

USA TRUCK INC
Form 10-Q
August 04, 2015
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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 June 30, 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: 1-35740

USA TRUCK, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of	71-0556971 (I.R.S. Employer
incorporation or organization)	Identification No.)
3200 Industrial Park Road Van Buren, Arkansas (Address of principal executive offices)	72956 (Zip Code)
479-471-2500 (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

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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 the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a 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 outstanding of the registrant's common stock, as of July 30, 2015, was 10,607,630.

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(in thousands, except share data)

	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash	\$ 704	\$ 205
Accounts receivable, net of allowance for doubtful accounts of \$731 and \$1,020, respectively	62,772	71,186
Other receivables	8,192	5,639
Inventories	1,944	1,863
Assets held for sale	7,079	3,536
Deferred income taxes	2,682	7,707
Prepaid expenses and other current assets	16,986	17,318
Total current assets	100,359	107,454
Property and equipment:		
Land and structures	32,138	31,596
Revenue equipment	324,768	348,216
Service, office and other equipment	16,801	16,648
Property and equipment, at cost	373,707	396,460
Accumulated depreciation and amortization	(169,034)	(182,724)
Property and equipment, net	204,673	213,736
Other assets	1,492	658
Total assets	\$ 306,524	\$ 321,848
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 35,063	\$ 23,582
Current portion of insurance and claims accruals	14,636	10,230
Accrued expenses	16,302	8,252

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Current maturities of long-term debt and capital leases	18,272	24,048
Total current liabilities	84,273	66,112
Deferred gain	585	589
Long-term debt and capital leases, less current maturities	67,563	93,464
Deferred income taxes	38,081	46,688
Insurance and claims accruals, less current portion	6,322	9,647
Total liabilities	196,824	216,500
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock, \$.01 par value; 1,000,000 shares authorized; none issued		
Common Stock, \$.01 par value; 30,000,000 shares authorized; issued 11,985,653 shares, and 11,873,071 shares, respectively	120	119
Additional paid-in capital	66,606	65,850
Retained earnings	64,658	61,082
Less treasury stock, at cost (1,336,456 shares, and 1,340,438 shares, respectively)	(21,684)	(21,703)
Total stockholders' equity	109,700	105,348
Total liabilities and stockholders' equity	\$ 306,524	\$ 321,848

See accompanying notes to condensed consolidated financial statements.

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USA TRUCK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(LOSS)

(UNAUDITED)

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue:				
Operating revenue	\$ 133,573	\$ 153,298	\$ 266,460	\$ 298,787
Operating expenses:				
Salaries, wages and employee benefits	35,636	38,703	73,508	74,542
Fuel expense	16,257	30,704	34,235	63,707
Depreciation and amortization	10,277	11,148	20,948	22,603
Insurance and claims	5,903	5,903	12,097	11,887
Operations and maintenance	12,176	11,629	24,316	24,691
Purchased transportation	42,646	44,538	81,416	85,788
Operating taxes and licenses	1,462	1,355	2,782	2,801
Communications and utilities	880	1,094	1,743	2,133
Gain on disposal of assets, net	(2,255)	(179)	(2,758)	(522)
Other	5,307	4,146	9,298	7,943
Total operating expenses	128,289	149,041	257,585	295,573
Operating income	5,284	4,257	8,875	3,214
Other expenses (income):				
Interest expense, net	549	744	1,179	1,455
Defense costs		2,163		2,528
Loss on extinguishment of debt			750	
Other, net	370	(16)	572	48
Total other expenses, net	919	2,891	2,501	4,031
Income (loss) before income taxes	4,365	1,366	6,374	(817)
Income tax expense	1,905	644	2,798	50
Net income (loss) and comprehensive income (loss)	\$ 2,460	\$ 722	\$ 3,576	\$ (867)

Net income (loss) per share information:

Average shares outstanding (basic)	10,435	10,346	10,423	10,343
Basic earnings (loss) per share	\$ 0.24	\$ 0.07	\$ 0.34	\$ (0.08)
Average shares outstanding (diluted)	10,516	10,478	10,524	10,343
Diluted earnings (loss) per share	\$ 0.23	\$ 0.07	\$ 0.34	\$ (0.08)

See accompanying notes to condensed consolidated financial statements.

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USA TRUCK, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

(UNAUDITED)

(in thousands)

	Common Stock		Additional	Retained	Treasury	Total
	Shares	Par Value	Paid-in Capital	Earnings	Stock	
Balance at December 31, 2014	11,873	\$ 119	\$ 65,850	\$ 61,082	\$ (21,703)	\$ 105,348
Exercise of stock options	28		154			154
Excess tax benefit from exercise of stock options			537			537
Transfer of stock (into) out of treasury stock			(19)		19	
Share-based compensation			356			356
Restricted stock award grant	99	1	(1)			
Forfeited restricted stock	(5)					
Net share settlement related to restricted stock vesting	(9)		(271)			(271)
Net income				3,576		3,576
Balance at June 30, 2015	11,986	\$ 120	\$ 66,606	\$ 64,658	\$ (21,684)	\$ 109,700

See accompanying notes to condensed consolidated financial statements.

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USA TRUCK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(in thousands)

	Six Months Ended June 30,	
	2015	2014
Operating activities:		
Net income (loss)	\$ 3,576	\$ (867)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	20,948	22,603
Provision for doubtful accounts	397	423
Deferred income taxes, net	(3,582)	(1,321)
Share-based compensation	356	219
Gain on disposal of assets, net	(2,758)	(522)
Loss on extinguishment of debt	750	
Other	(4)	(4)
Changes in operating assets and liabilities:		
Accounts receivable	7,590	(13,734)
Inventories and prepaid expenses	(498)	(1,095)
Accounts payable and accrued liabilities	11,898	11,037
Insurance and claims accruals	1,740	1,779
Other long-term assets and liabilities	(834)	
Net cash provided by operating activities	39,579	18,518
Investing activities:		
Capital expenditures	(20,643)	(22,534)
Proceeds from sale of property and equipment	15,946	8,881
Change in other assets, net		15
Net cash used by investing activities	(4,697)	(13,638)
Financing activities:		
Borrowings under long-term debt	111,236	