

General Motors Co
Form 10-Q
October 30, 2013

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549-1004

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, 2013

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 001-34960

GENERAL MOTORS COMPANY

(Exact Name of Registrant as Specified in its Charter)

STATE OF DELAWARE

27-0756180

(State or other jurisdiction of

(I.R.S. Employer

Incorporation or Organization)

Identification No.)

300 Renaissance Center, Detroit, Michigan

48265-3000

(Address of Principal Executive Offices)

(Zip Code)

(313) 556-5000

(Registrant's telephone number, including area code)

Not applicable

(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 ☒ 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, or a smaller reporting company. See definition 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 ☐

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

As of October 25, 2013 the number of shares outstanding of common stock was 1,388,973,710 shares.

Website Access to Company's Reports

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General Motors Company's internet website address is www.gm.com. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission.

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GENERAL MOTORS COMPANY AND SUBSIDIARIES

PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED INCOME STATEMENTS

(In millions, except per share amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2013	2012	2013	2012
Net sales and revenue				
Automotive	\$ 38,120	\$ 37,062	\$ 112,704	\$ 111,517
GM Financial	863	514	2,238	1,432
Total	38,983	37,576	114,942	112,949
Costs and expenses				
Automotive cost of sales	33,166	32,735	99,607	98,323
GM Financial operating and other expenses	625	311	1,556	827
Automotive selling, general and administrative expense	2,876	2,849	8,753	8,684
Goodwill impairment charges (Note 7)	60	78	60	695
Total costs and expenses	36,727	35,973	109,976	108,529
Operating income	2,256	1,603	4,966	4,420
Automotive interest expense	65	128	217	356
Interest income and other non-operating income (loss), net	(82	) 318	340	732
Gain (loss) on extinguishment of debt (Note 10)	2	—	(238	) (18
Income before income taxes and equity income	2,111	1,793	4,851	4,778
Income tax expense (Note 15)	842	357	1,993	814
Equity income, net of tax (Note 6)	436	418	1,420	1,141
Net income	1,705	1,854	4,278	5,105
Net (income) loss attributable to noncontrolling interests	12	(21	) 28	(111
Net income attributable to stockholders	\$ 1,717	\$ 1,833	\$ 4,306	\$ 4,994
Net income attributable to common stockholders	\$ 698	\$ 1,476	\$ 2,857	\$ 3,967
Earnings per share (Note 18)				
Basic				
Basic earnings per common share	\$ 0.50	\$ 0.94	\$ 2.07	\$ 2.53
Weighted-average common shares outstanding	1,386	1,570	1,378	1,570
Diluted				
Diluted earnings per common share	\$ 0.45	\$ 0.89	\$ 1.82	\$ 2.38
Weighted-average common shares outstanding	1,681	1,663	1,672	1,675

Reference should be made to the notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2013	2012	2013	2012
Net income	\$1,705	\$ 1,854	\$4,278	\$ 5,105
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	(154	) 7	(397	) (45
Cash flow hedging losses, net	—	—	—	(2
Unrealized gains (losses) on securities, net	201	(11	) 183	(151
Defined benefit plans, net	9	(715	) 271	(657
Other comprehensive income (loss), net of tax	56	(719	) 57	(855
Comprehensive income	1,761	1,135	4,335	4,250
Comprehensive (income) loss attributable to noncontrolling interests	15	(31	) 42	(119
Comprehensive income attributable to stockholders	\$1,776	\$ 1,104	\$4,377	\$ 4,131

Reference should be made to the notes to condensed consolidated financial statements.

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GENERAL MOTORS COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

(Unaudited)

	September 30, 2013	December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$20,355	\$18,422
Marketable securities (Note 3)	8,215	8,988
Restricted cash and marketable securities (Note 3)	959	686
Accounts and notes receivable (net of allowance of \$325 and \$311)	11,067	10,395
GM Financial receivables, net (Note 4)(including SPE receivables of \$9,089 and \$3,444; Note 8)	11,010	4,044
Inventories (Note 5)	15,357	14,714
Equipment on operating leases, net	2,559	1,782
Deferred income taxes	9,868	9,429
Other current assets	1,774	1,536
Total current assets	81,164	69,996
Non-current Assets		
Restricted cash and marketable securities (Note 3)	676	682
GM Financial receivables, net (Note 4)(including SPE receivables of \$10,604 and \$6,458; Note 8)	12,222	6,954
Equity in net assets of nonconsolidated affiliates (Note 6)	7,897	6,883
Property, net	26,247	24,196
Goodwill (Note 7)	1,953	1,973
Intangible assets, net (Note 7)	6,364	6,809
GM Financial equipment on operating leases, net (including SPE assets of \$1,685 and \$540; Note 8)	3,100	1,649
Deferred income taxes	26,020	27,922
Other assets	2,896	2,358
Total non-current assets	87,375	79,426
Total Assets	\$168,539	\$149,422
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (principally trade)	\$27,242	\$25,166
Short-term debt and current portion of long-term debt (Note 10)		
Automotive (including certain debt at VIEs of \$187 and \$228; Note 8)	1,786	1,748
GM Financial (including certain debt at VIEs of \$8,435 and \$3,770; Note 8)	9,653	3,770
Accrued liabilities	23,882	23,308
Total current liabilities	62,563	53,992
Non-current Liabilities		
Long-term debt (Note 10)		
Automotive (including certain debt at VIEs of \$77 and \$122; Note 8)	6,662	3,424
GM Financial (including certain debt at VIEs of \$9,712 and \$5,608; Note 8)	14,022	7,108
Postretirement benefits other than pensions (Note 12)	6,855	7,309
Pensions (Note 12)	27,030	27,420

