

Murphy USA Inc.
Form 10-Q
May 03, 2018

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 March 31, 2018

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 001-35914

MURPHY USA INC.
(Exact name of registrant as specified in its charter)

Delaware 46-2279221
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

200 Peach Street
El Dorado, Arkansas 71730-5836
(Address of principal executive offices) (Zip Code)

(870) 875-7600
(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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated

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filer," "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

Number of shares of Common Stock, \$0.01 par value, outstanding at March 31, 2018 was 33,231,981.

MURPHY USA INC.

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ITEM 1. FINANCIAL STATEMENTS

Murphy USA Inc.

Consolidated Balance Sheets

(Millions of dollars, except share amounts)	March 31, 2018 (unaudited)	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 144.1	\$ 170.0
Accounts receivable—trade, less allowance for doubtful accounts of \$1.1 in 2018 and in 2017	198.0	225.2
Inventories, at lower of cost or market	148.5	182.5
Prepaid expenses and other current assets	27.6	36.5
Total current assets	518.2	614.2
Property, plant and equipment, at cost less accumulated depreciation and amortization of \$905.7 in 2018 and \$874.7 in 2017	1,691.1	1,679.5
Restricted cash	1.1	—
Other assets	42.1	37.3
Total assets	\$ 2,252.5	\$ 2,331.0
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	\$ 19.9	\$ 19.9
Trade accounts payable and accrued liabilities	475.0	513.4
Income taxes payable	1.2	—
Total current liabilities	496.1	533.3
Long-term debt, including capitalized lease obligations	856.4	860.9
Deferred income taxes	155.3	154.2
Asset retirement obligations	28.5	28.2
Deferred credits and other liabilities	10.9	16.0
Total liabilities	1,547.2	1,592.6
Stockholders' Equity		
Preferred Stock, par \$0.01 (authorized 20,000,000 shares, none outstanding)	—	—
Common Stock, par \$0.01 (authorized 200,000,000 shares, 46,767,164 shares issued at 2018 and 2017, respectively)	0.5	0.5
Treasury stock (13,535,183 and 12,675,630 shares held at 2018 and 2017, respectively)	(873.8) (806.5
Additional paid in capital (APIC)	544.8	549.9
Retained earnings	1,033.8	994.5
Total stockholders' equity	705.3	738.4
Total liabilities and stockholders' equity	\$ 2,252.5	\$ 2,331.0

See notes to consolidated financial statements.

Murphy USA Inc.
 Consolidated Statements of Income
 (unaudited)

(Millions of dollars, except per share amounts)	Three Months Ended	
	2018	2017
Operating Revenues		
Petroleum product sales (a)	\$2,637.6	\$2,402.2
Merchandise sales	567.7	565.8
Other operating revenues	38.9	31.6
Total operating revenues	3,244.2	2,999.6
Operating Expenses		
Petroleum product cost of goods sold (a)	2,561.1	2,329.3
Merchandise cost of goods sold	476.2	477.0
Station and other operating expenses	127.4	124.8
Depreciation and amortization	31.8	27.0
Selling, general and administrative	34.5	38.2
Accretion of asset retirement obligations	0.5	0.4
Total operating expenses	3,231.5	2,996.7
Net settlement proceeds	47.0	—
Gain (loss) on sale of assets	0.3	(3.5)
Income (loss) from operations	60.0	(0.6)
Other income (expense)		
Interest income	0.3	—
Interest expense	(13.0)	(9.4)
Other nonoperating income	—	0.2
Total other income (expense)	(12.7)	(9.2)
Income (loss) before income taxes	47.3	(9.8)
Income tax expense (benefit)	8.0	(6.8)
Net Income (Loss)	\$39.3	\$(3.0)

Basic and Diluted Earnings Per Common Share