

NCI BUILDING SYSTEMS INC

Form 10-Q

June 07, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark
One)

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

For the quarterly period ended April 30, 2017

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: 1-14315

NCI BUILDING SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware 76-0127701
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

10943 North Sam Houston Parkway West 77064
Houston, TX
(Address of principal executive offices) (Zip Code)

(281) 897-7788
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>
	Emerging growth company <input type="checkbox"/>

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.

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

APPLICABLE ONLY TO CORPORATE ISSUERS

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

Common Stock, \$.01 par value - 70,899,742 shares as of June 1, 2017.

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PART I — FINANCIAL INFORMATION

Item 1. Unaudited Consolidated Financial Statements.

NCI BUILDING SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

(Unaudited)

	April 30, 2017	October 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$49,682	\$65,403
Restricted cash	70	310
Accounts receivable, net	168,625	182,258
Inventories, net	195,441	186,824
Income taxes receivable	—	982
Deferred income taxes	26,126	29,104
Investments in debt and equity securities, at market	6,469	5,748
Prepaid expenses and other	39,452	29,971
Assets held for sale	5,044	4,256
Total current assets	490,909	504,856
Property, plant and equipment, net	234,831	242,212
Goodwill	154,291	154,271
Intangible assets, net	141,958	146,769
Other assets, net	1,824	2,092
Total assets	\$1,023,813	\$1,050,200
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Note payable	\$1,373	\$460
Accounts payable	121,177	142,913
Accrued compensation and benefits	55,760	72,612
Accrued interest	6,156	7,165
Accrued income taxes	1,119	—
Other accrued expenses	102,580	103,384
Total current liabilities	288,165	326,534
Long-term debt, net of deferred financing costs of \$7,341 and \$8,096 on April 30, 2017 and October 30, 2016, respectively	386,806	396,051
Deferred income taxes	24,701	24,804
Other long-term liabilities	21,267	21,494
Total long-term liabilities	432,774	442,349
Stockholders' equity:		
Common stock, \$.01 par value, 100,000,000 shares authorized; 71,191,046 and 71,581,273 shares issued at April 30, 2017 and October 30, 2016, respectively; 70,899,918 and 70,806,202 shares outstanding at April 30, 2017 and October 30, 2016, respectively	712	715
Additional paid-in capital	598,670	603,120
Accumulated deficit	(283,757)	(302,706)
Accumulated other comprehensive loss, net	(10,611)	(10,553)
Treasury stock, at cost (291,128 and 775,071 shares at April 30, 2017 and October 30, 2016, respectively)	(2,140)	(9,259)

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Total stockholders' equity	302,874	281,317
Total liabilities and stockholders' equity	\$1,023,813	\$1,050,200

See accompanying notes to consolidated financial statements.

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NCI BUILDING SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Fiscal Three Months		Fiscal Six Months	
	Ended		Ended	
	April 30,	May 1,	April 30,	May 1,
	2017	2016	2017	2016
Sales	\$420,464	\$372,247	\$812,167	\$742,261
Cost of sales	319,488	283,799	627,240	564,822
Loss (gain) on sale of assets and asset recovery	137	(927)	137	(1,652)
Gross profit	100,839	89,375	184,790	179,091
Engineering, selling, general and administrative expenses	75,124	74,648	144,164	144,498
Intangible asset amortization	2,405	2,405	4,810	4,821
Strategic development and acquisition related costs	124	579	481	1,260
Restructuring and impairment charges	315	1,149	2,578	2,659
Gain on insurance recovery	(9,601)	—	(9,601)	—
Income from operations	32,472			