

FreightCar America, Inc.
Form 10-Q
May 03, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2016

or

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 000-51237

FREIGHTCAR AMERICA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

25-1837219
(I.R.S. Employer
Identification No.)

Two North Riverside Plaza, Suite 1300

Chicago, Illinois
(Address of principal executive offices)

60606
(Zip Code)

(800) 458-2235

(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

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 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.:

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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

As of April 22, 2016, there were 12,361,877 shares of the registrant's common stock outstanding.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****FreightCar America, Inc.****Condensed Consolidated Balance Sheets****(Unaudited)**

	March 31, 2016	December 31, 2015
	(In thousands, except for share and per share data)	
Assets		
Current assets		
Cash and cash equivalents	\$ 70,223	\$ 83,068
Restricted cash and restricted certificates of deposit	5,168	6,896
Marketable securities	20,989	26,951
Accounts receivable, net of allowance for doubtful accounts of \$14 and \$82, respectively	18,321	39,708
Inventories, net	136,363	115,354
Other current assets	21,108	8,704
Total current assets	272,172	280,681
Property, plant and equipment, net	44,136	42,596
Railcars available for lease, net	24,544	24,729
Goodwill	21,521	21,521
Deferred income taxes, net	11,560	34,722
Other long-term assets	2,468	2,655
Total assets	\$ 376,401	\$ 406,904
Liabilities and Stockholders Equity		
Current liabilities		
Accounts and contractual payables	\$ 41,115	\$ 34,304
Accrued payroll and employee benefits	4,327	8,303
Accrued postretirement benefits	405	405
Reserve for workers compensation	4,111	4,165
Accrued warranty	9,624	9,239
Customer deposits and deferred revenue	21,276	8,615
Income taxes payable	65	4,180
Other current liabilities	3,584	3,346
Total current liabilities	84,507	72,557
Accrued pension costs	6,569	6,673

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Accrued postretirement benefits, less current portion	6,043	72,497
Deferred income state and local incentives, long-term	11,658	12,190
Accrued taxes and other long-term liabilities	7,745	7,876
Total liabilities	116,522	171,793
Stockholders' equity		
Preferred stock, \$0.01 par value, 2,500,000 shares authorized (100,000 shares each designated as Series A voting and Series B non-voting, 0 shares issued and outstanding at March 31, 2016 and December 31, 2015)		
Common stock, \$0.01 par value, 50,000,000 shares authorized, 12,731,678 shares issued at March 31, 2016 and December 31, 2015	127	127
Additional paid in capital	92,211	93,939
Treasury stock, at cost, 369,801 and 402,166 shares at March 31, 2016 and December 31, 2015, respectively	(15,629)	(17,516)
Accumulated other comprehensive loss	(8,025)	(21,078)
Retained earnings	191,195	179,639
Total stockholders' equity	259,879	235,111
Total liabilities and stockholders' equity	\$ 376,401	\$ 406,904

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Table of Contents**FreightCar America, Inc.****Condensed Consolidated Statements of Operations****(Unaudited)**

	Three Months Ended March 31,	
	2016	2015
	<i>(In thousands, except for share and per share data)</i>	
Revenues	\$ 148,590	\$ 92,804
Cost of sales	132,703	88,251
Gross profit	15,887	4,553
Selling, general and administrative expenses	10,598	8,843
Gain on sale of railcars available for lease		(1,187)
Gain on settlement of postretirement benefit plan obligation, net of plaintiffs attorneys fees	(14,306)	
Operating income (loss)	19,595	(3,103)
Interest expense and deferred financing costs	(45)	(70)
Other income	81	52
Income (loss) before income taxes	19,631	(3,121)
Income tax provision (benefit)	6,964	(1,048)
Net income (loss)	\$ 12,667	\$ (2,073)
Net income (loss) per common share basic	\$ 1.03	\$ (0.17)
Net income (loss) per common share diluted	\$ 1.03	\$ (0.17)
Weighted average common shares outstanding - basic	12,252,131	12,020,622
Weighted average common shares outstanding - diluted	12,252,131	12,020,622
Dividends declared per common share	\$ 0.09	\$ 0.09

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Table of Contents**FreightCar America, Inc.****Condensed Consolidated Statements of Comprehensive (Loss) Income****(Unaudited)**

	Three Months Ended March 31, 2016 2015 (In thousands)	
Net income (loss)	\$ 12,667	\$ (2,073)
Other comprehensive income:		
Pension liability adjustments, net of tax	81	63
Postretirement liability adjustments, net of tax	12,972	102
Other comprehensive income	13,053	165
Comprehensive income (loss)	\$ 25,720	\$ (1,908)

See Notes to Condensed Consolidated Financial Statements (Unaudited).

Table of Contents**FreightCar America, Inc.****CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (Unaudited)**

(in thousands, except for share data)

	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders Equity
Balance, December 31, 2014	12,731,678	\$ 127	\$ 100,303	(665,869)	\$ (29,971)	\$ (24,017)	\$ 152,253	\$ 198,695
Net loss							(2,073)	(2,073)
Other comprehensive income						165		165
Restricted stock awards			(2,286)	50,787	2,286			
Forfeiture of restricted stock awards			9	(290)	(9)			
Employee stock settlement				(4,733)	(116)			(116)
Stock-based compensation recognized			603					603
Cash dividends							(1,090)	(1,090)
Balance, March 31, 2015	12,731,678	\$ 127	98,629	(620,105)	\$ (27,810)	\$ (23,852)	\$ 149,090	\$ 196,184
Balance, December 31, 2015	12,731,678	\$ 127	\$ 93,939	(402,166)	\$ (17,516)	\$ (21,078)	\$ 179,639	\$ 235,111
Net income							12,667	12,667
Other comprehensive income						13,053		13,053
Restricted stock awards			(2,235)	51,764	2,235			
Forfeiture of restricted stock awards			278	(15,634)	(278)			

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Employee stock settlement				(3,765)	(70)				(70)
Stock-based compensation recognized				229					229
Cash dividends								(1,111)	(1,111)
Balance, March 31, 2016	12,731,678	\$ 127	\$ 92,211	(369,801)	\$(15,629)	\$ (8,025)	\$ 191,195	\$ 259,879	