

POLARIS INDUSTRIES INC/MN

Form 10-Q

October 29, 2014

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 September 30, 2014

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 41-1790959
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

2100 Highway 55, Medina MN 55340
(Address of principal executive (Zip Code)
offices)

(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 October 22, 2014, 66,397,130 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 September 30, 2014

	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>15</u>
<u>Liquidity and Capital Resources</u>	<u>19</u>
<u>Inflation and Foreign Exchange Rates</u>	<u>21</u>
<u>Critical Accounting Policies</u>	<u>22</u>
<u>Note Regarding Forward Looking Statements</u>	<u>22</u>
<u>Item 3 – Quantitative and Qualitative Disclosures About Market Risk</u>	<u>22</u>
<u>Item 4 – Controls and Procedures</u>	<u>22</u>
<u>Part II OTHER INFORMATION</u>	
<u>Item 1 – Legal Proceedings</u>	<u>23</u>
<u>Item 1A – Risk Factors</u>	<u>23</u>
<u>Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>23</u>
<u>Item 4 – Mine Safety Disclosures</u>	<u>23</u>
<u>Item 6 – Exhibits</u>	<u>23</u>
<u>SIGNATURES</u>	<u>25</u>

Table of Contents

Part I FINANCIAL INFORMATION

Item 1 – FINANCIAL STATEMENTS

POLARIS INDUSTRIES INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	September 30, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$169,018	\$92,248
Trade receivables, net	153,839	186,213
Inventories, net	582,193	417,948
Prepaid expenses and other	61,780	63,716
Income taxes receivable	20,423	12,217
Deferred tax assets	93,312	93,356
Total current assets	1,080,565	865,698
Property and equipment, net	538,031	455,167
Investment in finance affiliate	71,515	69,217
Investment in other affiliates	21,502	15,956
Deferred tax assets	25,096	18,616
Goodwill and other intangible assets, net	224,443	229,708
Other long-term assets	47,680	31,126
Total assets	\$2,008,832	\$1,685,488
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of capital lease obligations	\$2,809	\$3,281
Accounts payable	340,606	238,044
Accrued expenses:		
Compensation	96,055	143,504
Warranties	51,394	52,818
Sales promotions and incentives	142,195	123,089
Dealer holdback	111,259	100,600
Other	77,765	77,480
Income taxes payable	3,219	9,254
Total current liabilities	825,302	748,070
Long-term income taxes payable	12,928	14,292
Capital lease obligations	25,214	3,842
Long-term debt	200,000	280,500
Deferred tax liabilities	21,100	25,028
Other long-term liabilities	85,246	69,730
Total liabilities	\$1,169,790	\$1,141,462
Deferred compensation	\$16,340	\$8,421
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, 66,395 and 65,623 shares issued and outstanding, respectively	\$664	\$656
Additional paid-in capital	452,137	360,616

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Retained earnings	372,128	155,572
Accumulated other comprehensive (loss) income, net	(2,227) 18,761
Total shareholders' equity	822,702	535,605
Total liabilities and shareholders' equity	\$2,008,832	\$1,685,488

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 September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Sales	\$1,302,343	\$1,102,649	\$3,204,648	\$2,693,358
Cost of sales	914,069	767,864	2,253,043	1,889,587
Gross profit	388,274	334,785		