

UNIVERSAL FOREST PRODUCTS INC
Form 10-Q
August 01, 2011

UNIVERSAL FOREST PRODUCTS, INC.

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 25, 2011

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 (I.R.S. Employer Identification Number)
organization)

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

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

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

Indicate by checkmark 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" and "smaller reporting

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company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller reporting company

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 25, 2011 |
|----------------------------|---------------------------------|
| Common stock, no par value | 19,525,590 |

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UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(in thousands, except share data)

| | June 25, 2011 | December 25, 2010 | June 26, 2010 |
|---|------------------|-------------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$- | \$43,363 | \$695 |
| Accounts receivable, net | 204,220 | 126,780 | 229,199 |
| Inventories: | | | |
| Raw materials | 126,196 | 113,049 | 111,670 |
| Finished goods | 78,394 | 77,341 | 79,899 |
| | 204,590 | 190,390 | 191,569 |
| Assets held for sale | 5,082 | 2,446 | - |
| Refundable income taxes | 2,114 | - | - |
| Other current assets | 18,219 | 19,020 | 18,110 |
| TOTAL CURRENT ASSETS | 434,225 | 381,999 | 439,573 |
| OTHER ASSETS | 11,453 | 11,455 | 5,300 |
| GOODWILL | 154,702 | 154,702 | 156,296 |
| INDEFINITE-LIVED INTANGIBLE ASSETS | 2,340 | 2,340 | 2,340 |
| OTHER INTANGIBLE ASSETS, net | 13,136 | 15,933 | 13,429 |
| PROPERTY, PLANT AND EQUIPMENT: | | | |
| Property, plant and equipment | 525,197 | 517,793 | 518,816 |
| Accumulated depreciation and amortization | (308,200) | (295,642) | (292,390) |
| PROPERTY, PLANT AND EQUIPMENT, NET | 216,997 | 222,151 | 226,426 |
| TOTAL ASSETS | \$832,853 | \$788,580 | \$843,364 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Cash overdraft | \$8,671 | \$- | \$- |
| Accounts payable | 76,521 | 59,481 | 83,467 |
| Accrued liabilities: | | | |
| Compensation and benefits | 39,741 | 43,909 | 48,226 |
| Income taxes | - | 657 | 6,736 |
| Other | 15,573 | 15,135 | 22,995 |
| Current portion of long-term debt and capital lease obligations | 23,772 | 712 | 692 |
| TOTAL CURRENT LIABILITIES | 164,278 | 119,894 | 162,116 |
| LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, less current portion | | | |
| | 52,200 | 54,579 | 67,932 |
| DEFERRED INCOME TAXES | 20,478 | 20,631 | 21,539 |
| OTHER LIABILITIES | 15,040 | 12,300 | 11,929 |
| TOTAL LIABILITIES | 251,996 | 207,404 | 263,516 |
| EQUITY: | | | |

Controlling interest shareholders' equity:

Preferred stock, no par value; shares authorized 1,000,000; issued and outstanding, none

Common stock, no par value; shares authorized 40,000,000; issued and outstanding 19,525,590, 19,333,122 and 19,329,922

| | | | |
|--|------------|------------|------------|
| Common stock, no par value; shares authorized 40,000,000; issued and outstanding 19,525,590, 19,333,122 and 19,329,922 | \$ 19,526 | \$ 19,333 | \$ 19,330 |
| Additional paid-in capital | 140,636 | 138,573 | 135,710 |
| Retained earnings | 410,814 | 414,108 | 416,562 |
| Accumulated other comprehensive earnings | 4,839 | 4,165 | 4,018 |
| Employee stock notes receivable | (1,493) | (1,670) | (1,721) |
| | 574,322 | 574,509 | 573,899 |
| Noncontrolling interest | 6,535 | 6,667 | 5,949 |
| TOTAL EQUITY | 580,857 | 581,176 | 579,848 |
| TOTAL LIABILITIES AND EQUITY | \$ 832,853 | \$ 788,580 | \$ 843,364 |

See notes to unaudited consolidated condensed financial statements.

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UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

(in thousands, except per share data)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|------------------|------------------|
| | June 25, 2011 | June 26, 2010 | June 25, 2011 | June 26, 2010 |
| NET SALES | \$544,139 | \$638,635 | \$931,372 | \$1,031,593 |
| COST OF GOODS SOLD | 487,552 | 560,749 | 833,371 | 902,073 |
| GROSS PROFIT | 56,587 | 77,886 | 98,001 | 129,520 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 45,328 | 54,041 | 91,816 | 102,530 |
| NET LOSS ON DISPOSITION OF ASSETS, EARLY RETIREMENT, AND OTHER IMPAIRMENT AND EXIT CHARGES | 3,482 | 212 | 3,489 | 384 |
| EARNINGS FROM OPERATIONS | 7,777 | 23,633 | 2,696 | 26,606 |
| INTEREST EXPENSE | 929 | 903 | 1,812 | 1,789 |
| INTEREST INCOME | (132) | (70) | (380) | (190) |
| | 797 | 833 | 1,432 | 1,599 |
| EARNINGS BEFORE INCOME TAXES | 6,980 | 22,800 | 1,264 | 25,007 |
| INCOME TAXES | 2,502 | 8,332 | 215 | 8,819 |
| NET EARNINGS | 4,478 | 14,468 | 1,049 | 16,188 |
| LESS NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST | (201) | (752) | (442) | (1,485) |
| NET EARNINGS ATTRIBUTABLE TO CONTROLLING INTEREST | \$4,277 | \$13,716 | \$607 | \$14,703 |
| EARNINGS PER SHARE - BASIC | \$0.22 | \$0.71 | \$0.03 | \$0.76 |
| EARNINGS PER SHARE - DILUTED | \$0.22 | \$0.70 | \$0.03 | \$0.75 |
| WEIGHTED AVERAGE SHARES OUTSTANDING | 19,413 | 19,259 | 19,360 | 19,258 |
| | 19,546 | 19,531 | 19,513 | 19,524 |

WEIGHTED AVERAGE SHARES OUTSTANDING
WITH COMMON STOCK EQUIVALENTS

See notes to unaudited consolidated condensed financial statements.

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UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY
(Unaudited)

(in thousands, except share and per share data)

| | Controlling Interest Shareholders' Equity |
|-----------------|---|
| Common Stock | Additional Paid- |