

NEOPHOTONICS CORP
Form 10-Q
April 09, 2014

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 September 30, 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: 001-35061

NeoPhotonics Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

94-3253730
(I.R.S. Employer

of incorporation or organization) Identification No.)

2911 Zanker Road

San Jose, California 95134

Edgar Filing: NEOPHOTONICS CORP - Form 10-Q

(Address of principal executive offices, zip code)

(408) 232-9200

(Registrant's telephone number, including area code)

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 ("Exchange Act") 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 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

As of March 31, 2014, there were 31,664,151 shares of the registrant's Common Stock outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NEOPHOTONICS CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	As of	December 31,
		2012
	September 30,	Revised
	2013	(see Note 1)
(In thousands, except share and per share data)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$43,656	\$ 36,940
Short-term investments	26,908	64,301
Accounts receivable, net of allowance for doubtful accounts	78,898	70,354
Inventories	63,687	43,793
Prepaid expenses and other current assets	10,285	10,256
Total current assets	223,434	225,644
Property, plant and equipment, net	70,818	54,440
Purchased intangible assets, net	16,309	14,213
Other long-term assets	1,836	1,335
Total assets	\$312,397	\$ 295,632
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$54,919	\$ 36,308
Notes payable	7,954	12,003
Current portion of long-term debt	10,570	5,000
Accrued and other current liabilities	23,960	19,959
Total current liabilities	97,403	73,270
Long-term debt, net of current portion	26,390	17,167
Other noncurrent liabilities	8,772	2,515
Total liabilities	132,565	92,952
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, \$0.0025 par value		
10,000,000 shares authorized, no shares issued or outstanding	-	-
Common stock, \$0.0025 par value	78	76

Edgar Filing: NEOPHOTONICS CORP - Form 10-Q

At September 30, 2013: 100,000,000 shares authorized, 31,304,853 shares issued and outstanding; At December 31, 2012: 100,000,000 shares authorized, 30,546,155 shares issued and outstanding

Additional paid-in capital	444,552	438,858
Accumulated other comprehensive income	13,172	11,829
Accumulated deficit	(277,970)	(248,083)
Total stockholders' equity	179,832	202,680
Total liabilities and stockholders' equity	\$312,397	\$ 295,632

See accompanying Notes to Condensed Consolidated Financial Statements.

NEOPHOTONICS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except share and per share data)	2013	2012	2013	2012
Revenue	\$ 76,814	\$ 66,152	\$ 207,867	\$ 183,400
Cost of goods sold	58,635	45,536	162,330	136,190
Gross profit	18,179	20,616	45,537	47,210
Operating expenses:				
Research and development	12,227	9,893	33,021	29,753
Sales and marketing	3,580	3,354	10,515	9,783
General and administrative	8,905	6,530	21,853	19,704
Adjustment to fair value of contingent consideration	1,026	(850)	1,026	(246)
Amortization of purchased intangible assets	381	321	1,128	996
Restructuring charges	450	-	775	-
Acquisition-related transaction costs	126	240	5,317	912
Total operating expenses	26,695	19,488	73,635	60,902
Income (loss) from operations	(8,516)	1,128	(28,098)	(13,692)
Interest income	66	147	269	424
Interest expense	(251)	(135)	(756)	(434)
Other income (expense), net	115	154	(432)	(121)
Total interest and other income (expense), net	(70)	166	(919)	