

Goodman Global Inc
Form 10-Q
August 14, 2009
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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, 2009

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 1-32850

GOODMAN GLOBAL, INC.

(Exact name of registrant as specified in our charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

20-1932219
(I.R.S. Employer
Identification No.)

5151 San Felipe, Suite 500

Houston, Texas
(Address of principal executive offices)

77056
(Zip Code)

713-861-2500

(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 ☒ Although Goodman Global, Inc. is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, the company has filed all Securities Exchange Act reports for the preceding 12 months.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Inactive 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, or a smaller reporting company. See 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 July 31, 2009, there were ten (10) shares outstanding of Goodman Global, Inc.'s common stock, par value \$0.01 per share.

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	June 30, 2009 (unaudited)	December 31, 2008
	(in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,590	\$ 144,118
Restricted cash	2,700	2,700
Accounts receivable, net of allowance for doubtful accounts (\$5.2 million at June 30, 2009 and \$3.9 million at December 31, 2008)	320,102	206,821
Inventories	276,426	223,330
Deferred tax assets	45,722	63,714
Other current assets	17,046	19,300
Total current assets	719,586	659,983
Property, plant, and equipment, net	174,800	177,693
Goodwill	1,399,536	1,399,536
Identifiable intangibles	792,244	802,265
Deferred financing costs	29,404	36,268
Other assets	882	
Total assets	\$ 3,116,452	\$ 3,075,745
Liabilities and shareholders' equity		
Current liabilities:		
Trade accounts payable	\$ 155,071	\$ 59,664
Revolving credit agreement	50,000	
Accrued warranty expenses	34,435	37,683
Other accrued expenses	111,749	126,393
Total current liabilities	351,255	223,740
Long-term debt	1,175,005	1,347,526
Deferred tax liabilities	168,494	165,349
Other long-term liabilities	84,387	76,833
Common stock, par value of \$.01, 1,000 shares authorized, 10 shares issued and outstanding as of June 30, 2009 and as of December 31, 2008		
Accumulated other comprehensive loss	(23,345)	(52,069)
Additional paid-in capital	1,290,596	1,288,070
Retained earnings	70,060	26,296
Total shareholders' equity	1,337,311	1,262,297
Total liabilities and shareholders' equity	\$ 3,116,452	\$ 3,075,745

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

Table of Contents**GOODMAN GLOBAL, INC.****CONSOLIDATED CONDENSED STATEMENTS OF INCOME**

	Successor Three Months Ended June 30, 2009	Successor Three Months Ended June 30, 2008	Successor Six Months Ended June 30, 2009 (unaudited, in thousands)	Predecessor January 1 to February 13, 2008	Successor February 14 to June 30, 2008
Sales, net	\$ 583,763	\$ 588,355	\$ 901,998	\$ 147,137	\$ 806,085
Costs and expenses:					
Cost of goods sold	395,496	452,026	641,247	115,714	641,727
Selling, general, and administrative expenses	61,585	58,917	111,589	22,677	86,209
Acquisition-related expenses				42,939	
Depreciation expense	6,921	7,946	14,279	2,791	12,150
Amortization expense	5,011	5,027	10,021	1,044	7,714
Operating profit (loss)	114,750	64,439	124,862	(38,028)	58,285
Interest expense, net	32,152	38,067	70,278	56,176	58,570
Other (income) expense, net	(17,587)	(283)	(17,149)	(347)	(423)
Income (loss) before taxes	100,185	26,655	71,733	(93,857)	138
Income tax expense (benefit)	39,060	9,376	27,969	(27,815)	49
Net income (loss)	\$ 61,125	\$ 17,279	\$ 43,764	\$ (66,042)	\$ 89

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

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GOODMAN GLOBAL, INC.

CONSOLIDATED CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit) (unaudited, in thousands)	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2008	\$	\$ 1,288,070	\$ 26,296	\$ (52,069)	\$ 1,262,297
Net income			43,764		43,764
Foreign currency translation				1,143	1,143
Change in fair value of derivatives, net of tax				27,581	27,581
Comprehensive income					72,488
Accrued stock options		2,526			2,526
Balance at June 30, 2009	\$	\$ 1,290,596	\$ 70,060	\$ (23,345)	\$ 1,337,311

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

Table of Contents**GOODMAN GLOBAL, INC.****CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**

	Successor Six Months Ended June 30, 2009	Predecessor January 1 to February 13, 2008 (unaudited, in thousands)	Successor February 14 to June 30, 2008
Operating activities			
Net income (loss)	\$ 43,764	\$ (66,042)	\$ 89
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	14,279	2,791	12,150
Amortization	10,021	1,044	7,714
Provision for doubtful accounts	3,875	507	3,187
Deferred tax provision	9,677	9,212	(21,447)
Gain on disposal of assets	(228)	(42)	(229)
Gain on repurchase of long-term debt	(16,636)		
Amortization of inventory step-up in basis			47,991
Compensation expense related to stock options	2,526	6,240	1,984
Amortization of deferred financing costs	4,490	14,548	3,820
Amortization of original issue discount	3,517		2,913
Changes in operating assets and liabilities, net of effects of acquisition:			
Accounts receivable	(117,156)	12,579	(135,964)
Inventories	(53,096)	(36,053)	26,349
Other assets	9,688	(67,820)	19,674
Accounts payable and accrued expenses	117,489	80,347	77,243
Net cash provided by (used in) operating activities	32,210	(42,689)	45,474
Investing activities			
Purchases of property, plant, and equipment	(11,719)	(3,409)	(3,894)
Proceeds from the sale of property, plant, and equipment	9	1	1,201
Change in restricted cash		(100)	
Acquisition, net of assumed debt			(1,940,578)
Net cash used in investing activities	(11,710)	(3,508)	(1,943,271)
Financing activities			
Proceeds from long-term debt, net of original issue discount			1,373,000
Repurchase of long-term debt			
Commercial mortgage loans net charge-offs to average loans	3.44%		0.45%
Commercial and Industrial	105,213	44,678	-
Commercial and Industrial loans net charge-offs to average loans	3.52%		2.04%
Construction	41,247	12,784	21,400
Construction loans net charge-offs to average loans	15.11%		2.91%

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Adjusted Net Income (GAAP to Non-GAAP reconciliation)

(In thousands)	Year ended December 31, 2013 As Reported (GAAP)	Bulk Sales Transaction Impact	Write-off collateral pledged to Lehman and related contingency for attorneys' fees	Year Ended December 31, 2013 Adjusted (Non-GAAP)
Net (loss) income	\$ (164,487)	\$ 140,842	\$ 69,074	\$ 45,429

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Description of Exhibit

99.1 Press Release dated February 5, 2015 - First BanCorp Announces Earnings for the quarter and year ended December 31, 2014

99.2 First BanCorp Conference Call Presentation – Financial Results for the quarter and year ended December 31, 2014

Exhibits 99.1 and 99.2 referenced therein, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall Exhibits 99.1 and 99.2 be deemed incorporated by reference in any filings under the Securities Act of 1933, as amended.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 5,
2015

First BanCorp.

By:	/s/ Orlando Berges
Name:	Orlando Berges
Title:	EVP and Chief Financial Officer

Exhibit Index

Exhibit	Description of Exhibit
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99.1	Press Release dated February 5, 2015 - First BanCorp Announces Earnings for the quarter and year ended December 31, 2014
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99.2	First BanCorp Conference Call Presentation – Financial Results for the quarter and year ended December 31, 2014
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