

EnerSys  
Form 10-Q  
August 10, 2011  
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**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 AND EXCHANGE ACT OF 1934**

For the quarterly period ended July 3, 2011

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-32253

**EnerSys**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>23-3058564</b> (I.R.S. Employer Identification No.)
<b>2366 Bernville Road</b>  <b>Reading, Pennsylvania</b> (Address of principal executive offices)	<b>19605</b> (zip code)
<b>610-208-1991</b>  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.

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 Securities Exchange Act of 1934.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). YES ☐ NO ☒.

**Common Stock outstanding at August 5, 2011: 50,028,708 shares**

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**ENERSYS**

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**Table of Contents****PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****ENERSYS****Consolidated Condensed Balance Sheets (Unaudited)****(In Thousands, Except Share and Per Share Data)**

	<b>July 3, 2011</b>	<b>March 31, 2011</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 116,577	\$ 108,869
Accounts receivable, net of allowance for doubtful accounts (July 3, 2011 \$11,222; March 31, 2011 \$10,547)	468,529	464,072
Inventories, net	359,223	335,003
Deferred taxes	18,982	19,801
Prepaid and other current assets	71,854	70,203
Total current assets	1,035,165	997,948
Property, plant, and equipment, net	347,681	344,385
Goodwill	347,072	343,666
Other intangible assets, net	98,833	98,819
Other assets	42,673	43,569
Total assets	\$ 1,871,424	\$ 1,828,387
<b>Liabilities and equity</b>		
Current liabilities:		
Short-term debt	\$ 12,617	\$ 3,160
Current portion of long-term debt and capital lease obligations	435	862
Accounts payable	242,508	251,814
Accrued expenses	202,923	207,736
Total current liabilities	458,483	463,572
Long-term debt and capital lease obligations	250,371	249,378
Deferred taxes	79,611	79,589
Other liabilities	57,281	56,855
Total liabilities	845,746	849,394
Commitments and contingencies		
Equity:		
Common Stock, \$0.01 par value per share, 135,000,000 shares authorized; 52,091,951 shares issued and 49,997,751 outstanding at July 3, 2011; 51,834,353 shares issued and 50,034,353 outstanding at March 31, 2011	520	518
Additional paid-in capital	466,471	461,597
Treasury stock, at cost, 2,094,200 shares held as of July 3, 2011 and 1,800,000 as of March 31, 2011	(29,553)	(19,800)
Retained earnings	450,332	416,836
Accumulated other comprehensive income	132,876	115,180
Total EnerSys stockholders' equity	1,020,646	974,331
Non-controlling interest	5,032	4,662

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Total equity	1,025,678	978,993
Total liabilities and stockholders' equity	\$ 1,871,424	\$ 1,828,387

See accompanying notes.

**Table of Contents****ENERSYS****Consolidated Condensed Statements of Income (Unaudited)****(In Thousands, Except Share and Per Share Data)**

	<b>Quarter ended</b>	
	<b>July 3, 2011</b>	<b>July 4, 2010</b>
Net sales	\$ 569,229	\$ 434,969
Cost of goods sold	447,258	338,355
Gross profit	121,971	96,614
Operating expenses	72,846	58,411
Restructuring charges	410	723
Operating earnings	48,715	37,480
Interest expense	3,414	6,027
Other (income) expense, net	1,227	(91)
Earnings before income taxes	44,074	31,544
Income tax expense	10,578	8,517
Net earnings	\$ 33,496	\$ 23,027
Net earnings per common share:		
Basic	\$ 0.67	\$ 0.47
Diluted	\$ 0.66	\$ 0.47
Weighted-average shares of common stock outstanding:		
Basic	50,052,627	48,819,481
Diluted	50,668,276	49,442,915

See accompanying notes.

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	<b>Quarter Ended</b>	
	<b>July 3, 2011</b>	<b>July 4, 2010</b>
<b>Cash flows from operating activities</b>		
Net earnings	\$ 33,496	\$ 23,027
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	12,122	11,176
Provision for doubtful accounts	598	148
Deferred income taxes	46	(70)
Stock-based compensation	2,718	2,110
Non-cash interest expense	1,878	1,860
Loss on disposal of fixed assets	52	
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable	983	18,907
Inventory	(15,748)	(32,404)
Prepaid and other current assets	(2,667)	(9,342)
Other assets	1,201	(520)
Accounts payable	(11,021)	(15,164)
Accrued expenses	(6,701)	(12,524)
Other liabilities	45	59
Net cash provided by (used in) operating activities	17,002	(12,737)
<b>Cash flows from investing activities</b>		
Capital expenditures	(11,674)	(10,871)
Purchases of businesses, net of cash acquired		(1,195)
Proceeds from disposal of property, plant, and equipment	44	
Net cash used in investing activities	(11,630)	(12,066)
<b>Cash flows from financing activities</b>		
Net increase in short-term debt	9,382	51
Payments of long-term debt		(6,414)
Capital lease obligations and other	(1,103)	337
Net effect from exercising of stock options and vesting of equity awards	(763)	3,526
Repurchase of common stock	(9,753)	
Tax benefits from exercises of stock options and vesting of equity awards	2,921	3,077
Net cash provided by financing activities	684	577
Effect of exchange rate changes on cash and cash equivalents	1,652	(3,002)
Net increase (decrease) in cash and cash equivalents	7,708	(27,228)
Cash and cash equivalents at beginning of period	108,869	201,042
Cash and cash equivalents at end of period	\$ 116,577	\$ 173,814

See accompanying notes.





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**ENERSYS**

**Consolidated Condensed Statements of Comprehensive Income (Unaudited)**

**(In Thousands)**

	<b>Quarter ended</b>	
	<b>July 3, 2011</b>	<b>July 4, 2010</b>
Net earnings	\$ 33,496	\$ 23,027
Other comprehensive income (loss):		
Net unrealized gain (loss) on derivative instruments, net of tax	2,746	(3,563)
Pension funded status adjustment, net of tax	(27)	95
Foreign currency translation adjustments		