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Core-Mark Holding Company, Inc.

Form 10-Q

November 06, 2018

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core:CorporateReconcilingItemsAndEliminationsMember 2017-01-01 2017-09-30 0001318084

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90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer” and “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

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.

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 November 2, 2018, 45,703,705 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, 2018
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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, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$37.8	\$41.6
Accounts receivable, net of allowance for doubtful accounts of \$7.0 and \$7.3 as of September 30, 2018 and December 31, 2017, respectively	425.5	442.3
Other receivables, net	96.4	94.4
Inventories, net (Note 4)	651.4	689.1
Deposits and prepayments	49.4	108.0
Total current assets	1,260.5	1,375.4
Property and equipment, net	234.0	249.0
Goodwill	72.8	72.8
Other intangible assets, net	53.1	59.1
Other non-current assets, net	26.5	26.2
Total assets	\$1,646.9	\$1,782.5
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$218.9	\$169.9
Book overdrafts	35.8	45.3
Cigarette and tobacco taxes payable	231.0	304.5
Accrued liabilities	148.1	124.8
Total current liabilities	633.8	644.5
Long-term debt (Note 5)	375.5	512.9
Deferred income taxes	29.4	27.4
Other long-term liabilities	14.3	16.2
Claims liabilities	29.1	26.3
Total liabilities	1,082.1	1,227.3
Contingencies (Note 6)		
Stockholders' equity:		
Common stock, \$0.01 par value (150,000,000 and 100,000,000 shares authorized; 52,522,498 and 52,397,668 shares issued; 45,808,674 and 46,165,009 shares outstanding at September 30, 2018 and December 31, 2017, respectively) (Note 11)	0.5	0.5
Additional paid-in capital	281.4	276.8
Treasury stock at cost (6,713,824 and 6,232,659 shares of common stock at September 30, 2018 and December 31, 2017, respectively)	(87.6)	(75.1)
Retained earnings	375.4	355.1
Accumulated other comprehensive loss	(4.9)	(2.1)
Total stockholders' equity	564.8	555.2
Total liabilities and stockholders' equity	\$1,646.9	\$1,782.5

See accompanying notes to condensed consolidated financial statements.

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(In millions, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net sales	\$4,273.2	\$4,310.7	\$12,305.6	\$11,615.6
Cost of goods sold	4,039.4	4,088.5	11,655.1	11,033.3
Gross profit	233.8	222.2	650.5	582.3
Warehousing and distribution expenses	137.6	137.4	404.2	370.1
Selling, general and administrative expenses	58.8	57.0	183.9	166.5
Amortization of intangible assets	2.5	2.4	7.6	6.0
Total operating expenses	198.9	196.8	595.7	542.6
Income from operations	34.9	25.4	54.8	39.7
Interest expense, net	(3.4)	(3.8)	(10.6)	(7.7)
Foreign currency transaction (losses) gains, net	(0.4)	0.2	0.5	1.9
Income before income taxes	31.1	21.8	44.7	33.9
Provision for income taxes (Note 7)	(7.4)	(8.1)	(11.3)	(11.2)
Net income	\$23.7	\$13.7	\$33.4	\$22.7
Basic net income per common share (Note 9)	\$0.52	\$0.29	\$0.72	\$0.49
Diluted net income per common share (Note 9)	0.51	0.29	0.72	0.49
Basic weighted-average shares (Note 9)	45.9	46.3	46.1	46.3
Diluted weighted-average shares (Note 9)	46.2	46.4	46.2	