

Core-Mark Holding Company, Inc.
Form 10-Q
November 05, 2015
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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 September 30, 2015

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: 000-51515
Core-Mark Holding Company, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-1489747
(IRS Employer
Identification No.)

395 Oyster Point Boulevard, Suite 415
South San Francisco, CA
(Address of principal executive offices)
(650) 589-9445
(Registrant’s telephone number, including area code)

94080
(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 the definitions 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 (Do not check if a smaller reporting company) 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 October 30, 2015, 23,052,867 shares of the registrant’s common stock, \$0.01 par value per share, were outstanding.

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 FOR THE QUARTER ENDED SEPTEMBER 30, 2015
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CORE-MARK HOLDING COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share and per share data)

(Unaudited)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$9.4	\$14.4
Restricted cash	9.7	13.0
Accounts receivable, net of allowance for doubtful accounts of \$10.9 and \$10.8 as of September 30, 2015 and December 31, 2014, respectively	278.6	245.3
Other receivables, net	63.9	61.5
Inventories, net (Note 4)	350.1	417.8
Deposits and prepayments	58.0	43.7
Deferred income taxes	9.1	8.4
Total current assets	778.8	804.1
Property and equipment, net	157.1	148.9
Goodwill	22.9	22.9
Other intangible assets, net	28.4	22.6
Other non-current assets, net	29.6	31.1
Total assets	\$1,016.8	\$1,029.6
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$148.1	\$128.4
Book overdrafts	28.0	29.1
Cigarette and tobacco taxes payable	170.9	187.3
Accrued liabilities	108.1	93.4
Deferred income taxes	0.2	0.3
Total current liabilities	455.3	438.5
Long-term debt (Note 5)	19.4	68.2
Deferred income taxes	16.6	16.2
Other long-term liabilities	11.5	11.9
Claims liabilities	27.7	27.5
Pension liabilities	8.2	6.0
Total liabilities	538.7	568.3
Contingencies (Note 6)		
Stockholders' equity:		
Common stock, \$0.01 par value (100,000,000 shares authorized, 25,970,413 and 25,847,269 shares issued; 23,054,835 and 23,080,110 shares outstanding at September 30, 2015 and December 31, 2014, respectively)	0.3	0.3
Additional paid-in capital	269.7	263.8
Treasury stock at cost (2,915,578 and 2,767,159 shares of common stock at September 30, 2015 and December 31, 2014, respectively)	(61.6) (52.6
Retained earnings	286.1	261.4
Accumulated other comprehensive loss	(16.4) (11.6

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Total stockholders' equity	478.1	461.3
Total liabilities and stockholders' equity	\$1,016.8	\$1,029.6

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Net sales	\$2,991.6	\$2,747.4	\$8,254.3	\$7,671.5
Cost of goods sold	2,820.0	2,596.0	7,786.5	7,252.4
Gross profit	171.6	151.4	467.8	419.1
Warehousing and distribution expenses	92.8	83.5	260.9	236.9
Selling, general and administrative expenses	52.8	47.0	147.6	134.9
Amortization of intangible assets	0.6	0.7	1.8	2.0
Total operating expenses	146.2	131.2	410.3	373.8
Income from operations				