

ASTEC INDUSTRIES INC  
Form 10-Q  
May 10, 2018  
UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549

FORM 10-Q  
(Mark One)  
☑ QUARTERLY REPORT  
PURSUANT TO SECTION 13 OR  
15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended March  
31, 2018

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  
001-11595

Astec Industries, Inc.  
(Exact name of registrant as specified  
in its charter)

Tennessee 620873631  
(State  
or  
other (I.R.S. Employer  
jurisdiction Identification No.)  
of  
incorporation  
or  
organization)

1725  
Shepherd  
Road, 37421  
Chattanooga,  
Tennessee  
(Address/Zip Code)  
of  
principal

executive  
offices)

(423) 899-5898

(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, 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. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-accelerated Reporting Company

Emerging Growth Company

(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

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

Class	Outstanding at April 23, 2018
Common Stock, par value \$0.20	23,087,491

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## PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Astec Industries, Inc.

Condensed Consolidated Balance Sheets

(in thousands)

(unaudited)

	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$41,940	\$62,280
Investments	1,751	1,624
Trade receivables	149,450	114,786
Other receivables	4,404	5,166
Inventories	411,159	391,379
Prepaid expenses and other	23,533	27,734
Total current assets	632,237	602,969
Property and equipment, net	189,287	190,396
Investments	14,846	14,553
Goodwill	46,307	45,732
Other long-term assets	35,688	35,929
Total assets	\$918,365	\$889,579
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt	\$2,050	\$2,469
Accounts payable	68,833	60,417
Customer deposits	51,519	49,381
Accrued product warranty	16,013	15,410
Accrued payroll and related liabilities	19,368	23,297
Accrued loss reserves	2,152	2,504
Other current liabilities	26,507	25,668
Total current liabilities	186,442	179,146
Long-term debt	1,357	1,575
Deferred income tax liabilities	1,567	1,509
Other long-term liabilities	20,923	20,584
Total liabilities	210,289	202,814
Shareholders' equity	707,001	685,672
Non-controlling interest	1,075	1,093
Total equity	708,076	686,765
Total liabilities and equity	\$918,365	\$889,579

See Notes to Unaudited Condensed Consolidated Financial Statements

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Astec Industries, Inc.  
Condensed Consolidated Statements of Income  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended March 31,	
	2018	2017
Net sales	\$325,453	\$318,401
Cost of sales	247,448	242,630
Gross profit	78,005	75,771
Selling, general, administrative and engineering expenses	52,078	53,121
Income from operations	25,927	22,650
Interest expense	150	265
Other income, net of expenses	461	512
Income from operations before income taxes	26,238	22,897
Income taxes	6,022	7,817
Net income	20,216	15,080
Net loss attributable to non-controlling interest	(51 )	(40 )
Net income attributable to controlling interest	\$20,267	\$15,120
Earnings per common share		
Net income attributable to controlling interest:		
Basic	\$0.88	\$0.66
Diluted	\$0.87	\$0.65
Weighted average number of common shares outstanding:		
Basic	23,045	23,013
Diluted	23,236	23,176
Dividends declared per common share	\$0.10	\$0.10

See Notes to Unaudited Condensed Consolidated Financial Statements

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Astec Industries, Inc.  
 Condensed Consolidated Statements of Comprehensive Income  
 (in thousands)  
 (unaudited)

	Three Months Ended March 31,	
	2018	2017
Net income	\$20,216	\$15,080
Other comprehensive income:		
Foreign currency translation adjustments	1,712	2,030
Change in unrecognized pension benefit cost	65	--
Other comprehensive income	1,777	2,030
Comprehensive income	21,993	17,110
Comprehensive income (loss) attributable to non-controlling interest	(48 )	8
Comprehensive income attributable to controlling interest	\$22,041	\$17,102