

FORWARD AIR CORP  
Form 10-Q  
October 30, 2009

---

---

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, 2009  
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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or

Edgar Filing: FORWARD AIR CORP - Form 10-Q

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 28, 2009 was 28,970,300.

---

## Table of Contents

## Forward Air Corporation

		Page Number
Part I.	Financial Information	
Item 1.	Financial Statements (Unaudited)	
	<u>Condensed Consolidated Balance Sheets - September 30, 2009 and December 31, 2008</u>	3
	<u>Condensed Consolidated Statements of Operations- Three and nine months ended September 30, 2009 and 2008</u>	4
	<u>Condensed Consolidated Statements of Cash Flows – Nine months ended September 30, 2009 and 2008</u>	5
	<u>Notes to Condensed Consolidated Financial Statements - September 30, 2009</u>	6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	35
Item 4.	<u>Controls and Procedures</u>	35
Part II.	Other Information	
Item 1.	<u>Legal Proceedings</u>	35
Item 1A.	<u>Risk Factors</u>	36
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	36
Item 3.	<u>Defaults Upon Senior Securities</u>	36
Item 4.	<u>Submission of Matters to a Vote of Security Holders</u>	36
Item 5.	<u>Other Information</u>	36

Item 6.	<u>Exhibits</u>	37
	<u>Signatures</u>	38

## 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, 2009	December 31, 2008 (a)
Assets		
Current assets:		
Cash	\$ 27,230	\$ 22,093
Accounts receivable, less allowance of \$2,030 in 2009 and \$2,531 in 2008	52,993	57,206
Other current assets	14,145	12,290
Total current assets	94,368	91,589
Property and equipment	203,383	186,377
Less accumulated depreciation and amortization	72,976	63,401
Total property and equipment, net	130,407	122,976
Goodwill and other acquired intangibles:		
Goodwill	43,332	50,230
Other acquired intangibles, net of accumulated amortization of \$11,134 in 2009 and \$8,103 in 2008	36,997	40,708
Total goodwill and other acquired intangibles	80,329	90,938
Other assets	1,582	2,024
Total assets	\$ 306,686	\$ 307,527
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 8,509	\$ 11,633
Accrued expenses	16,057	12,927
Current portion of debt and capital lease obligations	1,072	1,602
Total current liabilities	25,638	26,162
Long-term debt and capital lease obligations, less current portion	52,404	53,035
Other long-term liabilities	3,749	3,055
Deferred income taxes	6,136	8,841
Shareholders' equity:		
Preferred stock	--	--

Edgar Filing: FORWARD AIR CORP - Form 10-Q

Common stock, \$0.01 par value:

Authorized shares – 50,000,000		
Issued and outstanding shares – 28,942,882 in 2009 and 28,893,850 in 2008	289	289
Additional paid-in capital	15,139	10,249
Retained earnings	203,331	205,896
Total shareholders' equity	218,759	216,434
Total liabilities and shareholders' equity \$	306,686	\$ 307,527

(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 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Operating revenue:				
Forward Air				
Airport-to-airport	\$ 66,667	\$ 85,901	\$ 194,908	\$ 257,147
Logistics	13,172	15,597	38,645	42,688
Other	5,596	6,487	16,975	18,464
Forward Air Solutions				
Pool distribution	17,644	13,499	48,864	32,685
Total operating revenue	103,079	121,484	299,392	350,984