

UNITED STATES LIME & MINERALS INC  
Form 10-Q  
July 27, 2018

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 June 30, 2018

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 is 000-4197

UNITED STATES LIME & MINERALS, INC.

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(Exact name of registrant as specified in its charter)

TEXAS	75-0789226
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5429 LBJ Freeway, Suite 230, Dallas, TX	75240
(Address of principal executive offices)	(Zip Code)

(972) 991-8400

(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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
(Do not check if a smaller reporting company)	Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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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 Registrant's classes of common stock, as of the latest practicable date: As of July 24, 2018, 5,597,950 shares of common stock, \$0.10 par value, were outstanding.

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## PART I. FINANCIAL INFORMATION

## ITEM 1: FINANCIAL STATEMENTS

## UNITED STATES LIME &amp; MINERALS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

(Unaudited)

	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 82,346	\$ 85,000
Trade receivables, net	20,923	16,473
Inventories, net	12,257	13,546
Prepaid expenses and other current assets	2,558	2,996
Total current assets	118,084	118,015
Property, plant and equipment	317,902	300,236
Less accumulated depreciation and depletion	(197,909)	(190,518)
Property, plant and equipment, net	119,993	109,718
Other assets, net	605	713
Total assets	\$ 238,682	\$ 228,446
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 6,234	\$ 6,263
Accrued expenses	2,425	3,096
Total current liabilities	8,659	9,359
Deferred tax liabilities, net	13,504	12,374
Other liabilities	1,432	1,461
Total liabilities	23,595	23,194
Stockholders' equity		
Common stock	660	659
Additional paid-in capital	25,092	24,307
Accumulated other comprehensive (loss) income	(3)	86
Retained earnings	243,294	233,905
Less treasury stock, at cost	(53,956)	(53,705)
Total stockholders' equity	215,087	205,252
Total liabilities and stockholders' equity	\$ 238,682	\$ 228,446

See accompanying notes to condensed consolidated financial statements.



## UNITED STATES LIME &amp; MINERALS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,				
	2018		2017	2018		2017		
Revenues								
Lime and limestone operations	\$ 38,557	98.3 %	\$ 35,965	98.5 %	\$ 73,271	98.3 %	\$ 71,482	98.4 %
Natural gas interests	685	1.7 %	553	1.5 %	1,258	1.7 %	1,189	1.6 %
	39,242	100.0 %	36,518	100.0 %	74,529	100.0 %	72,671	100.0 %
Cost of revenues								
Labor and other operating expenses	25,317	64.5 %	23,626	64.7 %	49,390	66.3 %	47,305	65.1 %
Depreciation, depletion and amortization	4,288	11.0 %	4,054	11.1 %	8,465	11.4 %	8,290	11.4 %
	29,605	75.5 %	27,680	75.8 %	57,855	77.6 %	55,595	76.5 %
Gross profit	9,637	24.5 %	8,838	24.2 %	16,674	22.4 %	17,076	23.5 %
Selling, general and administrative expenses	2,565	6.5 %	2,518	6.9 %	5,066	6.8 %	4,938	6.8 %
Operating profit	7,072	18.0 %	6,320	17.3 %	11,608	15.6 %	12,138	16.7 %
Other (income) expense								
Interest expense	63	0.2 %	59	0.1 %	125	0.2 %	118	0.2 %
Interest and other income, net	(459)	(1.2) %	(225)	(0.6) %	(812)	(1.1) %	(404)	(0.6) %
	(396)	(1.0) %	(166)	(0.5) %	(687)	(0.9) %	(286)	(0.4) %
Income before income tax expense	7,468	19.0 %	6,486	17.8 %	12,295	16.5 %	12,424	17.1 %
Income tax expense	830	2.1 %	1,208	3.3 %	1,395	1.9 %	2,526	3.5 %
Net income	\$ 6,638	16.9 %	\$ 5,278	14.5 %	\$ 10,900	14.6 %	\$ 9,898	13.6 %
Net income per share of common stock								
Basic	\$ 1.19		\$ 0.95		\$ 1.95		\$ 1.77	
Diluted	\$ 1.18		\$ 0.94		\$ 1.95		\$ 1.77	
	\$ 0.135		\$ 0.135		\$ 0.270		\$ 0.270	

Cash dividends  
per share of  
common stock

See accompanying notes to condensed consolidated financial statements.

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UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(dollars in thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income	\$ 6,638	\$ 5,278	\$ 10,900	\$ 9,898
Other comprehensive (loss) income				
Mark to market of foreign exchange hedges, net of tax benefit (expense) of \$17 and \$27 for the three months and six months ended June 30, 2018, respectively, and \$(143) and \$(161) for the three months and six months ended June 30, 2017, respectively	(55)	248	(89)	279
Total other comprehensive (loss) income	(55)	248	(89)	279
Comprehensive income	\$ 6,583	\$ 5,526	\$ 10,811	\$ 10,177

See accompanying notes to condensed consolidated financial statements.



UNITED STATES LIME & MINERALS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

(Unaudited)

Six Months  
Ended June  
30,  
2018 2017

OPERATING ACTIVITIES: