

ASBURY AUTOMOTIVE GROUP INC  
Form 10-Q  
April 26, 2018  
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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, 2018

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 01-0609375  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

2905 Premiere Parkway NW, Suite 300 30097  
Duluth, Georgia  
(Address of principal executive offices) (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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer  Accelerated Filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

Non-Accelerated Filer  (Do not check if a smaller reporting company) Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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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 April 25, 2018 was 20,631,476.

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## 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)

	March 31, December 31,	
	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$4.8	\$ 4.7
Contracts-in-transit	151.7	193.3
Accounts receivable, net	109.8	128.5
Inventories	912.8	826.0
Assets held for sale	28.3	30.3
Other current assets	119.2	119.3
Total current assets	1,326.6	1,302.1
PROPERTY AND EQUIPMENT, net	854.5	834.2
GOODWILL	176.1	160.8
INTANGIBLE FRANCHISE RIGHTS	60.4	49.6
OTHER LONG-TERM ASSETS	11.8	10.0
Total assets	\$2,429.4	\$ 2,356.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable—trade, net	\$ 110.5	\$ 104.2
Floor plan notes payable—non-trade, net	684.6	627.9
Current maturities of long-term debt	13.0	12.9
Accounts payable and accrued liabilities	293.0	313.2
Total current liabilities	1,101.1	1,058.2
LONG-TERM DEBT	859.1	862.6
DEFERRED INCOME TAXES	16.3	12.5
OTHER LONG-TERM LIABILITIES	28.6	29.2
COMMITMENTS AND CONTINGENCIES (Note 11)		
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; 41,151,707 and 40,969,987 shares issued, including shares held in treasury, respectively	0.4	0.4
Additional paid-in capital	566.7	563.5
Retained earnings	799.5	750.3
Treasury stock, at cost; 20,519,196 and 20,156,962 shares, respectively	(943.5 )	(919.1 )
Accumulated other comprehensive income (loss)	1.2	(0.9 )
Total shareholders' equity	424.3	394.2
Total liabilities and shareholders' equity	\$2,429.4	\$ 2,356.7

See accompanying Notes to Condensed Consolidated Financial Statements

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ASBURY AUTOMOTIVE GROUP, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (In millions, except per share data)  
 (Unaudited)

	For the Three Months Ended March 31,	
	2018	2017
REVENUE:		
New vehicle	\$857.1	\$832.5
Used vehicle	484.6	461.8
Parts and service	199.3	191.5
Finance and insurance, net	68.2	65.9
TOTAL REVENUE	1,609.2	1,551.7
COST OF SALES:		
New vehicle	818.5	792.1
Used vehicle	451.1	427.9
Parts and service	74.2	71.6
TOTAL COST OF SALES	1,343.8	1,291.6
GROSS PROFIT	265.4	260.1
OPERATING EXPENSES:		
Selling, general, and administrative	184.2	181.1
Depreciation and amortization	8.2	7.9
Other operating income, net	(0.2 )	(1.2 )
INCOME FROM OPERATIONS	73.2	72.3
OTHER EXPENSES:		
Floor plan interest expense	6.6	5.3
Other interest expense, net	13.0	13.3
Swap interest expense	0.2	0.6
Total other expenses, net	19.8	19.2
INCOME BEFORE INCOME TAXES	53.4	53.1
Income tax expense	13.3	