

CARDTRONICS INC  
Form 10-Q  
July 30, 2015

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: 001-33864

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CARDTRONICS, INC.

(Exact name of registrant as specified in its charter)

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Delaware 76-0681190  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

3250 Briarpark Drive, Suite 400 77042  
Houston, TX (Zip Code)  
(Address of principal executive offices)

Registrant's telephone number, including area code: (832) 308-4000

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

Common Stock, par value: \$0.0001 per share. Shares outstanding on July 28, 2015: 44,881,530



CARDTRONICS, INC.

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When we refer to “us,” “we,” “our,” or “ours,” we are describing Cardtronics, Inc. and/or our subsidiaries, depending on the context in which the statements are made.

PART I.  
FINANCIAL  
INFORMATION

Item 1. Financial  
Statements

CARDTRONICS,  
INC.  
CONSOLIDATED  
BALANCE  
SHEETS  
(In thousands,  
excluding share  
and per share  
amounts)

	June 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 24,789	\$ 31,875
Accounts and notes receivable, net of allowance of \$1,628 and \$1,082 as of June 30, 2015 and December 31, 2014, respectively	83,606	80,321
Inventory, net	9,221	5,971
Restricted cash	17,901	20,427
Current portion of deferred tax asset, net	22,133	24,303
Prepaid expenses, deferred costs, and other current assets	42,114	34,508
Total current assets	199,764	197,405
Property and equipment, net	355,862	335,795
Intangible assets, net	155,402	177,540
Goodwill	519,640	511,963
Deferred tax asset, net	11,362	10,487
Prepaid expenses, deferred costs, and other noncurrent assets	18,214	22,600
Total assets	\$ 1,260,244	\$ 1,255,790

## LIABILITIES AND STOCKHOLDERS' EQUITY

## Current liabilities:

Current portion of long-term debt	\$ —	\$ 35
Current portion of other long-term liabilities	33,776	34,937
Accounts payable	35,851	35,984
Accrued liabilities	151,829	179,966
Total current liabilities	221,456	250,922
Long-term liabilities:		
Long-term debt	599,048	612,662
Asset retirement obligations	54,622	52,039
Deferred tax liability, net	16,528	15,916
Other long-term liabilities	32,261	37,716
Total liabilities	923,915	969,255

## Commitments and contingencies

## Stockholders' equity:

Common stock, \$0.0001 par value; 125,000,000 shares authorized; 52,037,242 and 51,596,360 shares issued as of June 30, 2015 and December 31, 2014, respectively; 44,881,817 and 44,562,122 shares outstanding as of June 30, 2015 and December 31, 2014, respectively	5	5
Additional paid-in capital	362,741	352,166
Accumulated other comprehensive loss, net	(69,406)	(83,007)
Retained earnings	149,057	118,817
Treasury stock: 7,155,425 and 7,034,238 shares at cost as of June 30, 2015 and December 31, 2014, respectively	(101,862)	(97,835)
Total Parent stockholders' equity	340,535	290,146
Noncontrolling interests	(4,206)	(3,611)
Total stockholders' equity	336,329	286,535
Total liabilities and stockholders' equity	\$ 1,260,244	\$ 1,255,790

The accompanying notes are an integral part of these consolidated financial statements.

CARDTRONICS, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, excluding share and per share amounts)  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2015	2014	June 30, 2015	2014
Revenues:				
ATM operating revenues	\$ 285,436	\$ 252,052	\$ 545,459	\$ 490,191
ATM product sales and other revenues	18,310	7,977	40,188	14,910
Total revenues	303,746	260,029	585,647	505,101
Cost of revenues:				
Cost of ATM operating revenues (excludes depreciation, accretion, and amortization of intangible assets shown separately below. See Note 1)	183,533	163,380	352,041	323,139
Cost of ATM product sales and other revenues	17,009	7,754	36,301	14,564
Total cost of revenues	200,542	171,134	388,342	337,703
Gross profit	103,204	88,895	197,305	167,398
Operating expenses:				
Selling, general, and administrative expenses	34,190	27,926	65,070	52,453
Acquisition-related expenses	5,560	7,642	7,918	10,729
Depreciation and accretion expense	21,903	19,597	42,015	37,943
Amortization of intangible assets	9,495	8,465	18,992	16,682
Loss (gain) on disposal of assets	247	316	(286)	584
Total operating expenses	71,395	63,946	133,709	118,391
Income from operations	31,809	24,949	63,596	49,007
Other expense:				