

KEMET CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

The following table presents the basic and diluted weighted-average number of shares of common stock (amounts in thousands, except per share data):

	Fiscal Years Ended March 31,		
	2019	2018	2017
Numerator			
Net income ⁽¹⁾	\$ 206,587	\$ 254,127	\$ 47,157
Denominator:			
Weighted-average common shares outstanding:			
Basic	57,840	52,798	46,552
Assumed conversion of employee stock grants	1,242	2,291	2,235
Assumed conversion of warrants	—	3,551	6,602
Diluted	\$ 59,082	\$ 58,640	\$ 55,389
Net income per basic share ⁽¹⁾	\$ 3.57	\$ 4.81	\$ 1.01
Net income per diluted share ⁽¹⁾	\$ 3.50	\$ 4.33	\$ 0.85

⁽¹⁾ Fiscal years ending March 31, 2018 and 2017 adjusted due to the adoption of ASC 606.

Common stock equivalents that could potentially dilute net income per basic share in the future, but were not included in the computation of diluted earnings per share because the impact would have been anti-dilutive, were as follows (amounts in thousands):

	Fiscal Years Ended March 31,		
	2019	2018	2017
Assumed conversion of employee stock grants	—	71	771

Note 15: Commitments and Contingencies

The Company leases office space for its headquarters in Fort Lauderdale, Florida under a 12 year lease agreement expiring in January 2030. The annual rent expense under this agreement is \$2.4 million, and allows for one renewal option for a five year term expiring in January 2035, exercisable at the option of the Company. The Company's remaining operating leases are primarily for distribution facilities or sales and administrative offices that expire principally between 2019 and 2061. A number of leases require the Company to pay certain executory costs (taxes, insurance, and maintenance) and contain certain renewal and purchase options. Annual rental expenses for operating leases were included in results of operations and were \$13.3 million, \$10.7 million and \$6.7 million in fiscal years 2019, 2018, and 2017, respectively.

Future minimum lease payments over the next five fiscal years and thereafter under non-cancellable operating leases at March 31, 2019, are as follows (amounts in thousands):

	Fiscal Years Ended March 31,					
	2020	2021	2022	2023	2024	Thereafter
Minimum lease payments	\$ 10,898	\$ 8,536	\$ 5,766	\$ 5,322	\$ 4,080	\$ 13,709

Legal Update

The Company or its subsidiaries are at any one-time parties to a number of lawsuits arising out of our respective operations, including workers' compensation or work place safety cases, some of which involve claims of substantial damages. Although there can be no assurance, based upon information known to the Company, the Company does not believe that any liability which might result from an adverse determination of such lawsuits would have a material adverse effect on the Company's financial condition or results of operations.