FORWARD AIR CORP
Form 10-Q
July 27, 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 June 30, 2016
Commission File No. 000-22490

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

Tennessee	62-1120025
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)
430 Airport Road Greeneville, Tennessee	37745
(Address of principal executive offices)	(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 x 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 x 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 x Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x

The number of shares outstanding of the registrant’s common stock, $0.01 par value, as of July 22, 2016 was 30,256,418.

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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)

	June 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash	$21,679	$ 33,312
Accounts receivable, less allowance of $1,749 in 2016 and $2,405 in 2015	109,256	109,165
Other current assets	32,696	30,980
Total current assets	163,631	173,457
Property and equipment	355,124	343,147
Less accumulated depreciation and amortization	166,868	155,859
Total property and equipment, net	188,256	187,288
Goodwill and other acquired intangibles:		
Goodwill	179,301	205,609
Other acquired intangibles, net of accumulated amortization of $56,593 in 2016 and $51,212 in 2015	106,709	127,800
Total net goodwill and other acquired intangibles	286,010	333,409
Other assets	6,530	5,778
Total assets	$644,427	$ 699,932
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$13,815	$ 23,334
Accrued expenses	31,210	29,823
Current portion of debt and capital lease obligations	55,713	55,887
Total current liabilities	100,738	109,044
Long-term debt and capital lease obligations, less current portion	909	28,617
Other long-term liabilities	14,071	12,340
Deferred income taxes	39,227	39,876
Shareholders' equity:		
Preferred stock	—	—
Common stock, $0.01 par value: Authorized shares - 50,000,000, Issued and outstanding shares - 30,242,575 in 2016 and 30,543,864 in 2015	302	305
Additional paid-in capital	166,363	160,855
Retained earnings	322,817	348,895
Total shareholders' equity	489,482	510,055
Total liabilities and shareholders' equity	$644,427	$ 699,932

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

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

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Operating revenue	$238,637	$249,694	$468,185	$455,612
Operating expenses:				
Purchased transportation	99,267	107,482	195,743	196,819
Salaries, wages and employee benefits	57,018	61,886	115,695	115,789
Operating leases	14,601	18,277	28,469	34,033
Depreciation and amortization	9,341	9,519	19,009	18,202
Insurance and claims	6,648	6,240	12,044	11,371
Fuel expense	2,999	4,188	5,960	8,208
Other operating expenses	20,669	22,194	41,766	43,033
Impairment of goodwill, intangibles and other assets	42,442	—	42,442	—
Total operating expenses	252,985	229,786	461,128	427,455
(Loss) income from operations	(14,348)	19,908	7,057	28,157
Other income (expense):				
Interest expense	(461)	(570)	(1,015)	(934)
Other, net	(117)	(89)	(145)	(138)
Total other income (expense)	(578)	(659)	(1,160)	(1,072)
(Loss) income before income taxes	(14,926)	19,249	5,897	27,085
Income tax (benefit) expense	(4,860)	7,425	2,864	10,425
Net (loss) income and comprehensive (loss) income	$(10,066)	$11,824	$3,033	$16,660
Net (loss) income per share:				
Basic	$(0.33)	$0.38	$0.10	$0.54
Diluted	$(0.33)	$0.38	$0.10	$0.53
Dividends per share:	$0.12	$0.12	$0.24	$0.24

