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HEARTLAND EXPRESS INC
Form 8-K
July 15, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest
event reported):
July 14, 2009

HEARTLAND EXPRESS, INC.
(Exact name of registrant as specified in its charter)

Commission File Number - 0-15087

NEVADA
(State of other Jurisdiction
of Incorporation)

93-0926999
(IRS Employer ID No.)

901 NORTH KANSAS AVE, NORTH LIBERTY, IA
(Address of Principal Executive Offices)

52317
(Zip Code)

Registrant's Telephone Number (including area code): 319-626-3600

Item 9.01. Financial Statements and Exhibits

Exhibit 99.1 - Heartland Express, Inc. press release dated July 14, 2009 with respect to the Company's financial results for the quarter ended June 30, 2009.

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Item 2.02. Results of Operations and Financial Condition.

On July 14, 2009 Heartland Express, Inc. announced its financial results for the quarter ended June 30, 2009. The press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

SIGNATURE

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

HEARTLAND EXPRESS, INC.

Date: July 15, 2009

BY: /s/John P. Cosaert
JOHN P. COSAERT
Vice-President
Finance and Treasurer

Exhibit No. 99.1

Tuesday, July 14, 2009, For Immediate Release

Press Release

Heartland Express, Inc. Reports Revenues and Earnings for the Second Quarter of 2009.

NORTH LIBERTY, IOWA - July 14, 2009 - Heartland Express, Inc. (Nasdaq: HTLD) announced today financial results for the quarter and six months ended June 30, 2009. Earnings per share increased 5.6% to \$0.19 from \$0.18 in the second quarter of 2008. Net income increased 2.2% to \$17.6 million from \$17.2 million

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in the 2008 period. Operating revenues for the quarter decreased 28.9% to \$117.0 million from \$164.6 million in the second quarter of 2008. Operating revenues for the quarter and the six month period were impacted by a reduction in fuel surcharge revenues associated with lower fuel costs, and the continued economic downturn and the related downward pressure on freight rates. Operating income for the second quarter of 2009 was favorably impacted by \$4.2 million or \$0.03 per share due to an increase in gains on disposal of property and equipment.

Earnings per share for the six months ended June 30, 2009 increased 6.1% to \$0.35 from \$0.33 in the compared 2008 period. Net income decreased 0.4% to \$31.8 million from \$31.9 million in the 2008 period. Operating revenues for the six months ended June 30, 2009 decreased 26.0% to \$232.0 million from \$313.6 million in the first six months of 2008. Operating income for this year's six month period was favorably impacted by \$5.2 million or \$0.04 per share due to an increase in gains on disposal of property and equipment.

Heartland Express, Inc. posted an operating ratio (operating expenses as a percentage of operating revenues) of 81.4% and a 15.1% net margin (net income as a percentage of operating revenues) in the second quarter of 2009, both significant improvements over the comparative 2008 period. The Company reported an operating ratio of 87.3% and a 10.5% net margin for the quarter ended June 30, 2008. The Company reported an operating ratio of 82.4% and a 13.7% net margin for the six months ended June 30, 2009 compared to 87.0% and 10.2%, respectively, for the comparative 2008 period. The Company ended the second quarter of 2009 with cash, cash equivalents, short-term and long-term investments of \$205.0 million, a \$23.0 million decrease from the \$228.0 million reported at December 31, 2008. Our quarter end cash position was impacted by the purchase of new tractors and the repurchase of common stock as discussed below. The Company's balance sheet continues to be debt-free.

This extended economic downturn is the worst experienced in the history of our company. There continues to be excess capacity in our industry combined with the continued decline in available freight resulting in extreme pressure on freight rates. The Company has not seen any strong indicators of improvements in the demand for freight services that would increase our levels of business in the near future. In spite of depressed freight demand volumes, the Company remains in an opportunistic position. Efforts are focused on customer service, cost controls, and challenging ourselves to improve each department during this period of economic downturn. Heartland opened its tenth regional operation near Dallas, Texas in January of 2009. This strengthens the Company's presence in Texas and the surrounding marketplace.

The industry continued to benefit from a reduction in fuel prices during the quarter ended June 30, 2009, although fuel prices began trending upwards at

quarter end. During the quarter ended June 30, 2009, the U.S. average cost of fuel was \$2.34 per gallon compared to \$4.42 for the compared 2008 period. Accordingly, the Company's fuel cost per mile decreased 48.1% and 47.5% for the three and six month periods ended June 30, 2009, respectively. Efforts continue to effectively control the Company's fuel cost. The primary focus is on idle hour reductions, terminal fuel purchases, strategic over-the-road purchases, and the purchase of state-of-the-art International Pro Star trucks with increased fuel economy features.

The Company took delivery of 416 new tractors in the second quarter of 2009 in addition to 45 new tractors in the first quarter of this year. This fleet upgrade now includes the purchase of 1,036 International Pro Star tractors. These tractors are achieving positive results through advanced aerodynamics, speed management, and idle controls.

