

BROOKS AUTOMATION INC

Form 10-Q

July 28, 2016

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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: June 30, 2016

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 000-25434

BROOKS AUTOMATION, INC.

(Exact name of registrant as specified in its charter)

Delaware

04-3040660

(State or other jurisdiction of (I.R.S. Employer incorporation or organization) Identification No.)

15 Elizabeth Drive

Chelmsford, Massachusetts

(Address of principal executive offices)

01824

(Zip Code)

Registrant's telephone number, including area code: (978) 262-2400

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. (Check one):

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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 registrant's classes of common stock, as of the latest practical date, July 21, 2016: common stock, \$0.01 par value and 68,639,222 shares outstanding.

BROOKS AUTOMATION, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

BROOKS AUTOMATION, INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(In thousands, except share and per share data)

	June 30, 2016	September 30, 2015
Assets		
Current assets		
Cash and cash equivalents	\$66,116	\$ 80,722
Marketable securities	18	70,021
Accounts receivable, net	101,091	86,448
Inventories	98,157	100,619
Deferred tax assets	3,958	17,609
Assets held for sale	2,806	2,900
Prepaid expenses and other current assets	21,078	15,158
Total current assets	293,224	373,477
Property, plant and equipment, net	54,763	41,855
Long-term marketable securities	6,068	63,287
Long-term deferred tax assets	1,125	70,476
Goodwill	202,386	121,408
Intangible assets, net	85,646	55,446
Equity method investments	26,530	24,308
Other assets	12,579	9,397
Total assets	\$682,321	\$ 759,654
Liabilities and Stockholders' equity		
Current liabilities		
Accounts payable	\$41,502	\$ 44,890
Deferred revenue	25,522	17,886
Accrued warranty and retrofit costs	5,955	6,089
Accrued compensation and benefits	18,031	20,401
Accrued restructuring costs	5,789	2,073
Accrued income taxes payable	7,168	6,111
Deferred tax liabilities	331	1,251
Accrued expenses and other current liabilities	17,751	15,550
Total current liabilities	122,049	114,251
Long-term tax reserves	2,714	3,644
Long-term deferred tax liabilities	6,962	3,196
Long-term pension liabilities	3,212	3,118
Other long-term liabilities	4,329	3,400
Total liabilities	139,266	127,609
Commitments and contingencies (Note 19)		
Stockholders' equity		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value, 125,000,000 shares authorized, 82,097,858 shares issued and 68,635,989 shares outstanding at June 30, 2016; 81,093,052 shares issued and	821	811

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67,631,183 shares outstanding at September 30, 2015

Additional paid-in capital	1,851,292	1,846,357
Accumulated other comprehensive income	12,598	5,898
Treasury stock at cost- 13,461,869 shares	(200,956)	(200,956)
Accumulated deficit	(1,120,700)	(1,020,065)
Total stockholders' equity	543,055	632,045
Total liabilities and stockholders' equity	\$682,321	\$ 759,654

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

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CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(In thousands, except per share data)

	Three Months		Nine Months Ended	
	Ended June 30,		June 30,	
	2016	2015	2016	2015
Revenue				
Product	\$ 111,596	\$ 120,816	\$ 302,238	\$ 336,941
Services	35,938	24,078	100,532	70,002
Total revenue	147,534	144,894	402,770	406,943
Cost of revenue				
Product	69,557	77,128	192,816	221,877
Services	23,814	16,579	68,437	48,766
Total cost of revenue	93,371	93,707	261,253	270,643
Gross profit	54,163	51,187	141,517	136,300
Operating expenses				
Research and development	12,819	12,834	39,208	39,001
Selling, general and administrative	31,854			