

NATIONAL HEALTH INVESTORS INC
Form 10-Q
May 06, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2016

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

For the transition period from _____ to _____

Commission File Number 001-10822

National Health Investors, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

222 Robert Rose Drive, Murfreesboro, Tennessee

(Address of principal executive offices)

(615) 890-9100

(Registrant's telephone number, including area code)

62-1470956

(I.R.S. Employer Identification No.)

37129

(Zip Code)

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

(Do not check if a 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

There were 38,429,510 shares of common stock outstanding of the registrant as of May 4, 2016.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NATIONAL HEALTH INVESTORS, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in thousands, except share and per share amounts)

	March 31, 2016 (unaudited)	December 31, 2015
Assets:		
Real estate properties:		
Land	\$ 140,634	\$ 137,532
Buildings and improvements	1,954,537	1,945,323
Construction in progress	18,702	13,011
	2,113,873	2,095,866
Less accumulated depreciation	(272,783)	(259,059)
Real estate properties, net	1,841,090	1,836,807
Mortgage and other notes receivable, net	150,720	133,714
Cash and cash equivalents	28,808	13,286
Marketable securities	58,532	72,744
Straight-line rent receivable	65,062	59,777
Equity-method investment and other assets	15,022	15,544
Assets held for sale, net	—	1,346
Total Assets	\$ 2,159,234	\$ 2,133,218
Liabilities and Equity:		
Debt	\$ 937,138	\$ 914,443
Accounts payable and accrued expenses	24,805	19,397
Dividends payable	34,564	32,637
Lease deposit liabilities	21,275	21,275
Real estate purchase liabilities	750	750
Deferred income	1,013	2,256
Total Liabilities	1,019,545	990,758
Commitments and Contingencies		
National Health Investors Stockholders' Equity:		
Common stock, \$.01 par value; 60,000,000 shares authorized; 38,403,978 and 38,396,727 shares issued and outstanding, respectively	384	384
Capital in excess of par value	1,085,896	1,085,136
Cumulative net income in excess of dividends	18,024	19,862
Accumulated other comprehensive income	26,268	27,910
Total National Health Investors Stockholders' Equity	1,130,572	1,133,292
Noncontrolling interest	9,117	9,168
Total Equity	1,139,689	1,142,460
Total Liabilities and Equity	\$ 2,159,234	\$ 2,133,218

The accompanying notes to condensed consolidated financial statements are an integral part of these condensed consolidated financial statements. The Condensed Consolidated Balance Sheet at December 31, 2015 was derived from the audited consolidated financial statements at that date.

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NATIONAL HEALTH INVESTORS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2016	2015
	(unaudited)	
Revenues:		
Rental income	\$55,074	\$ 52,495
Interest income from mortgage and other notes	3,092	2,121
Investment income and other	852	1,135
	59,018	55,751
Expenses:		
Depreciation	13,733	13,014
Interest, including amortization of debt discount and issuance costs	10,262	8,412
Legal	126	104
Franchise, excise and other taxes	283	226
General and administrative	2,929	3,845
	27,333	25,601
Income before equity-method investee, TRS tax benefit, investment and other gains and noncontrolling interest	31,685	30,150
Loss from equity-method investee	(402)	(229)
Income tax benefit attributable to taxable REIT subsidiary	161	92
Investment and other gains	1,665	—
Net income	33,109	30,013
Less: net income attributable to noncontrolling interest	(384)	(330)
Net income attributable to common stockholders	\$32,725	\$ 29,683
Weighted average common shares outstanding:		
Basic	38,401,647	37,558,067
Diluted	38,414,791	37,645,265
Earnings per common share:		
Net income attributable to common stockholders - basic	\$.85	\$.79
Net income attributable to common stockholders - diluted	\$.85	\$.79

The accompanying notes to condensed consolidated financial statements are an integral part of these condensed consolidated financial statements.

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NATIONAL HEALTH INVESTORS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (in thousands)

	Three Months Ended March 31, 2016 2015 (unaudited)	
Net income	\$33,109	\$30,013
Other comprehensive income (loss):		
Change in unrealized gains on securities	2,825	883
Increase (decrease) in fair value of cash flow hedge	(5,480)	