

PENSKE AUTOMOTIVE GROUP, INC.

Form 10-Q

May 01, 2015

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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 March 31, 2015

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 1-12297

Penske Automotive Group, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

22-3086739
(I.R.S. Employer
Identification No.)

**2555 Telegraph Road,
Bloomfield Hills, Michigan**
(Address of principal executive offices)

48302-0954
(Zip Code)

Registrant's telephone number, including area code:
(248) 648-2500

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 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 (Check one):

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

As of April 24, 2015, there were 90,243,407 shares of voting common stock outstanding.

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CONSOLIDATED CONDENSED BALANCE SHEETS

	March 31, 2015	December 31, 2014
	(Unaudited)	
	(In millions, except share and per share amounts)	
ASSETS		
Cash and cash equivalents	\$ 66.8	\$ 36.3
Accounts receivable, net of allowance for doubtful accounts of \$4.2 and \$3.5	746.4	701.4
Inventories	2,885.7	2,819.2
Other current assets	106.7	124.7
Assets held for sale	62.2	186.1
Total current assets	3,867.8	3,867.7
Property and equipment, net	1,326.6	1,328.8
Goodwill	1,271.1	1,266.3
Other indefinite-lived intangible assets	386.6	386.2
Equity method investments	350.9	352.8
Other long-term assets	24.6	26.4
Total assets	\$ 7,227.6	\$ 7,228.2
LIABILITIES AND EQUITY		
Floor plan notes payable	\$ 1,915.8	\$ 1,812.6
Floor plan notes payable non-trade	1,021.5	920.5
Accounts payable	454.1	417.6
Accrued expenses	342.9	310.3
Current portion of long-term debt	34.5	36.6
Liabilities held for sale	43.3	132.7
Total current liabilities	3,812.1	3,630.3
Long-term debt	1,174.1	1,316.0
Deferred tax liabilities	385.0	409.9
Other long-term liabilities	185.0	190.8
Total liabilities	5,556.2	5,547.0
Commitments and contingent liabilities (Note 9)		
Equity		
Penske Automotive Group stockholders' equity:		
Preferred Stock, \$0.0001 par value; 100,000 shares authorized; none issued and outstanding		
Common Stock, \$0.0001 par value, 240,000,000 shares authorized; 90,242,407 shares issued and outstanding at March 31, 2015; 90,244,840 shares issued and outstanding at December 31, 2014		
Non-voting Common Stock, \$0.0001 par value, 7,125,000 shares authorized; none issued and outstanding		
Class C Common Stock, \$0.0001 par value, 20,000,000 shares authorized; none issued and outstanding		
Additional paid-in-capital	680.3	690.7
Retained earnings	1,070.7	1,015.4
Accumulated other comprehensive income (loss)	(107.8)	(53.3)
Total Penske Automotive Group stockholders' equity	1,643.2	1,652.8
Non-controlling interest	28.2	28.4
Total equity	1,671.4	1,681.2
Total liabilities and equity	\$ 7,227.6	\$ 7,228.2

See Notes to Consolidated Condensed Financial Statements

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	Three Months Ended	
	March 31,	
	2015	2014
	(Unaudited)	
	(In millions, except per share amounts)	
Revenue:		
Retail automotive dealership	\$ 4,175.0	\$ 3,919.2
Retail commercial truck dealership	192.7	
Commercial vehicle distribution and other	103.4	96.0
Total revenues	\$ 4,471.1	\$ 4,015.2
Cost of sales:		
Retail automotive dealership	3,546.9	3,321.5
Retail commercial truck dealership	159.9	
Commercial vehicle distribution and other	75.6	79.7
Total cost of sales	3,782.4	3,401.2
Gross profit	688.7	614.0
Selling, general and administrative expenses		