

ALPHA & OMEGA SEMICONDUCTOR Ltd
Form 10-Q
February 09, 2017
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 December 31, 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 January 31, 2017: 23,605,765

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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)

	December 31, 2016	June 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 122,793	\$ 87,774
Restricted cash	324	188
Accounts receivable, net	24,482	26,594
Inventories	70,239	68,848
Other current assets	5,762	4,526
Total current assets	223,600	187,930
Property, plant and equipment, net	122,686	116,084
Deferred income tax assets - long term	5,502	12,132
Other long-term assets	10,240	2,359
Total assets	\$ 362,028	\$ 318,505
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 38,010	\$ 42,718
Accrued liabilities	25,099	22,590
Income taxes payable	2,583	2,356
Deferred margin	955	997
Capital leases	809	819
Total current liabilities	67,456	69,480
Income taxes payable - long term	1,608	1,577
Deferred income tax liabilities	2,924	2,973
Capital leases - long term	1,296	1,695
Other long term liabilities	623	741
Total liabilities	73,907	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 December 31, 2016 and June 30, 2016	—	—
Common shares, par value \$0.002 per share:		
Authorized: 50,000 shares, issued and outstanding: 29,214 shares and 23,594 shares, respectively at December 31, 2016 and 28,405 shares and 22,754 shares, respectively at June 30, 2016		57
Treasury shares at cost, 5,620 shares at December 31, 2016 and 5,651 shares at June 30, 2016	(49,934) (50,199)
Additional paid-in capital	202,370	191,444
Accumulated other comprehensive income (loss)	(422) 769
Retained earnings	106,284	100,071

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Total Alpha and Omega Semiconductor Limited shareholder's equity	258,356	242,142
Noncontrolling interest	29,765	(103)
Total equity	288,121	242,039
Total liabilities and equity	\$ 362,028	\$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 December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
Revenue	\$94,687	\$79,825	\$192,049	\$161,264
Cost of goods sold	72,593	64,853	148,011	131,231
Gross profit	22,094	14,972	44,038	30,033
Operating expenses				
Research and development	7,284	5,941	14,303	12,105
Selling, general and administrative	11,974	8,872	23,157	18,369
Impairment of long-lived assets	—	432	—	432
Total operating expenses	19,258	15,245	37,460	30,906
Operating income (loss)	2,836	(273)	6,578	(873)
Interest income and other income (loss), net	(70)	(316)	(119)	(467)
Interest expense	(24)	(7)	(50)	(17)
Net income (loss) before income taxes	2,742	(596)	6,409	(1,357)
Income tax expense	1,085	1,015	2,322	