

COHU INC
Form 10-Q
August 08, 2012
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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 June 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 1-4298

COHU, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

incorporation or organization)

12367 Crosthwaite Circle, Poway, California
(Address of principal executive offices)

Registrant's telephone number, including area code (858) 848-8100

95-1934119
(I.R.S. Employer Identification No.)

92064-6817
(Zip Code)

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

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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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of June 30, 2012 the Registrant had 24,473,068 shares of its \$1.00 par value common stock outstanding.

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Table of Contents**Item 1.****COHU, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except par value)

	June 30, 2012	December 31, 2011 *
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 59,193	\$ 53,262
Short-term investments	47,429	51,740
Accounts receivable, net	42,190	41,922
Inventories:		
Raw materials and purchased parts	45,436	47,186
Work in process	12,257	15,504
Finished goods	15,273	19,999
	72,966	82,689
Deferred income taxes	6,049	6,646
Other current assets	6,924	7,557
Total current assets	234,751	243,816
Property, plant and equipment, at cost:		
Land and land improvements	11,891	12,002
Buildings and building improvements	31,416	31,190
Machinery and equipment	39,042	38,007
	82,349	81,199
Less accumulated depreciation and amortization	(46,792)	(44,218)
Net property, plant and equipment	35,557	36,981
Goodwill	57,106	58,060
Intangible assets, net	19,278	21,828
Other assets	1,263	923
	\$ 347,955	\$ 361,608
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 15,185	\$ 18,625
Accrued compensation and benefits	10,082	12,652
Accrued warranty	6,134	6,801
Deferred profit	4,159	2,821
Income taxes payable	3,266	2,518
Other accrued liabilities	7,606	8,454
Total current liabilities	46,432	51,871
Other accrued liabilities	5,951	5,964
Deferred income taxes	11,913	12,742

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Commitments and contingencies

Stockholders' equity:

Preferred stock, \$1 par value; 1,000 shares authorized, none issued

Common stock, \$1 par value; 60,000 shares authorized, 24,473 shares issued and outstanding in 2012 and 24,330 shares in 2011

	24,473	24,330
Paid-in capital	80,743	77,658
Retained earnings	180,792	189,055
Accumulated other comprehensive loss	(2,349)	(12)

Total stockholders' equity	283,659	291,031
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	\$ 347,955	\$ 361,608
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* Derived from December 31, 2011 audited financial statements.
The accompanying notes are an integral part of these statements.

Table of Contents**COHU, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,	June 25,	June 30,	June 25,
	2012	2011	2012	2011
Net sales	\$ 59,404	\$ 80,896	\$ 112,700	\$ 170,596
Cost and expenses:				
Cost of sales	41,740	54,349	79,497	115,234
Research and development	8,688	9,284	17,058	18,367
Selling, general and administrative	11,041	11,434	21,917	23,524
	61,469	75,067	118,472	157,125
Income (loss) from operations	(2,065)	5,829	(5,772)	13,471
Interest and other, net	89	116	181	226
Income (loss) before income taxes	(1,976)	5,945	(5,591)	13,697
Income tax provision (benefit)	133	895	(258)	2,073
Net income (loss)	\$ (2,109)	\$ 5,050	\$ (5,333)	\$ 11,624
Income (loss) per share:				
Basic	\$ (0.09)	\$ 0.21	\$ (0.22)	\$ 0.48
Diluted	\$ (0.09)	\$ 0.21	\$ (0.22)	\$ 0.47
Weighted average shares used in computing income (loss) per share:				
Basic	24,432	24,103	24,392	24,060
Diluted	24,432	24,484	24,392	24,483
Cash dividends declared per share	\$ 0.06	\$ 0.06	\$ 0.12	\$ 0.12

The accompanying notes are an integral part of these statements.

Table of Contents**COHU, INC.****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Unaudited)

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30,	June 25,	June 30,	June 25,
	2012	2011	2012	2011
Net income (loss)	\$ (2,109)	\$ 5,050	\$ (5,333)	\$ 11,624
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(4,995)	602	(2,412)	7,496
Adjustments related to postretirement benefits	44	32	76	18
Change in unrealized gain/loss on investments	(13)	28	(1)	36
Other comprehensive income (loss), net of tax	(4,964)	662	(2,337)	7,550
Comprehensive income (loss)	\$ (7,073)	\$ 5,712	\$ (7,670)	\$ 19,174

The accompanying notes are an integral part of these statements.

Table of Contents**COHU, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

(in thousands)

	Six Months Ended	
	June 30,	June 25,
	2012	2011
Cash flows from operating activities:		
Net income (loss)	\$ (5,333)	\$ 11,624
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,876	5,213
Share-based compensation expense	2,295	1,986
Deferred income taxes	(348)	(685)
Other accrued liabilities	99	80
Excess tax benefits from stock options exercised		(62)
Changes in current assets and liabilities:		
Accounts receivable	(267)	13,473
Inventories	9,288	(14,025)