

GLOBE SPECIALTY METALS INC
Form 10-Q
November 06, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2013

Commission File Number 001-34420

Globe Specialty Metals, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-2055624
(I.R.S. Employer
Identification No.)

One Penn Plaza
250 West 34th Street, Suite 4125
New York, NY 10119
(Address of principal executive offices, including zip code)

(212) 798-8122
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, \$0.0001 par value	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

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

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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 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 Act). Yes No

As of November 4, 2013, the registrant had 75,311,017 shares of common stock outstanding.

Globe Specialty Metals, Inc.

		Page No.
PART I		
Item 1.	<u>Financial Statements</u>	1
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	19
Item 4.	<u>Controls and Procedures</u>	20
PART II		
Item 1.	<u>Legal Proceedings</u>	21
Item 1A.	<u>Risk Factors</u>	21
Item 4.	<u>Mine Safety Disclosure</u>	21
Item 6.	<u>Exhibits</u>	21
<u>SIGNATURES</u>		22
<u>EX-10.1</u>		
<u>EX-31.1</u>		
<u>EX-31.2</u>		
<u>EX-32.1</u>		
<u>EX-95</u>		
EX-101		

PART I

Item 1. Financial Statements

1

GLOBE SPECIALTY METALS, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets
September 30, 2013 and June 30, 2013
(In thousands, except share and per share amounts)
(Unaudited)

	September 30, 2013	June 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 163,084	169,676
Accounts receivable, net of allowance for doubtful accounts of \$793 and \$793 at September 30, 2013 and June 30, 2013, respectively	76,865	83,816
Inventories	90,506	101,197
Deferred tax assets	15,229	11,504
Prepaid expenses and other current assets	19,584	26,338
Total current assets	365,268	392,531
Property, plant, and equipment, net of accumulated depreciation, depletion and amortization	418,074	422,447
Deferred tax assets	125	125
Goodwill	43,177	43,177
Other intangible assets	477	477
Investments in unconsolidated affiliates	5,973	5,973
Other assets	4,358	6,893
Total assets	\$ 837,452	871,623
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 38,554	41,039
Short-term debt	15	284
Revolving credit agreements	9,000	9,000
Accrued expenses and other current liabilities	62,136	48,886
Total current liabilities	109,705	99,209
Long-term liabilities:		
Revolving credit agreements	100,000	130,250
Deferred tax liabilities	34,634	37,375
Other long-term liabilities	59,460	58,709
Total liabilities	303,799	325,543
Commitments and contingencies (note 11)		
Stockholders' equity:		
Common stock, \$0.0001 par value. Authorized, 150,000,000 shares; issued, 75,593,454 and 75,588,986 shares at September 30, 2013 and June 30, 2013, respectively	8	8
Additional paid-in capital	397,676	399,234
Retained earnings	58,598	70,628

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Accumulated other comprehensive loss	(4,358)	(4,918)
Treasury stock at cost, 282,437 shares at September 30, 2013 and June 30, 2013	(4)	(4)
Total Globe Specialty Metals, Inc. stockholders' equity	451,920	464,948
Noncontrolling interest	81,733	81,132
Total stockholders' equity	533,653	546,080
Total liabilities and stockholders' equity	\$ 837,452	871,623

See accompanying notes to condensed consolidated financial statements.

GLOBE SPECIALTY METALS, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations
 Three months ended September 30, 2013 and 2012
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended September 30,	
	2013	2012
Net sales	\$ 172,994	200,708
Cost of goods sold	152,280	168,640
Selling, general, and administrative expenses	25,138	37,720
Operating loss	(4,424)	(5,652)
Other income (expense):		
Interest income	128	171
Interest expense, net of capitalized interest	(4,878)	(1,516)
Foreign exchange (loss) gain	(381)	545
Other income	21	115
Loss before benefit from income taxes	(9,534)	(6,337)
Benefit from income taxes	(2,709)	(1,269)
Net loss	(6,825)	(5,068)
Income attributable to noncontrolling interest, net of tax	(27)	(637)
Net loss attributable to Globe Specialty Metals, Inc.	\$ (6,852)	(5,705)
Weighted average shares outstanding:		
Basic	75,310	75,051
Diluted	75,310	75,051
Loss per common share:		
Basic	\$ (0.09)	(0.08)
Diluted	(0.09)	(0.08)
Cash dividends declared per common share	0.07	0.06

See accompanying notes to condensed consolidated financial statements.

GLOBE SPECIALTY METALS, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (Loss)

Three months ended September 30, 2013 and 2012

(In thousands)

(Unaudited)