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Other liabilities and deferred income taxes	14,046	13,169
Total non-current liabilities	68,615	58,430
Total Liabilities	131,178	112,422
Commitments and contingencies (Note 14)		
Equity (Note 17)		
Preferred stock, \$0.01 par value		
Series A	3,109	5,536
Series B	4,855	4,855
Common stock, \$0.01 par value	14	14
Additional paid-in capital	23,878	23,834
Retained earnings	12,903	10,057
Accumulated other comprehensive loss	(7,981	) (8,052)
Total stockholders' equity	36,778	36,244
Noncontrolling interests	583	756
Total Equity	37,361	37,000
Total Liabilities and Equity	\$ 168,539	\$ 149,422

Reference should be made to the notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(In millions)

(Unaudited)

	Common Stockholders'					Accumulated		Noncontrolling Interests	Total Equity
	Series A Preferred Stock	Series B Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Loss			
Balance at December 31, 2011	\$5,536	\$4,855	\$16	\$26,391	\$7,183	\$ (5,861)	\$ 871		\$38,991
Net income	—	—	—	—	4,994	—	111		5,105
Other comprehensive income (loss)	—	—	—	—	—	(863)	8		(855)
Exercise of common stock warrants	—	—	—	4	—	—	—		4
Stock based compensation	—	—	—	48	—	—	—		48
Cash dividends paid on Series A Preferred Stock and cumulative dividends on Series B Preferred Stock	—	—	—	—	(644)	—	—		(644)
Dividends declared or paid to noncontrolling interests	—	—	—	—	—	—	(38)		(38)
Other	—	—	—	—	—	—	18		18
Balance at September 30, 2012	\$5,536	\$4,855	\$16	\$26,443	\$11,533	\$ (6,724)	\$ 970		\$42,629
Balance at December 31, 2012	\$5,536	\$4,855	\$14	\$23,834	\$10,057	\$ (8,052)	\$ 756		\$37,000
Net income (loss)	—	—	—	—	4,306	—	(28)		4,278
Other comprehensive income (loss)	—	—	—	—	—	71	(14)		57
Purchase and cancellation of Series A Preferred Stock	(2,427)	—	—	—	—	—	—		(2,427)
Exercise of common stock warrants	—	—	—	3	—	—	—		3
Stock based compensation	—	—	—	27	—	—	—		27
Cash dividends paid on Series A Preferred Stock, charge related to purchase of Series A Preferred Stock and	—	—	—	—	(1,460)	—	—		(1,460)

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cumulative dividends on Series B Preferred Stock									
Dividends declared or paid to noncontrolling interests	—	—	—	—	—	—	(82) (82)
Other	—	—	—	14	—	—	(49	) (35)
Balance at September 30, 2013	\$3,109	\$4,855	\$14	\$23,878	\$12,903	\$ (7,981	) \$ 583		\$37,361

Reference should be made to the notes to condensed consolidated financial statements.

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GENERAL MOTORS COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

(Unaudited)

	Nine Months Ended	
	September 30, 2013	September 30, 2012
Net cash provided by operating activities	\$9,572	\$9,824
Cash flows from investing activities		
Expenditures for property	(5,780)	(6,004)
Available-for-sale marketable securities, acquisitions	(4,247)	(3,818)
Trading marketable securities, acquisitions	(3,214)	(4,867)
Available-for-sale marketable securities, liquidations	2,777	8,923
Trading marketable securities, liquidations	5,311	5,313
Acquisition of companies, net of cash acquired	(2,111)	(34)
Proceeds from sale of business units/investments, net of cash disposed	(65)	18
Increase in restricted cash and marketable securities	(694)	(506)
Decrease in restricted cash and marketable securities	961	1,096
Purchases and funding of finance receivables	(18,011)	(4,941)
Principal collections and recoveries on finance receivables	16,137	3,349
Purchases of leased vehicles, net	(1,733)	(837)
Proceeds from termination of leased vehicles	142	