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

Forward Air Corporation
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six months ended	
	June 30, 2016	June 30, 2015
Operating activities:		
Net income	$3,033	$16,660
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	19,009	18,202
Impairment of goodwill, intangible and other assets	42,442	—
Share-based compensation	4,111	3,676
Loss (gain) on disposal of property and equipment	90	(33)
Provision for (recovery) loss on receivables	(12)	83
Provision for revenue adjustments	1,205	1,842
Deferred income tax (benefit)	881	(498)
Excess tax benefit for stock options exercised	(87)	(2,365)
Changes in operating assets and liabilities		
Accounts receivable	(1,284)	(4,887)
Other current assets	(1,796)	(3,210)
Accounts payable and accrued expenses	(6,386)	(10,908)
Net cash provided by operating activities	61,206	18,562
Investing activities:		
Proceeds from disposal of property and equipment	1,100	623
Purchases of property and equipment	(16,040)	(11,962)
Acquisition of business, net of cash acquired	(1,700)	(61,878)
Other	(601)	(565)
Net cash used in investing activities	(17,241)	(73,782)
Financing activities:		
Proceeds from term loan	—	125,000
Payments of debt and capital lease obligations	(27,883)	(73,263)
Proceeds from exercise of stock options	1,094	11,351
Payments of cash dividends	(7,334)	(7,433)
Repurchase of common stock (repurchase program)	(19,991)	—
Common stock issued under employee stock purchase plan	215	228
Excess tax benefit for stock options exercised	87	2,365
Cash settlement of share-based awards for minimum tax withholdings	(1,786)	(1,926)
Net cash (used in) provided by financing activities	(55,598)	56,322
Net (decrease) increase in cash	(11,633)	1,102
Cash at beginning of period	33,312	41,429
Cash at end of period	$21,679	$42,531

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

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Notes to Condensed Consolidated Financial Statements
(In thousands, except share and per share data)
(Unaudited)
June 30, 2016

1. Basis of Presentation

Forward Air Corporation's (“the Company”, “We”, “Our”) services can be classified into four principal reportable segments: Expedited LTL, Truckload Expedited Services (“TLX”), Intermodal and Pool Distribution (See note 11).

In our Expedited LTL segment, we provide time-definite transportation services to the North American deferred air freight market. Our Expedited LTL service operates a comprehensive national network for the time-definite surface transportation of expedited ground freight. The Expedited LTL service offers customers local pick-up and delivery and scheduled surface transportation of cargo as a cost effective, reliable alternative to air transportation. Expedited LTL’s other services include shipment consolidation and deconsolidation, warehousing, customs brokerage, and other handling. The Expedited LTL segment primarily provides its transportation services through a network of terminals located at or near airports in the United States and Canada.

In our TLX segment, we provide expedited truckload brokerage, dedicated fleet services and maximum security and temperature-controlled logistics services. We are able to expedite this service by utilizing a dedicated fleet of team owner operators, some team company drivers as well as third party transportation providers. The TLX segment provides full truckload service in the United States and Canada.

In our Intermodal segment, we provide container and intermodal drayage services primarily within the Midwest region of the United States. Drayage is essentially the first and last mile of the movement of an intermodal container. We are providing this service both to and from ports and rail heads. Our Intermodal segment also provides dedicated contract and Container Freight Station (“CFS”) warehouse and handling services. Today Intermodal operates primarily in the Midwest but through acquisition as well as green-field start-ups we anticipate moving into other geographies within the United States.

In our Pool Distribution segment, we provide pool distribution services throughout the Mid-Atlantic, Southeast, Midwest and Southwest continental United States. Pool distribution involves managing high-frequency handling and distribution of time-sensitive product to numerous destinations in specific geographic regions. Our primary customers for this service are regional and nationwide distributors and retailers, such as mall, strip mall and outlet based retail chains.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by United States generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The Company’s operating results are subject to seasonal trends when measured on a quarterly basis; therefore operating results for the three and six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. For further information, refer to the consolidated financial statements and notes thereto included in the Forward Air Corporation Annual Report on Form 10-K for the year ended December 31, 2015.

The accompanying unaudited condensed consolidated financial statements of the Company include Forward Air Corporation and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

2. Recent Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board (FASB) issued guidance that changes the accounting for certain aspects of share-based payments to employees. The guidance requires the recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid in capital pools. The guidance also allows for the employer to repurchase more of an employee’s shares for tax withholding purposes without triggering liability accounting. In addition, the guidance allows for a policy election to account for forfeitures as they occur rather than on an estimated basis. The guidance is effective in 2017 with early adoption permitted. We are currently evaluating the impact of this guidance on our financial statements and the timing of adoption.

In February 2016, the FASB, issued ASU 2016-02, Leases, which introduces the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous guidance. The guidance will be effective for annual reporting periods beginning after December 15, 2018 and interim periods within those fiscal years with early adoption permitted. We are evaluating the impact of the future adoption of this standard on our consolidated financial statements.

