

ENTEGRIS INC
Form 10-Q
October 27, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended October 2, 2010

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: 000-30789

Entegris, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

41-1941551
(I.R.S. Employer
Identification No.)

129 Concord Road, Billerica, Massachusetts
(Address of principal executive offices)

01821
(Zip Code)

(978) 436-6500
(Registrant's telephone number, including area code)

[None]
(Former name, former address and former fiscal year, if changed since last report)

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 for such shorter period that the registrant was required to submit and post such files). Yes No

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.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 25, 2010
Common Stock, \$0.01 par value per share	131,894,579 shares

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ENTEGRIS, INC. AND SUBSIDIARIES

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Item 1. Financial Statements

ENTEGRIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share data)	October 2, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 98,814	\$ 68,700
Trade accounts and notes receivable, net of allowance for doubtful accounts of \$1,398 and \$1,694	123,789	91,122
Inventories	97,625	83,233
Deferred tax assets, deferred tax charges and refundable income taxes	11,917	11,085
Assets held for sale	5,998	5,998
Other current assets	5,984	7,320
Total current assets	344,127	267,458
Property, plant and equipment, net of accumulated depreciation of \$217,756 and \$195,605	131,738	135,431
Other assets:		
Investments	8,204	7,002
Other intangible assets, net	67,863	78,470
Deferred tax assets and other noncurrent tax assets	8,064	9,670
Other	5,296	6,641
Total assets	\$ 565,292	\$ 504,672
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 6,077	\$ 11,257
Short-term borrowings		8,039
Accounts payable	35,914	23,553
Accrued payroll and employee benefits	38,210	16,284
Other accrued liabilities	17,603	13,548
Deferred tax liabilities and income taxes payable	13,323	1,229
Total current liabilities	111,127	73,910
Long-term debt, less current maturities		52,492
Pension benefit obligations and other liabilities	22,977	22,055
Deferred tax liabilities and other noncurrent tax liabilities	3,268	6,558
Commitments and contingent liabilities		
Equity:		

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Preferred stock, par value \$.01; 5,000,000 shares authorized; none issued and outstanding as of October 2, 2010 and December 31, 2009		
Common stock, par value \$.01; 400,000,000 shares authorized; issued and outstanding shares: 131,893,829 and 130,043,483		
	1,319	1,300
Additional paid-in capital	758,502	751,360
Retained deficit	(376,615)	(433,968)
Accumulated other comprehensive income	40,167	27,500
Total Entegris, Inc. shareholders equity	423,373	346,192
Noncontrolling interest	4,547	3,465
Total equity	427,920	349,657
Total liabilities and equity	\$ 565,292	\$ 504,672

See the accompanying notes to condensed consolidated financial statements.

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ENTEGRIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)	Three months ended		Nine months ended	
	October 2, 2010	September 26, 2009	October 2, 2010	September 26, 2009
Net sales	\$ 178,230	\$ 110,706	\$ 506,316	\$ 252,320
Cost of sales	98,374	65,929	276,182	178,795
Gross profit	79,856	44,777	230,134	73,525
Selling, general and administrative expenses	36,478	29,175	108,852	84,581
Engineering, research and development expenses	11,381	8,575	32,937	25,322
Amortization of intangible assets	2,823	4,723	10,459	14,635
Restructuring charges		2,368		12,454
Operating income (loss)	29,174	(64)	77,886	(63,467)
Interest expense, net	342	2,681	3,210	7,105
Other expense, net	1,283	4,114	1,701	429
Income (loss) before income taxes and equity in affiliates	27,549	(6,859)	72,975	(71,001)
Income tax expense (benefit)	5,000	623	15,202	(4,226)
Equity in net (earnings) loss of affiliates	(217)	132	(485)	1,076
Net income (loss)	22,766	(7,614)	58,258	(67,851)
Less net income (loss) attributable to noncontrolling interest	348	(6)	905	(6)
Net income (loss) attributable to Entegris, Inc.	\$ 22,418	\$ (7,608)	\$ 57,353	\$ (67,845)
Amounts attributable to Entegris, Inc.				
Basic net income (loss) per common share:	\$ 0.17	\$ (0.07)	\$ 0.44	\$ (0.60)
Diluted net income (loss) per common share:	\$ 0.17	\$ (0.07)	\$ 0.43	\$ (0.60)
Weighted shares outstanding:				
Basic	131,903	115,023	131,475	113,355
Diluted	133,071	115,023	132,908	113,355

See the accompanying notes to condensed consolidated financial statements.

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(In thousands)	Common shares outstanding	Common stock	Additional paid-in capital	Retained deficit	Accumulated other comprehensive income	Noncontrolling interest	Total	Comprehensive loss
Balance at December 31, 2008	113,102	\$ 1,131	\$ 684,974	\$ (376,247)	\$ 26,312		\$ 336,170	
Shares issued under stock plans	741	7	1,054				1,061	
Shares issued under stock offering	16,100	161	56,526				56,687	
Share-based compensation expense			6,299				6,299	
Tax benefit associated with stock plans			535				535	
Recognition of noncontrolling interest upon acquisition of business						3,248	3,248	
Reclassification of foreign currency translation associated with acquisition of business								