

BlueLinx Holdings Inc.
Form 10-Q
November 12, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended October 3, 2015

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: 1-32383

BlueLinx Holdings Inc.
(Exact name of registrant as specified in its
charter)

Delaware
(State of Incorporation)

77-0627356
(I.R.S. Employer Identification No.)

4300 Wildwood Parkway, Atlanta, Georgia
(Address of principal executive offices)

30339
(Zip Code)

(770) 953-7000
(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.

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

Edgar Filing: BlueLinx Holdings Inc. - Form 10-Q

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 November 12, 2015 there were 89,439,556 shares of BlueLinx Holdings Inc. common stock, par value \$0.01, outstanding.

BLUELINX HOLDINGS INC.

Form 10-Q

For the Quarterly Period Ended October 3, 2015

INDEX

| | PAGE |
|--|-----------|
| <u>PART I. FINANCIAL INFORMATION</u> | |
| <u>Item 1. Financial Statements — BlueLinx Holdings Inc. (Unaudited)</u> | <u>2</u> |
| <u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)</u> | <u>2</u> |
| <u>Condensed Consolidated Balance Sheets</u> | <u>3</u> |
| <u>Condensed Consolidated Statements of Cash Flows</u> | <u>4</u> |
| <u>Notes to Condensed Consolidated Financial Statements</u> | <u>5</u> |
| <u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u> | <u>9</u> |
| <u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u> | <u>15</u> |
| <u>Item 4. Controls and Procedures</u> | <u>16</u> |
| <u>PART II. OTHER INFORMATION</u> | |
| <u>Item 1. Legal Proceedings</u> | <u>17</u> |
| <u>Item 1A. Risk Factors</u> | <u>17</u> |
| <u>Item 6. Exhibits</u> | <u>17</u> |
| <u>Signatures</u> | <u>18</u> |
| <u>Exhibit Index</u> | <u>19</u> |

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BLUELINX HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (LOSS)

(In thousands, except per share data)

(unaudited)

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | October 3, 2015 | October 4, 2014 | October 3, 2015 | October 4, 2014 |
| Net sales | \$517,831 | \$549,845 | \$1,488,435 | \$1,525,283 |
| Cost of sales | 457,007 | 485,265 | 1,317,433 | 1,345,994 |
| Gross profit | 60,824 | 64,580 | 171,002 | 179,289 |
| Operating expenses: | | | | |
| Selling, general, and administrative | 49,907 | 56,136 | 150,617 | 163,257 |
| Gains from sales of property | — | — | — | (5,251) |
| Depreciation and amortization | 2,439 | 2,403 | 7,155 | 7,176 |
| Total operating expenses | 52,346 | 58,539 | 157,772 | 165,182 |
| Net operating income | 8,478 | 6,041 | 13,230 | 14,107 |
| Non-operating expenses: | | | | |
| Interest expense | 7,115 | 6,777 | 20,358 | 20,090 |
| Other expense, net | 263 | 193 | 650 | 313 |
| Income (loss) before provision for (benefit from) income taxes | 1,100 | (929) | (7,778) | (6,296) |
| Provision for (benefit from) income taxes | 539 | (69) | (2,264) | (65) |
| Net income (loss) | \$561 | \$(860) | \$(5,514) | \$(6,231) |
| Weighted average common shares: | | | | |
| Basic | 87,690 | 86,399 | 87,418 | 85,820 |
| Diluted | 88,073 | 86,399 | 87,418 | 85,820 |
| Basic and diluted net income (loss) per share applicable to common stock | \$0.01 | \$(0.01) | \$(0.06) | \$(0.07) |
| Comprehensive income (loss): | | | | |
| Net income (loss) | \$561 | \$(860) | \$(5,514) | \$(6,231) |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation, net of tax | (214) | (284) | (530) | (248) |
| Amortization of unrecognized pension loss, net of tax | 84 | 117 | 342 | 349 |
| Pension curtailment, net of tax | (1,852) | — | 4,414 | — |
| Total other comprehensive income | (1,982) | (167) | 4,226 | 101 |
| Comprehensive income (loss) | \$(1,421) | \$(1,027) | \$(1,288) | \$(6,130) |

See accompanying Notes.

BLUELINX HOLDINGS INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands, except share and per share data)
 (unaudited)

| | October 3, 2015 | January 3, 2015 |
|---|-----------------|-----------------|
| Assets: | | |
| Current assets: | | |
| Cash | \$6,904 | \$4,522 |
| Receivables, net of allowances of \$3.0 million and \$3.1 million, respectively | 187,344 | 144,537 |
| Inventories, net | 255,035 | 242,546 |
| Other current assets | 33,348 | 23,289 |
| Total current assets | 482,631 | 414,894 |
| Property, plant, and equipment: | | |
| Land and land improvements | 41,221 | 41,095 |