

Edgar Filing: Express Scripts Holding Co. - Form 10-Q

Express Scripts Holding Co.
Form 10-Q
August 01, 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 June 30, 2018.

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: 1-35490

EXPRESS SCRIPTS HOLDING COMPANY
(Exact name of registrant as specified in its charter)

Delaware 45-2884094
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

One Express Way, St. Louis, MO 63121
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (314) 996-0900

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, 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 (Do not check if a smaller reporting company) 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.

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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

Common stock outstanding as of July 27, 2018: 562,229,000 Shares

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EXPRESS SCRIPTS HOLDING COMPANY

Unaudited Consolidated Balance Sheet

(in millions)	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$2,942.3	\$ 2,309.6
Receivables, net	7,338.1	7,056.3
Inventories	2,293.1	2,124.9
Prepaid expenses and other current assets	596.6	466.3
Total current assets	13,170.1	11,957.1
Property and equipment, net	504.7	551.3
Computer software, net	833.1	814.9
Goodwill	31,110.2	31,099.7
Other intangible assets, net	8,828.9	9,625.9
Other assets	230.8	206.9
Total assets	\$54,677.8	\$ 54,255.8
Liabilities and stockholders' equity		
Current liabilities:		
Claims and rebates payable	\$9,891.5	\$ 10,188.5
Accounts payable	4,793.5	3,755.7
Accrued expenses	2,368.6	2,869.3
Short-term debt and current maturities of long-term debt	1,533.1	1,032.9
Total current liabilities	18,586.7	17,846.4
Long-term debt	13,457.6	14,981.5
Deferred taxes	2,426.6	2,562.4
Other liabilities	831.6	740.2
Total liabilities	35,302.5	36,130.5
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, 15.0 shares authorized, \$0.01 par value per share; no shares issued and outstanding	—	—
Common stock, 2,985.0 shares authorized, \$0.01 par value; shares issued: 865.4 and 862.3, respectively; shares outstanding: 562.1 and 564.4, respectively	8.7	8.6
Additional paid-in capital	23,704.0	23,537.8
Accumulated other comprehensive loss	(8.0) (2.9
Retained earnings	17,819.1	16,318.6
	41,523.8	39,862.1
Common stock in treasury at cost, 303.3 and 297.9 shares, respectively	(22,153.8) (21,742.5
Total Express Scripts stockholders' equity	19,370.0	18,119.6
Non-controlling interest	5.3	5.7
Total stockholders' equity	19,375.3	18,125.3
Total liabilities and stockholders' equity	\$54,677.8	\$ 54,255.8
See accompanying Notes to Unaudited Consolidated Financial Statements		

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EXPRESS SCRIPTS HOLDING COMPANY

Unaudited Consolidated Statement of Operations

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(in millions, except per share data)	2018	2017	2018	2017
Revenues	\$25,641.8	\$25,347.5	\$50,411.2	\$50,002.4
Cost of revenues	23,437.6	23,186.3	46,327.6	45,968.5
Gross profit	2,204.2	2,161.2	4,083.6	4,033.9
Selling, general and administrative	892.0	782.6	1,809.8	1,600.7
Operating income	1,312.2	1,378.6	2,273.8	2,433.2
Other (expense) income:				