

Real Industry, Inc.  
Form 10-Q  
August 09, 2016

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 June 30, 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 001-08007

REAL INDUSTRY, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of

46-3783818  
(I.R.S. Employer

Incorporation or Organization)

Identification Number)

15301 Ventura Boulevard, Suite 400

Sherman Oaks, California 91403  
(Address of Principal Executive Offices)(Zip Code)

(805) 435-1255  
(Registrant's Telephone Number, including Area Code)

Edgar Filing: Real Industry, Inc. - Form 10-Q

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 Website, 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

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 Securities Exchange Act of 1934).  Yes  No

As of August 1, 2016, there were 29,261,586 shares of the Registrant’s common stock outstanding.

---

REAL INDUSTRY, INC.

QUARTERLY REPORT ON FORM 10-Q

For the Period Ended June 30, 2016

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

<u>Item 1. Financial Statements.</u>	1
<u>Unaudited Condensed Consolidated Balance Sheets</u>	1
<u>Unaudited Condensed Consolidated Statements of Operations</u>	2
<u>Unaudited Condensed Consolidated Statements of Comprehensive Loss</u>	3
<u>Unaudited Condensed Consolidated Statements of Cash Flows</u>	4
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	5
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.</u>	21
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk.</u>	40
<u>Item 4. Controls and Procedures.</u>	42
<u>PART II – OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings.</u>	43
<u>Item 1A. Risk Factors.</u>	43
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.</u>	44
<u>Item 3. Defaults Upon Senior Securities.</u>	44
<u>Item 4. Mine Safety Disclosures.</u>	44
<u>Item 5. Other Information.</u>	44
<u>Item 6. Exhibits.</u>	45

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements.

## REAL INDUSTRY, INC.

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2016	December 31, 2015
(In millions, except share and per share amounts)		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$40.2	\$ 35.7
Trade accounts receivable, net	93.7	77.2
Financing receivable	40.9	32.7
Inventories	89.3	101.2
Prepaid expenses, supplies, and other current assets	23.0	24.7
Current assets of discontinued operations	0.3	0.3
Total current assets	287.4	271.8
Property, plant and equipment, net	290.4	301.5
Intangible assets, net	13.8	15.1
Goodwill	104.5	104.3
Other noncurrent assets	8.0	8.2
<b>TOTAL ASSETS</b>	<b>\$704.1</b>	<b>\$ 700.9</b>
<b>LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade payables	\$112.5	\$ 100.9
Accrued liabilities	47.5	51.8
Long-term debt due within one year	2.4	2.3
Current liabilities of discontinued operations	0.1	0.1
Total current liabilities	162.5	155.1
Accrued pension benefits	38.8	38.0
Environmental liabilities	11.7	11.7
Long-term debt, net	316.7	312.1
Common stock warrant liability	6.1	6.9
Deferred income taxes	5.9	6.7
Other noncurrent liabilities	6.2	5.4
Noncurrent liabilities of discontinued operations	0.7	0.7
<b>TOTAL LIABILITIES</b>		