

Kimball Electronics, Inc.
Form 10-Q
May 05, 2016

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, 2016

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 001-36454

KIMBALL ELECTRONICS, INC.

(Exact name of registrant as specified in its charter)

Indiana 35-2047713

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1205 Kimball Boulevard, Jasper, Indiana 47546

(Address of principal executive offices) (Zip Code)

(812) 634-4000

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 (Section 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

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

The number of shares outstanding of the Registrant's common stock as of April 25, 2016 was 28,492,862 shares.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KIMBALL ELECTRONICS, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Amounts in Thousands, Except for Share Data)

	(Unaudited)	
	March 31, 2016	June 30, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 59,826	\$ 65,180
Receivables, net of allowances of \$582 and \$236, respectively	147,879	139,892
Inventories	132,077	125,198
Prepaid expenses and other current assets	26,532	23,922
Total current assets	366,314	354,192
Property and Equipment, net of accumulated depreciation of \$159,853 and \$151,504, respectively	118,518	106,779
Goodwill	2,564	2,564
Other Intangible Assets, net of accumulated amortization of \$25,584 and \$24,952, respectively	4,841	4,509
Other Assets	16,524	15,213
Total Assets	\$ 508,761	\$ 483,257
LIABILITIES AND SHARE OWNERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 145,210	\$ 133,409
Borrowings under credit facilities	3,000	—
Accrued expenses	24,472	26,545
Total current liabilities	172,682	159,954
Other long-term liabilities	11,381	10,854
Total Liabilities	184,063	170,808
Share Owners' Equity:		
Preferred stock-no par value		
Shares authorized: 15,000,000	—	—
Shares issued: none		
Common stock-no par value		
Shares authorized: 150,000,000		
Shares issued: 29,430,000 and 29,172,000, respectively	—	—
Additional paid-in capital	300,966	298,491
Retained earnings	42,721	26,205
Accumulated other comprehensive loss	(10,436)	(12,247)
Treasury stock, at cost:		
Shares: 776,000 and none, respectively	(8,553)	—
Total Share Owners' Equity	324,698	312,449
Total Liabilities and Share Owners' Equity	\$ 508,761	\$ 483,257

See Notes to Condensed Consolidated Financial Statements.

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KIMBALL ELECTRONICS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Amounts in Thousands, Except for Per Share Data)

	Three Months Ended		Nine Months Ended		
	March 31		March 31		
(Unaudited)	2016	2015	2016	2015	
Net Sales	\$214,111	\$206,858	\$621,658	\$618,224	
Cost of Sales	197,926	187,905	574,078	563,510	
Gross Profit	16,185	18,953	47,580	54,714	
Selling and Administrative Expenses	9,107	8,132	26,648	27,409	
Operating Income	7,078	10,821	20,932	27,305	
Other Income (Expense):					
Interest income	23	10	47	22	
Interest expense	(24) —	(29) (5)
Non-operating income (expense), net	234	(896) (1,039) (1,246)
Other income (expense), net	233	(886) (1,021) (1,229)
Income Before Taxes on Income	7,311	9,935	19,911	26,076	
Provision (Benefit) for Income Taxes	(166) 2,744	3,395	7,265	
Net Income	\$7,477	\$7,191			