

MARTIN MARIETTA MATERIALS INC

Form 10-Q

November 07, 2011

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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 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
(State or other jurisdiction of

56-1848578
(I.R.S. Employer Identification Number)

incorporation or organization)

2710 Wycliff Road, Raleigh, NC
(Address of principal executive offices)

27607-3033
(Zip Code)

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

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).

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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.

| <u>Class</u> | <u>Outstanding as of October 21, 2011</u> |
|--------------------------------|---|
| Common Stock, \$0.01 par value | 45,696,740 |

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MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES

FORM 10-Q

For the Quarter Ended September 30, 2011

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

| | September 30, 2011 <i>(Unaudited)</i> | December 31, 2010 <i>(Audited)</i> | September 30, 2010 <i>(Unaudited)</i> |
|--|--|--|---|
| | <i>(Dollars in Thousands, Except Per Share Data)</i> | | |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 56,840 | \$ 70,323 | \$ 60,499 |
| Accounts receivable, net | 259,773 | 183,361 | 249,613 |
| Inventories, net | 337,730 | 331,894 | 323,820 |
| Current deferred income tax benefits | 92,959 | 83,380 | 71,593 |
| Other current assets | 20,114 | 27,253 | 26,591 |
| Total Current Assets | 767,416 | 696,211 | 732,116 |
| Property, plant and equipment | 3,662,446 | 3,568,275 | 3,541,058 |
| Allowances for depreciation, depletion and amortization | (1,975,805) | (1,880,445) | (1,847,852) |
| Net property, plant and equipment | 1,686,641 | 1,687,830 | 1,693,206 |
| Goodwill | 639,039 | 626,527 | 624,224 |
| Other intangibles, net | 18,211 | 17,548 | 17,563 |
| Other noncurrent assets | 47,251 | 46,627 | 48,674 |
| Total Assets | \$ 3,158,558 | \$ 3,074,743 | \$ 3,115,783 |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities: | | | |
| Bank overdraft | \$ - | \$ 2,123 | \$ - |
| Accounts payable | 86,322 | 60,333 | 76,993 |
| Accrued salaries, benefits and payroll taxes | 16,867 | 17,506 | 14,403 |
| Pension and postretirement benefits | 4,420 | 6,034 | 16,894 |
| Accrued insurance and other taxes | 31,902 | 23,535 | 32,409 |
| Income taxes | 16,256 | 174 | - |
| Current maturities of long-term debt and short-term facilities | 7,150 | 248,714 | 245,423 |
| Accrued interest | 18,709 | 12,045 | 27,231 |
| Other current liabilities | 16,120 | 15,029 | 13,482 |
| Total Current Liabilities | 197,746 | 385,493 | 426,835 |
| Long-term debt | 1,038,335 | 782,045 | 785,706 |
| Pension, postretirement and postemployment benefits | 102,787 | 127,671 | 144,574 |
| Noncurrent deferred income taxes | 249,572 | 228,698 | 216,844 |
| Other noncurrent liabilities | 84,567 | 82,577 | 84,596 |
| Total Liabilities | 1,673,007 | 1,606,484 | 1,658,555 |

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| | | | |
|---|------------------|------------------|------------------|
| Equity: | | | |
| Common stock, par value \$0.01 per share | 456 | 455 | 454 |
| Preferred stock, par value \$0.01 per share | - | - | - |
| Additional paid-in capital | 400,855 | 396,485 | 395,853 |
| Accumulated other comprehensive loss | (49,560) | (53,660) | (67,249) |
| Retained earnings | 1,094,469 | 1,082,160 | 1,085,750 |
| Total Shareholders' Equity | 1,446,220 | 1,425,440 | 1,414,808 |
| Noncontrolling interests | 39,331 | 42,819 | 42,420 |
| Total Equity | 1,485,551 | 1,468,259 | 1,457,228 |
| | | | |
| Total Liabilities and Equity | \$ 3,158,558 | \$ 3,074,743 | \$ 3,115,783 |

See accompanying condensed notes to consolidated financial statements.

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MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|--|----------------|------------------------------------|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(In Thousands, Except Per Share Data)</i> <i>(Unaudited)</i> | | | |
| Net Sales | \$ 463,985 | \$ 443,709 | \$ 1,196,931 | \$ 1,182,054 |
| Freight and delivery revenues | 70,771 | 65,692 | 187,284 | 172,920 |
| Total revenues | 534,756 | 509,401 | 1,384,215 | 1,354,974 |
| Cost of sales | 352,520 | 329,900 | 967,873 | 930,906 |
| Freight and delivery costs | 70,771 | 65,692 | 187,284 | 172,920 |
| Total cost of revenues | 423,291 | 395,592 | 1,155,157 | 1,103,826 |
| Gross Profit | 111,465 | 113,809 | 229,058 | 251,148 |
| Selling, general & administrative expenses | 33,487 | 31,235 | 94,386 | 98,365 |
| Research and development | - | 114 | 2 | 149 |
| Other operating (income) and expenses, net | (1,021) | (1,394) | (1,213) | (9,030) |
| Earnings from Operations | 78,999 | 83,854 | 135,883 | 161,664 |
| Interest expense | 13,394 | 17,104 | 45,284 | 51,540 |
| Other nonoperating (income) and expenses, net | 2,146 | (545) | 2,220 | 189 |
| Earnings from continuing operations before taxes on income | 63,459 | 67,295 | 88,379 | 109,935 |
| Income tax expense | 13,374 | 14,061 | 20,080 | 26,615 |
| Earnings from Continuing Operations | 50,085 | 53,234 | 68,299 | 83,320 |
| Gain on discontinued operations, net of related tax expense (benefit) of \$138, (\$37), \$121 and \$12, respectively | 247 | 22 | 191 | 135 |