

CABOT MICROELECTRONICS CORP
Form 10-Q
February 11, 2019
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, 2018
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 every Interactive Data File required to be submitted 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 such files).

YESXNO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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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 in Rule 12b-2 of the Exchange Act).

YES NOX

As of January 31, 2019, the Company had 28,955,343 shares of Common Stock, par value \$0.001 per share, outstanding.

CABOT MICROELECTRONICS CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1.

CABOT MICROELECTRONICS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Unaudited and in thousands, except per share amounts)

	Three Months Ended December 31,	
	2018	2017
Revenue	\$221,778	\$139,979
Cost of sales	122,445	65,965
Gross profit	99,333	74,014
Operating expenses:		
Research, development and technical	14,040	12,151
Selling, general and administrative	61,128	24,751
Total operating expenses	75,168	36,902
Operating income	24,165	37,112
Interest expense	6,890	1,132
Interest income	1,019	951
Other income (expense), net	(1,411)	(279)
Income before income taxes	16,883	36,652
Provision for income taxes	3,440	39,735
Net income (loss)	\$13,443	\$(3,083)
Basic earnings (loss) per share (in dollars per share)	\$0.50	\$(0.12)
Weighted average basic shares outstanding	27,157	25,326
Diluted earnings (loss) per share (in dollars per share)	\$0.48	\$(0.12)
Weighted average diluted shares outstanding	27,762	25,326

The accompanying notes are an integral part of these Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited and in thousands)

	Three Months Ended December 31,	
	2018	2017
Net income (loss)	\$13,443	\$(3,083)
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	2,425	7,144
Net unrealized loss on available-for-sale securities	-	(46)
Minimum pension liability adjustment	(251)	-
Net unrealized gain on cash flow hedges	-	199
Other comprehensive income, net of tax	2,174	7,297
Comprehensive income	\$15,617	\$4,214

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, 2018	September 30, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$208,880	\$352,921
Accounts receivable, less allowance for doubtful accounts of \$1,840 at December 31, 2018, and \$1,900 at September 30, 2018	138,580	75,886
Inventories	138,377	71,926
Prepaid expenses and other current assets	39,310	22,048