

CABOT MICROELECTRONICS CORP  
Form 10-Q  
May 07, 2018  
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

March 31, 2018  
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 000-30205

CABOT MICROELECTRONICS CORPORATION  
(Exact name of registrant as specified in its charter)

DELAWARE 36-4324765  
(State of Incorporation) (I.R.S. Employer Identification No.)

870 NORTH COMMONS DRIVE 60504  
AURORA, ILLINOIS (Zip Code)  
(Address of principal executive offices)

Registrant's telephone number, including area code: (630) 375-6631

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.

YESXNO

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 (Section 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).

YESXNO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	Emerging growth company
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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NOX

As of April 30, 2018, the Company had 25,682,590 shares of Common Stock, par value \$0.001 per share, outstanding.

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CABOT MICROELECTRONICS CORPORATION

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## PART I. FINANCIAL INFORMATION

## ITEM 1.

CABOT MICROELECTRONICS CORPORATION  
 CONSOLIDATED STATEMENTS OF INCOME  
 (Unaudited and in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2018	2017	2018	2017
Revenue	\$ 142,978	\$ 119,184	\$ 282,957	\$ 242,438
Cost of goods sold	67,933	59,153	133,898	120,902
Gross profit	75,045	60,031	149,059	121,536
Operating expenses:				
Research, development and technical	13,368	14,090	25,519	27,486
Selling and marketing	6,790	7,268	12,626	14,820
General and administrative	17,799	14,699	36,714	27,195
Total operating expenses	37,957	36,057	74,859	69,501
Operating income	37,088	23,974	74,200	52,035
Interest expense	1,158	1,135	2,290	2,285
Other income, net	1,062	234	1,734	1,230
Income before income taxes	36,992	23,073	73,644	50,980
Provision for income taxes	7,255	4,793	46,990	10,469
Net income	\$ 29,737	\$ 18,280	\$ 26,654	\$ 40,511
Basic earnings per share	\$ 1.16	\$ 0.73	\$ 1.05	\$ 1.63
Weighted average basic shares outstanding	25,593	25,031	25,474	24,798
Diluted earnings per share	\$ 1.14	\$ 0.71	\$ 1.02	\$ 1.60
Weighted average diluted shares outstanding	26,161	25,526	26,076	25,304
Dividends per share	\$ 0.40	\$ 0.20	\$ 0.60	\$ 0.38

The accompanying notes are an integral part of these Consolidated Financial Statements.

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CABOT MICROELECTRONICS CORPORATION  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited and in thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2018	2017	2018	2017
Net income	\$29,737	\$18,280	\$26,654	\$40,511
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	3,961	13,883	11,105	(3,691 )
Unrealized gain on available-for-sale securities				