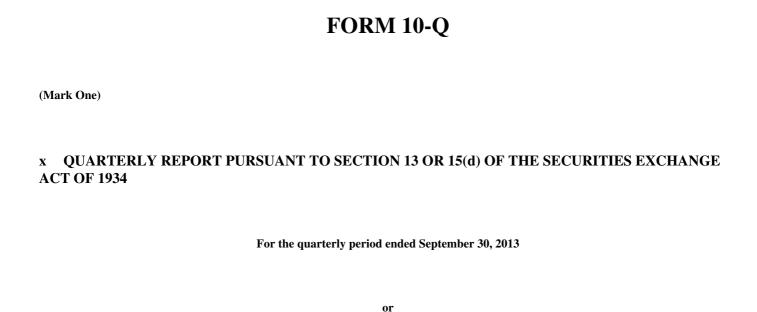
KEMET CORP Form 10-Q November 05, 2013 Table of Contents

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549



o 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: 001-15491

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# **KEMET CORPORATION**

(Exact name of registrant as specified in its charter)

#### **DELAWARE**

57-0923789

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

#### 2835 KEMET WAY, SIMPSONVILLE, SOUTH CAROLINA 29681

(Address of principal executive offices, zip code)

(864) 963-6300

(Registrant s telephone number, including area code)

Former name, former address and former fiscal year, if changed since last report: N/A

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

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 x NO o

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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o

Accelerated filer x

Non-accelerated filer o (Do not check if a smaller reporting company)

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o YES x NO

The number of shares outstanding of the registrant s common stock, par value \$0.01 per share, as of November 1, 2013 was 45,117,411.

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# KEMET CORPORATION AND SUBSIDIARIES

Form 10-Q for the Quarter ended September 30, 2013

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#### PART I - FINANCIAL INFORMATION

#### **Item 1 - Financial Statements**

#### KEMET CORPORATION AND SUBSIDIARIES

#### **Condensed Consolidated Balance Sheets**

(Amounts in thousands, except per share data)

	September 30, 2013 (Unaudited)		March 31, 2013	
ASSETS				
Current assets:				
Cash and cash equivalents	\$	57,700	\$ 95,978	
Accounts receivable, net		103,365	96,564	
Inventories, net		208,836	205,615	
Prepaid expenses and other		42,713	41,101	
Deferred income taxes		4,453	4,167	
Total current assets		417,067	443,425	
Property and equipment, net of accumulated depreciation of \$794,798 and \$771,398 as of				
September 30, 2013 and March 31, 2013, respectively		311,434	304,508	
Goodwill		35,584	35,584	
Intangible assets, net		38,068	38,646	
Investment in NEC TOKIN		46,942	52,738	
Restricted cash		14,638	17,397	
Deferred income taxes		8,717	7,994	
Other assets		7,761	11,299	
Total assets	\$	880,211	\$ 911,591	
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Current portion of long-term debt	\$	29,772	\$ 10,793	
Accounts payable		80,892	73,669	
Accrued expenses		86,892	95,944	
Income taxes payable and deferred income taxes		1,811	1,074	
Total current liabilities		199,367	181,480	
Long-term debt, less current portion		373,506	372,707	
Other non-current obligations		60,864	71,946	
Deferred income taxes		8,567	8,542	
Stockholders equity:				
Preferred stock, par value \$0.01, authorized 10,000 shares, none issued				
Common stock, par value \$0.01, authorized 175,000 shares, issued 46,508 shares at				
September 30, 2013 and March 31, 2013		465	465	
Additional paid-in capital		465,747	467,096	
Retained deficit		(211,472)	(163,235)	
Accumulated other comprehensive income		15,315	7,694	
Treasury stock, at cost (1,391 and 1,519 shares at September 30, 2013 and March 31, 2013,		·	·	
respectively)		(32,148)	(35,104)	

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Total stockholders equity	237,907	276,916
Total liabilities and stockholders equity	\$ 880,211 \$	911,591

See accompanying notes to the unaudited condensed consolidated financial statements.

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# KEMET CORPORATION AND SUBSIDIARIES

# **Condensed Consolidated Statements of Operations**

(Amounts in thousands, except per share data)

(Unaudited)

	Quarters Ended September 30,			S	Six Month Periods Ended September			
	2013		2012		2013		2012	
Net sales	\$ 212,740	\$	215,991	\$	415,463	\$	439,623	
Operating costs and expenses:								
Cost of sales	182,501		183,053		367,690		374,374	
Selling, general and administrative expenses	22,662		26,308		49,164		53,563	
Research and development	5,861		6,833		12,241		14,566	
Restructuring charges	1,365		8,522		5,975			