

ALPHA & OMEGA SEMICONDUCTOR Ltd  
Form 10-Q  
November 07, 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 September 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 001-34717

Alpha and Omega Semiconductor Limited  
(Exact name of Registrant as Specified in its Charter)  
Bermuda 77-0553536  
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification Number)  
Clarendon House, 2 Church Street  
Hamilton HM 11, Bermuda  
(Address of Principal Registered  
Offices including Zip Code)  
(408) 830-9742  
(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 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 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

Number of common shares outstanding as of October 31, 2016: 23,295,656



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 Fiscal First Quarter Ended September 30, 2016  
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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

ALPHA AND OMEGA SEMICONDUCTOR LIMITED  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands except par value per share)

	September 30, 2016	June 30, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 118,774	\$ 87,774
Restricted cash	225	188
Accounts receivable, net	27,059	26,594
Inventories	70,018	68,848
Other current assets	5,314	4,526
Total current assets	221,390	187,930
Property, plant and equipment, net	123,048	116,084
Deferred income tax assets - long term	5,486	12,132
Other long-term assets	10,642	2,359
Total assets	\$ 360,566	\$ 318,505
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 38,644	\$ 42,718
Accrued liabilities	25,977	22,590
Income taxes payable	2,667	2,356
Deferred margin	1,003	997
Capital leases	801	819
Total current liabilities	69,092	69,480
Income taxes payable - long term	1,592	1,577
Deferred income tax liabilities	2,972	2,973
Capital leases - long term	1,496	1,695
Other long term liabilities	680	741
Total liabilities	75,832	76,466
Commitments and contingencies (Note 9)		
Equity:		
Preferred shares, par value \$0.002 per share:		
Authorized: 10,000 shares, issued and outstanding: none at September 30, 2016 and June 30, 2016	—	—
Common shares, par value \$0.002 per share:		
Authorized: 50,000 shares, issued and outstanding: 28,928 shares and 23,281 shares, respectively at September 30, 2016 and 28,405 shares and 22,754 shares, respectively at June 30, 2016	58	57
Treasury shares at cost, 5,647 shares at September 30, 2016 and 5,651 shares at June 30, 2016	(50,166	) (50,199 )
Additional paid-in capital	198,615	191,444
Accumulated other comprehensive income	860	769
Retained earnings	103,368	100,071

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Total Alpha and Omega Semiconductor Limited shareholder's equity	252,735	242,142
Noncontrolling interest	31,999	(103 )
Total equity	284,734	242,039
Total liabilities and equity	\$ 360,566	\$318,505

See accompanying notes to these condensed consolidated financial statements.

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ALPHA AND OMEGA SEMICONDUCTOR LIMITED  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited, in thousands except per share data)

	Three Months Ended September 30,	
	2016	2015
Revenue	\$97,362	\$81,439
Cost of goods sold	75,418	66,378
Gross profit	21,944	15,061
Operating expenses		
Research and development	7,019	6,164
Selling, general and administrative	11,183	9,497
Total operating expenses	18,202	15,661
Operating income (loss)	3,742	(600 )
Interest income and other income (loss), net	(49 )	(151 )
Interest expense	(26 )	(10 )
Net Income (loss) before income taxes	3,667	(761 )
Income tax expense	1,237	1,214
Net income (loss) including noncontrolling interest	2,430	(1,975 )
Net loss attributable to noncontrolling interest	(877 )	—
Net income (loss) attributable to Alpha and Omega Semiconductor Limited	\$3,307	\$(1,975 )
Net income (loss) per common share attributable to Alpha and Omega Semiconductor Limited		
Basic	\$0.14	\$(0.09 )
Diluted	\$0.14	\$(0.09 )
Weighted average number of common shares attributable to Alpha and Omega Semiconductor Limited used to compute net income (loss) per share		
Basic	23,031	22,698
Diluted	24,413	22,698

See accompanying notes to these condensed consolidated financial statements.



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ALPHA AND OMEGA SEMICONDUCTOR LIMITED  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(Unaudited, in thousands)

	Three Months Ended September 30,	
	2016	2015
Net income (loss) including noncontrolling interest	\$ 2,430	