In November 2015, the FASB issued Accounting Standard Update No. 2015-17, "Balance Sheet Classification of Deferred Taxes", an update to ASC 740, Income Taxes (“Update”). Current GAAP requires an entity to separate deferred income tax liabilities and assets into current and noncurrent amounts in a classified statement of financial position. To simplify the presentation of deferred income taxes, the amendments in this Update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this Update. For public business entities, the amendments in this Update are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within those annual periods. The FASB also decided to permit earlier application by all entities as of the beginning of any interim or annual reporting period. The FASB further provides that this Update may be applied to all deferred tax liabilities and assets retrospectively to all periods presented. We adopted the Update retrospectively for the year ended December 31, 2015.

In May 2014, the FASB issued guidance on revenue from contracts with customers that will supersede most current revenue recognition guidance, including industry-specific guidance. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The guidance is effective for the interim and annual periods beginning on or after December 15, 2017. The guidance permits the use of either a retrospective or cumulative effect transition method. We have not yet selected a transition method and are currently evaluating the impact of the amended guidance on our consolidated financial position, results of operations and related disclosures.

3. Acquisitions and Goodwill

Acquisition of Towne

On March 9, 2015, the Company acquired CLP Towne Inc. (“Towne”) pursuant to the Agreement and Plan of Merger (the “Merger Agreement”) resulting in Towne becoming an indirect, wholly-owned subsidiary of the Company. For the acquisition of Towne, the Company paid $61,878 in net cash and assumed $59,544 in debt and capital leases. With the exception of assumed capital leases, the assumed debt was immediately paid in full after funding of the acquisition. Of the total aggregate cash consideration paid, $16,500 was placed into an escrow account, with $2,000 of such amount being available to settle any shortfall in Towne’s net working capital and with $14,500 of such amount being available for a period of time to settle certain possible claims against Towne’s common stockholders for indemnification. To the extent the escrow fund is insufficient, certain equity holders have agreed to indemnify Forward Air, subject to certain limitations set forth in the Merger Agreement, as a result of inaccuracies in or breaches of certain of Towne’s representations, warranties, covenants and agreements and other matters. Forward Air financed the Merger Agreement with a $125,000 2 year term loan available under the senior credit facility discussed in note 5.

Towne is a full-service trucking provider offering time-sensitive less-than-truckload shipping, full truckload service, an extensive cartage network, container freight stations and dedicated trucking. Towne’s airport-to-airport network provides scheduled deliveries to 61 service points. A fleet of approximately 525 independent contractor tractors provides the line-haul between those service points. The acquisition of Towne provides the Expedited LTL and TLX segments with opportunities to expand their service points and service offerings, such as pick up and delivery services. Additional benefits of the acquisition include increased linehaul network shipping density and a significant increase to our owner operator fleet, both of which are key to the profitability of the Company.

The assets, liabilities, and operating results of Towne have been included in the Company's consolidated financial statements from the date of acquisition and have been assigned to the Expedited LTL and TLX reportable segments. As the operations of Towne were fully integrated into the Company's existing networks and operations, the Company is not able to provide the revenue and operating results from Towne included in our consolidated revenue and results since the date of acquisition.

Effective with the acquisition of Towne, the Company immediately entered into a restructuring plan to remove duplicate costs, primarily in the form of, but not limited to salaries, wages and benefits and facility leases. As a result of these plans, during the six months ended June 30, 2015 the Company recognized expense and recorded liabilities of $2,456 and $8,717 for severance obligations and remaining net payments on vacated, duplicate facilities, respectively. The expenses associated with the severance obligations and vacated, duplicate facilities were recognized in the salaries, wages and benefits and operating lease line items, respectively. During the six months ended June 30, 2015, the Company also incurred expense of $7,504 for various other integration and transaction related costs which are largely included in other operating expenses.

In conjunction with the Towne acquisition, the Company vacated certain duplicate facilities under long-term non-cancelable leases and recorded contract termination costs. As of June 30, 2016, the Company's reserve for remaining payments on vacated facilities was $3,965. During the three and six months ended June 30, 2016, we paid $1,742 and $3,162 respectively in recurring payments on these non-cancelable leases.

Acquisition of Ace

As part of the Company's strategy to expand its Intermodal operations, in January 2016, the Company acquired certain assets of Ace Cargo, LLC ("Ace") for $1,700. The assets, liabilities, and operating results of Ace have been included in the Company's consolidated financial statements from the date of acquisition and have been assigned to the Intermodal reportable segment.

