

BROOKS AUTOMATION INC

Form 10-Q

February 07, 2017

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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: December 31, 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 000-25434

BROOKS AUTOMATION, INC.

(Exact name of registrant as specified in its charter)

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, 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):

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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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date, January 30, 2017: common stock, \$0.01 par value and 69,521,108 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)

	December 31, 2016	September 30, 2016
Assets		
Current assets		
Cash and cash equivalents	\$ 82,945	\$ 85,086
Marketable securities	866	39
Accounts receivable, net	114,429	106,372
Inventories	92,519	92,572
Prepaid expenses and other current assets	15,431	15,265
Total current assets	306,190	299,334
Property, plant and equipment, net	54,439	54,885
Long-term marketable securities	5,217	6,096
Long-term deferred tax assets	1,683	1,982
Goodwill	210,587	202,138
Intangible assets, net	83,432	81,843
Equity method investments	25,295	27,273
Other assets	5,464	12,354
Total assets	\$ 692,307	\$ 685,905
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 52,090	\$ 41,128
Deferred revenue	24,759	14,966
Accrued warranty and retrofit costs	6,217	6,324
Accrued compensation and benefits	14,255	21,254
Accrued restructuring costs	3,227	5,939
Accrued income taxes payable	7,775	7,554
Accrued expenses and other current liabilities	19,941	22,628
Total current liabilities	128,264	119,793
Long-term tax reserves	2,087	2,681
Long-term deferred tax liabilities	2,307	2,913
Long-term pension liabilities	2,281	2,557
Other long-term liabilities	4,466	4,271
Total liabilities	139,405	132,215
Commitments and contingencies (Note 18)		
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, 82,982,977 shares issued and 69,521,108 shares outstanding at December 31, 2016; 82,220,270 shares issued and 68,758,401 shares outstanding at September 30, 2016	830	821
Additional paid-in capital	1,858,103	1,855,703
Accumulated other comprehensive income	5,063	15,166

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Treasury stock at cost - 13,461,869 shares	(200,956)	(200,956)
Accumulated deficit	(1,110,138)	(1,117,044)
Total stockholders' equity	552,902	553,690
Total liabilities and stockholders' equity	\$ 692,307	\$ 685,905

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 December 31,	
	2016	2015
Revenue		
Products	\$122,114	\$89,180
Services	37,841	30,775
Total revenue	159,955	119,955
Cost of revenue		
Products	75,679	58,032
Services	27,333	21,369
Total cost of revenue	103,012	79,401
Gross profit	56,943	40,554
Operating expenses		
Research and development	10,845	13,278
Selling, general and administrative	31,962	34,121
Restructuring and other charges	975	1,475
Total operating expenses	43,782	48,874
Operating income (loss)	13,161	(8,320)
Interest income	68	205
Interest expense	(96)	(3)
Gain on settlement of equity method investment	1,847	—
Other loss, net	(251)	(59)
Income (loss) before income taxes and equity in earnings of equity method investments	14,729	(8,177)
Income tax provision (benefit)	2,800	(3,370)
Income (loss) before equity in earnings of equity method investments	11,929	(4,807)
Equity in earnings of equity method investments	1,942	159
Net income (loss)	\$13,871	\$(4,648)
Basic net income (loss) per share	\$0.20	