

MARTIN MARIETTA MATERIALS INC
Form 10-Q
May 05, 2015

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 March 31, 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 1-12744

MARTIN MARIETTA MATERIALS, INC.

(Exact name of registrant as specified in its charter)

North Carolina 56-1848578
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification Number)

2710 Wycliff Road, Raleigh, NC 27607-3033
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 919-781-4550

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Former name: None

Former name, former address and former fiscal year, if changes 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

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class	Outstanding as of May 1, 2015
Common Stock, \$0.01 par value	67,481,231

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES

FORM 10-Q

For the Quarter Ended March 31, 2015

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2015 (Unaudited) (Dollars in Thousands, Except Per Share Data)	December 31, 2014 (Audited)	March 31, 2014 (Unaudited)
ASSETS			
Current Assets:			
Cash and cash equivalents	\$56,366	\$108,651	\$35,801
Accounts receivable, net	381,389	421,001	242,587
Inventories, net	505,047	484,919	354,718
Current deferred income tax benefits	235,367	244,638	73,320
Other current assets	103,560	29,607	51,788
Total Current Assets	1,281,729	1,288,816	758,214
Property, plant and equipment	5,694,546	5,691,676	4,001,505
Allowances for depreciation, depletion and amortization	(2,329,440)	(2,288,906)	(2,207,969)
Net property, plant and equipment	3,365,106	3,402,770	1,793,536
Goodwill	2,071,471	2,068,799	616,621
Operating permits, net	497,841	499,487	16,935
Other intangibles, net	94,113	95,718	30,808
Other noncurrent assets	107,386	108,802	39,143
Total Assets	\$7,417,646	\$7,464,392	\$3,255,257
LIABILITIES AND EQUITY			
Current Liabilities:			
Bank overdraft	\$—	\$183	\$—
Accounts payable	184,066	202,476	98,775
Accrued salaries, benefits and payroll taxes	23,590	36,576	12,904
Pension and postretirement benefits	6,637	6,953	2,356
Accrued insurance and other taxes	58,742	58,356	27,265
Current maturities of long-term debt and short-term facilities	14,406	14,336	12,403
Accrued interest	22,461	16,136	18,077
Other current liabilities	33,653	61,632	21,978
Total Current Liabilities	343,555	396,648	193,758
Long-term debt	1,566,617	1,571,059	1,055,541
Pension, postretirement and postemployment benefits	252,923	249,333	80,457
Noncurrent deferred income taxes	753,727	734,583	272,346
Other noncurrent liabilities	158,641	160,021	108,862
Total Liabilities	3,075,463	3,111,644	1,710,964
Equity:			

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Common stock, par value \$0.01 per share	673	671	462
Preferred stock, par value \$0.01 per share	—	—	—
Additional paid-in capital	3,255,809	3,243,619	442,551
Accumulated other comprehensive loss	(106,723)	(106,159)	(42,744)
Retained earnings	1,190,807	1,213,035	1,108,516
Total Shareholders' Equity	4,340,566	4,351,166	1,508,785
Noncontrolling interests	1,617	1,582	35,508
Total Equity	4,342,183	4,352,748	1,544,293
Total Liabilities and Equity	\$7,417,646	\$7,464,392	\$3,255,257

See accompanying notes to the consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE EARNINGS

	Three Months Ended March 31,	
	2015	2014
	(In Thousands, Except Per Share Data) (Unaudited)	
Net Sales	\$631,876	\$379,678
Freight and delivery revenues	59,471	48,951
Total revenues	691,347	428,629
Cost of sales	557,615	353,843
Freight and delivery costs	59,471	48,951
Total cost of revenues	617,086	402,794
Gross Profit	74,261	25,835
Selling, general & administrative expenses	49,450	34,247
Acquisition-related expenses, net	1,604	9,512
Other operating income, net	(2,364)	(2,026)
Earnings (Loss) from Operations	25,571	(15,898)
Interest expense	19,331	12,201
Other nonoperating expenses, net	893	3,463
Earnings (Loss) from continuing operations before taxes on income	5,347	(31,562)
Income tax benefit	(812)	(8,424)
Earnings (Loss) from Continuing Operations	6,159	(23,138)
Loss on discontinued operations, net of related tax benefit of \$1	—	(15)
Consolidated net earnings (loss)	6,159	(23,153)
Less: Net earnings (loss) attributable to noncontrolling interests	33	(1,535)
Net Earnings (Loss) Attributable to Martin Marietta Materials, Inc.	\$6,126	\$(21,618)
Net Earnings (Loss) Attributable to Martin Marietta Materials, Inc.:		
Earnings (Loss) from continuing operations	\$6,126	\$(21,603)
Loss from discontinued operations	—	(15)
	\$6,126	\$(21,618)
Consolidated Comprehensive Earnings (Loss): (See Note 1)		
Earnings (Loss) attributable to Martin Marietta Materials, Inc.	\$5,562	\$(20,248)
Earnings (Loss) attributable to noncontrolling interests	35	(1,534)
	\$5,597	\$(21,782)
Net Earnings (Loss) Attributable to Martin Marietta Materials, Inc. Per Common Share:		
Basic from continuing operations attributable to common shareholders	\$0.07	\$(0.47)
Discontinued operations attributable to common shareholders	—	—
	\$0.07	\$(0.47)

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Diluted from continuing operations attributable to common shareholders	\$0.07	\$(0.47)
Discontinued operations attributable to common shareholders	—	—
	\$0.07	\$(0.47)
Weighted-Average Common Shares Outstanding:		
Basic	67,411	46,315
Diluted	67,676	46,315
Cash Dividends Per Common Share	\$0.40	\$0.40

See accompanying notes to the consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2015 2014 (Dollars in Thousands) (Unaudited)	
Cash Flows from Operating Activities:		
Consolidated net earnings (loss)	\$6,159	\$(23,153)
Adjustments to reconcile consolidated net earnings (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	67,268	42,466
Stock-based compensation expense	2,907	1,409
Gains on divestitures and sales of assets	(1,576)	(1,106)
Deferred income taxes	27,774	(5,063)
Excess tax benefits from stock-based compensation transactions	(109)	(636)
Other items, net	1,192	