

ASBURY AUTOMOTIVE GROUP INC
Form 10-Q
October 22, 2014
Table of Contents

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

OR
 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: 001-31262

ASBURY AUTOMOTIVE GROUP, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

01-0609375
(I.R.S. Employer
Identification No.)

2905 Premiere Parkway NW, Suite
300
Duluth, Georgia
(Address of principal executive
offices)

30097

(Zip Code)

(770) 418-8200
(Registrant's telephone number, including area 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 website, 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

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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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: The number of shares of common stock outstanding as of October 21, 2014 was 29,769,231.

Table of ContentsASBURY AUTOMOTIVE GROUP, INC.
INDEX

	Page
PART I—Financial Information	
<u>Item 1. Condensed Consolidated Financial Statements (unaudited)</u>	
<u>Condensed Consolidated Balance Sheets as of September 30, 2014 and December 31, 2013</u>	<u>1</u>
<u>Condensed Consolidated Statements of Income for the Three and Nine Months Ended September 30, 2014 and 2013</u>	<u>2</u>
<u>Condensed Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended September 30, 2014 and 2013</u>	<u>3</u>
<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2014 and 2013</u>	<u>4</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>5</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>14</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>37</u>
<u>Item 4. Controls and Procedures</u>	<u>37</u>
PART II—Other Information	
<u>Item 1. Legal Proceedings</u>	<u>38</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>38</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>39</u>
<u>Item 6. Exhibits</u>	<u>40</u>
<u>Signatures</u>	<u>41</u>
<u>Index to Exhibits</u>	<u>42</u>

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except par value and share data)

(Unaudited)

	September 30, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$11.1	\$5.4
Contracts-in-transit	111.8	140.9
Accounts receivable (net of allowance of \$1.2 and \$1.0, respectively)	87.9	95.7
Inventories	784.6	767.7
Deferred income taxes	8.4	9.4
Assets held for sale	7.5	9.1
Other current assets	79.9	80.4
Total current assets	1,091.2	1,108.6
PROPERTY AND EQUIPMENT, net	700.1	651.5
GOODWILL	61.9	54.5
DEFERRED INCOME TAXES, net of current portion	11.8	13.1
OTHER LONG-TERM ASSETS	60.5	60.9
Total assets	\$1,925.5	\$1,888.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable—trade	\$71.3	\$74.7
Floor plan notes payable—non-trade	485.8	534.8
Current maturities of long-term debt	13.5	11.1
Accounts payable and accrued liabilities	216.7	213.6
Total current liabilities	787.3	834.2
LONG-TERM DEBT	592.1	543.3
OTHER LONG-TERM LIABILITIES	22.2	20.5
COMMITMENTS AND CONTINGENCIES (Note 10)		
SHAREHOLDERS' EQUITY:		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued or outstanding	—	—
Common stock, \$.01 par value, 90,000,000 shares authorized; 40,300,007 and 40,095,557 shares issued, including shares held in treasury, respectively	0.4	0.4
Additional paid-in capital	520.5	510.5
Retained earnings	263.3	163.5
Treasury stock, at cost; 10,530,776 and 9,330,443 shares, respectively	(259.5) (184.0
Accumulated other comprehensive (loss) income	(0.8) 0.2
Total shareholders' equity	523.9	490.6
Total liabilities and shareholders' equity	\$1,925.5	\$1,888.6

See accompanying Notes to Condensed Consolidated Financial Statements

1

Table of ContentsASBURY AUTOMOTIVE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)

(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2014	2013	2014	2013
REVENUES:				
New vehicle	\$821.3	\$759.9	\$2,378.8	\$2,167.9
Used vehicle	457.0	421.7	1,319.2	1,183.5
Parts and service	168.3	154.0	495.9	455.5
Finance and insurance, net	59.0	54.7	170.8	154.1
Total revenues	1,505.6	1,390.3	4,364.7	3,961.0
COST OF SALES:				
New vehicle	772.1	713.4	2,232.4	2,035.6
Used vehicle	425.8	391.2	1,220.6	1,090.8
Parts and service	63.1	60.4	189.1	180.7
Total cost of sales	1,261.0	1,165.0	3,642.1	3,307.1
GROSS PROFIT	244.6	225.3		