Allocations of Purchase Prices

The following table presents the allocations of the Towne and Ace purchase prices to the assets acquired and liabilities assumed based on their estimated fair values and resulting residual goodwill (in thousands):

	Ace	Towne
	January 25, 2016	March 9, 2015
Tangible assets:		
Accounts receivable	$—	$24,068
Prepaid expenses and other current assets	—	2,916
Property and equipment	—	2,095
Other assets	—	614
Total tangible assets	—	29,693
Intangible assets:		
Non-compete agreements	20	—
Customer relationships	772	66,000
Goodwill	908	59,666
Total intangible assets	1,700	125,666
Total assets acquired	1,700	155,359
Liabilities assumed:		
Current liabilities	—	28,920

Other liabilities	—	3,886
Debt and capital lease obligations	—	59,544
Deferred income taxes	—	1,131
Total liabilities assumed	—	93,481
Net assets acquired	$1,700	$61,878

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(In thousands, except share and per share data)
(Unaudited)
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The acquired definite-live intangible assets have the following useful lives:

	Useful Lives	
	Ace	Towne
Customer relationships	15 years	20 years
Non-compete agreements	5 years	-

The fair value of the non-compete agreements and customer relationships assets were estimated using an income approach (level 3). Under this method, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To estimate fair value, the Company used cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes that the level and timing of cash flows appropriately reflect market participant assumptions. Cash flows were assumed to extend through the remaining economic useful life of each class of intangible asset.

Pro forma

The following unaudited pro forma information presents a summary of the Company's consolidated results of operations as if the Towne acquisition occurred as of January 1, 2015 (in thousands, except per share data).

	Six months ended	
	June 30, 2016	June 30, 2015
Operating revenue	$468,185	$489,839
Income from operations	7,057	25,850
Net income	3,033	14,181
Net income per share		
Basic	$0.10	$0.46
Diluted	$0.10	$0.46

The unaudited pro forma consolidated results for the six month periods are based on the historical financial information of Towne. The unaudited pro forma consolidated results incorporate historical financial information since January 1, 2015. The historical financial information has been adjusted to give effect to pro forma adjustments that are: (i) directly attributable to the acquisition, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results. The unaudited pro forma consolidated results are not necessarily indicative of what the Company’s consolidated results of operations actually would have been had it completed these acquisitions on January 1, 2015.

Goodwill

The Company conducted its annual impairment assessments and tests of goodwill for each reporting unit as of June 30, 2016. The first step of the goodwill impairment test is the Company's assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than the reporting unit's carrying amount, including goodwill. When performing the qualitative assessment, the Company considers the impact of factors including, but not limited to, macroeconomic and industry conditions, overall financial performance of each reporting unit, litigation and new legislation. If based on the qualitative assessments, the Company believes it more likely than not that the fair value of a reporting unit is less than the reporting unit's carrying amount, or periodically as deemed appropriate by management, the Company will prepare an estimation of the respective reporting unit's fair value utilizing a quantitative approach. If a quantitative fair value estimation is required, the Company estimates the fair value of the applicable reportable units, using a combination of discounted projected cash flows and market valuations for comparable companies as of the valuation date. The Company's inputs into the fair value estimates for goodwill are classified within level 3 of the fair value hierarchy as defined in the FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles ("the FASB Codification"). If this estimation of fair value indicates that impairment potentially exists, the Company will then measure the amount of the impairment, if any. Goodwill impairment exists when the calculated implied fair value of goodwill is less than its carrying value. Changes in strategy or market conditions could significantly impact these fair value estimates and require adjustments to recorded asset balances.

(In thousands, except share and per share data)

Our 2016 assessments and calculations for LTL, Intermodal and Pool Distribution indicated that, as of June 30, 2016, the fair value of each reporting unit exceeded their carrying value. However, due to the financial performance of the Total Quality, Inc. ("TQI") reporting unit falling notably short of previous projections, declining revenue from significant customers and strategic initiatives not having the required impact on financial results, the Company reduced TQI's projected cash flows and as a result the estimate of TQI's fair value no longer exceeded the respective carrying value. As a result of these assessments, the Company concluded that an impairment loss was probable and could be reasonably estimated for the TQI reporting unit, which is included in the TLX reporting segment. Consequently, the Company recorded a goodwill impairment charge of $25,686 for the TQI reporting unit during the three months ended June 30, 2016.

