

ALPHA & OMEGA SEMICONDUCTOR Ltd
Form 10-Q
February 06, 2013
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, 2012

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
(State or Other Jurisdiction of Incorporation or Organization)

77-0553536
(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, 2013: 25,429,722.

Alpha and Omega Semiconductor Limited
 Form 10-Q
 Fiscal Second Quarter Ended December 31, 2012
 TABLE OF CONTENTS

	Page
Part I.	FINANCIAL INFORMATION
Item 1.	<u>Financial Statements:</u>
	<u>Condensed Consolidated Balance Sheets as of December 31, 2012 and June 30, 2012 (Unaudited)</u>
	<u>Condensed Consolidated Statements of Income for the Three and Six Months Ended December 31, 2012 and December 31, 2011 (Unaudited)</u>
	<u>Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended December 31, 2012 and December 31, 2011 (Unaudited)</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended December 31, 2012 and December 31, 2011 (Unaudited)</u>
	<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
Item 4.	<u>Controls and Procedures</u>
Part II.	OTHER INFORMATION
Item 1.	<u>Legal Proceedings</u>
Item 1A.	Risk Factors
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds
Item 3.	Defaults Upon Senior Securities
Item 4.	Mine Safety Disclosures
Item 5.	Other Information
Item 6.	Exhibits

Table of Contents

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, 2012	June 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$91,864	\$82,166
Restricted cash	361	236
Accounts receivable, net	42,967	38,850
Inventories	71,488	65,778
Deferred income tax assets	2,835	2,789
Other current assets	3,752	3,962
Total current assets	213,267	193,781
Property, plant and equipment, net	151,160	158,543
Intangible assets, net	742	1,028
Goodwill	269	269
Deferred income tax assets	10,427	10,061
Other long-term assets	835	2,475
Total assets	\$376,700	\$366,157
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short term debt	\$2,857	\$3,571
Accounts payable	32,988	35,646
Accrued liabilities	19,184	21,026
Income taxes payable	2,450	2,349
Deferred margin	468	366
Capital leases	960	961
Total current liabilities	58,907	63,919
Long term debt	15,250	16,429
Income taxes payable - long term	3,626	3,509
Deferred income tax liabilities	1,622	587
Capital leases - long term	606	1,085
Deferred rent	1,338	1,235
Total liabilities	81,349	86,764
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Preferred shares, par value \$0.002 per share:		
Authorized: 10,000 shares; Issued and outstanding: none at December 31, 2012 and June 30, 2012	—	—
Common shares, par value \$0.002 per share:	51	50

Edgar Filing: ALPHA & OMEGA SEMICONDUCTOR Ltd - Form 10-Q

Authorized: 50,000 shares; Issued and outstanding: 25,625 shares and 25,396 shares at December 31, 2012 and 25,167 shares and 24,938 shares at June 30, 2012

Treasury shares at cost; 229 shares at December 31, 2012 and June 30, 2012	(2,106)	(2,104)
Additional paid-in capital	164,947		160,602	
Accumulated other comprehensive income	1,027		972	
Retained earnings	131,432		119,873	
Total shareholders' equity	295,351		279,393	
Total liabilities and shareholders' equity	\$376,700		\$366,157	

See accompanying notes to these condensed consolidated financial statements.

1

Table of Contents

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

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Revenue	\$89,448	\$80,713	\$185,209	\$164,161
Cost of goods sold	68,854	62,440	139,082	125,311
Gross profit	20,594	18,273	46,127	38,850
Operating expenses				
Research and development	6,866	8,108	13,799	16,502
Selling, general and administrative	8,838	7,833	17,619	17,116
Total operating expenses	15,704	15,941	31,418	33,618
Operating income	4,890	2,332	14,709	5,232
Interest income	20	25	37	64
Interest expense	(107) (44) (189)