

FORWARD AIR CORP  
Form 10-Q  
October 24, 2014

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, 2014  
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 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 20, 2014 was 30,450,053.

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## Part I. Financial Information

## Item 1. Financial Statements (Unaudited).

Forward Air Corporation

Condensed Consolidated Balance Sheets

(Dollars in thousands, except share and per share amounts)

(Unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash	\$24,573	\$127,367
Accounts receivable, less allowance of \$2,294 in 2014 and \$1,919 in 2013	100,016	76,500
Other current assets	14,057	16,493
Total current assets	138,646	220,360
Property and equipment	303,755	271,050
Less accumulated depreciation and amortization	127,259	116,287
Total property and equipment, net	176,496	154,763
Goodwill and other acquired intangibles:		
Goodwill	140,678	88,496
Other acquired intangibles, net of accumulated amortization of \$38,100 in 2014 and \$31,790 in 2013	71,778	40,110
Total net goodwill and other acquired intangibles	212,456	128,606
Other assets	2,347	2,540
Total assets	\$529,945	\$506,269
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$21,395	\$16,267
Accrued expenses	23,356	18,275
Current portion of debt and capital lease obligations	280	69
Total current liabilities	45,031	34,611
Long-term debt and capital lease obligations, less current portion	1,346	3
Other long-term liabilities	8,148	8,940
Deferred income taxes	28,838	26,850
Shareholders' equity:		
Preferred stock	—	—
Common stock, \$0.01 par value: Authorized shares - 50,000,000, Issued and outstanding shares - 30,245,216 in 2014 and 30,522,079 in 2013	302	305
Additional paid-in capital	126,516	107,726
Retained earnings	319,764	327,834
Total shareholders' equity	446,582	435,865
Total liabilities and shareholders' equity	\$529,945	\$506,269

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



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

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Operating revenue	\$201,477	\$170,033	\$566,897	\$471,396
Operating expenses:				
Purchased transportation	85,874	75,211	242,259	206,462
Salaries, wages and employee benefits	45,651	39,165	131,464	109,149
Operating leases	8,503	6,991	25,019	20,923
Depreciation and amortization	8,115	6,220	22,879	17,377
Insurance and claims	3,747	3,290	10,978	9,164
Fuel expense	5,012	3,871	14,990	10,535
Other operating expenses				