

Sensata Technologies Holding N.V.
Form 10-Q
April 28, 2015
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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, 2015

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 001-34652

SENSATA TECHNOLOGIES HOLDING N.V.
(Exact Name of Registrant as Specified in Its Charter)

THE NETHERLANDS
(State or other jurisdiction of
incorporation or organization)

98-0641254
(I.R.S. Employer
Identification No.)

Kolthofsingel 8, 7602 EM Almelo
The Netherlands
(Address of Principal Executive Offices, including Zip
Code)

31-546-879-555
(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 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 (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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 April 15, 2015, 169,801,246 ordinary shares were outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

SENSATA TECHNOLOGIES HOLDING N.V.

Condensed Consolidated Balance Sheets

(In thousands, except per share amounts)

(unaudited)

	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$195,581	\$211,329
Accounts receivable, net of allowances of \$9,215 and \$10,364 as of March 31, 2015 and December 31, 2014, respectively	488,335	444,852
Inventories	346,799	356,364
Deferred income tax assets	14,976	15,301
Prepaid expenses and other current assets	123,375	90,918
Total current assets	1,169,066	1,118,764
Property, plant and equipment, at cost	1,016,849	975,543
Accumulated depreciation	(408,500) (386,059
Property, plant and equipment, net	608,349	589,484
Goodwill	2,426,221	2,424,795
Other intangible assets, net of accumulated amortization of \$1,272,108 and \$1,226,299 as of March 31, 2015 and December 31, 2014, respectively	867,853	910,774
Deferred income tax assets	8,147	16,750
Deferred financing costs	30,220	29,102
Other assets	30,874	26,940
Total assets	\$5,140,730	\$5,116,609
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt, capital lease and other financing obligations	\$170,031	\$145,979
Accounts payable	305,925	287,800
Income taxes payable	7,323	7,516
Accrued expenses and other current liabilities	235,000	222,781
Deferred income tax liabilities	12,524	13,430
Total current liabilities	730,803	677,506
Deferred income tax liabilities	361,769	362,738
Pension and post-retirement benefit obligations	33,099	35,799
Capital lease and other financing obligations, less current portion	47,154	45,113
Long-term debt, net of discount, less current portion	2,560,799	2,650,744
Other long-term liabilities	39,474	41,817
Commitments and contingencies		
Total liabilities	3,773,098	3,813,717
Shareholders' equity:		
Ordinary shares, €0.01 nominal value per share, 400,000 shares authorized; 178,437 shares issued as of March 31, 2015 and December 31, 2014	2,289	2,289
Treasury shares, at cost, 8,647 and 9,120 shares as of March 31, 2015 and December 31, 2014, respectively	(347,849) (365,272
Additional paid-in capital	1,613,585	1,610,390

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Retained earnings	90,240	67,233
Accumulated other comprehensive income/(loss)	9,367	(11,748)
Total shareholders' equity	1,367,632	1,302,892
Total liabilities and shareholders' equity	\$5,140,730	\$5,116,609

The accompanying notes are an integral part of these condensed consolidated financial statements.

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SENSATA TECHNOLOGIES HOLDING N.V.
 Condensed Consolidated Statements of Operations
 (In thousands, except per share amounts)
 (unaudited)

	For the three months ended	
	March 31, 2015	March 31, 2014
Net revenue	\$750,685	\$551,594
Operating costs and expenses:		
Cost of revenue	506,633	357,199
Research and development	30,736	17,664
Selling, general and administrative	64,396	44,672
Amortization of intangible assets	45,809	32,016
Restructuring and special charges	720	865
Total operating costs and expenses	648,294	452,416
Profit from operations	102,391	99,178
Interest expense	(34,880)	(23,512)
Interest income	119	308
Other, net	(21,757)	538
Income before taxes	45,873	76,512
Provision for income taxes	10,518	8,139
Net income	\$35,355	\$68,373
Basic net income per share:	\$0.21	\$0.40
Diluted net income per share:	\$0.21	\$0.39

The accompanying notes are an integral part of these condensed consolidated financial statements.

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SENSATA TECHNOLOGIES HOLDING N.V.
Condensed Consolidated Statements of Comprehensive Income
(In thousands)
(unaudited)

For the three months ended
March 31, March 31,
2015 2014

Net income