

FORWARD AIR CORP
Form 10-Q
October 29, 2010

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 September 30, 2010
Commission File No. 000-22490

FORWARD AIR CORPORATION
(Exact name of registrant as specified in its charter)

Tennessee
(State or other jurisdiction of
incorporation)
430 Airport Road
Greeneville, Tennessee
(Address of principal
executive offices)

62-1120025
(I.R.S. Employer
Identification No.)

37745
(Zip Code)

Registrant's telephone number, including area code: (423) 636-7000

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 (§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

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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 definition 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

The number of shares outstanding of the registrant’s common stock, \$0.01 par value, as of October 25, 2010 was 29,016,040.

Table of Contents

Forward Air Corporation

		Page Number
Part I.	Financial Information	
Item 1.	Financial Statements (Unaudited)	
	<u>Condensed Consolidated Balance Sheets – September 30, 2010 and December 31, 2009</u>	3
	<u>Condensed Consolidated Statements of Operations- Three and nine months ended September 30, 2010 and 2009</u>	4
	<u>Condensed Consolidated Statements of Cash Flows – Nine months ended September 30, 2010 and 2009</u>	5
	<u>Notes to Condensed Consolidated Financial Statements – September 30, 2010</u>	6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	14
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	31
Item 4.	<u>Controls and Procedures</u>	31
Part II.	Other Information	
Item 1.	<u>Legal Proceedings</u>	32
Item 1A.	<u>Risk Factors</u>	32
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	32
Item 3.	<u>Defaults Upon Senior Securities</u>	32
Item 5.	<u>Other Information</u>	32
Item 6.	<u>Exhibits</u>	32

Part
I. Financial Information

Item
1. Financial Statements (Unaudited).

Forward Air Corporation
Condensed Consolidated Balance Sheets
(Dollars in thousands, except per share amounts)
(Unaudited)

	September 30, 2010	December 31, 2009 (a)
Assets		
Current assets:		
Cash	\$ 63,219	\$ 42,035
Accounts receivable, less allowance of \$2,024 in 2010 and \$1,919 in 2009	62,438	55,720
Other current assets	11,484	9,471
Total current assets	137,141	107,226
Property and equipment	210,954	204,716
Less accumulated depreciation and amortization	83,615	75,990
Total property and equipment, net	127,339	128,726
Goodwill and other acquired intangibles:		
Goodwill	43,332	43,332
Other acquired intangibles, net of accumulated amortization of \$15,724 in 2010 and \$12,281 in 2009	32,406	35,849
Total goodwill and other acquired intangibles	75,738	79,181
Other assets	1,595	1,597
Total assets	\$ 341,813	\$ 316,730
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 11,383	\$ 10,333
Accrued expenses	23,326	18,531
Current portion of debt and capital lease obligations	672	919
Total current liabilities	35,381	29,783
Long-term debt and capital lease obligations, less current portion	51,023	52,169
Other long-term liabilities	6,159	4,485
Deferred income taxes	5,116	5,786
Shareholders' equity:		

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Preferred stock	--	--
Common stock, \$0.01 par value:		
Authorized shares – 50,000,000		
Issued and outstanding shares – 29,002,375 in 2010 and 28,950,391 in 2009	290	290
Additional paid-in capital	22,130	16,631
Retained earnings	221,714	207,586
Total shareholders' equity	244,134	224,507
Total liabilities and shareholders' equity \$	341,813	\$ 316,730

(a) Taken from audited financial statements, which are not presented in their entirety.

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

Forward Air Corporation
 Condensed Consolidated Statements of Operations
 (In thousands, except per share data)
 (Unaudited)

	Three months ended		Nine months ended	
	September	September	September	September
	30,	30,	30,	30,
	2010	2009	2010	2009
Operating revenue:				
Forward Air				
Airport-to-airport	\$ 81,828	\$ 66,667	\$ 234,456	\$ 194,908
Logistics	16,774	13,172	47,789	38,645
Other	6,481	5,596	18,745	16,975
Forward Air Solutions				
Pool distribution	16,439	17,644	49,639	48,864
Total operating revenue	121,522	103,079	350,629	299,392
Operating expenses:				
Purchased transportation				
Forward Air				
Airport-to-airport	32,852	28,025	94,152	82,008
Logistics	12,942	10,329		