

Sensata Technologies Holding N.V.
Form 10-Q
July 29, 2013
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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 June 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 001-34652

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 July 15, 2013, 175,639,116 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)

	June 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$234,347	\$413,539
Accounts receivable, net of allowances of \$9,902 and \$11,059 as of June 30, 2013 and December 31, 2012, respectively	310,136	258,114
Inventories	173,549	176,233
Deferred income tax assets	12,871	12,871
Prepaid expenses and other current assets	37,265	33,923
Total current assets	768,168	894,680
Property, plant and equipment, at cost	639,055	611,991
Accumulated depreciation	(307,752) (283,792
Property, plant and equipment, net	331,303	328,199
Goodwill	1,754,385	1,754,107
Other intangible assets, net of accumulated amortization of \$1,012,244 and \$945,208 as of June 30, 2013 and December 31, 2012, respectively	551,171	603,883
Deferred income tax assets	37,286	38,971
Deferred financing costs	21,014	22,119
Other assets	5,712	6,432
Total assets	\$3,469,039	\$3,648,391
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt, capital lease and other financing obligations	\$13,775	\$12,878
Accounts payable	177,113	152,964
Income taxes payable	11,004	8,884
Accrued expenses and other current liabilities	123,383	100,112
Deferred income tax liabilities	3,525	3,525
Total current liabilities	328,800	278,363
Deferred income tax liabilities	285,182	271,902
Pension and post-retirement benefit obligations	26,433	32,747
Capital lease and other financing obligations, less current portion	50,562	43,425
Long-term debt, net of discount, less current portion	1,564,487	1,768,352
Other long-term liabilities	37,944	31,308
Commitments and contingencies		
Total liabilities	2,293,408	2,426,097
Shareholders' equity:		
Ordinary shares, €0.01 nominal value per share, 400,000 shares authorized; 178,434 and 178,392 shares issued as of June 30, 2013 and December 31, 2012, respectively	2,289	2,289
Treasury shares, at cost, 3,048 and 381 shares as of June 30, 2013 and December 31, 2012, respectively	(98,757) (11,423
Additional paid-in capital	1,592,149	1,587,202

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Accumulated deficit	(288,364)	(316,368)
Accumulated other comprehensive loss	(31,686)	(39,406)
Total shareholders' equity	1,175,631		1,222,294	
Total liabilities and shareholders' equity	\$3,469,039		\$3,648,391	

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		For the six months ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Net revenue	\$506,418	\$504,617	\$976,831	\$996,625
Operating costs and expenses:				
Cost of revenue	322,699	326,159	631,381	651,407
Research and development	14,308	12,460	27,924	25,754
Selling, general and administrative	42,821	35,530	81,075	74,109
Amortization of intangible assets	33,650	36,199	67,036	72,325
Restructuring and special charges	2,350	7,887	4,026	8,450
Total operating costs and expenses	415,828	418,235	811,442	832,045
Profit from operations	90,590	86,382	165,389	164,580
Interest expense	(23,962) (24,928) (48,097) (50,143
Interest income	400	185		