

US CONCRETE INC  
Form 10-Q  
May 10, 2006

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**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 March 31, 2006**

**Commission file number 000-26025**

**U.S. CONCRETE, INC.**

**A Delaware corporation**

**IRS Employer Identification No. 76-0586680  
2925 Briarpark, Suite 1050  
Houston, Texas 77042  
(713) 499-6200**

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 is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer  Accelerated filer  Non-accelerated filer

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 the close of business on May 8, 2006, U.S. Concrete, Inc. had 38,625,896 shares of its common stock, \$0.001 par value, outstanding (excluding treasury shares of 181,108).

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U.S. CONCRETE, INC.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

U.S. CONCRETE, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(In thousands)

	March 31, 2006	December 31, 2005
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 109,178	\$ 23,654
Trade accounts receivable, net	78,419	87,654
Inventories, net	24,608	23,677
Prepaid expenses	4,165	2,401
Other current assets	13,907	13,154
Total current assets	230,277	150,540
Property, plant and equipment, net	149,584	149,637
Goodwill	182,856	181,821
Other assets	11,479	12,045
Total assets	\$ 574,196	\$ 494,043
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 390	\$ 1,126
Accounts payable	36,011	49,144
Accrued liabilities	43,087	37,469
Total current liabilities	79,488	87,739
Long-term debt, net of current maturities	200,450	200,445
Other long-term liabilities and deferred credits	5,039	4,997
Deferred income taxes	17,153	15,941
Total liabilities	302,130	309,122
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock		
Common stock	38	30
Additional paid-in capital	259,063	172,857
Retained earnings	13,930	16,918
Treasury stock, at cost	(965)	(945)
Deferred compensation		(3,939)
Total stockholders' equity	272,066	184,921
Total liabilities and stockholders' equity	\$ 574,196	\$ 494,043

The accompanying notes are an integral part of these condensed consolidated financial statements.



**U.S. CONCRETE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(In thousands, except per share amounts)**

	<b>Three Months Ended March 31,</b>	
	<b>2006</b>	<b>2005</b>
Sales	\$ 139,594	\$ 92,499
Cost of goods sold before depreciation, depletion and amortization	120,796	83,951
Selling, general and administrative expenses	15,434	12,495
Depreciation, depletion and amortization	4,176	3,077
	(812)	(7,024)
Loss from operations		
Interest income	696	190
Interest expense	4,632	4,507
Other income, net	387	170
	(4,361)	(11,171)
Loss before income taxes		
Income tax benefit	(1,660)	(4,692)
	(2,701)	(6,479)
Net loss	\$ (2,701)	\$ (6,479)
Basic and diluted net loss per share	\$ (0.08)	\$ (0.23)
Basic and diluted common shares outstanding (Note 9)	33,669	28,529

The accompanying notes are an integral part of these condensed consolidated financial statements.

**U.S. CONCRETE, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY**  
**(Unaudited)**  
**(In thousands)**

	Common Stock		Additional Paid-In Capital	Deferred Compensation	Retained Earnings	Treasury Stock	Total Stockholders Equity
	Shares	Par Value					
BALANCE, December 31, 2005	29,809	\$ 30	\$ 172,857	\$ (3,939)	\$ 16,918	\$ (945)	\$ 184,921
Change in accounting principle for stripping costs, net of tax					(287)		(287)
Change in accounting principle for stock-based compensation		(1)	(3,938)	3,939			
Common stock issuance	8,050	8	84,804				84,812
Stock options exercised	536	1	4,734				4,735
Stock-based compensation	259		606				606
Purchase of treasury shares	(2)					(20)	(20)
Net loss					(2,701)		(2,701)
<b>BALANCE, March 31, 2006</b>	<b>38,652</b>	<b>\$ 38</b>	<b>\$ 259,063</b>		<b>\$ 13,930</b>	<b>\$ (965)</b>	<b>\$ 272,066</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**U.S. CONCRETE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(In thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2006</b>	<b>2005</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (2,701)	\$ (6,479)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation, depletion and amortization	4,176	3,077
Debt issuance cost amortization	326	326
Net gain on sale of property, plant and equipment	(460)	(246)
Deferred income taxes	642	(4,701)
Provision for doubtful accounts	184	425
Stock-based compensation	606	366
Excess tax benefits from stock-based compensation	(1,105)	
Changes in operating assets and liabilities, net of acquisitions:		
Trade accounts receivable	9,051	8,103
Inventories	(783)	(304)
Prepays and other current assets	(833)	796
Other assets	(350)	(22)
Accounts payable and accrued liabilities	(8,108)	545
	645	1,886
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, plant and equipment, net of disposals of \$1,056 and \$506	(4,342)	(4,025)
Payments for acquisitions		(1,000)
Other investing activities	425	(40)
	(3,917)	(5,065)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments of capital leases	(731)	
Proceeds from issuance of common stock	84,812	