

KEYSTONE AUTOMOTIVE INDUSTRIES INC
Form 10-Q
November 13, 2001

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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: September 28, 2001

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 0-28568

KEYSTONE AUTOMOTIVE INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

95-2920557
(I.R.S. Employer
Identification Number)

700 East Bonita Avenue, Pomona, CA 91767
(Address of principal executive offices) (Zip Code)

(909) 624-8041
(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 (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

The number of shares outstanding of the registrant's Common Stock, no par value, at September 28, 2001 was 14,505,455 shares.

This Form 10-Q contains 14 pages.

KEYSTONE AUTOMOTIVE INDUSTRIES, INC.

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KEYSTONE AUTOMOTIVE INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	September 28, 2001	March 30, 2001
	(Unaudited)	(Note)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,710	\$ 3,005
Accounts receivable, net of allowance of \$1,360 at September 2001 and \$1,029 at March 2001	28,882	29,702
Inventories, primarily finished goods	80,804	82,499

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Other current assets	10,182	8,470
	<u> </u>	<u> </u>
Total current assets	123,578	123,676
Plant, property and equipment, net	17,033	21,270
Goodwill, net of accumulated amortization of \$4,773 at September 2001 and March 2001	33,776	33,531
Other intangibles, net of accumulated amortization of \$2,514 at September 2001 and \$2,275 at March 2001	1,190	1,168
Other assets	4,145	4,111
	<u> </u>	<u> </u>
Total Assets	\$179,722	\$183,756
	<u> </u>	<u> </u>

LIABILITIES AND SHAREHOLDERS EQUITY

Current Liabilities:		
Credit facility	\$ 13,253	\$ 14,880
Accounts payable	8,896	12,070
Accrued liabilities	8,537	8,293
Current portion of long-term debt	38	40
	<u> </u>	<u> </u>
Total current liabilities	30,724	35,283
Long-term debt, less current portion	30	49
Other long-term liabilities	2,149	2,483
Shareholders' Equity:		
Preferred stock, no par value:		
Authorized shares 3,000,000		
None issued and outstanding		
Common stock, no par value:		
Authorized shares 50,000,000		
Issued and outstanding shares 14,505,000 at September 2001 and 14,359,000 at March 2001	79,725	78,581
Warrant	236	236
Additional paid-in capital	1,260	1,260
Retained earnings	66,139	66,405
Accumulated other comprehensive loss	(541)	(541)
	<u> </u>	<u> </u>
Total shareholders' equity	146,819	145,941
	<u> </u>	<u> </u>
Total liabilities and shareholders' equity	\$179,722	\$183,756
	<u> </u>	<u> </u>

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

NOTE: The balance sheet at March 30, 2001 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(Unaudited)

	Thirteen Weeks Ended September 28, 2001	Thirteen Weeks Ended September 29, 2000	Twenty-six Weeks Ended September 28, 2001	Twenty-six Weeks Ended September 29, 2000
Net sales	\$ 88,734	\$ 82,834	\$ 180,261	\$ 169,445
Cost of sales	50,927	48,312	103,580	97,986
Gross profit	37,807	34,522	76,681	71,459
Operating expenses:				
Selling and distribution	27,414	26,594	55,544	53,530
General and administrative	7,747	7,457	15,210	15,115
Non-recurring	6,796		6,796	
Operating (loss) income	(4,150)	471	(869)	2,814
Other income	485	535	1,008	973
Interest expense, net	(204)	(396)	(433)	(692)
(Loss) income before income taxes	(3,869)	610	(294)	3,095
Income taxes (benefit) expense	(1,488)	251	(30)	1,269
Net (loss) income	(2,381)	\$ 359	(264)	\$ 1,826
(Loss) earnings per share:				
Basic	\$ (0.16)	\$ 0.02	\$ (0.02)	\$ 0.13
Diluted	\$ (0.16)	\$ 0.02	\$ (0.02)	\$ 0.13
Weighted average shares outstanding:				
Basic	14,442,000	14,399,000	14,405,000	14,478,000
Diluted	14,442,000	14,408,000	14,405,000	14,486,000

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

KEYSTONE AUTOMOTIVE INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

Twenty-six
Weeks Ended

Twenty-six
Weeks Ended

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	September 28, 2001	September 29, 2000
Operating activities		
Net (loss) income	\$ (264)	\$1,826
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	2,798	3,622
Loss on impairment	6,796	
Provision for losses on uncollectible accounts	331	87
Provision for losses on inventory	855	
Gain on sale of assets	(23)	(47)
Changes in operating assets and liabilities:		
Accounts receivable	526	1,164
Inventories	1,130	(436)
Other assets	(1,742)	1,446
Accounts payable and accrued liabilities	(3,266)	(3,005)
Net cash provided by operating activities	7,141	4,657
Investing activities		
Proceeds from sale of assets	46	87
Purchases of property, plant and equipment	(5,006)	(5,375)
Cash paid for acquisitions	(970)	
Net cash used in investing activities	(5,930)	(5,288)
Financing activities		
(Payments) Borrowings on credit facility	(1,627)	4,338
Other debt, net	(21)	42
Repurchases of common stock		(3,044)
Net proceeds on option exercise	1,142	
Net cash (used in) provided by financing activities	(506)	1,336
Net increase in cash and cash equivalents	705	705
Cash and cash equivalents at beginning of period	3,005	2,884
Cash and cash equivalents at end of period	\$3,710	\$3,589
Supplemental disclosures		
Interest paid during the period		