

KEMET CORP  
Form 10-Q  
February 03, 2015  
Table of Contents

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 December 31, 2014

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: 001-15491

KEMET CORPORATION  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of incorporation or organization)

57-0923789  
(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  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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer

Smaller reporting company

(Do not check if a 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

The number of shares outstanding of the registrant's common stock, par value \$0.01 per share, as of January 30, 2015 was 45,428,192.

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Table of Contents

KEMET CORPORATION AND SUBSIDIARIES  
Form 10-Q for the Quarter ended December 31, 2014

INDEX

	Page
<u>PART I FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets at December 31, 2014 and March 31, 2014</u>	4
<u>Condensed Consolidated Statements of Operations for the Quarters and Nine Month Periods Ended December 31, 2014 and December 31, 2013</u>	5
<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarters and Nine Month Periods Ended December 31, 2014 and December 31, 2013</u>	6
<u>Condensed Consolidated Statements of Cash Flows for the Nine Month Periods Ended December 31, 2014 and December 31, 2013</u>	7
<u>Notes to the Condensed Consolidated Financial Statements</u>	8
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	33
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	53
<u>Item 4. Controls and Procedures</u>	53
<u>PART II OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	53
<u>Item 1A. Risk Factors</u>	54
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	54
<u>Item 3. Defaults Upon Senior Securities</u>	54
<u>Item 4. Mine Safety Disclosures</u>	54
<u>Item 5. Other Information</u>	54
<u>Item 6. Exhibits</u>	55
Exhibit 10.1	
Exhibit 10.2	
Exhibit 10.3	
Exhibit 31.1	

Exhibit 31.2

Exhibit 32.1

Exhibit 32.2

Exhibit 101

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Table of Contents

PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

3

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Table of Contents

## KEMET CORPORATION AND SUBSIDIARIES

## Condensed Consolidated Balance Sheets

(Amounts in thousands, except per share data)

(Unaudited)

	December 31, 2014	March 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$55,582	\$57,929
Accounts receivable, net	92,485	98,947
Inventories, net	187,614	187,974
Prepaid expenses and other	38,836	36,871
Deferred income taxes	6,695	6,695
Current assets of discontinued operations	—	12,160
Total current assets	381,212	400,576
Property, plant and equipment, net of accumulated depreciation of \$816,317 and \$805,687 as of December 31, 2014 and March 31, 2014, respectively	264,968	292,648
Goodwill	35,584	35,584
Intangible assets, net	34,595	37,184
Investment in NEC TOKIN	52,168	46,419
Restricted cash	2,003	13,512
Deferred income taxes	6,691	6,778
Other assets	22,523	10,130
Non-current assets of discontinued operations	—	836
Total assets	\$799,744	\$843,667
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$12,521	\$7,297
Accounts payable	62,132	74,818
Accrued expenses	58,611	76,468
Income taxes payable and deferred income taxes	396	980
Current liabilities of discontinued operations	—	7,269
Total current liabilities	133,660	166,832
Long-term debt, less current portion	392,082	391,292
Other non-current obligations	49,963	55,864
Deferred income taxes	8,131	5,203
Non-current liabilities of discontinued operations	—	2,592
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 December 31, 2014 and March 31, 2014	465	465
Additional paid-in capital	462,586	465,027
Retained deficit	(226,034)	(231,738)
Accumulated other comprehensive income	3,857	18,184
Treasury stock, at cost (1,080 and 1,301 shares at December 31, 2014 and March 31, 2014, respectively)	(24,966)	(30,054)
Total stockholders' equity	215,908	221,884
Total liabilities and stockholders' equity	\$799,744	\$843,667

See accompanying notes to the unaudited condensed consolidated financial statements.

4

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Table of Contents

## KEMET CORPORATION AND SUBSIDIARIES

## Condensed Consolidated Statements of Operations

(Amounts in thousands, except per share data)

(Unaudited)

	Quarters Ended December 31,		Nine Month Periods Ended December 31,	
	2014	2013	2014	2013
Net sales	\$201,310	\$207,339	\$629,484	\$617,845
Operating costs and expenses:				
Cost of sales	156,842	169,677	506,304	530,723
Selling, general and administrative expenses	23,374	22,431	73,663	70,826
Research and development	6,303	6,027	19,230	17,703
Restructuring charges	6,063	2,194	9,580	8,168
Write down of long-lived assets	—	3,358	—	3,358
Net (gain) loss on sales and disposals of assets	(574	) 29	(759	) 71
Total operating costs and expenses	192,008	203,716	608,018	630,849
Operating income (loss)	9,302			