

# INTEVAC INC

## **FORM 8-K** (Current report filing)

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Address	3560 BASSETT STREET SANTA CLARA, CA, 95054
Telephone	4089869888
CIK	0001001902
Symbol	IVAC
SIC Code	3559 - Special Industry Machinery, Not Elsewhere Classified
Industry	Industrial Machinery & Equipment
Sector	Industrials
Fiscal Year	12/31

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**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of**  
**The Securities Exchange Act of 1934**

**May 2, 2011**

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**Date of Report (date of earliest event reported)**

**INTEVAC, INC.**

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(Exact name of Registrant as specified in its charter)

**State of California**  
(State or other jurisdiction  
of incorporation or organization)

**0-26946**  
(Commission File Number)

**94-3125814**  
(IRS Employer  
Identification Number)

**3560 Bassett Street**  
**Santa Clara, CA 95054**

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(Address of principal executive offices)

**(408) 986-9888**

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(Registrant's telephone number, including area code)

**N/A**

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(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition**

On May 2, 2011, Intevac, Inc. issued a press release reporting its financial results for the three months ended April 2, 2011. A copy of the press release issued by the Company concerning the foregoing results is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The foregoing information is intended to be furnished under Item 2.02 of Form 8-K, "Results of Operations and Financial Condition." This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits**

(c) Exhibits

99.1 Press Release.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTEVAC, INC.

Date: May 2, 2011

/s/ JEFFREY ANDRESON

Jeffrey Andreson  
Executive Vice President, Finance and  
Administration,  
Chief Financial Officer, Treasurer and Secretary



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3560 Bassett Street, Santa Clara CA 95054

Jeff Andreson  
Chief Financial Officer  
(408) 986-9888

Claire McAdams  
Investor Relations  
(530) 265-9899

### INTEVAC ANNOUNCES FIRST QUARTER 2011 FINANCIAL RESULTS

Santa Clara, Calif.—May 2, 2011—Intevac, Inc. (Nasdaq: IVAC) today reported financial results for the first quarter ended April 2, 2011.

“In a difficult quarter, we exceeded both our revenue and our earnings per share guidance,” commented Kevin Fairbairn, president and chief executive officer of Intevac. “With the two significant acquisitions announced recently in the hard drive market, we are clearly approaching an end state of consolidation. The enhanced scale of these companies will better enable them to fund the expenditures required to develop and deploy the next generation of higher areal density products. In the long-term, this consolidation bodes well for the hard drive industry, with numerous positive drivers for continued growth. Intevac’s technology leadership and operational flexibility position us well to support the industry’s growth and advanced technologies.

“In early April, we shipped our first LEAN SOLAR™ crystalline silicon deposition system and continued to make progress on expanding our product portfolio for the large solar cell manufacturing equipment market. In our Photonics business, we achieved record product shipments representing over 70% of Photonics revenue,” concluded Mr. Fairbairn.

#### First Quarter 2011 Summary

The net loss for the quarter was \$7.0 million, or \$0.31 per diluted share, compared to net income of \$1.4 million, or \$0.06 per diluted share, in the first quarter of 2010.

Revenues for the quarter were \$17.4 million, including \$10.2 million of Equipment revenues and Intevac Photonics revenues of \$7.2 million. Equipment revenues consisted of upgrades, spares and service. Intevac Photonics revenues consisted of \$1.9 million of research and development contracts and \$5.3 million of product sales or 73.3% of Photonics revenues. In the first quarter of 2010, revenues were \$33.1 million, including \$25.6 million of Equipment revenues and \$7.6 million of Intevac Photonics revenues which included \$3.4 million of product sales or 44.2% of Photonics revenues.

Equipment gross margin in the quarter was 45.3%, compared to 48.7% in the first quarter of 2010. The decrease in gross margin was primarily as a result of lower revenues and lower factory utilization. Intevac Photonics gross margin was 24.5% compared to 26.7% in the first quarter of 2010 and 19.1% in the fourth quarter of 2010. The increase from the fourth quarter was a result of improved yields related to our night vision camera module for our NATO customer. Consolidated gross margin was 36.6%, compared to 43.7% in the first quarter of 2010.

Operating expenses for the quarter totaled \$15.9 million, compared to \$13.1 million in the first quarter of 2010 and \$14.5 million in the fourth quarter of 2010, driven by increased development expenses for our new equipment products.

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Order backlog totaled \$41.7 million on April 2, 2011, compared to \$46.7 million on December 31, 2010 and \$152.3 million on April 3, 2010. Backlog at quarter end included two 200 Lean<sup>®</sup> systems, compared to two on December 31, 2010 and twenty-six on April 3, 2010.

### **Conference Call Information**

The company will discuss its financial results and outlook in a conference call today at 1:30 p.m. PDT (4:30 p.m. EDT). To participate in the teleconference, please call toll-free (877) 334-0811 prior to the start time. For international callers, the dial-in number is (408) 427-3734. You may also listen live via the Internet at the company's website, [www.intevac.com](http://www.intevac.com), under the Investors link, or at [www.earnings.com](http://www.earnings.com). For those unable to attend, these web sites will host an archive of the call. Additionally, a telephone replay of the call will be available for 48 hours beginning today at 7:30 p.m. EDT. You may access the replay by calling (800) 642-1687 or, for international callers, (706) 645-9291, and providing Replay Passcode 58264463.

