

ENTEGRIS INC
Form 10-Q
April 26, 2013
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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 March 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: 001-32598

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. (Check one):

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 April 22, 2013
Common Stock, \$0.01 par value per share	139,321,942 shares

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ENTEGRIS, INC. AND SUBSIDIARIES

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Cautionary Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve substantial risks and uncertainties and reflect the Company's current views with respect to future events and financial performance. The words believe, expect, anticipate, intends, estimate, forecast, project, should, may, will and would expressions are intended to identify these forward-looking statements. You should read statements that contain these words carefully because they discuss future expectations, contain projections of future results of operations or of financial position or state other forward-looking information. All forecasts and projections in this report are forward-looking statements, and are based on management's current expectations of the Company's near-term results, based on current information available pertaining to the Company. The risks which could cause actual results to differ from those contained in such forward looking statements include, without limit, the risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 under the headings Risks Relating to our Business and Industry, Manufacturing Risks, International Risks, and Risks Related to Owning Our Securities as well as in the Company's quarterly reports on Form 10-Q and current reports on Form 8-K as filed with the Securities and Exchange Commission.

Any forward-looking statements in this Quarterly Report on Form 10-Q are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements, possibly materially. We disclaim any duty to update any forward-looking statements.

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Item 1. Financial Statements

ENTEGRIS, INC. AND SUBSIDIARIES**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)

<i>(In thousands, except share and per share data)</i>	March 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 338,846	\$ 330,419
Short-term investments		19,995
Trade accounts and notes receivable, net of allowance for doubtful accounts of \$2,112 and \$2,314	103,573	94,016
Inventories	100,246	99,144
Deferred tax assets, deferred tax charges and refundable income taxes	13,570	20,201
Assets held for sale	5,998	5,998
Other current assets	7,505	9,551
Total current assets	569,738	579,324
Property, plant and equipment, net of accumulated depreciation of \$273,240 and \$263,302	164,585	157,021
Other assets:		
Intangible assets, net of accumulated amortization of \$120,147 and \$119,198	44,791	47,207
Deferred tax assets and other noncurrent tax assets	16,904	17,167
Other	9,831	10,825
Total assets	\$ 805,849	\$ 811,544
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	38,588	36,341
Accrued payroll and related benefits	19,309	29,376
Other accrued liabilities	22,164	21,887
Deferred tax liabilities and income taxes payable	1,906	5,659
Total current liabilities	81,967	93,263
Pension benefit obligations and other liabilities	15,258	17,066
Deferred tax liabilities and other noncurrent tax liabilities	5,457	6,416
Commitments and contingent liabilities		
Equity:		
Preferred stock, par value \$.01; 5,000,000 shares authorized; none issued and outstanding as of March 30, 2013 and December 31, 2012		
Common stock, par value \$.01; 400,000,000 shares authorized; issued and outstanding shares as of March 30, 2013 and December 31, 2012: 139,488,210 and 138,457,769	1,395	1,385
Additional paid-in capital	814,536	809,514
Retained deficit	(142,149)	(157,038)
Accumulated other comprehensive income	29,385	40,938
Total equity	703,167	694,799

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Total liabilities and equity	\$	805,849	\$	811,544
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See the accompanying notes to condensed consolidated financial statements.

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(Unaudited)

<i>(In thousands, except share and per share data)</i>	Three months ended	
	March 30, 2013	March 31, 2012
Net sales	\$ 165,070	\$ 175,403
Cost of sales	97,942	99,159
Gross profit	67,128	76,244
Selling, general and administrative expenses	32,421	35,048
Engineering, research and development expenses	12,173	11,989
Amortization of intangible assets	2,287	2,450
Operating income	20,247	26,757
Other income, net	(1,348)	(164)
Income before income taxes and equity in net income of affiliates	21,595	26,921
Income tax expense	5,198	9,065
Equity in net income of affiliates		(3)
Net income	\$ 16,397	\$ 17,859
Basic net income per common share:	\$ 0.12	\$ 0.13
Diluted net income per common share:	\$ 0.12	\$ 0.13
Weighted shares outstanding:		
Basic	139,025	136,603
Diluted	139,831	138,046

See the accompanying notes to condensed consolidated financial statements.

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ENTEGRIS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

<i>(In thousands)</i>	Three months ended	
	March 30, 2013	March 31, 2012
Net income	\$ 16,397	\$ 17,859
Other comprehensive income, net of tax		
Foreign currency translation adjustments	(11,596)	(2,981)
Pension liability adjustments	43	(7)
Other comprehensive income	(11,553)	(2,988)
Comprehensive income	\$ 4,844	\$ 14,871

See the accompanying notes to condensed consolidated financial statements.

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ENTEGRIS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited)

<i>(In thousands)</i>	Common shares outstanding	Common stock	Additional paid-in capital	Retained deficit	Foreign currency translation adjustments	Defined benefit pension adjustments	Total
Balance at December 31, 2011	135,821	\$ 1,358	\$ 788,673	\$ (225,766)	\$ 44,737	\$ (764)	\$ 608,238
Shares issued under stock plans	1,438	15	3,321				3,336
Share-based compensation expense			1,763				1,763
Tax benefit associated with stock plans			290				290
Pension liability adjustment, net of tax						(7)	(7)
Foreign currency translation					(2,981)		(2,981)
Net income				17,859			17,859
Balance at March 31, 2012	137,259	\$ 1,373	\$ 794,047	\$ (207,907)	\$ 41,756	\$ (771)	\$ 628,498

<i>(In thousands)</i>	Common shares outstanding	Common stock	Additional paid-in capital	Retained deficit	Foreign currency translation adjustments	Defined benefit pension adjustments	Total
Balance at December 31, 2012	138,458	\$ 1,385	\$ 809,514	\$ (157,038)	\$ 41,997	\$ (1,059)	\$ 694,799
Shares issued under stock plans	1,418	14	4,859				4,873
Repurchase and retirement of common stock	(388)	(4)	(2,265)	(1,508)			(3,777)
Share-based compensation expense							