

NANOMETRICS INC
Form 10-Q
May 11, 2011

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 April 2, 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 0-13470

NANOMETRICS INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	94-2276314
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)
1550 Buckeye Drive, Milpitas, CA	95035
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code: (408) 545-6000	

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 (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such file) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	S
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>	£

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 May 4, 2011 there were 22,726,019 shares of common stock, \$0.001 par value, issued and outstanding.

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FOR QUARTER ENDED APRIL 2, 2011

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PART I — FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NANOMETRICS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands except per share amounts)

(Unaudited)

	As of April 2, 2011	As of January 1, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$80,171	\$66,460
Accounts receivable, net of allowances of \$70 and \$63, respectively	47,958	44,523
Inventories	43,824	43,168
Inventories - delivered systems	2,531	1,466
Prepaid expenses and other	2,454	2,986
Deferred income tax assets	8,677	9,644
Total current assets	185,615	168,247
Property, plant and equipment, net	35,837	35,186
Intangible assets, net	5,566	5,972
Deferred income tax assets, non-current	8,935	9,256
Other assets	1,241	1,235
Total assets	\$237,194	\$219,896
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$10,534	\$11,486
Accrued payroll and related expenses	7,176	8,813
Deferred revenue	6,198	4,063
Other current liabilities	7,263	7,293
Income taxes payable	21	250
Current portion of debt obligations	582	572
Total current liabilities	31,774	32,477
Deferred revenue, non-current	4,449	3,191
Other non-current liabilities	5,319	3,912
Debt obligations, net of current portion	9,315	9,467
Total liabilities	50,857	49,047
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 3,000 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.001 par value, 47,000 shares authorized; 22,689 and 22,315, respectively, issued and outstanding	23	22
Additional paid-in capital	230,398	225,755
Accumulated deficit	(46,490) (57,000)
Accumulated other comprehensive income	2,406	2,072
Total stockholders' equity	186,337	170,849
Total liabilities and stockholders' equity	\$237,194	\$219,896

See Notes to Condensed Consolidated Financial Statements

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands except per share amounts)

(Unaudited)

	Three Months Ended	
	April 2, 2011	April 3, 2010
Net revenues:		
Products	\$53,983	\$28,548
Service	8,160	8,617
Total net revenues	62,143	37,165
Costs of net revenues:		
Cost of products	22,647	12,476
Cost of service	4,341	4,142
Total costs of net revenues	26,988	16,618
Gross profit	35,155	20,547
Operating expenses:		
Research and development	5,488	4,570
Selling	6,699	4,717
General and administrative	5,499	4,581
Amortization of intangible assets	406	389
Asset impairment	—	344
Total operating expenses	18,092	14,601
Income from operations	17,063	5,946
Other income (expense)		
Interest income	40	21