

COHERENT INC  
Form 10-Q  
February 06, 2013  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the Quarterly Period Ended December 29, 2012

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: 001-33962

COHERENT, INC.

Delaware

(State or other jurisdiction of  
incorporation or organization)

94-1622541

(I.R.S. Employer  
Identification No.)

5100 Patrick Henry Drive, Santa Clara, California 95054

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (408) 764-4000

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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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(do not check if a 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

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The number of shares outstanding of registrant's common stock, par value \$.01 per share, on February 4, 2013 was 24,222,144.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements included in or incorporated by reference in this quarterly report, other than statements of historical fact, are forward-looking statements. These statements are generally accompanied by words such as “trend,” “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “rely,” “believe,” “estimate,” “predict,” “intend,” “potential,” “continue,” “outlook,” “forecast” or the negative of or other comparable terminology, including without limitation statements made under “Future Trends,” “Our Strategy,” discussions regarding our bookings and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements. Actual results of Coherent, Inc. (referred to herein as the Company, we, our or Coherent) may differ significantly from those anticipated in these forward-looking statements as a result of various factors, including those discussed in the sections captioned “Future Trends,” “Risk Factors,” “Key Performance Indicators,” as well as any other cautionary language in this quarterly report. All forward-looking statements included in the document are based on information available to us on the date hereof. We undertake no obligation to update these forward-looking statements as a result of events or circumstances or to reflect the occurrence of unanticipated events or non-occurrence of anticipated event.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

COHERENT, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited; in thousands, except per share data)

	Three Months Ended	
	December 29, 2012	December 31, 2011
Net sales	\$183,202	\$190,767
Cost of sales	105,567	110,408
Gross profit	77,635	80,359
Operating expenses:		
Research and development	19,301	18,779
Selling, general and administrative	36,982	34,631
Amortization of intangible assets	854	1,636
Total operating expenses	57,137	55,046
Income from operations	20,498	25,313
Other income (expense):		
Interest and dividend income	50	202
Interest expense	(12	) (2
Other—net	(1,475	) 318
Total other income (expense), net	(1,437	) 518
Income before income taxes	19,061	25,831
Provision for income taxes	4,908	8,780
Net income	\$14,153	\$17,051
Net income per share:		
Basic	\$0.60	\$0.73
Diluted	\$0.58	\$0.71
Shares used in computation:		
Basic	23,770	23,462
Diluted	24,222	23,961

See Accompanying Notes to Condensed Consolidated Financial Statements.

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COHERENT, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited; in thousands)

	Three Months Ended	
	December 29, 2012	December 31, 2011
Net income	\$ 14,153	\$ 17,051
Other comprehensive income (loss):		
Translation adjustment	4,120	(10,321 )
Changes in unrealized gains (losses) on available-for-sale securities, net of taxes	1	16
Other comprehensive income (loss), net of tax	4,121	(10,305 )
Comprehensive income	\$ 18,274	\$ 6,746

Tax expense (benefit) of \$(19) and \$104 was provided on translation adjustments during the three months ended (1)December 29, 2012 and December 31, 2011, respectively. Tax expense (benefit) on changes in unrealized gains (losses) on available-for-sale securities was insignificant.

See Accompanying Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited; in thousands, except par data)

	December 29, 2012	September 29, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$87,996	\$67,761
Short-term investments	91,781	157,168
Accounts receivable—net of allowances of \$1,769 and \$1,443, respectively		