

ASBURY AUTOMOTIVE GROUP INC  
Form 10-Q  
April 26, 2012  
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 March 31, 2012

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:

Large Accelerated Filer  Accelerated Filer

Edgar Filing: ASBURY AUTOMOTIVE GROUP INC - Form 10-Q

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 April 25, 2012 was 31,524,540 (net of 7,745,457 treasury shares).

---

Table of ContentsASBURY AUTOMOTIVE GROUP, INC.  
INDEX

	Page
PART I—Financial Information	
<u>Item 1.</u> <u>Condensed Consolidated Financial Statements (unaudited)</u>	
<u>Condensed Consolidated Balance Sheets as of March 31, 2012 and December 31, 2011</u>	<u>1</u>
<u>Condensed Consolidated Statements of Income for the Three Months Ended March 31, 2012 and 2011</u>	<u>2</u>
<u>Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2012 and 2011</u>	<u>3</u>
<u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2012 and 2011</u>	<u>3</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>5</u>
<u>Item 2.</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>12</u>
<u>Item 3.</u> <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>27</u>
<u>Item 4.</u> <u>Controls and Procedures</u>	<u>28</u>
PART II—Other Information	
<u>Item 1.</u> <u>Legal Proceedings</u>	<u>28</u>
<u>Item 2(c).</u> <u>Issuer Purchases of Equity Securities</u>	<u>29</u>
<u>Item 4.</u> <u>Mine Safety Disclosures</u>	<u>29</u>
<u>Item 6.</u> <u>Exhibits</u>	<u>29</u>
<u>Signatures</u>	<u>31</u>
<u>Index to Exhibits</u>	<u>32</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)

	March 31, 2012	December 31, 2011
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$4.3	\$11.4
Contracts-in-transit	101.1	106.9
Accounts receivable (net of allowance of \$1.2 and \$1.3, respectively)	77.8	79.0
Inventories	583.9	519.5
Deferred income taxes	11.6	9.6
Assets held for sale	6.7	2.8
Other current assets	66.7	63.3
Total current assets	852.1	792.5
PROPERTY AND EQUIPMENT, net	518.7	510.8
GOODWILL	18.7	18.7
DEFERRED INCOME TAXES, net of current portion	37.8	41.4
OTHER LONG-TERM ASSETS	55.3	56.0
Total assets	\$1,482.6	\$1,419.4
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Floor plan notes payable—trade	\$52.4	\$65.5
Floor plan notes payable—non-trade	433.7	368.5
Current maturities of long-term debt	17.9	19.5
Accounts payable and accrued liabilities	195.4	182.8
Liabilities associated with assets held for sale	3.1	—
Total current liabilities	702.5	636.3
LONG-TERM DEBT	415.0	439.1
OTHER LONG-TERM LIABILITIES	17.1	17.4
<b>COMMITMENTS AND CONTINGENCIES (Note 9)</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued or outstanding	—	—
Common stock, \$.01 par value, 90,000,000 shares authorized; 39,269,997 and 38,911,704 shares issued, including shares held in treasury, respectively	0.4	0.4
Additional paid-in capital	488.4	482.6
Accumulated deficit	(10.2)	(27.8)
Treasury stock, at cost; 7,694,457 and 7,591,498 shares, respectively	(126.9)	(124.1)
Accumulated other comprehensive loss	(3.7)	(4.5)
Total shareholders' equity	348.0	326.6
Total liabilities and shareholders' equity	\$1,482.6	\$1,419.4
See accompanying Notes to Condensed Consolidated Financial Statements		



Table of Contents

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

	For the Three Months Ended March 31,		
	2012	2011	
REVENUES:			
New vehicle	\$589.7	\$564.3	
Used vehicle	325.7	296.6	
Parts and service	145.1	141.6	
Finance and insurance, net	39.0	32.1	
Total revenues	1,099.5	1,034.6	
COST OF SALES:			
New vehicle	550.4	530.5	
Used vehicle	297.2	269.6	
Parts and service	62.4	64.1	
Total cost of sales	910.0	864.2	
GROSS PROFIT	189.5	170.4	
OPERATING EXPENSES:			
Selling, general and administrative	141.4	132.6	
Depreciation and amortization	5.7	5.3	
Other operating (income) expense, net	(0.4	) 10.5	
Income from operations	42.8	22.0	
OTHER EXPENSE:			
Floor plan interest expense	(2.7	) (2.7	)
Other interest expense, net	(9.3	) (10.4	)
Swap interest expense	(1.3	) (1.4	)
Convertible debt discount amortization	(0.1	) (0.2	)