

INTEVAC INC

FORM 8-K (Current report filing)

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Address	3560 BASSETT STREET SANTA CLARA, CA, 95054
Telephone	4089869888
CIK	0001001902
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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**

April 23, 2004

Date of Report (date of earliest event reported)

INTEVAC, INC.

(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**

(Address of principal executive offices)

(408) 986-9888

(Registrant's telephone number, including area code)

N/A

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

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Item 12. Results of Operations and Financial Condition

On April 23, 2004, Intevac, Inc. issued a press release reporting its financial results for the quarter ended March 27, 2004. 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.

Item 7. 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: April 23, 2004

By: /s/ CHARLES B. EDDY III

Charles B. Eddy III
Vice President, Finance and Administration,
Chief Financial Officer, Treasurer and Secretary

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release.



3560 Bassett Street, Santa Clara CA 95054

Charles Eddy
Chief Financial Officer
(408) 986-9888

Dan Matsui/Eugene Heller
Silverman Heller Associates
(310) 208-2550
dmatsui@sha-ir.com

**INTEVAC REPORTS
FIRST-QUARTER 2004 FINANCIAL RESULTS**

Santa Clara, Calif. — April 23, 2004 —Intevac, Inc. (Nasdaq: IVAC), today reported financial results for the three-month period ended March 27, 2004.

Revenues were \$6.5 million, including \$4.2 million of Equipment revenues and \$2.3 million of Imaging revenues. Equipment revenues consisted of upgrades, spares, consumables and service. Revenues did not include any of the three 200 Lean systems delivered as of the end of the quarter. Imaging revenues were derived primarily from research and development contracts. In the first quarter of 2003, we reported revenues of \$12.0 million, including \$7.3 million from flat panel display manufacturing products, \$3.1 million from thin-film disk manufacturing products and \$1.6 million of Imaging revenues.

Net loss for the quarter was \$3.3 million or \$0.18 per diluted share. The \$3.3 million net loss included \$671,000 of costs for actual and expected obsolescence, scrap and rework charges related primarily to design changes on Intevac's disk manufacturing systems. In the first quarter of 2003, we reported a net loss of \$4.0 million, or \$0.33 per diluted share.

During the first quarter we completed a public offering of 4,750,000 shares of our common stock, of which 2,969,000 were newly issued and outstanding shares sold by us for net proceeds of \$41.6 million. 19,991,293 shares of our common stock were outstanding at March 27, 2004.

Order backlog totaled \$52.0 million on March 27, 2004, compared to \$43.3 million on December 31, 2003, and \$12.2 million on March 29, 2003. The increase in backlog was primarily the result of orders for disk manufacturing systems and upgrades, and to a lesser extent, orders for contract research and development in the Imaging business. The March 2004 backlog does not include an order, received after quarter-end, for a new MDP-250B disk sputtering system.

Intevac Chief Executive Kevin Fairbairn commented: "After delivering our first 200 Lean in December, we delivered two more 200 Leans in the first quarter, and are currently preparing the fourth 200 Lean for shipment. We have put the personnel and inventory in place to deliver and install the remaining 200 Leans in backlog during Q2.

"Our efforts are now directed at completing delivery, starting up the systems in our customers plant and helping our customer achieve a very rapid production ramp," Fairbairn added. "In parallel we are working with our customer's engineering staff to develop and qualify additional improvements on the 200 Lean to address the needs for next generation hard drive disk media technology. We expect the eleven tools in backlog will be accepted and recognized for revenue over the next few quarters."

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Conference Call Information

The Company will discuss its financial results in a conference call April 23, 2004 at 8:00 a.m. PDT (11:00 a.m. EDT). To participate in the teleconference, please call toll-free (800) 291-8929 prior to the start time. For international callers, the dial-in number is (706) 634-0478. You may also listen live via the Internet at the Company's website, www.Intevac.com, under the Investors link, or www.FullDisclosure.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 beginning at 11 a.m. PDT on April 23 through midnight April 27. You may access the playback by calling (800) 642-1687 or, for international callers (706) 645-9291, and providing conference ID 4979682.

About Intevac

Intevac is the world's leading supplier of disk sputtering equipment for the thin-film disk industry and a developer of leading technology for extreme low light imaging sensors, cameras and systems.

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 shipment, acceptance and revenue recognition of 200 Lean systems. 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 and other factors include the risk of our inability to accurately forecast the size of markets and the timing of orders and deliveries for our products and services, difficulties and delays in completing, delivering, installing and obtaining acceptance for our systems, especially the first orders for our new 200 Lean and the possibility that orders in backlog may be cancelled, delayed or rescheduled, and are detailed the Company's regular filings with the Securities and Exchange Commission.

[Financial tables on following pages]

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	3 months ended	
	March 27, 2004	March 29, 2003
	(Unaudited)	(Unaudited)
Net revenues		
Equipment Products	\$ 4,153	\$ 10,417
Imaging	2,346	1,598
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Total net revenues	6,499	12,015
Gross profit (loss)	1,665	1,160
Gross margin		
Equipment Products	30.8%	8.3%
Imaging	16.4%	18.8%
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Consolidated	25.6%	9.7%
Operating expenses		
Research and development	3,058	2,629
Selling, general and administrative	2,170	1,925
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Total operating expenses	5,228	4,554
Operating income/(loss)		
Equipment Products	(2,218)	(1,220)
Imaging	(825)	(1,627)
Corporate	(520)	(547)
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Total operating loss	(3,563)	(3,394)
Other income (expense)	238	(618)
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Profit/(Loss) before provision for income taxes	(\$3,325)	(\$4,012)
Provision for (Benefit from) income taxes	(12)	—
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Net Income/(Loss)	(\$3,313)	(\$4,012)
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Income (loss) per share		
Basic	(\$0.18)	(\$0.33)
Diluted ^a	(\$0.18)	(\$0.33)
Weighted average common shares outstanding		
Basic	18,736	12,164
Diluted ^a	18,736	12,164

^a Diluted earnings per share exclude “as converted” treatment of the Company’s 6 1/2% Convertible Subordinated Notes Due 2004 and the Company’s 6 1/2% Convertible Subordinated Notes Due 2009 and the effect of outstanding stock options when these potentially dilutive securities are anti-dilutive to earnings per share

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	<u>March 27, 2004</u>	<u>Dec. 31, 2003</u>
ASSETS		
Current assets		
Cash, cash equivalents and short term investments	\$ 58,270	\$ 19,507
Accounts receivable, net	9,937	14,016
Inventories — production	21,608	7,677
Inventories — pending acceptance at customer site	8,265	5,431
Prepaid expenses and other current assets	1,107	1,113
	<hr/>	<hr/>
Total current assets	99,187	47,744
Property, plant and equipment, net	6,176	5,796
Investment in 601 California Avenue LLC	2,431	2,431
Debt issuance costs and other	3	4
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Total assets	\$107,797	\$ 55,975
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Convertible Notes	\$ —	\$ 1,025
Accounts payable	10,611	3,396
Accrued payroll and related liabilities	1,743	1,610
Other accrued liabilities	2,190	2,643
Customer advances	23,712	16,432
	<hr/>	<hr/>
Total current liabilities	38,256	25,106
Convertible notes	—	—
Shareholders' equity		
Common stock	93,967	51,982
Retained earnings (deficit)	(24,426)	(21,113)
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Total shareholders' equity	69,541	30,869
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Total liabilities and shareholders' equity	\$107,797	\$ 55,975
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