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COHU INC Form 10-Q August 08, 2012 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

DESCRIPTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For 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

95-1934119

(State or other jurisdiction of

(I.R.S. Employer Identification No.)

incorporation or organization)

12367 Crosthwaite Circle, Poway, California

92064-6817

(Address of principal executive offices)

(Zip Code)

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

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 \flat 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 b 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 b

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 b

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

COHU, INC.

INDEX

FORM 10-Q

JUNE 30, 2012

<u>Part I</u> Financial Information	Page Number
Item 1. Financial Statements:	
Condensed Consolidated Balance Sheets June 30, 2012 (unaudited) and December 31, 2011	3
Condensed Consolidated Statements of Operations (unaudited) Three and Six Months Ended June 30, 2012 and June 25, 2011	4
Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited) Three and Six Months Ended June 30, 2012 and June 25, 2011	5
Condensed Consolidated Statements of Cash Flows (unaudited) Six Months Ended June 30, 2012 and June 25, 2011	6
Notes to Unaudited Condensed Consolidated Financial Statements	7
Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3. Quantitative and Qualitative Disclosures About Market Risk	23
Item 4. Controls and Procedures	23
Part II Other Information	
Item 1. Legal Proceedings	24
Item 1A. Risk Factors	24
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 3. Defaults Upon Senior Securities	30
Item 4. Mine Safety Disclosures	30
Item 5. Other Information	30
Item 6. Exhibits	31
<u>Signatures</u>	32

Item 1.

COHU, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except par value)

Current assets: \$ 59,193 \$ 53,262 Cash and cash equivalents \$ 47,429 51,740 Accounts receivable, net 42,100 41,922 Inventories: Transferral sand purchased parts 45,436 47,186 Work in process 15,273 15,504 Finished goods 15,273 19,999 Deferred income taxes 6,049 6,646 Other current assets 6,924 7,557 Total current assets 34,751 243,816 Property, plant and equipment, at cost: 11,891 12,002 Buildings and building improvements 11,891 12,002 Buildings and puilding improvements 31,416 31,190 Machinery and equipment 35,557 36,981 Less accumulated depreciation and amortization 46,6792 (44,218) Net property, plant and equipment 35,557 36,981 Goodwill 57,106 58,060 Intagible assets, net 19,28 21,828 Other assets 12,23 923 LABILITIES AND STOCKHOLD	A COLUMN	June 30, 2012 (Unaudited)	December 31, 2011 *
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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 LIABILITIES AND STOCKHOLDERS EQUITY Current liabilities 515,185 \$ 18,625 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		92 240	91 100
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Goodwill 57,106 58,060 Intangible assets, net 19,278 21,828 Other assets 1,263 923 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	No.	25.557	26.001
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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	Other assets	1,263	923
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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	LIABILITIES AND STOCKHOLDERS EQUITY		
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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		6,134	6,801
Other accrued liabilities7,6068,454Total current liabilities46,43251,871Other accrued liabilities5,9515,964		· · · · · · · · · · · · · · · · · · ·	,
Total current liabilities 46,432 51,871 Other accrued liabilities 5,951 5,964			2,518
Other accrued liabilities 5,951 5,964	Other accrued liabilities	7,606	8,454
Other accrued liabilities 5,951 5,964	Total current liabilities	46,432	51,871
		*	- ,
	Deferred income taxes	11,913	,

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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
	\$ 347,955	\$ 361,608

^{*} Derived from December 31, 2011 audited financial statements. *The accompanying notes are an integral part of these statements.*

COHU, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except per share amounts)

	Three Mor June 30, 2012	ths Ended June 25, 2011	Six Mont June 30, 2012	hs Ended June 25, 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.

COHU, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(in thousands)

	Three Mon June 30, 2012	ths Ended June 25, 2011	Six Mont June 30, 2012	hs Ended June 25, 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.

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)