

HRG GROUP, INC.  
Form 10-Q  
May 04, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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 March 31, 2018

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: 1-4219

HRG Group, Inc.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) 74-1339132 (I.R.S. Employer Identification No.)  
450 Park Avenue, 29th Floor, New York, NY 10022 (Address of principal executive offices) (Zip Code)  
(212) 906-8555 (Registrant's telephone number, including area code)  
(Former name, former address and former fiscal year, if changed since last report)

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  or 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 (section 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  or 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  or No

There were 203,103,593 shares of the registrant's common stock outstanding as of May 1, 2018.



HRG GROUP, INC.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## HRG GROUP, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)

	March 31, 2018	September 30, 2017
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 758.8	\$270.1
Trade receivables, net	337.6	266.0
Other receivables, net	62.2	19.7
Inventories, net	610.5	496.3
Prepaid expenses and other current assets	60.2	54.8
Current assets of businesses held for sale	1,976.0	28,929.2
Total current assets	3,805.3	30,036.1
Property, plant and equipment, net	504.5	503.9
Goodwill	2,280.2	2,277.1
Intangibles, net	1,589.5	1,612.0
Deferred charges and other assets	60.8	43.7
Noncurrent assets of businesses held for sale	—	1,376.9
Total assets	\$ 8,240.3	\$35,849.7
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 70.3	\$161.4
Accounts payable	360.7	373.1
Accrued wages and salaries	41.3	55.4
Accrued interest	62.6	78.0
Other current liabilities	129.0	125.8
Current liabilities of businesses held for sale	558.6	26,851.3
Total current liabilities	1,222.5	27,645.0
Long-term debt, net of current portion	5,248.4	5,543.7
Employee benefit obligations	38.8	38.6
Deferred tax liabilities	285.8	493.2
Other long-term liabilities	101.1	26.2
Noncurrent liabilities of businesses held for sale	—	156.1
Total liabilities	6,896.6	33,902.8
Commitments and contingencies		
HRG Group, Inc. shareholders' equity:		
Common stock	2.1	2.0
Additional paid-in capital	1,270.4	1,372.9
Accumulated deficit	(455.6	) (925.9
Accumulated other comprehensive (loss) income	(125.3	) 309.0
Total HRG Group, Inc. shareholders' equity	691.6	758.0
Noncontrolling interest	652.1	1,188.9

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Total shareholders' equity	1,343.7	1,946.9
Total liabilities and equity	\$ 8,240.3	\$35,849.7

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)

	Three months ended March 31,		Six months ended March 31,	
	2018	2017	2018	2017
	(Unaudited)		(Unaudited)	
Revenues:				
Net sales	\$766.1	\$756.4	\$1,412.6	\$1,358.7
Net investment income	—	1.0	—	1.0
Total revenues	766.1	757.4	1,412.6	1,359.7
Operating costs and expenses:				
Cost of goods sold	494.8			