

FLEETCOR TECHNOLOGIES INC

Form 10-Q

August 09, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 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: 001-35004

FleetCor Technologies, Inc.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	72-1074903 (I.R.S. Employer Identification No.)
5445 Triangle Parkway, Norcross, Georgia (Address of principal executive offices)	30092 (Zip Code)
Registrant's telephone number, including area code: (770) 449-0479	

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 <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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.

Class	Outstanding at July 30, 2012
Common Stock, \$0.001 par value	83,630,729

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FLEETCOR TECHNOLOGIES, INC. AND SUBSIDIARIES

FORM 10-Q

For the Quarterly Period Ended June 30, 2012

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****FleetCor Technologies, Inc. and Subsidiaries****Consolidated Balance Sheets***(In Thousands, Except Share and Par Value Amounts)*

	June 30, 2012 (Unaudited)	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 255,579	\$ 285,159
Restricted cash	50,127	55,762
Accounts receivable (less allowance for doubtful accounts of \$17,959 and \$15,315, respectively)	545,796	481,791
Securitized accounts receivable restricted for securitization investors	325,000	280,000
Prepaid expenses and other current assets	17,505	15,416
Deferred income taxes	4,310	4,797
Total current assets	1,198,317	1,122,925
Property and equipment	101,875	93,380
Less accumulated depreciation and amortization	(66,198)	(60,656)
Net property and equipment	35,677	32,724
Goodwill	775,749	760,872
Other intangibles, net	408,731	379,907
Other assets	86,215	45,834
Total assets	\$ 2,504,689	\$ 2,342,262
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 474,837	\$ 478,882
Accrued expenses	34,857	41,565
Customer deposits	170,640	180,269
Securitization facility	325,000	280,000
Current portion of notes payable and other obligations	129,873	140,354
Total current liabilities	1,135,207	1,121,070
Notes payable and other obligations, less current portion	285,950	278,429
Deferred income taxes	141,612	131,327
Total noncurrent liabilities	427,562	409,756
Commitments and contingencies		
Stockholders equity:		
Common stock, \$0.001 par value; 475,000,000 shares authorized, 115,390,487 shares issued and 83,508,817 shares outstanding at June 30, 2012; and 475,000,000 shares authorized, 113,741,883 shares issued and	115	114

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81,860,213 shares outstanding at December 31, 2011

Additional paid-in capital	500,331	466,203
Retained earnings	630,978	534,498
Accumulated other comprehensive loss	(13,841)	(13,716)
Less treasury stock (31,881,670 shares at June 30, 2012 and December 31, 2011)	(175,663)	(175,663)
Total stockholders' equity	941,920	811,436
Total liabilities and stockholders' equity	\$ 2,504,689	\$ 2,342,262

See accompanying notes to unaudited consolidated financial statements.

Table of Contents**FleetCor Technologies, Inc. and Subsidiaries****Unaudited Consolidated Statements of Income***(In Thousands, Except Per Share Amounts)*

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Revenues, net	\$ 171,820	\$ 134,213	\$ 317,985	\$ 245,218
Expenses:				
Merchant commissions	17,651	14,881	28,044	23,158
Processing	27,014	19,775	52,593	37,707
Selling	10,274	9,003	20,449	16,790
General and administrative	23,824	22,074	47,647	39,989
Depreciation and amortization	11,609	8,588	23,329	17,195
Operating income	81,448	59,892	145,923	110,379
Other (income) expense, net	(66)	(56)	522	(90)
Interest expense, net	2,818	3,451	6,381	6,814
Loss on early extinguishment of debt		2,669		2,669
Total other expense	2,752	6,064	6,903	9,393
Income before taxes	78,696	53,828	139,020	100,986
Provision for income taxes	24,295	17,113	42,540	31,937
Net income	\$ 54,401	\$ 36,715	\$ 96,480	\$ 69,049
Earnings per share:				
Basic earnings per share	\$ 0.65	\$ 0.46	\$ 1.16	\$ 0.86
Diluted earnings per share	\$ 0.63	\$ 0.44	\$ 1.13	\$ 0.83
Weighted average shares outstanding:				
Basic weighted average shares outstanding	83,294	80,151	82,929	80,044
Diluted weighted average shares outstanding	85,737	83,548	85,451	83,464

See accompanying notes to unaudited consolidated financial statements.

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FleetCor Technologies, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income

(In Thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income	\$ 54,401	\$ 36,715	\$ 96,480	\$ 69,049
Other comprehensive income:				
Foreign currency translation adjustment gain (loss), net of tax	(9,197)	368	(125)	4,340
Total other comprehensive income (loss)	(9,197)	368	(125)	4,340
Total comprehensive income	\$ 45,204	\$ 37,083	\$ 96,355	\$ 73,389

See accompanying notes to unaudited consolidated financial statements.

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Unaudited Consolidated Statements of Cash Flows*(In Thousands)*

	Six months ended June	
	30,	
	2012	2011
Operating activities		
Net income	\$ 96,480	\$ 69,049
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation	6,288	5,531
Stock-based compensation	7,793	11,983
Provision for losses on accounts receivable	10,953	8,771