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Heartland Express continues to pay a regular quarterly cash dividend. The most recent dividend of approximately \$1.8 million at the rate of \$0.02 per share was paid on July 2, 2009 to shareholders of record at the close of business on June 19, 2009. The Company has now paid cash dividends of \$235.9 million over the past twenty-four consecutive quarters. In addition, the Company continues to demonstrate its confidence in the strength of the organization through the repurchase of its common stock. The Company has purchased approximately 3.5 million shares of its outstanding common stock during the first six months of 2009 at a cost of approximately \$45.4 million.

Customer service continues to be the core foundation of our company. The Company has now been awarded eleven service awards thus far this year for its ability to deliver the highest quality of customer service. During the quarter Heartland Express was recognized by Alcoa as a Tier One Core Carrier for its outstanding commitment to customer service. In addition, the Company was named to the Transplace 2008 Carrier Merit Program for the best on-time service provider. Awards previously received in 2009 include: 2008 LXP Carrier of the Year - Tier One Carriers, LXP Carrier of the Year - Promotional Events, 2008 Lowes Silver Carrier Award, Kelloggs Komplete Carrier of the Year 2008, Nestle Waters - Tennessee Region Carrier of the Year 2008, Nestle Waters - Southeast Region World Class Customer Service 2008, Eastman - Supplier Excellence Award for the Year 2008, Quaker Oats - National Carrier of the Year 2008, Pella Windows and Doors - 2008 Gettysburg Carrier of the Year.

This press release may contain statements that might be considered as forward-looking statements or predictions of future operations. Such statements are based on management's belief or interpretation of information currently available. These statements and assumptions involve certain risks and uncertainties. Actual events may differ from these expectations as specified from time to time in filings with the Securities and Exchange Commission.

Contact: Heartland Express, Inc.
Mike Gerdin, President
John Cosaert, Chief Financial Officer
319-626-3600

HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

Three months ended Six months ended

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	June 30,		June 30,	
	2009	2008	2009	2008
	-----		-----	
	(unaudited)		(unaudited)	
OPERATING REVENUE	\$ 116,974	\$ 164,592	\$ 231,953	\$ 313,641
	-----	-----	-----	-----
OPERATING EXPENSES:				
Salaries, wages, benefits	\$ 42,938	\$ 48,591	\$ 86,997	\$ 97,183
Rent and purchased transportation	2,806	5,144	5,744	10,250
Fuel	25,086	60,495	49,644	110,993
Operations and maintenance	4,314	4,353	8,354	8,316
Operating taxes and licenses	2,433	2,343	4,716	4,585
Insurance and claims	4,625	7,012	8,139	10,795
Communications and utilities	906	931	1,902	1,936
Depreciation	13,160	10,663	24,974	21,076
Other operating expenses	3,188	4,139	6,591	8,471
(Gain) loss on disposal of property & equipment	(4,190)	11	(5,857)	(633)
	-----	-----	-----	-----
	95,266	143,682	191,204	272,972
	-----	-----	-----	-----
Operating income	21,708	20,910	40,749	40,669
Interest income	563	2,236	1,434	5,099
	-----	-----	-----	-----
Income before income taxes	22,271	23,146	42,183	45,768
Federal and state income taxes	4,656	5,915	10,427	13,874
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Net income	\$ 17,615	\$ 17,231	\$ 31,756	\$ 31,894
	=====	=====	=====	=====
Earnings per share	\$ 0.19	\$ 0.18	\$ 0.35	\$ 0.33
	=====	=====	=====	=====
Weighted average shares outstanding	90,689	96,158	91,582	96,186
	=====	=====	=====	=====
Dividends declared per share	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.04
	=====	=====	=====	=====

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HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

ASSETS	June 30, 2009	December 31, 2008
	-----	-----
CURRENT ASSETS	(unaudited)	
Cash and cash equivalents	\$ 44,580	\$ 56,651
Short-term investments	140	241
Trade receivables, net	36,884	36,803
Prepaid tires	6,051	6,449
Other current assets	6,205	2,834
Income tax receivable	2,025	--
Deferred income taxes	36,118	35,650
	-----	-----
Total current assets	132,003	138,628
	-----	-----
PROPERTY AND EQUIPMENT	397,069	389,561
Less accumulated depreciation	156,695	151,881
	-----	-----
	240,374	237,680
LONG-TERM INVESTMENTS	160,322	171,122
OTHER ASSETS	10,329	10,284
	-----	-----
	\$ 543,028	\$ 557,714
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,139	\$ 10,338
Compensation & benefits	15,540	15,862
Income taxes payable	--	452
Insurance accruals	71,804	70,546
Other accruals	7,215	7,498
	-----	-----
Total current liabilities	108,698	104,696
	-----	-----
LONG-TERM LIABILITIES		
Income taxes payable	30,558	35,264
Deferred income taxes	60,966	57,715
	-----	-----
	91,524	92,979
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COMMITMENTS AND CONTINGENCIES		

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STOCKHOLDERS' EQUITY

Preferred stock, \$0.01 par value; authorized 5,000 shares, none issued	--	--
Capital stock; common, \$0.01 par value; authorized 395,000 shares; issued and outstanding 90,689 in 2009 and 94,229 in 2008	907	942
Additional paid-in capital	439	439
Retained earnings	350,083	367,281
Accumulated other comprehensive loss	(8,623)	(8,623)
	-----	-----
	342,806	360,039
	-----	-----
	\$ 543,028	\$ 557,714
	=====	=====