

COHU INC
Form 10-Q
July 29, 2016

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 25, 2016

OR

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

Commission file number 001-04298

COHU, INC.

(Exact name of registrant as specified in its charter)

Delaware

95-1934119

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(State or other jurisdiction of
incorporation or organization)

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

12367 Crosthwaite Circle, Poway, California 92064-6817

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (858) 848-8100

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 Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of July 12, 2016 the Registrant had 26,677,219 shares of its \$1.00 par value common stock outstanding.

COHU, INC.

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Item 1.**COHU, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except par value)

	June 25, 2016	December 26, 2015 *
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 108,713	\$ 115,370
Short-term investments	9,215	1,652
Accounts receivable, net	62,705	59,832
Inventories:		
Raw materials and purchased parts	24,873	24,423
Work in process	20,694	20,124
Finished goods	5,248	6,801
	50,815	51,348
Other current assets	8,137	6,261
Total current assets	239,585	234,463
Property, plant and equipment, at cost:		
Land and land improvements	4,280	4,607
Buildings and building improvements	8,099	8,971
Machinery and equipment	34,123	31,888
	46,502	45,466
Less accumulated depreciation and amortization	(27,837)	(26,466)
Net property, plant and equipment	18,665	19,000
Goodwill	60,753	60,264
Intangible assets, net	22,085	25,297
Other assets	6,408	6,322
	\$ 347,496	\$ 345,346
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 28,455	\$ 27,290
Accrued compensation and benefits	14,735	15,628
Accrued warranty	4,113	3,785
Deferred profit	6,876	3,730
Income taxes payable	1,418	4,195

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Other accrued liabilities	8,933	8,563
Total current liabilities	64,530	63,191
Accrued retirement benefits	15,872	15,397
Noncurrent deferred gain on sale of facility	12,417	13,142
Deferred income taxes	6,208	6,954
Noncurrent income tax liabilities	6,832	6,761
Other accrued liabilities	1,800	1,764
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$1 par value; 1,000 shares authorized, none issued	-	-
Common stock, \$1 par value; 60,000 shares authorized, 26,677 shares issued and outstanding in 2016 and 26,240 shares in 2015	26,677	26,240
Paid-in capital	107,127	105,516
Retained earnings	125,673	128,153
Accumulated other comprehensive loss	(19,640)	(21,772)
Total stockholders' equity	239,837	238,137
	\$ 347,496	\$ 345,346

* Derived from December 26, 2015 audited financial statements

The accompanying notes are an integral part of these statements.

COHU, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
Net sales	\$76,353	\$75,211	\$142,131	\$138,658
Cost and expenses:				
Cost of sales	49,669	49,509	96,006	92,811
Research and development	8,305	7,731	16,108	16,296
Selling, general and administrative	15,015	13,811	28,385	26,083
	72,989	71,051	140,499	135,190
Income from operations	3,364	4,160	1,632	3,468
Interest and other, net	59	4	102	10
Income from continuing operations before taxes	3,423	4,164	1,734	3,478
Income tax provision	761	277	983	1,311
Income from continuing operations	2,662	3,887	751	2,167
Loss from discontinued operations	(55)	(3,959)	(55)	(4,979)
Net income (loss)	\$2,607	\$(72)	\$696	\$(2,812)
Income (loss) per share:				
Basic:				
Income from continuing operations	\$0.10	\$0.15	\$0.03	\$0.08
Loss from discontinued operations	0.00	(0.15)	0.00	(0.19)
Net income (loss)	\$0.10	\$0.00	\$0.03	\$(0.11)
Diluted:				
Income from continuing operations	\$0.10	\$0.15	\$0.03	\$0.08
Loss from discontinued operations	0.00	(0.15)	0.00	(0.19)
Net income (loss)	\$0.10	\$0.00	\$0.03	\$(0.11)
Weighted average shares used in computing loss per share:				
Basic	26,711	26,059	26,514	25,905
Diluted	27,358	26,722	27,350	26,620
Cash dividends declared per share	\$0.06	\$0.06	\$0.12	\$0.12

The accompanying notes are an integral part of these statements.

COHU, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(in thousands)

Three Months Ended		Six Months Ended	
June 25,	June 27,	June 25,	June 27,
2016	2015	2016	2015