

KAISER ALUMINUM CORP
Form 10-Q
October 23, 2013

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

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: 0-52105

KAISER ALUMINUM CORPORATION
(Exact name of registrant as specified in its charter)
Delaware
(State of incorporation)

94-3030279
(I.R.S. Employer
Identification No.)

27422 Portola Parkway, Suite
200 Foothill Ranch, California
(Address of principal executive
offices)

92610-2831
(Zip Code)

(949) 614-1740

(Registrant's telephone number, including area code)

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, 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 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

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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 October 18, 2013, there were 18,762,017 shares of common stock of the registrant outstanding.

TABLE OF CONTENTS

PART I

<u>Item 1. Financial Statements</u>	<u>1</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>41</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>56</u>
<u>Item 4. Controls and Procedures</u>	<u>56</u>

PART II

<u>Item 1. Legal Proceedings</u>	<u>57</u>
<u>Item 1A. Risk Factors</u>	<u>57</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>57</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>58</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>58</u>
<u>Item 5. Other Information</u>	<u>58</u>
<u>Item 6. Exhibits</u>	<u>58</u>

<u>SIGNATURES</u>	<u>59</u>
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<u>INDEX OF EXHIBITS</u>	<u>60</u>
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KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (Unaudited)	December 31, 2012
(In millions of dollars, except share and per share amounts)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$224.6	\$273.4
Short-term investments	115.9	85.0
Receivables:		
Trade, less allowance for doubtful receivables of \$0.8 at September 30, 2013 and December 31, 2012	122.1	123.8
Other	14.5	3.4
Inventories	207.9	186.0
Prepaid expenses and other current assets	67.6	70.1
Total current assets	752.6	741.7
Property, plant, and equipment – net	411.7	384.3
Net asset in respect of VEBA	385.7	365.9
Deferred tax assets – net (including deferred tax liability relating to the VEBAs of \$144.9 at September 30, 2013 and \$136.9 at December 31, 2012)	61.6	102.0
Intangible assets – net	34.1	35.4
Goodwill	37.2	37.2
Other assets	109.1	86.0
Total	\$1,792.0	\$1,752.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$71.3	\$62.5
Accrued salaries, wages, and related expenses	39.0	39.3
Other accrued liabilities	40.9	51.8
Payable to affiliate	—	7.9
Short-term capital lease	0.2	0.1
Total current liabilities	151.4	161.6
Net liability in respect of VEBA	4.0	5.3
Deferred tax liability	1.1	—
Long-term liabilities	154.0	134.5
Long-term debt	386.4	380.3
Total liabilities	696.9	681.7
Commitments and contingencies – Note 8		
Stockholders' equity:		
Preferred stock, 5,000,000 shares authorized at both September 30, 2013 and December 31, 2012; no shares were issued and outstanding at September 30, 2013 and December 31, 2012	—	—
Common stock, par value \$0.01, 90,000,000 shares authorized at both September 30, 2013 and at December 31, 2012; 21,112,701 shares issued and 18,672,017 shares outstanding at September 30, 2013; 21,037,841 shares issued and	0.2	0.2

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19,313,235 shares outstanding at December 31, 2012

Additional paid in capital	1,022.4	1,017.7	
Retained earnings	212.2	151.2	
Treasury stock, at cost, 2,440,684 shares at September 30, 2013 and 1,724,606 shares at December 31, 2012, respectively	(116.8) (72.3)
Accumulated other comprehensive loss	(22.9) (26.0)
Total stockholders' equity	1,095.1	1,070.8	
Total	\$1,792.0	\$1,752.5	

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

1

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED INCOME

	Quarter Ended September 30, 2013		2012		Nine Months Ended September 30, 2013		2012	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	(In millions of dollars, except share and per share amounts)							
Net sales	\$319.9		\$335.5		\$986.2		\$1,046.1	
Costs and expenses:								
Cost of products sold:								
Cost of products sold, excluding depreciation and amortization and other items	259.5		268.9		784.6		851.4	
Unrealized (gains) losses on derivative instruments	(1.5)	(12.3)	3.4		(15.3)
Depreciation and amortization	6.9		6.7		20.9		19.6	
Selling, administrative, research and development, and general (includes accumulated other comprehensive income reclassifications related to VEBA adjustments of \$1.3 and \$1.8 for the quarters ended September 30, 2013 and September 30, 2012, respectively, and \$4.1 and \$5.4 for the nine months ended September 30, 2013 and September 30, 2012, respectively)	13.4		16.0		45.6		48.3	
Other operating charges, net	—		—		—		0.1	
Total costs and expenses	278.3		279.3		854.5		904.1	
Operating income	41.6		56.2		131.7		142.0	
Other (expense) income:								
Interest expense	(8.8)	(9.2)	(27.1)	(19.8)
Other income, net (includes accumulated other comprehensive income reclassifications for realized gains on available for sale securities of \$0.2 and \$0.8 for the quarter and nine months ended September 30, 2013, respectively)	2.9		0.4		3.1		2.2	