

CABOT MICROELECTRONICS CORP
Form 10-Q
February 07, 2014
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended

DECEMBER 31, 2013

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 000-30205

CABOT MICROELECTRONICS CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE 36-4324765
(State of Incorporation) (I.R.S. Employer Identification No.)

870 NORTH COMMONS DRIVE 60504
AURORA, ILLINOIS (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (630) 375-6631

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.

YESXNO

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 (Section 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).

YESXNO

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 definitions of "large accelerated filer," "accelerated filer" and smaller reporting

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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

As of January 31, 2014, the Company had 24,438,040 shares of Common Stock, par value \$0.001 per share, outstanding.

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CABOT MICROELECTRONICS CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1.

CABOT MICROELECTRONICS CORPORATION
 CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited and in thousands, except per share amounts)

	Three Months Ended December 31,	
	2013	2012
Revenue	\$ 100,515	\$ 106,533
Cost of goods sold	52,801	56,494
Gross profit	47,714	50,039
Operating expenses:		
Research, development and technical	14,571	15,316
Selling and marketing	6,707	7,109
General and administrative	10,726	10,954
Total operating expenses	32,004	33,379
Operating income	15,710	16,660
Interest expense	872	953
Other income, net	617	854
Income before income taxes	15,455	16,561
Provision for income taxes	4,147	6,858
Net income	\$ 11,308	\$ 9,703
Basic earnings per share	\$ 0.47	\$ 0.42
Weighted average basic shares outstanding	23,590	22,845
Diluted earnings per share	\$ 0.45	\$ 0.41
Weighted average diluted shares outstanding	24,623	23,658

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

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CABOT MICROELECTRONICS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited and in thousands)

	Three Months Ended December 31,	
	2013	2012
Net income	\$11,308	\$9,703
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(4,760)	(4,696)
Unrealized gain on investments	151	-
Other comprehensive income (loss), net of tax	(4,609)	(4,696)
Comprehensive income	\$6,699	\$5,007

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

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CABOT MICROELECTRONICS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands, except share amounts)

	December 31, 2013	September 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$246,463	\$226,029
Accounts receivable, less allowance for doubtful accounts of \$1,370 at December 31, 2013, and \$1,532 at September 30, 2013	52,078	54,640
Inventories	66,118	63,786
Prepaid expenses and other current assets	24,331	13,598
Deferred income taxes	7,746	7,659
Total current assets	396,736	365,712
Property, plant and equipment, net	109,514	111,985
Goodwill	43,801	44,306
Other intangible assets, net	9,060	9,785
Deferred income taxes	6,085	10,291
Other long-term assets	10,529	12,427
Total assets	\$575,725	\$554,506
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$15,825	\$16,663
Accrued expenses, income taxes payable and other current liabilities	28,503	39,899
Current portion of long-term debt	12,031	10,938
Total current liabilities	56,359	67,500
Long-term debt, net of current portion	147,657	150,937
Deferred income taxes	1,397	1,559
Other long-term liabilities	7,706	7,433
Total liabilities	213,119	227,429
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common Stock: Authorized: 200,000,000 shares, \$0.001 par value; Issued: 31,504,320 shares at December 31, 2013, and 30,213,577 shares at September 30, 2013	31	30
Capital in excess of par value of common stock	415,107	376,206
Retained earnings	192,134	180,826
Accumulated other comprehensive income	12,827	17,436
Treasury stock at cost, 7,097,960 shares at December 31, 2013, and 6,866,675 shares at September 30, 2013	(257,493)	(247,421)