

BROOKS AUTOMATION INC

Form 10-Q

May 02, 2018

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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: March 31, 2018

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 000-25434

BROOKS AUTOMATION, INC.

(Exact name of registrant as specified in its charter)

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Delaware 04-3040660
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

15 Elizabeth Drive

Chelmsford, Massachusetts

(Address of principal executive offices)

01824

(Zip Code)

Registrant's telephone number, including area code: (978) 262-2400

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, April 26, 2018: common stock, \$0.01 par value and 70,539,856 shares outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

BROOKS AUTOMATION, INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(In thousands, except share and per share data)

	March 31, 2018	September 30, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 194,016	\$ 101,622
Marketable securities	40,655	28
Accounts receivable, net	141,501	120,828
Inventories	126,594	106,395
Prepaid expenses and other current assets	26,803	23,138
Total current assets	529,569	352,011
Property, plant and equipment, net	60,700	58,462
Long-term marketable securities	10,508	2,642
Long-term deferred tax assets	47,572	1,692
Goodwill	275,228	233,638
Intangible assets, net	102,182	83,520
Equity method investment	35,134	28,593
Other assets	5,648	6,070
Total assets	\$ 1,066,541	\$ 766,628
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long term debt	\$ 2,000	\$ —
Accounts payable	65,110	49,100
Deferred revenue	22,067	24,292
Accrued warranty and retrofit costs	8,289	8,054
Accrued compensation and benefits	23,105	27,065
Accrued restructuring costs	416	1,708
Accrued income taxes payable	8,713	11,417
Accrued expenses and other current liabilities	28,716	25,142
Total current liabilities	158,416	146,778
Long-term debt	194,870	—
Long-term tax reserves	1,428	1,687
Long-term deferred tax liabilities	6,308	3,748
Long-term pension liabilities	2,081	1,979
Other long-term liabilities	5,605	4,792
Total liabilities	368,708	158,984
Commitments and contingencies (Note 16)		

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Stockholders' Equity

Preferred stock, \$0.01 par value - 1,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value - 125,000,000 shares authorized, 84,001,725 shares issued and 70,539,856 shares outstanding at March 31, 2018, 83,294,848 shares issued and 69,832,979 shares outstanding at September 30, 2017	840	833
Additional paid-in capital	1,886,435	1,874,918
Accumulated other comprehensive income	24,497	15,213
Treasury stock, at cost- 13,461,869 shares	(200,956)	(200,956)
Accumulated deficit	(1,012,983)	(1,082,364)
Total stockholders' equity	697,833	607,644
Total liabilities and stockholders' equity	\$ 1,066,541	\$ 766,628

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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BROOKS AUTOMATION, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2018	2017	2018	2017
Revenue				
Products	\$ 160,491	\$ 132,613	\$ 302,675	\$ 254,727
Services	46,769	36,720	93,913	74,561
Total revenue	207,260	169,333	396,588	329,288
Cost of revenue				
Products	94,358	82,023	178,534	157,701
Services	28,673	22,786	58,610	50,120
Total cost of revenue	123,031	104,809	237,144	207,821
Gross profit	84,229	64,524	159,444	121,467
Operating expenses				
Research and development	13,125	11,345	26,324	22,190
Selling, general and administrative	47,236	37,518	88,412	69,479
Restructuring charges	49	860	49	1,835
Total operating expenses	60,410	49,723	114,785	93,504
Operating income	23,819	14,801	44,659	27,963
Interest income	356	227	504	294
Interest expense	(2,196)	(97)	(4,377)	(193)
Gain on settlement of equity method investment	—	—	—	1,847
Other expenses, net	(261)	(283)	(1,912)	(534)
Income before income taxes and earnings of equity method investments	21,718	14,648	38,874	29,377
Income tax (benefit) provision	(43,880)	3,420	(41,030)	6,220
Income before equity in earnings of equity method investments	65,598	11,228	79,904	23,157
Equity in earnings of equity method investments	1,422	2,777	3,602	4,719
Net income	\$ 67,020	\$ 14,005	\$ 83,506	\$ 27,876
Basic net income per share	\$ 0.95	\$ 0.20	\$ 1.19	\$ 0.40
Diluted net income per share	0.95	0.20	1.18	0.40
Dividend declared per share	0.10	0.10	0.20	0.20
Weighted average shares used in computing net income per share:				
Basic	70,220	69,600	70,340	69,388
Diluted	70,613	70,149	70,908	70,073

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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BROOKS AUTOMATION, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

(In thousands)

Three Months		Six Months	
Ended		Ended	
March 31,		March 31,	
2018	2017	2018	2017