

GLOBAL PARTNERS LP
Form 10-Q
November 06, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 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 001-32593

Global Partners LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

74-3140887
(I.R.S. Employer
Identification No.)

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P.O. Box 9161
800 South Street
Waltham, Massachusetts 02454-9161
(Address of principal executive offices, including zip code)

(781) 894-8800
(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 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

The issuer had 33,995,563 common units outstanding as of November 3, 2015.

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Item 1. Financial Statements

GLOBAL PARTNERS LP

CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)

(Unaudited)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 765	\$ 5,238
Accounts receivable, net	376,509	457,730
Accounts receivable—affiliates	5,225	3,903
Inventories	383,933	336,813
Brokerage margin deposits	25,662	17,198
Derivative assets	52,981	83,826
Prepaid expenses and other current assets	65,407	56,515
Total current assets	910,482	961,223
Property and equipment, net	1,234,759	825,051
Intangible assets, net	78,535	48,902
Goodwill	442,211	154,078
Other assets	48,755	50,723
Total assets	\$ 2,714,742	\$ 2,039,977
Liabilities and partners' equity		
Current liabilities:		
Accounts payable	\$ 314,779	\$ 456,619
Working capital revolving credit facility—current portion	104,900	—
Line of credit	—	700
Environmental liabilities—current portion	3,059	3,101
Trustee taxes payable	81,020	105,744
Accrued expenses and other current liabilities	71,715	82,820
Derivative liabilities	28,188	58,507
Total current liabilities	603,661	707,491
Working capital revolving credit facility—less current portion	150,000	100,000
Revolving credit facility	268,000	133,800
Senior notes	664,010	368,136
Environmental liabilities—less current portion	71,608	34,462

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Financing obligation	89,735	—
Other long-term liabilities	149,228	59,932
Total liabilities	1,996,242	1,403,821
Partners' equity		
Global Partners LP equity:		
Common unitholders 33,995,563 units issued and 33,496,578 outstanding at September 30, 2015 and 30,995,563 units issued and 30,604,961 outstanding at December 31, 2014)	681,665	599,406
General partner interest (0.67% and 0.74% interest with 230,303 equivalent units outstanding at September 30, 2015 and December 31, 2014, respectively)	1,764	788
Accumulated other comprehensive loss	(12,747)	(13,252)
Total Global Partners LP equity	670,682	586,942
Noncontrolling interest	47,818	49,214
Total partners' equity	718,500	636,156
Total liabilities and partners' equity	\$ 2,714,742	\$ 2,039,977

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

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GLOBAL PARTNERS LP

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per unit data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Sales	\$ 2,486,203	\$ 4,050,458	\$ 8,145,407	\$ 13,737,006
Cost of sales	2,333,904	3,895,023	7,680,362	13,334,862
Gross profit	152,299	155,435	465,045	402,144
Costs and operating expenses:				
Selling, general and administrative expenses	42,480	41,408	136,657	110,379
Operating expenses	77,309	53,315	218,133	152,296
Amortization expense	2,319	4,522	10,730	13,574
Loss on sale and disposition of assets	680	—	1,330	1,060
Total costs and operating expenses	122,788	99,245	366,850	277,309
Operating income	29,511	56,190	98,195	124,835
Interest expense	(20,643)	(12,324)	(51,057)	(35,677)
Income before income tax expense	8,868	43,866	47,138	89,158
Income tax expense	(722)	(244)	(969)	(660)
Net income	8,146	43,622	46,169	88,498
Net loss (income) attributable to noncontrolling interest	66	(1,114)	(324)	(1,699)
Net income attributable to Global Partners LP	8,212	42,508	45,845	86,799
Less: General partner's interest in net income, including incentive distribution rights	2,832	1,623	7,682	4,164
Limited partners' interest in net income	\$ 5,380	\$ 40,885		