

FRIEDMAN INDUSTRIES INC
Form 10-Q
February 16, 2016

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 DECEMBER 31, 2015

OR

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

FROM THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-7521

FRIEDMAN INDUSTRIES, INCORPORATED

Non-accelerated filer (Do not check if a smaller reporting company) 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

At February 16, 2016, the number of shares outstanding of the issuer's only class of stock was 6,799,444 shares of Common Stock.

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Part I — FINANCIAL INFORMATION**Item 1. Financial Statements**

FRIEDMAN INDUSTRIES, INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS — UNAUDITED

	December 31, 2015	March 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash	\$4,462,271	\$2,225,924
Accounts receivable, net of allowances for bad debts and cash discounts of \$22,276 and \$27,276 at December 31 and March 31, 2015, respectively	4,799,295	6,896,186
Inventories	43,169,645	40,850,666
Other	230,261	144,579
TOTAL CURRENT ASSETS	52,661,472	50,117,355
PROPERTY, PLANT AND EQUIPMENT:		
Land	1,082,331	1,082,331
Buildings and yard improvements	7,101,615	7,026,980
Machinery and equipment	30,851,799	30,690,049
Construction in progress	9,034,924	7,374,177
Less accumulated depreciation	(31,931,376)	(30,656,226)
	16,139,293	15,517,311
OTHER ASSETS:		
Deferred income tax asset	80,624	187,358
Cash value of officers' life insurance and other assets	799,750	1,136,000
TOTAL ASSETS	\$69,681,139	\$66,958,024
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$4,498,467	\$2,148,555
Dividends payable	67,994	67,994
Contribution to retirement plan	180,000	51,000
Employee compensation and related expenses	332,457	383,562
TOTAL CURRENT LIABILITIES	5,078,918	2,651,111
POSTRETIREMENT BENEFITS OTHER THAN PENSIONS	771,403	1,089,888
STOCKHOLDERS' EQUITY:		
Common stock, par value \$1:		
Authorized shares — 10,000,000		
Issued shares — 7,975,160 at December 31 and March 31, 2015	7,975,160	7,975,160

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Additional paid-in capital	29,003,674	29,003,674
Treasury stock at cost (1,175,716 shares at December 31 and March 31, 2015)	(5,475,964)	(5,475,964)
Retained earnings	32,327,948	31,714,155
TOTAL STOCKHOLDERS' EQUITY	63,830,818	63,217,025
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$69,681,139	\$66,958,024

FRIEDMAN INDUSTRIES, INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS — UNAUDITED

	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Net sales	\$ 18,548,247	\$ 23,552,636	\$ 65,682,520	\$ 83,001,633
Costs and expenses				
Costs of goods sold	17,080,958	22,293,839	61,165,635	78,279,846
General, selling and administrative costs	1,099,682	976,330	3,665,974	3,407,757
	18,180,640	23,270,169	64,831,609	81,687,603
Interest and other income	(328,560)	(15,250)	(363,060)	