

WABASH NATIONAL CORP /DE  
Form 10-Q  
November 01, 2011

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 SEPTEMBER 30, 2011  
OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-10883

WABASH  
NATIONAL  
CORPORATION  
(Exact name of  
registrant as  
specified in its  
charter)

Delaware  
(State of Incorporation)

52-1375208  
(IRS Employer  
Identification Number)

1000 Sagamore Parkway South,  
Lafayette, Indiana  
(Address of Principal  
Executive Offices)

47905  
(Zip Code)

Registrant's telephone number, including area code: (765) 771-5300

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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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

The number of shares of common stock outstanding at October 26, 2011 was 68,527,663.

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WABASH NATIONAL CORPORATION

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WABASH NATIONAL CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Dollars in thousands)

	September 30, 2011 (Unaudited)	December 31, 2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$47,993	\$21,200
Accounts receivable	45,892	37,853
Inventories	199,986	110,850
Prepaid expenses and other	662	2,155
Total current assets	\$294,533	\$172,058
<b>PROPERTY, PLANT AND EQUIPMENT</b>	95,114	98,834
<b>INTANGIBLE ASSETS</b>	20,577	22,863
<b>OTHER ASSETS</b>	8,281	9,079
	\$418,505	\$302,834
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of capital lease obligations	\$4,058	\$590
Accounts payable	119,988	71,145
Other accrued liabilities	41,326	38,896
Total current liabilities	\$165,372	\$110,631
<b>LONG-TERM DEBT</b>	110,000	55,000
<b>CAPITAL LEASE OBLIGATIONS</b>	826	3,964
<b>OTHER NONCURRENT LIABILITIES AND CONTINGENCIES</b>	4,084	4,214
<b>STOCKHOLDERS' EQUITY</b>		
Common stock 200,000,000 shares authorized, \$0.01 par value, 68,122,292 and 67,930,814 shares issued and outstanding, respectively	704	703
Additional paid-in capital	600,782	598,671
Accumulated deficit	(436,739 )	(444,330 )
Treasury stock at cost, 1,811,414 and 1,764,823 common shares, respectively	(26,524 )	(26,019 )
Total stockholders' equity	\$138,223	\$129,025
	\$418,505	\$302,834

The accompanying notes are an integral part of these Condensed Consolidated Statements.



WABASH NATIONAL CORPORATION  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Dollars in thousands, except per share amounts)  
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
NET SALES	\$336,433	\$170,848	\$845,512	\$398,822
COST OF SALES	323,113	164,381	799,451	388,030
Gross profit	\$13,320	\$6,467	\$46,061	\$10,792
GENERAL AND ADMINISTRATIVE EXPENSES	7,895	8,019	25,365	24,249
SELLING EXPENSES	3,155	2,654	9,300	7,696
Income (Loss) from operations	\$2,270	\$(4,206 )	\$11,396	\$(21,153 )
OTHER INCOME (EXPENSE):				
Decrease (Increase) in fair value of warrant	-	3,265	-	(121,587 )
Interest expense	(1,108 )	(1,023 )	(3,181 )	(3,048 )
Loss on debt extinguishment	-	-	(668 )	-
Other, net	24	38	191	(732 )
Income (Loss) before income taxes	\$1,186	\$(1,926 )	\$7,738	\$(146,520 )
INCOME TAX EXPENSE	94	12	147	99
Net income (loss)	\$1,092	\$(1,938 )	\$7,591	\$(146,619 )
PREFERRED STOCK DIVIDENDS AND EARLY EXTINGUISHMENT	\$-	\$-	\$-	\$25,454
NET INCOME (LOSS) APPLICABLE TO COMMON STOCKHOLDERS	\$1,092	\$(1,938 )	\$7,591	\$(172,073 )
BASIC AND DILUTED NET INCOME (LOSS) PER SHARE	\$0.02	\$(0.03 )	\$0.11	\$(3.93 )
NET COMPREHENSIVE INCOME (LOSS)	\$1,092	\$(1,938 )	\$7,591	\$(146,619 )

The accompanying notes are an integral part of these Condensed Consolidated Statements.

WABASH NATIONAL CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Dollars in thousands)  
(Unaudited)

	Nine Months Ended September 30,	
	2011	2010
Cash flows from operating activities		
Net income (loss)	\$ 7,591	\$ (146,619 )
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation and amortization	11,754	12,862
Net (gain) loss on the sale of assets	(12 )	4
Loss on debt extinguishment	668	-
Increase in fair value of warrant	-	121,587
Stock-based compensation	1,947	2,466
Changes in operating assets and liabilities		
Accounts receivable	(8,039 )	(5,026 )
Inventories	(89,136 )	(77,591 )
Prepaid expenses and other	1,493	2,486
Accounts payable and accrued liabilities	51,273	53,710
Other, net	81	1,223
Net cash used in operating activities	\$ (22,380 )	\$ (34,898 )
Cash flows from investing activities		
Capital expenditures	(3,406 )	(1,154 )
Proceeds from the sale of property, plant and equipment	17	1,806
Net cash (used in) provided by investing activities	\$ (3,389 )	\$ 652
Cash flows from financing activities		
Proceeds from issuance of common stock, net of expenses	-	71,948
Proceeds from exercise of stock options	466	305
Borrowings under revolving credit facilities	731,546	456,864
Payments under revolving credit facilities	(676,546 )	(434,100 )
Principal payments under capital lease obligations	(476 )	(253 )
Stock repurchase	(505 )	(320 )
Payments under redemption of preferred stock	-	(47,791 )
Debt and preferred stock issuance costs paid	(1,923 )	(120 )
Net cash provided by financing activities	\$ 52,562	\$ 46,533
Net increase in cash and cash equivalents	\$ 26,793	\$ 12,287
Cash and cash equivalents at beginning of period	21,200	1,108
Cash and cash equivalents at end of period	\$ 47,993	\$ 13,395

The accompanying notes are an integral part of these Condensed Consolidated Statements.





WABASH NATIONAL CORPORATION  
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (Unaudited)

1. DESCRIPTION OF THE BUSINESS

The condensed consolidated financial statements of Wabash National Corporation (the “Company”) have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the accompanying condensed consolidated financial statements contain all material adjustments (consisting only of normal recurring adjustments) necessary to present fairly the consolidated financial position of the Company, its results of operations and cash flows. The Company has evaluated its September 30, 2011 consolidated financial statements for subsequent events through the date that the Company’s consolidated financial statements were filed with the SEC and determined no subsequent events have taken place that meet the definition of a subsequent event that requires further disclosure in this filing. The condensed consolidated financial statements included herein should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s 2010 Annual Report on Form 10-K. Certain reclassifications have been made to prior periods to conform to the current year presentation. These reclassifications had no effect on net income for the period previously reported.

2. INVENTORIES

Inventories are stated at the lower of cost, primarily determined on the first-in, first-out (FIFO) method, or market. The cost of manufactured inventory includes raw material, labor and overhead. Inventories consist of the following (in thousands):

	September 30, 2011	December 31, 2010
Raw materials and components	\$ 66,295	\$ 27,970
Work in progress	12,180	4,025
Finished goods	105,659	70,371
Aftermarket parts	5,473	4,486
Used trailers	10,379	