

Sensata Technologies Holding N.V.  
Form 10-Q  
April 26, 2016  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(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 001-34652

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

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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

31-546-879-555

(Address of Principal Executive Offices, including Zip Code) (Registrant's Telephone Number, Including Area Code)  
Former name, former address and former fiscal year, if changed since last report.

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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, 2016, 170,547,871 ordinary shares were outstanding.

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Table of Contents

TABLE OF CONTENTS

PART I

Item 1.	<u>Financial Statements (unaudited):</u>	
	<u>Condensed Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2016 and March 31, 2015</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2016 and March 31, 2015</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2016 and March 31, 2015</u>	<u>6</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>27</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>33</u>
Item 4.	<u>Controls and Procedures</u>	<u>33</u>

PART II

Item 1.	<u>Legal Proceedings</u>	<u>34</u>
Item 1A.	<u>Risk Factors</u>	<u>34</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>34</u>
Item 3.	<u>Defaults Upon Senior Securities</u>	<u>34</u>
Item 6.	<u>Exhibits</u>	<u>35</u>
	<u>Signatures</u>	<u>36</u>

Table of Contents

## 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, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$347,987	\$ 342,263
Accounts receivable, net of allowances of \$9,332 and \$9,535 as of March 31, 2016 and December 31, 2015, respectively	525,684	467,567
Inventories	344,251	358,701
Prepaid expenses and other current assets	113,314	109,392
Total current assets	1,331,236	1,277,923
Property, plant and equipment, net	699,298	694,155
Goodwill	3,014,927	3,019,743
Other intangible assets, net of accumulated amortization of \$1,463,378 and \$1,412,931 as of March 31, 2016 and December 31, 2015, respectively	1,217,720	1,262,572
Deferred income tax assets	31,840	26,417
Other assets	66,254	18,100
Total assets	\$6,361,275	\$ 6,298,910
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt, capital lease and other financing obligations	\$263,898	\$ 300,439
Accounts payable	323,214	290,779
Income taxes payable	18,279	21,968
Accrued expenses and other current liabilities	271,498	251,989
Total current liabilities	876,889	865,175
Deferred income tax liabilities	395,935	390,490
Pension and post-retirement benefit obligations	35,414	34,314
Capital lease and other financing obligations, less current portion	35,282	36,219
Long-term debt, net of discount and deferred financing costs, less current portion	3,263,693	3,264,333
Other long-term liabilities	37,773	39,803
Total liabilities	4,644,986	4,630,334
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Ordinary shares, €0.01 nominal value per share, 400,000 shares authorized; 178,437 shares issued as of March 31, 2016 and December 31, 2015	2,289	2,289
Treasury shares, at cost, 8,024 and 8,038 shares as of March 31, 2016 and December 31, 2015, respectively	(324,433 )	(324,994 )
Additional paid-in capital	1,629,540	1,626,024
Retained earnings	451,378	391,247
Accumulated other comprehensive loss	(42,485 )	(25,990 )
Total shareholders' equity	1,716,289	1,668,576
Total liabilities and shareholders' equity	\$6,361,275	\$ 6,298,910

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

3

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Table of Contents

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

	For the three months ended	
	March 31, 2016	March 31, 2015
Net revenue	\$ 796,549	\$ 750,685
Operating costs and expenses:		
Cost of revenue	528,378	506,633
Research and development	31,351	30,736
Selling, general and administrative	71,931	64,396
Amortization of intangible assets	50,447	45,809
Restructuring and special charges	855	720
Total operating costs and expenses	682,962	648,294
Profit from operations	113,587	102,391
Interest expense, net	(42,268 )	(34,761 )
Other, net	5,488	(21,757 )
Income before taxes	76,807	45,873
Provision for income taxes	16,195	10,518
Net income	\$ 60,612	\$ 35,355
Basic net income per share:	\$ 0.36	\$ 0.21
Diluted net income per share:	\$ 0.35	\$ 0.21

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

Table of Contents

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

	For the three months ended	
	March 31, 2016	March 31, 2015
Net income	\$ 60,612	\$ 35,355
Other comprehensive (loss)/income, net of tax:		
Deferred (loss)/gain on derivative instruments, net of reclassifications	(16,703 )	21,504
Defined benefit and retiree healthcare plans	208	(389 )
Other comprehensive (loss)/income	(16,495 )	21,115
Comprehensive income	\$ 44,117	\$ 56,470