

PDF SOLUTIONS INC
Form 10-Q
August 09, 2010
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period ended June 30, 2010

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 000-31311

PDF SOLUTIONS, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

25-1701361

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

**333 West San Carlos Street, Suite 700
San Jose, California**

(Address of Principal Executive Offices)

95110

(Zip Code)

(408) 280-7900

(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 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

The number of shares outstanding of the Registrant's Common Stock as of July 30, 2010 was 27,142,120.

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	June 30, 2010	December 31, 2009
	(In thousands, except par values)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 32,092	\$ 34,899
Accounts receivable, net of allowance of \$254 in 2010 and 2009	23,378	19,809
Prepaid expenses and other current assets	2,826	3,029
Total current assets	58,296	57,737
Property and equipment, net	1,059	1,573
Non-current investments	718	718
Intangible assets, net	2,061	2,954
Other non-current assets	805	495
Total assets	\$ 62,939	\$ 63,477
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 1,202	\$ 959
Accrued compensation and related benefits	3,704	4,438
Taxes payable and other accrued liabilities	2,575	3,502
Deferred revenue	1,680	1,584
Billings in excess of recognized revenue	690	1,953
Current portion of long-term liabilities	98	115
Total current liabilities	9,949	12,551
Long-term debt	50	117
Long-term income taxes payable	3,181	3,218
Other non-current liabilities	1,547	1,704
Total liabilities	14,727	17,590
Stockholders' equity:		
Preferred stock, \$0.00015 par value, 5,000 shares authorized: no shares issued and outstanding		
Common stock, \$0.00015 par value, 70,000 shares authorized: shares issued 30,757 at June 30, 2010 and 30,194 at December 31, 2009; shares outstanding 27,142 at June 30, 2010 and 26,651 at December 31, 2009	4	4
Additional paid-in-capital	197,517	194,081
Treasury stock at cost, 3,615 shares at June 30, 2010 and 3,543 shares at December 31, 2009	(19,071)	(18,715)
Accumulated deficit	(130,090)	(130,111)
Accumulated other comprehensive income (loss)	(148)	628
Total stockholders' equity	48,212	45,887
Total liabilities and stockholders' equity	\$ 62,939	\$ 63,477

See notes to unaudited condensed consolidated financial statements

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(In thousands, except per share amounts)			
Revenues:				
Design-to-silicon-yield solutions	\$ 10,814	\$ 7,292	\$ 21,231	\$ 15,086
Gainshare performance incentives	4,538	2,291	9,373	4,687
Total revenues	15,352	9,583	30,604	19,773
Costs of design-to-silicon-yield solutions:				
Direct costs of design-to-silicon-yield solutions	5,928	4,863	12,250	11,153
Amortization of acquired technology	360	360	719	719
Total costs of design-to-silicon-yield solutions				