

HUB GROUP INC
Form 10-Q
October 30, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended September 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: 0-27754

HUB GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware 36-4007085
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

2000 Clearwater Drive

Oak Brook, Illinois 60523

(Address, including zip code, of principal executive offices)

(630) 271-3600

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(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 definition 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 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

On October 26, 2015, the registrant had 35,698,057 outstanding shares of Class A common stock, par value \$.01 per share, and 662,296 outstanding shares of Class B common stock, par value \$.01 per share.

HUB GROUP, INC.

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HUB GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	September 30, 2015	December 31, 2014
(unaudited)		
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$183,547	\$109,769
Accounts receivable trade, net	411,849	401,803
Accounts receivable other	9,206	24,886
Prepaid taxes	1,358	14,937
Deferred taxes	7,712	4,816
Prepaid expenses and other current assets	15,797	14,355
TOTAL CURRENT ASSETS	629,469	570,566
Restricted investments	20,555	21,944
Property and equipment, net	350,726	338,327
Other intangibles, net	13,463	14,434
Goodwill, net	262,649	262,813
Other assets	4,099	4,043
TOTAL ASSETS	\$1,280,961	\$1,212,127
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable trade	\$273,284	\$256,345
Accounts payable other	25,726	21,333
Accrued payroll	21,037	16,192
Accrued other	45,920	43,523
Current portion of capital lease	2,584	2,504
Current portion of long term debt	25,929	19,619
TOTAL CURRENT LIABILITIES	394,480	359,516
Long term debt	80,690	72,460
Non-current liabilities	19,562	22,929
Long term portion of capital lease	13,974	15,937
Deferred taxes	148,754	140,501
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.01 par value; 2,000,000 shares authorized; no shares issued or outstanding in 2015 and 2014	-	-
Common stock		
Class A: \$.01 par value; 97,337,700 shares authorized and 41,224,792 shares issued in 2015 and 2014; 35,698,057 shares outstanding in 2015 and 36,247,324 shares outstanding	412	412

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in 2014

Class B: \$.01 par value; 662,300 shares authorized; 662,296 shares issued and outstanding in 2015 and 2014	7	7
Additional paid-in capital	169,979	171,235
Purchase price in excess of predecessor basis, net of tax benefit of \$10,306	(15,458)	(15,458)
Retained earnings	638,384	589,809
Accumulated other comprehensive loss	(177)	(77)
Treasury stock; at cost, 5,526,735 shares in 2015 and 4,977,468 shares in 2014	(169,646)	(145,144)
TOTAL STOCKHOLDERS' EQUITY	623,501	600,784
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,280,961	\$1,212,127

See notes to unaudited consolidated financial statements.

HUB GROUP, INC.

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

AND COMPREHENSIVE INCOME

(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue	\$899,869	\$913,386	\$2,635,323	\$2,655,765
Transportation costs	794,805	820,190	2,339,402	2,375,240
Gross margin	105,064	93,196	295,921	280,525
Costs and expenses:				
Salaries and benefits	36,357	30,868	114,670	103,516
Agent fees and commissions	17,862	16,592	49,374	45,802
General and administrative	15,461	13,868	44,295	43,981
Depreciation and amortization	1,966	1,967	5,893	5,902
Driver settlements and related costs	-	10,343	-	10,343
Impairment of software	-	11,881	-	11,881
Total costs and expenses	71,646	85,519	214,232	221,425