### **About Intevac**

Intevac was founded in 1991 and has two businesses: Equipment and Intevac Photonics.

**Equipment Business:** We are a leader in the design, development and marketing of high productivity lean manufacturing systems and have been producing Lean Thinking platforms since 1994. We provide process manufacturing equipment solutions to the hard disk drive industry, high-productivity process manufacturing equipment and inspection solutions to the solar photovoltaic industry and wafer handling platforms to the semiconductor industry.

**Intevac Photonics:** We are a leader in the development and manufacture of leading edge, high-sensitivity imaging products and vision systems, as well as table-top and handheld Raman instruments. Markets addressed include military, industrial, medical and scientific.

For more information call 408-986-9888, or visit the company's website at [www.intevac.com](http://www.intevac.com).

*200 Lean<sup>®</sup> is a registered trademark, and LEAN SOLAR<sup>™</sup> is a trademark, of Intevac, Inc.*

### **Safe Harbor Statement**

This press release includes statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Intevac claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act. These forward-looking statements are often characterized by the terms "may," "believes," "projects," "expects," or "anticipates," and do not reflect historical facts. Specific forward-looking statements contained in this press release include, but are not limited to: expected demand for hard drives, the technology leadership and lead-time advantages of our systems, and the expansion of our product portfolio for the solar cell manufacturing market. The forward-looking statements contained herein involve risks and uncertainties that could cause actual results to differ materially from the company's expectations. These risks include, but are not limited to: oversupply in the media industry, a slowdown in demand for hard drives and the failure to introduce new products for the solar market, each of which could have a material impact on our business, our financial results, and the company's stock price. These risks and other factors are detailed in the company's regular filings with the U.S. Securities and Exchange Commission.

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**INTEVAC, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited, in thousands, except per share amounts)

	Three months ended	
	April 2, 2011	April 3, 2010
<b>Net revenues</b>		
Equipment	\$ 10,180	\$ 25,557
Intevac Photonics	7,243	7,585
Total net revenues	17,423	33,142
<b>Gross profit</b>	6,380	14,478
<b>Gross margin</b>		
Equipment	45.3%	48.7%
Intevac Photonics	24.5%	26.7%
Consolidated	36.6%	43.7%
<b>Operating expenses</b>		
Research and development	9,012	6,544
Selling, general and administrative	6,885	6,567
Total operating expenses	15,897	13,111
<b>Operating income (loss)</b>		
Equipment	(6,270)	3,880
Intevac Photonics	(1,583)	(1,184)
Corporate	(1,664)	(1,329)
Total operating income (loss)	(9,517)	1,367
<b>Interest and other income</b>	129	391
<b>Profit (loss) before income taxes</b>	(9,388)	1,758
<b>Provision (benefit) for income taxes</b>	(2,357)	328
<b>Net income (loss)</b>	<u>\$ (7,031)</u>	<u>\$ 1,430</u>
<b>Income (loss) per share</b>		
Basic	\$ (0.31)	\$ 0.06
Diluted	\$ (0.31)	\$ 0.06
<b>Weighted average common shares outstanding</b>		
Basic	22,727	22,196
Diluted	22,727	22,975

**INTEVAC, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except par value)

ASSETS	April 2, 2011	December 31, 2010
	(Unaudited)	(see Note)
<b>Current assets</b>		
Cash, cash equivalents and short-term investments	\$ 76,142	\$ 114,514
Accounts receivable, net	17,560	25,911
Inventories	21,764	20,671
Deferred tax assets	3,304	3,124
Prepaid expenses and other current assets	6,890	6,630
<b>Total current assets</b>	<b>125,660</b>	<b>170,850</b>
Long-term investments	52,294	22,866
Property, plant and equipment, net	15,252	13,918
Deferred tax assets	16,416	14,594
Goodwill	18,389	18,389
Other intangible assets, net	6,848	6,984
Other long-term assets	3,917	4,170
<b>Total assets</b>	<b>\$ 238,776</b>	<b>\$ 251,771</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 5,147	\$ 5,562
Accrued payroll and related liabilities	4,578	11,365
Other accrued liabilities	10,612	11,104
Customer advances	4,805	4,867
<b>Total current liabilities</b>	<b>25,142</b>	<b>32,898</b>
Other long-term liabilities	10,973	11,630
<b>Stockholders' equity</b>		
Common stock (\$0.001 par value)	23	23
Additional paid in capital	142,281	139,824
Accumulated other comprehensive income	247	255
Retained earnings	60,110	67,141
<b>Total stockholders' equity</b>	<b>202,661</b>	<b>207,243</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 238,776</b>	<b>\$ 251,771</b>

Note: Amounts as of December 31, 2010 are derived from the December 31, 2010 audited consolidated financial statements.