

HUTTIG BUILDING PRODUCTS INC
Form 10-Q
July 30, 2015

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, 2015

Commission file number 1-14982

HUTTIG BUILDING PRODUCTS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	43-0334550 (I.R.S. Employer Identification No.)
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555 Maryville University Drive Suite 400

St. Louis, Missouri (Address of principal executive offices)	63141 (Zip code)
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(314) 216-2600

(Registrant's telephone number, including area code)

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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 definition 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 (Do not check if smaller reporting company) 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

The number of shares of Common Stock outstanding on June 30, 2015 was 24,885,265 shares.

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PART 1 FINANCIAL INFORMATION

ITEM 1 — FINANCIAL STATEMENTS

HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(In Millions, Except Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	\$175.1	\$168.7	\$322.5	\$304.0
Cost of sales	139.5	135.2	258.4	244.0
Gross margin	35.6	33.5	64.1	60.0
Operating expenses	30.0	29.4	57.9	56.1
Gain on disposal of assets	(0.4)	—	(0.4)	—
Operating income	6.0	4.1	6.6	3.9
Interest expense, net	0.6	0.7	1.1	1.3
Income from continuing operations before income taxes	5.4	3.4	5.5	2.6
Provision for income taxes	—	—	—	—
Income from continuing operations	5.4	3.4	5.5	2.6
Loss from discontinued operations, net of taxes	(0.3)	(0.2)	(0.4)	(3.4)
Net income (loss)	\$5.1	\$3.2	\$5.1	\$(0.8)
Net income from continuing operations per				
share - basic and diluted	\$0.21	\$0.14	\$0.22	\$0.11
Net loss from discontinued operations per				
share - basic and diluted	\$(0.01)	\$(0.01)	(0.02)	(0.14)
Net income (loss) per share - basic and diluted	\$0.20	\$0.13	\$0.20	\$(0.03)
Weighted average shares outstanding:				
Basic shares outstanding	24.1	23.6	24.0	23.4
Diluted shares outstanding	24.1	23.6	24.0	23.5

See notes to condensed consolidated financial statements

HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(In Millions)

	June 30, 2015	December 31, 2014	June 30, 2014
ASSETS			
CURRENT ASSETS:			
Cash and equivalents	\$2.5	\$ 0.5	\$3.5
Trade accounts receivable, net	72.0	48.9	69.4
Inventories	76.2	67.4	77.4
Other current assets	6.8	7.8	6.5
Total current assets	157.5	124.6	156.8
PROPERTY, PLANT AND EQUIPMENT:			
Land	4.3	4.3	4.3
Buildings and improvements	25.9	25.4	24.6
Machinery and equipment	36.4	36.0	34.9
Gross property, plant and equipment	66.6	65.7	63.8
Less accumulated depreciation	49.9	48.8	47.4
Property, plant and equipment, net	16.7	16.9	16.4
OTHER ASSETS:			
Goodwill	6.3	6.3	6.3
Other	2.0	2.2	2.3
Deferred income taxes	7.8	8.0	7.7
Total other assets	16.1	16.5	16.3
TOTAL ASSETS	\$190.3	\$ 158.0	\$189.5

See notes to condensed consolidated financial statements

HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(In Millions, Except Share Data)

	June 30, 2015	December 31, 2014	June 30, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current maturities of long-term debt	\$0.8	\$ 1.3	\$0.6
Trade accounts payable	53.7	39.4	52.0
Deferred income taxes	7.8	8.0	7.7
Accrued compensation	3.8	4.0	2.9
Other accrued liabilities	11.9	13.4	11.8
Total current liabilities	78.0	66.1	75.0
NON-CURRENT LIABILITIES:			
Long-term debt, less current maturities	77.5	62.4	88.3
Other non-current liabilities	3.8	3.8	4.2
Total non-current liabilities	81.3	66.2	92.5
SHAREHOLDERS' EQUITY:			
Preferred shares; \$.01 par (5,000,000 shares authorized)	—	—	—
Common shares; \$.01 par (50,000,000 shares authorized: 24,885,265; 24,556,536; and 24,572,371 shares issued at June 30, 2015, December 31, 2014 and June 30, 2014, respectively)	0.2	0.2	0.2
Additional paid-in capital	40.6	40.4	39.7
Accumulated deficit	(9.8)	(14.9)	(17.9)
Total shareholders' equity	31.0	25.7	22.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$190.3	\$ 158.0	\$189.5

See notes to condensed consolidated financial statements

HUTTIG BUILDING PRODUCTS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(In Millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Cash Flows From Operating Activities:				
Net income (loss)	\$5.1	\$3.2	\$5.1	\$(0.8)
Adjustments to reconcile net income (loss) to				
net cash provided by (used in) operating activities:				
Net loss from discontinued operations	0.3	0.2	0.4	3.4
Depreciation and amortization	0.8	0.7	1.5	1.5
Non-cash interest expense	0.1	0.1	0.2	0.2
Stock-based compensation	0.4	0.4	0.8	0.7
Gain on disposal of assets	(0.4)	—	(0.4)	—
Changes in operating assets and liabilities:				
Trade accounts receivable	(4.7)	(9.2)	(23.5)	(25.1)
Inventories	3.9	(2.3)	(10.4)	(10.7)