

TRAVELCENTERS OF AMERICA LLC

Form 10-Q

November 05, 2018

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2018

Commission File Number 001-33274

TRAVELCENTERS OF
AMERICA LLC
(Exact Name of Registrant as
Specified in Its Charter)

Delaware 20-5701514
(State or
other
jurisdiction (I.R.S.
of Employer
of Identification
incorporation No.)
or
organization)

24601 Center Ridge
Road, Suite 200,
Westlake, OH
44145-5639
(Address of Principal
Executive Offices)

(440) 808-9100
(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 x No o

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Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 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 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 Common Shares outstanding at November 2, 2018: 39,768,115 common shares.

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As used herein the terms "we," "us," "our" and "TA" include TravelCenters of America LLC and its consolidated subsidiaries unless otherwise expressly stated or the context otherwise requires.

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Part I. Financial Information

Item 1. Financial Statements

TravelCenters of America LLC
Consolidated Balance Sheets (Unaudited)
(in thousands)

	September 30, 2018	December 31, 2017
Assets:		
Current assets:		
Cash and cash equivalents	\$ 85,519	\$ 35,526
Accounts receivable (less allowance for doubtful accounts of \$1,044 and \$809 as of September 30, 2018 and December 31, 2017, respectively)	168,990	125,501
Inventory	198,021	186,867
Other current assets	27,050	27,015
Current assets of discontinued operations	335,698	23,609
Total current assets	815,278	398,518
Property and equipment, net	606,219	613,196
Goodwill and intangible assets, net	48,681	50,351
Other noncurrent assets	121,761	89,955
Noncurrent assets of discontinued operations	—	466,112
Total assets	\$ 1,591,939	\$ 1,618,132
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$ 204,178	\$ 155,581
Current HPT Leases liabilities	42,122	41,389
Other current liabilities	173,353	128,017
Current liabilities of discontinued operations	11,636	2,311
Total current liabilities	431,289	327,298
Long term debt, net	320,303	319,634
Noncurrent HPT Leases liabilities	357,560	368,782
Other noncurrent liabilities	26,774	27,376
Noncurrent liabilities of discontinued operations	—	8,547
Total liabilities	1,135,926	1,051,637
Shareholders' equity:		
Common shares, no par value, 43,369 and 41,369 shares authorized as of September 30, 2018 and December 31, 2017, respectively, and 39,768 and 39,984 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	694,772	690,688
Accumulated other comprehensive income	598	580
Accumulated deficit	(240,824) (126,220)
Total TA shareholders' equity	454,546	565,048
Noncontrolling interests	1,467	1,447

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Total shareholders' equity	456,013	566,495
Total liabilities and shareholders' equity	\$ 1,591,939	\$ 1,618,132

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

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TravelCenters of America LLC

Consolidated Statements of Operations and Comprehensive (Loss) Income (Unaudited)

(in thousands, except per share amounts)

	Three Months Ended September 30,	
	2018	2017
Revenues:		
Fuel	\$1,172,913	\$908,456
Nonfuel	482,621	465,232
Rent and royalties from franchisees	3,863	4,535
Total revenues	1,659,397	1,378,223
Cost of goods sold (excluding depreciation):		
Fuel	1,096,065	839,065
Nonfuel	192,951	185,127
Total cost of goods sold	1,289,016	1,024,192
Operating expenses:		
Site level operating	233,344	216,303
Selling, general and administrative	35,097	34,348
Real estate rent	71,116	69,032
Depreciation and amortization	20,407	19,990
Total operating expenses	359,964	339,673
Income from operations	10,417	14,358
Interest expense, net	7,518	7,507
Other (income) expense, net	(569)) (481)
Income before income taxes and discontinued operations	3,468	7,332
(Provision) benefit for income taxes	(1,879)) 55,941
Income from continuing operations	1,589	63,273
Loss from discontinued operations, net of taxes	(72,069)) (966)