

POLARIS INDUSTRIES INC/MN

Form 10-Q

July 24, 2015

Table of Contents

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 June 30, 2015

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 1-11411

POLARIS INDUSTRIES INC.
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-1790959
(I.R.S. Employer
Identification No.)

2100 Highway 55, Medina MN
(Address of principal executive
offices)

55340
(Zip Code)

(763) 542-0500
(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 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. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 20, 2015, 66,147,942 shares of Common Stock, \$.01 par value, of the registrant were outstanding.

Table of Contents

POLARIS INDUSTRIES INC.
 FORM 10-Q
 For Quarterly Period Ended June 30, 2015

	Page
<u>Part I FINANCIAL INFORMATION</u>	
<u>Item 1 – Financial Statements</u>	<u>3</u>
<u>Consolidated Balance Sheets</u>	<u>3</u>
<u>Consolidated Statements of Income</u>	<u>4</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>5</u>
<u>Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes to Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>15</u>
<u>Results of Operations</u>	<u>16</u>
<u>Liquidity and Capital Resources</u>	<u>19</u>
<u>Inflation and Foreign Exchange Rates</u>	<u>22</u>
<u>Critical Accounting Policies</u>	<u>23</u>
<u>Note Regarding Forward Looking Statements</u>	<u>23</u>
<u>Item 3 – Quantitative and Qualitative Disclosures About Market Risk</u>	<u>23</u>
<u>Item 4 – Controls and Procedures</u>	<u>23</u>
<u>Part II OTHER INFORMATION</u>	
<u>Item 1 – Legal Proceedings</u>	<u>24</u>
<u>Item 1A – Risk Factors</u>	<u>24</u>
<u>Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>24</u>
<u>Item 4 – Mine Safety Disclosures</u>	<u>24</u>
<u>Item 6 – Exhibits</u>	<u>24</u>
<u>SIGNATURES</u>	<u>26</u>

Table of Contents

Part I FINANCIAL INFORMATION
Item 1 – FINANCIAL STATEMENTS
POLARIS INDUSTRIES INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$118,819	\$137,600
Trade receivables, net	151,495	204,876
Inventories, net	708,269	565,685
Prepaid expenses and other	66,497	71,526
Income taxes receivable	15,183	2,691
Deferred tax assets	113,656	114,177
Total current assets	1,173,919	1,096,555
Property and equipment, net	569,126	555,428
Investment in finance affiliate	87,625	89,107
Deferred tax assets	40,528	41,201
Goodwill and other intangible assets, net	235,030	223,966
Other long-term assets	75,326	68,678
Total assets	\$2,181,554	\$2,074,935
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of capital lease obligations and notes payable	\$4,948	\$2,528
Accounts payable	300,639	343,470
Accrued expenses:		
Compensation	68,246	102,379
Warranties	45,099	53,104
Sales promotions and incentives	130,158	138,630
Dealer holdback	120,258	120,093
Other	72,758	79,262
Income taxes payable	9,553	11,344
Total current liabilities	751,659	850,810
Long-term income taxes payable	10,429	10,568
Capital lease obligations and notes payable	35,117	23,620
Long-term debt	363,417	200,000
Deferred tax liabilities	16,446	18,191
Other long-term liabilities	102,997	96,951
Total liabilities	\$1,280,065	\$1,200,140
Deferred compensation	\$16,743	\$13,528
Shareholders' equity:		
Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding	—	—
Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively	\$661	\$663
Additional paid-in capital	567,294	486,005
Retained earnings	371,492	401,840

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Accumulated other comprehensive loss, net	(54,701) (27,241)
Total shareholders' equity	884,746	861,267	
Total liabilities and shareholders' equity	\$2,181,554	\$2,074,935	

The accompanying footnotes are an integral part of these consolidated statements.

3

Table of Contents

POLARIS INDUSTRIES INC.
 CONSOLIDATED STATEMENTS OF INCOME
 (In thousands, except per share data)
 (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Sales	\$1,124,327	\$1,013,959	\$2,157,672	\$1,902,305
Cost of sales	804,913	709,045	1,544,527	1,338,974
Gross profit	319,414	304,914	613,145	563,331
Operating expenses:				