

NCI BUILDING SYSTEMS INC
Form 10-Q
August 29, 2018

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 July 29, 2018

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 - 66,203,841 shares as of August 22, 2018.

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PART I — FINANCIAL INFORMATION

Item 1. Unaudited Consolidated Financial Statements.

NCI BUILDING SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Fiscal Three Months		Fiscal Nine Months	
	Ended		Ended	
	July 29, 2018	July 30, 2017	July 29, 2018	July 30, 2017
Sales	\$548,525	\$469,385	\$1,426,943	\$1,281,552
Cost of sales	415,124	354,416	1,097,542	981,793
Gross profit	133,401	114,969	329,401	299,759
Engineering, selling, general and administrative expenses	79,039	76,309	228,231	220,473
Intangible asset amortization	2,412	2,405	7,237	7,215
Restructuring and impairment charges, net	(439)	) 1,009	1,143	3,587
Strategic development and acquisition related costs	3,642	1,297	5,503	1,778
(Gain) loss on disposition of business	(1,013)	) —	5,673	—
Gain on insurance recovery	(4,741)	) (148)	) (4,741)	) (9,749)
Income from operations	54,501	34,097	86,355	76,455
Interest income	48	20	118	164
Interest expense	(4,572)	) (7,373)	) (16,913)	) (21,738)
Foreign exchange (loss) gain	(258)	) 985	(92)	) 1,035
Loss on extinguishment of debt	—	—	(21,875)) —
Other income, net	345	337	1,072	1,045
Income before income taxes	50,064	28,066	48,665	56,961
Provision for income taxes	14,078	9,845	13,114	19,727
Net income	\$35,986	\$18,221	\$35,551	\$37,234
Net income allocated to participating securities	(221)	) (102)	) (248)	) (240)
Net income applicable to common shares	\$35,765	\$18,119	\$35,303	\$36,994
Income per common share:				
Basic	\$0.54	\$0.26	\$0.53	\$0.52
Diluted	\$0.54	\$0.25	\$0.53	\$0.52
Weighted average number of common shares outstanding:				
Basic	66,335	71,047	66,361	70,973
Diluted	66,438	71,183	66,477	71,134

See accompanying notes to consolidated financial statements.

NCI BUILDING SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

Fiscal Three		Fiscal Nine	
Months Ended		Months Ended	
July 29, July 30,		July 29, July 30,	
2018	2017	2018	2017

Comprehensive income: