLE ASSETS	7,384	7,415	2,340
OTHER INTANGIBLE ASSETS, NET	36,045	34,910	37,547
PROPERTY, PLANT AND EQUIPMENT:			
Property, plant and equipment	791,348	763,101	735,474
Less accumulated depreciation and amortization	(450,650)	(434,472)	(419,518)
PROPERTY, PLANT AND EQUIPMENT, NET	340,698	328,629	315,956
TOTAL ASSETS	1,736,619	1,464,677	1,482,039
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Cash overdraft	\$ 33,608	\$ 25,851	\$ 22,769
Accounts payable	197,408	140,106	160,250
Accrued liabilities:			
Compensation and benefits	88,771	97,556	77,187
Income taxes	—	—	960
Other	50,038	38,404	48,063
Current portion of long-term debt	542	1,329	2,378
TOTAL CURRENT LIABILITIES	370,367	303,246	311,607
LONG-TERM DEBT	276,274	144,674	204,752
DEFERRED INCOME TAXES	13,856	14,079	20,360
OTHER LIABILITIES			