

NANOMETRICS INC
Form 10-Q
May 01, 2019

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 30, 2019

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: 000-13470

NANOMETRICS INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization) 94-2276314
(I.R.S. Employer Identification Number)

1550 Buckeye Drive

Milpitas, California
(Address of principal executive offices) 95035
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

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 every Interactive Data File required to be submitted 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 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 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 by Rule 12b-2 of the Exchange Act) Yes No

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	NANO	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

As of April 26, 2019, there were 24,534,582 shares of common stock, \$0.001 par value, issued and outstanding.

NANOMETRICS INCORPORATED

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FOR THE QUARTER ENDED MARCH 30, 2019

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
NANOMETRICS INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands except share and per share amounts)

(Unaudited)

	March 30, 2019	December 29, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$95,212	\$ 110,951
Marketable securities	52,851	40,841
Accounts receivable, net of allowances of \$179 and \$170, respectively	45,252	50,854
Inventories	63,470	61,915
Inventories-delivered systems	349	180
Prepaid expenses and other	7,235	6,140
Total current assets	264,369	270,881
Property, plant and equipment, net	50,532	47,900
Operating lease - right of use assets, net	11,567	—
Goodwill	26,372	26,372
Intangible assets, net	26,572	27,326
Deferred income tax assets	2,473	2,569
Other assets	440	582
Total assets	\$382,325	\$ 375,630
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$18,901	\$ 16,540
Accrued payroll and related expenses	9,490	21,658
Deferred revenue	10,641	8,990
Operating lease liabilities	2,893	—
Other current liabilities	6,859	9,421
Income taxes payable	1,623	3,164
Total current liabilities	50,407	59,773
Deferred revenue	1,505	1,753
Income taxes payable	1,027	871
Deferred tax liabilities	166	162
Operating lease liabilities	8,614	—
Other long-term liabilities	220	219

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Total liabilities	61,939	62,778
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 3,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.001 par value, 47,000,000 shares authorized: 24,534,582 and 24,372,193, respectively, issued and outstanding	25	24
Additional paid-in capital	251,841	247,983
Retained earnings	70,375	67,402
Accumulated other comprehensive loss	(1,855)	(2,557)
Total stockholders' equity	320,386	312,852
Total liabilities and stockholders' equity	\$382,325	\$ 375,630

See Notes to Condensed Consolidated Financial Statements

NANOMETRICS INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands except per share amounts)

(Unaudited)

	Three Months Ended	
	March 30, 2019	March 31, 2018
Net revenues:		
Products	\$53,855	\$71,019
Service	13,245	11,294
Total net revenues	67,100	82,313
Costs of net revenues:		
Cost of products	25,898	28,593
Cost of service	6,948	6,154
Amortization of intangible assets	466	35
Total costs of net revenues	33,312	34,782
Gross profit	33,788	47,531
Operating expenses:		
Research and development	12,987	10,202
Selling	9,282	