

UNITED STATES LIME & MINERALS INC
Form 10-Q
July 30, 2014

**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, 2014

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 is 000-4197

UNITED STATES LIME & MINERALS, INC.

(Exact name of registrant as specified in its charter)

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TEXAS
(State or other jurisdiction of
incorporation or organization)

75-0789226
(I.R.S. Employer
Identification No.)

5429 LBJ Freeway, Suite 230, Dallas, TX
(Address of principal executive offices)

75240
(Zip Code)

(972) 991-8400

(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 Website, 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. (Check one):

Large accelerated filer
Non-accelerated filer
(Do not check if a smaller reporting company)

Accelerated filer
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

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date: As of July 29, 2014, 5,577,942 shares of common stock, \$0.10 par value, were outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 56,015	\$ 49,475
Trade receivables, net	17,737	14,097
Inventories	11,539	13,688
Prepaid expenses and other current assets	1,138	1,584
Total current assets	86,429	78,844
Property, plant and equipment	253,423	249,714
Less accumulated depreciation and depletion	(147,003)	(141,227)
Property, plant and equipment, net	106,420	108,487
Other assets, net	171	195
Total assets	\$ 193,020	\$ 187,526
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current installments of debt	\$ 5,000	\$ 5,000
Accounts payable	4,499	5,812
Accrued expenses	3,306	3,536
Total current liabilities	12,805	14,348
Debt, excluding current installments	14,167	16,667
Deferred tax liabilities, net	18,126	17,799
Other liabilities	1,660	1,907
Total liabilities	46,758	50,721
Stockholders' equity:		
Common stock	650	650
Additional paid-in capital	19,843	19,319
Accumulated other comprehensive loss	(1,213)	(1,498)
Retained earnings	176,949	168,133
Less treasury stock, at cost	(49,967)	(49,799)
Total stockholders' equity	146,262	136,805
Total liabilities and stockholders' equity	\$ 193,020	\$ 187,526

See accompanying notes to condensed consolidated financial statements.

UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except per share amounts)

(Unaudited)

	THREE MONTHS ENDED				SIX MONTHS ENDED			
	June 30,		June 30,		June 30,		June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues								
Lime and limestone operations	\$ 37,320	96.5%	\$ 33,684	95.8%	\$ 72,371	96.0%	\$ 63,839	95.6%
Natural gas interests	1,356	3.5%	1,488	4.2%	2,996	4.0%	2,918	4.4%
	38,676	100.0%	35,172	100.0%	75,367	100.0%	66,757	100.0%
Cost of revenues:								
Labor and other operating expenses	24,586	63.5%	22,609	64.3%	49,129	65.2%	44,250	66.3%
Depreciation, depletion and amortization	3,667	9.5%	3,599	10.2%	7,223	9.6%	7,252	10.9%
	28,253	73.0%	26,208	74.5%	56,352	74.8%	51,502	77.2%
Gross profit	10,423	27.0%	8,964	25.5%	19,015	25.2%	15,255	22.8%
Selling, general and administrative expenses	2,418	6.3%	2,299	6.5%	4,600	6.1%	4,442	6.7%
Operating profit	8,005	20.7%	6,665	19.0%	14,415	19.1%	10,813	16.1%
Other expense (income):								
Interest expense	408	1.0%	465	1.4%	807	1.1%	954	1.4%
Other, net	(55)	(0.1)%	(36)	(0.1)%	(53)	(0.1)%	(74)	(0.2)%
	353	0.9%	429	1.3%	754	1.0%	880	1.2%
Income before income taxes	7,652	19.8%	6,236	17.7%	13,661	18.1%	9,933	14.9%
Income tax expense	1,934	5.0%	1,610	4.6%	3,451	4.6%	2,551	3.8%
Net income	\$ 5,718	14.8%	\$ 4,626	13.1%	\$ 10,210	13.5%	\$ 7,382	11.1%
Income per share of common stock:								
Basic	\$ 1.03		\$ 0.83		\$ 1.83		\$ 1.33	
Diluted	\$ 1.02		\$ 0.83		\$ 1.83		\$ 1.33	
Cash dividend per share of common stock	\$ 0.125				\$ 0.250			

See accompanying notes to condensed consolidated financial statements.

UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(dollars in thousands)

(Unaudited)

	QUARTER ENDED		SIX MONTHS ENDED	
	June 30,		June 30,	
	2014	2013	2014	2013
Net income	\$ 5,718	\$ 4,626	\$ 10,210	\$ 7,382
Other comprehensive income				
Mark to market of interest rate hedges, net of tax expenses of \$79 and \$122, respectively, for the quarters, and \$163 and \$229, respectively, for the six-month periods	139	213	285	400
Total other comprehensive income	139	213	285	400
Comprehensive income	\$ 5,857	\$ 4,839	\$	\$