

O REILLY AUTOMOTIVE INC
Form 10-Q
May 10, 2006
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2006

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 0-21318

O'REILLY AUTOMOTIVE, INC.
(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction)

44-0618012
(I.R.S. Employer Identification No.)

of incorporation or
organization)

233 South Patterson
Springfield, Missouri 65802
(Address of principal executive offices, Zip code)

(417) 862-6708
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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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 a check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

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, \$0.01 par value 113,199,354 shares outstanding as of March 31, 2006.

O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES

FORM 10-Q

Quarter Ended March 31, 2006

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PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	March 31, 2006 (Unaudited)	December 31, 2005 (Note)
Assets		
Current assets:		
Cash and cash equivalents	\$ 55,290	\$ 31,384
Accounts receivable, net	74,575	73,849
Amounts receivable from vendors, net	60,372	57,224
Inventory	755,026	726,390
Other current assets	17,739	22,845
Total current assets	963,002	911,692
Property and equipment, at cost	1,038,221	992,899
Accumulated depreciation and amortization	287,576	274,533
Net property and equipment	750,645	718,366
Notes receivable, less current portion	27,898	29,062
Other assets, net	61,449	60,827
Total assets	\$ 1,802,994	\$ 1,719,947
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 312,509	\$ 292,667
Accrued payroll	20,286	19,356
Accrued benefits and withholdings	46,236	49,794
Deferred income taxes	10,868	2,451
Other current liabilities	43,514	47,137
Current portion of long-term debt	75,154	75,313
Total current liabilities	508,567	486,718
Long-term debt, less current portion	25,436	25,461
Deferred income taxes	42,882	42,516
Other liabilities	19,637	19,483
Shareholders' equity:		
Common stock, \$0.01 par value:		
Authorized shares	245,000,000	
Issued and outstanding shares	113,199,354	
at March 31, 2006, and 112,389,002 at December 31, 2005	1,132	1,124
Additional paid-in capital	380,456	360,325

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Retained earnings	824,884	784,320
Total shareholders' equity	1,206,472	1,145,769
Total liabilities and shareholders' equity	\$ 1,802,994	\$ 1,719,947

Note: The balance sheet at December 31, 2005, has been derived from the audited consolidated financial statements at that date, but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

See notes to condensed consolidated financial statements.

O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share data)

	Three Months Ended March 31,	
	2006	2005
Product sales	\$ 536,547	\$ 466,239
Cost of goods sold, including warehouse and distribution expenses	303,119	270,070
Gross profit	233,428	196,169
Operating, selling, general and administrative expenses	168,462	142,588
Operating income	64,966	53,581
Other expense, net	(452)	(668)
Income before income taxes	64,514	52,913
Provision for income taxes	23,950	19,700
Net income	\$ 40,564	\$ 33,213
Net income per common share	\$ 0.36	\$ 0.30
Net income per common share-assuming dilution:	\$ 0.35	\$ 0.30
Weighted-average common shares outstanding - basic	112,523	110,896
Adjusted weighted-average common shares outstanding assuming dilution	114,615	112,510

See notes to condensed consolidated financial statements.

O'REILLY AUTOMOTIVE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

	Three Months Ended March 31,	
	2006	2005
Net cash provided by operating activities	\$ 56,932	\$64,359
Investing activities:		
Purchases of property and equipment	(47,450)	(45,570)
Proceeds from sale of property and equipment	186	350
Payments received on notes receivable	1,055	1,205
Advance on notes receivable	--	(6,896)
(Investment in) reduction of other assets	(497)	1,532