

NANOMETRICS INC
Form 10-Q
November 09, 2009
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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 Exchange Act of 1934
For the quarterly period ended September 26, 2009

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 0-13470

NANOMETRICS INCORPORATED

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

94-2276314
(I. R. S. Employer
Identification No.)

1550 Buckeye Drive, Milpitas, CA
(Address of principal executive offices)

95035
(Zip Code)

Registrant's telephone number, including area code: (408) 545-6000

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 such shorter period that the registrant was required to submit and post such file) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

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 October 31, 2009 there were 18,637,281 shares of common stock, \$0.001 par value, issued and outstanding.

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NANOMETRICS INCORPORATED

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FOR QUARTER ENDED SEPTEMBER 26, 2009

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NANOMETRICS INCORPORATED****CONDENSED CONSOLIDATED BALANCE SHEETS****(Amounts in thousands except share amounts)****(Unaudited)**

	September 26, 2009	December 27, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,207	\$ 23,980
Accounts receivable, net of allowances of \$311 and \$309, respectively	21,035	17,143
Inventories	31,126	31,583
Inventories- delivered systems	1,290	205
Assets held for sale	220	
Prepaid expenses and other	1,826	1,838
Deferred income tax assets	693	350
Total current assets	73,397	75,099
Property, plant and equipment, net	37,380	40,136
Intangible assets, net	7,477	6,901
Other assets	1,693	1,718
Total assets	\$ 119,947	\$ 123,854
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Revolving line of credit	\$ 3,500	\$
Accounts payable	5,713	4,824
Accrued payroll and related expenses	3,326	3,435
Deferred revenue	3,435	1,539
Other current liabilities	6,808	5,800
Income taxes payable	845	1,187
Current portion of debt obligations	347	413
Total current liabilities	23,974	17,198
Deferred revenue	436	162
Other long-term liabilities	2,629	644
Debt obligations	12,828	13,083
Total liabilities	39,867	31,087
Commitments and Contingencies (Note 18)		
Stockholders equity:		
Preferred stock, \$0.001 par value; 3,000,000 shares authorized; no shares issued or outstanding	19	18

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Common stock, \$0.001 par value, 47,000,000 shares authorized; 18,629,915 and 18,413,054, respectively, issued and outstanding

Additional paid-in capital	191,765	189,927
Accumulated deficit	(112,666)	(96,643)
Accumulated other comprehensive income (loss)	962	(535)
Total stockholders' equity	80,080	92,767
Total liabilities and stockholders' equity	\$ 119,947	\$ 123,854

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**NANOMETRICS INCORPORATED****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Amounts in thousands except per share amounts)

(Unaudited)

	Three-Months Ended		Nine-Months Ended	
	September 26, 2009	September 27, 2008	September 26, 2009	September 27, 2008
Net revenues:				
Products	\$ 16,303	\$ 16,311	\$ 29,140	\$ 62,744
Service	9,511	6,826	21,248	18,882
Total net revenues	25,814	23,137	50,388	81,626
Costs of net revenues:				
Cost of products	8,348	8,150	17,249	30,974
Cost of service	3,533	4,778	10,353	14,548
Total costs of net revenues	11,881	12,928	27,602	45,522
Gross profit	13,933	10,209	22,786	36,104
Operating expenses:				
Research and development	4,100	4,430	10,394	13,107
Selling	3,959	4,280	10,832	13,963
General and administrative	3,967	4,935	11,427	15,761
Amortization of intangible assets	418	600	1,124	3,215
Asset impairment		55,332	1,899	68,545
Restructuring charge		655	1,134	1,525
Total operating expenses	12,444	70,232	36,810	116,116
Income (loss) from operations	1,489	(60,023)	(14,024)	(80,012)
Other income (expense)				
Interest income	12	24	39	156
Interest expense	(559)	(240)	(1,106)	(343)
Other, net	546	142	(1,395)	564
Total other income (expense), net	(1)	(74)	(2,462)	377
Income (loss) before income taxes	1,488	(60,097)	(16,486)	(79,635)
Provision (benefit) for income taxes	(83)	350	(463)	450
Net income (loss)	\$ 1,571	\$ (60,447)	\$ (16,023)	\$ (80,085)
Net income (loss) per share:				
Basic	\$ 0.08	\$ (3.25)	\$ (0.87)	\$ (4.31)
Diluted	\$ 0.08	\$ (3.25)	\$ (0.87)	\$ (4.31)

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Shares used in per share calculation:

Basic	18,598	18,574	18,513	18,599
Diluted	19,398	18,574	18,513	18,599

See Notes to Unaudited Condensed Consolidated Financial Statements

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NANOMETRICS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands)

(Unaudited)

	Nine-Months Ended	
	September 26, 2009	September 27, 2008
Cash flows from operating activities:		
Net loss	\$ (16,023)	\$ (80,085)
Reconciliation of net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,484	6,085
Asset impairment	1,899	68,545
Stock-based compensation	1,573	3,137
Loss on disposal of fixed assets	67	
Accounts receivable reserves	430	
Deferred taxes		