The following is a summary of the changes in goodwill for the six months ended June 30, 2016. Approximately $100,156 of goodwill, not including the goodwill acquired with the Towne acquisition, is deductible for tax purposes.

	Expedited LTL		Truckload Expedited		Pool Distribution		Intermodal		Total
	Goodwill	Accumulated Impairment	Goodwill	Accumulated Impairment	Goodwill	Accumulated Impairment	Goodwill	Accumulated Impairment	Net
Beginning balance, December 31, 2015	$99,123	$ —	$45,164	$ —	$12,359	$ (6,953)	$55,916	$ —	$205,609
Ace Acquisition	—	—	—	—	—	—	908	—	908
TQI impairment	—	—	—	(25,686)	—	—	—	—	(25,686)
Adjustment to Towne acquisition	(1,530)	—	—	—	—	—	—	—	(1,530)
Ending balance, June 30, 2016	$97,593	$ —	$45,164	$ (25,686)	$12,359	$ (6,953)	$56,824	$ —	$179,301

Additionally, the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized on assets classified as held and used when the sum of undiscounted estimated cash flows expected to result from the use of the asset is less than the carrying value. If such measurement indicates a possible impairment, the estimated fair value of the asset is compared to its net book value to measure the impairment charge, if any. In conjunction with the TQI goodwill impairment calculations the Company determined there were indicators that TQI's customer relationship and non-compete intangible assets were impaired as the undiscounted cash flows associated with the applicable assets exceeded the related assets' net book values. The Company then estimated the current market values of the customer relationship and non-compete assets using an income approach (level 3). Under this method, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To estimate fair value, the Company used cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes that the level and timing of cash flows appropriately reflect market participant assumptions. As a result of these calculations the Company recorded an impairment charge of $16,501 related to TQI customer relationships.

The Company is still in the process of finalizing certain valuations related to the goodwill and customer relationship impairment analyses. Adjustments, if any, to its estimates as a result of completing its valuation analysis will be recorded during the three months ended September 30, 2016.

In addition, during the three months ended June 30, 2016, the Company also discontinued use of an owned maintenance facility and began efforts to sell the property. In conjunction with these actions, the Company incurred a $255 impairment charge that was estimated using current offers received to sell the property.

4. Share-Based Payments

The Company's general practice has been to make a single annual grant of share-based compensation to key employees and to make other employee grants only in connection with new employment or promotions. Forms of share-based compensation granted to employees by the Company include stock options, non-vested shares of common stock ("non-vested share"), and performance

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shares. The Company also typically makes a single annual grant of non-vested shares to non-employee directors in conjunction with the annual election of non-employee directors to the Board of Directors. Share-based compensation is based on the grant date fair value of the instrument and is recognized, net of estimated forfeitures, ratably over the requisite service period, or vesting period. The Company estimates forfeitures based upon historical experience. All share-based compensation expense is recognized in salaries, wages and employee benefits.

Employee Activity - Stock Options

Stock option grants to employees generally expire seven years from the grant date and typically vest ratably over a three-year period. The Company used the Black-Scholes option-pricing model to estimate the grant-date fair value of options granted. The weighted-average fair value of options granted and assumptions used to estimate their fair value during the six months ended June 30, 2016 and 2015 were as follows:

	Six months ended June 30, 2016		June 30, 2015	
Expected dividend yield	1.0	%	1.0	%
Expected stock price volatility	29.0	%	33.9	%
Weighted average risk-free interest rate	1.3	%	1.6	%
Expected life of options (years)	6.0		6.1	
Weighted average grant date fair value	$ 12		$ 16	

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The following tables summarize the Company’s employee stock option activity and related information:

	Three months ended June 30, 2016			
	Options (000)	Weighted-Average Exercise Price	Aggregate Intrinsic Value (000)	Weighted-Average Remaining Contractual Term
Outstanding at March 31, 2016	868	$ 34		
Granted	—	—		
Exercised	(10)			