

PATRICK INDUSTRIES INC
Form 10-Q
November 12, 2009
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 SEPTEMBER 27, 2009

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 000-03922

PATRICK INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

INDIANA
(State or other jurisdiction of
incorporation or organization)

35-1057796
(I.R.S. Employer
Identification No.)

107 WEST FRANKLIN STREET, P.O. Box 638, ELKHART, IN 46515

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(Address of principal executive offices)

(ZIP Code)

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(574) 294-7511

(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 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 Accelerated filer Non-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

As of October 30, 2009, there were 9,162,189 shares of the registrant's common stock outstanding.

PATRICK INDUSTRIES, INC.

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Exhibit 32 - Certifications Pursuant to Section 906

PART I: FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****PATRICK INDUSTRIES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(thousands)	(Unaudited)	As of
	September 27, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 271	\$ 2,672
Trade receivables, net	18,494	8,290
Inventories	19,564	21,471
Prepaid expenses and other	1,733	2,803
Assets held for sale	1,918	15,816
Total current assets	41,980	51,052
Property, Plant and Equipment	82,524	83,756
Less accumulated depreciation	51,809	49,135
Net property, plant and equipment, at cost	30,715	34,621
Goodwill	2,140	2,140
Intangible assets, net of accumulated amortization		
(2009: \$1,693; 2008: \$1,430)	7,137	7,400
Deferred financing costs, net of accumulated amortization		
(2009: \$1,840; 2008: \$891)	1,675	2,270
Other non-current assets	2,894	3,010
TOTAL ASSETS	\$ 86,541	\$ 100,493
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities		
Current maturities of long-term debt	\$ 7,613	\$ 14,741
Short-term borrowings	14,410	18,200
Accounts payable	9,684	5,156
Accrued liabilities	6,437	7,252
Total current liabilities	38,144	45,349
Long-term debt, less current maturities and discount	25,107	27,367
Deferred compensation and other	6,536	5,708
Deferred tax liabilities	1,363	1,309
TOTAL LIABILITIES	71,150	79,733
SHAREHOLDERS EQUITY		
Common stock	53,562	53,522
Accumulated other comprehensive loss	(1,200)	(1,439)
Additional paid-in capital	148	362
Accumulated deficit	(37,119)	(31,685)
TOTAL SHAREHOLDERS EQUITY	15,391	20,760
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 86,541	\$ 100,493

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See accompanying Notes to Condensed Consolidated Financial Statements.

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PATRICK INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(thousands except per share data)	<u>Third Quarter Ended</u>		<u>Nine Months Ended</u>	
	Sept. 27, 2009	Sept. 28, 2008	Sept. 27, 2009	Sept. 28, 2008
NET SALES	\$ 58,342	\$ 76,685	\$ 159,135	\$ 269,272
Cost of goods sold	50,918	68,449	142,002	238,462
Restructuring charges	-	60	-	779
GROSS PROFIT	7,424	8,176	17,133	30,031
Operating expenses:				
Warehouse and delivery	2,602	4,161	7,789	13,105
Selling, general and administrative	3,045	5,985	9,669	19,251
Restructuring charges	-	25	-	202
Amortization of intangible assets	87	429	263	1,287
Gain on sale of fixed assets	(16)	(30)	(44)	(4,535)
Total operating expenses	5,718	10,570	17,677	29,310
OPERATING INCOME (LOSS)	1,706	(2,394)	(544)	721
Stock warrants revaluation	932	-	1,340	-
Interest expense, net	1,599	1,334	5,036	4,760
Loss from continuing operations before income tax benefit	(825)	(3,728)	(6,920)	(4,039)
Income tax benefit	-	(1,379)	-	(1,494)
Loss from continuing operations	(825)	(2,349)	(6,920)	(2,545)
Income from discontinued operations	203	18	1,486	311
Income taxes	-	6	-	115
Income from discontinued operations, net of tax	203	12	1,486	196
NET LOSS	\$ (622)	\$ (2,337)	\$ (5,434)	\$ (2,349)
Basic and diluted net income (loss) per common share:				
Continuing operations	\$ (0.09)	\$ (0.26)	\$ (0.75)	\$ (0.33)
Discontinued operations	0.02	-	0.16	0.02
Net loss	\$ (0.07)	\$ (0.26)	\$ (0.59)	\$ (0.31)
Weighted average shares outstanding basic and diluted	9,237	9,110	9,173	7,638

See accompanying Notes to Condensed Consolidated Financial Statements.

PATRICK INDUSTRIES, INC.**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

(thousands)	Nine Months Ended	
	Sept. 27, 2009	Sept. 28, 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (5,434)	\$ (2,349)
Adjustments to reconcile net loss to net cash		
provided by (used in) operating activities:		
Depreciation	3,752	4,716
Amortization of intangible assets	263	1,287
Stock-based compensation expense	71	690
Deferred compensation expense	117	487
Payments on deferred compensation obligations	(266)	(296)
Deferred income taxes	54	(1,401)
Gain on sale of fixed assets	(44)	(4,535)
Restructuring charges	-	221
Decrease in cash surrender value of life insurance		