

GSI TECHNOLOGY INC  
Form 10-Q  
August 04, 2011  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

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 000-33387

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GSI Technology, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

77-0398779  
(IRS Employer Identification No.)

1213 Elko Drive

Sunnyvale, California 94089  
(Address of principal executive offices, zip code)

(408) 331-8800  
(Registrant's telephone number, including area 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

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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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):

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 Exchange Act). Yes  No

The number of shares of the registrant’s common stock outstanding as of July 31, 2011: 28,870,737

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements

## GSI TECHNOLOGY, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2011	March 31, 2011
	(In thousands, except share and per share amounts)	
<b>ASSETS</b>		
Cash and cash equivalents	\$32,642	\$25,952
Short-term investments	26,619	26,033
Accounts receivable, net	15,638	15,042
Inventories	21,572	21,380
Prepaid expenses and other current assets	5,670	5,575
Deferred income taxes	1,769	1,729
Total current assets	103,910	95,711
Property and equipment, net	12,891	13,545
Long-term investments	30,194	30,938
Other assets	1,740	1,723
Total assets	\$148,735	\$141,917
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$6,925	\$5,638
Accrued expenses and other liabilities	4,643	4,790
Deferred revenue	5,741	5,248
Total current liabilities	17,309	15,676
Income taxes payable	1,720	1,561
Total liabilities	19,029	17,237
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock: \$0.001 par value authorized: 5,000,000 shares; issued and outstanding: none	—	—
Common stock: \$0.001 par value authorized: 150,000,000 shares; issued and outstanding: 28,870,737 and 28,649,033 shares, respectively	29	29
Additional paid-in capital	58,786	57,063
Accumulated other comprehensive income	114	83
Retained earnings	70,777	67,505
Total stockholders' equity	129,706	124,680
Total liabilities and stockholders' equity	\$148,735	\$141,917

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



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GSI TECHNOLOGY, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30,	
	2011	2010
	(In thousands, except per share amounts)	
Net revenues	\$ 23,048	\$ 22,918
Cost of revenues	12,871	12,101
Gross profit	10,177	10,817
Operating expenses:		
Research and development	2,639	2,535
Selling, general and administrative	3,399	2,828
Total operating expenses	6,038	5,363
Income from operations	4,139	5,454
Interest income, net	139	186
Other income (expense), net	7	55
Income before income taxes	4,285	5,695
Provision for income taxes	1,013	1,316
Net income	\$ 3,272	\$ 4,379
Net income per share:		
Basic	\$ 0.11	\$ 0.16
Diluted	\$ 0.11	\$ 0.15
Weighted average shares used in per share calculations:		
Basic	28,757	27,671
Diluted	30,400	28,834

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

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GSI TECHNOLOGY, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended June 30,	
	2011	2010
	(In thousands)	
Cash flows from operating activities:		
Net income	\$3,272	\$4,379
Adjustments to reconcile net income to net cash provided by operating activities:		
Allowance for sales returns and doubtful accounts	110	(1 )
Provision for excess and obsolete inventories	475	227
Depreciation and amortization	739	660
Stock-based compensation	511	446
Deferred income taxes	(40	) (310 )
Windfall tax benefits from stock options exercised	(53	) (50 )
Amortization of bond premium on investments	320	185
Changes in assets and liabilities:		