

HEARTLAND EXPRESS INC

Form 10-Q

May 10, 2018

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xbrli:shares iso4217:USD

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended March 31, 2018

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 0-15087

HEARTLAND EXPRESS INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada

(State or Other Jurisdiction
of Incorporation or organization)

93-0926999

(I.R.S. Employer
Identification No.)

901 North Kansas Avenue, North Liberty, Iowa 52317

(Address of Principal Executive Offices) (Zip Code)

319-626-3600

(Registrant's telephone number, including area code)

Registrant's telephone number, including area code **(319) 626-3600**

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, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging 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

As of May 4, 2018 there were 82,311,996 shares of the Company's common stock (\$0.01 par value) outstanding.

**HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES**

TABLE OF CONTENTS

	Page
PART I - FINANCIAL INFORMATION	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017 (unaudited)</u>	<u>3</u>
<u>Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2018 and 2017 (unaudited)</u>	<u>4</u>
<u>Consolidated Statements of Stockholders' Equity for the Three Months Ended March 31, 2018 (unaudited)</u>	<u>5</u>
<u>Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2018 and 2017 (unaudited)</u>	<u>6</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>15</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>22</u>
<u>Item 4. Controls and Procedures</u>	<u>22</u>
PART II - OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	<u>24</u>
<u>Item 2. Changes in Securities</u>	<u>24</u>
<u>Item 3. Defaults upon Senior Securities</u>	<u>24</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>24</u>
<u>Item 5. Other Information</u>	<u>24</u>
<u>Item 6. Exhibits and Reports on Form 8-K</u>	<u>25</u>
<u>Signatures</u>	<u>26</u>

PART I
HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

	March 31,	December 31,
	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 105,019	\$ 75,378
Trade receivables, net of allowance of \$1.5 million and \$1.5 million	61,571	64,293
Prepaid tires	11,045	10,989
Other current assets	21,923	13,782
Income tax receivable	9,691	6,393
Total current assets	209,249	170,835
PROPERTY AND EQUIPMENT		
Land and land improvements	40,973	40,283
Buildings	49,957	48,657
Leasehold improvements	1,097	2,208
Furniture and fixtures	3,290	3,437
Shop and service equipment	12,904	12,202
Revenue equipment	550,193	555,980
Construction in progress	4,060	3,996
Property and equipment, gross	662,474	666,763
Less accumulated depreciation	223,331	223,901
Property and equipment, net	439,143	442,862
GOODWILL	132,410	132,410
OTHER INTANGIBLES, NET	16,352	17,022
DEFERRED INCOME TAXES, NET	3,237	1,737
OTHER ASSETS	22,825	24,261
	\$ 823,216	\$ 789,127
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 38,771	\$ 14,366
Compensation and benefits	27,324	26,752
Insurance accruals	19,991	21,368
Other accruals	12,284	12,835
Total current liabilities	98,370	75,321
LONG-TERM LIABILITIES		
Income taxes payable	6,124	8,147
Deferred income taxes, net	72,172	65,488
Insurance accruals less current portion	61,461	65,526
Total long-term liabilities	139,757	139,161
COMMITMENTS AND CONTINGENCIES (Note 15)		
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$.01; authorized 5,000 shares; none issued	—	—
Capital stock, common, \$.01 par value; authorized 395,000 shares; issued 90,689 in 2018 and 2017; outstanding 83,240 in 2018 and 83,303 in 2017	907	907

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Additional paid-in capital	3,414	3,518
Retained earnings	705,885	694,174
Treasury stock, at cost; 7,449 shares in 2018 and 7,386 in 2017	(125,117)	(123,954)
	585,089	574,645
	\$ 823,216	\$ 789,127

The accompanying notes are an integral part of these consolidated financial statements.

3

**HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

**(in thousands, except per share amounts)
(unaudited)**

	Three Months Ended March 31,	
	2018	2017
OPERATING REVENUE	\$ 156,695	\$ 129,903
OPERATING EXPENSES		
Salaries, wages, and benefits	62,009	48,979
Rent and purchased transportation	6,125	2,863
Fuel	28,940	22,702
Operations and maintenance	7,865	5,869
Operating taxes and licenses	3,952	3,292
Insurance and claims	4,224	3,779
Communications and utilities	1,870	1,098
Depreciation and amortization	25,601	22,930
Other operating expenses	6,030	5,103
Gain on disposal of property and equipment	(2,869)	(6,075)
	143,747	110,540
Operating income	12,948	19,363
Interest income	342	288
Income before income taxes	13,290	19,651
Federal and state income taxes	(88)	5,615
Net income	\$ 13,378	\$ 14,036
Other comprehensive income, net of tax	—	—
Comprehensive income	\$ 13,378	\$ 14,036
Net income per share		
Basic	\$0.16	\$0.17
Diluted	\$0.16	\$0.17
Weighted average shares outstanding		
Basic	83,309	83,292
Diluted	83,349	83,337
Dividends declared per share	\$0.02	\$0.02

The accompanying notes are an integral part of these consolidated financial statements.

**HEARTLAND EXPRESS, INC
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except per share amounts)
(unaudited)**

	Capital Stock, Common	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance, December 31, 2017	\$ 907	\$ 3,518	\$694,174	\$(123,954)	\$574,645
Net income	—	—			