

KMG CHEMICALS INC
Form 10-Q
December 11, 2015

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 October 31, 2015

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: 001-35577

KMG CHEMICALS, INC.

(Exact name of registrant as specified in its charter)

Texas	75-2640529
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
9555 West Sam Houston Parkway South,	
Suite 600 Houston, Texas	77099
(Address of principal executive offices)	(Zip Code)

(713) 600-3800

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(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 December 8, 2015, there were 11,715,586 shares of the registrant's common stock outstanding.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
KMG CHEMICALS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share amounts)

	October 31, 2015 (Unaudited)	July 31, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 10,398	\$ 7,517
Accounts receivable		
Trade, net of allowances of \$156 at October 31, 2015 and \$144		
at July 31, 2015	35,573	36,887
Other	3,515	3,668
Inventories, net	39,592	42,082
Current deferred tax assets	2,953	2,953
Prepaid expenses and other	2,739	3,738
Total current assets	94,770	96,845
Property, plant and equipment, net	80,289	80,589
Deferred tax assets	131	131
Goodwill	22,374	22,408
Intangible assets, net	35,959	36,560
Restricted cash	1,000	1,000
Other assets, net	4,850	4,826
Total assets	\$ 239,373	\$ 242,359
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 27,279	\$ 35,980
Accrued liabilities	10,120	9,602
Employee incentive accrual	6,780	4,852
Total current liabilities	44,179	50,434
Long-term debt, net of current maturities	51,500	