

Rubicon Technology, Inc.  
Form 10-Q  
November 06, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 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 September 30, 2009 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 001-33834

**RUBICON TECHNOLOGY, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**36-4419301**  
(I.R.S. Employer  
Identification No.)

**9931 Franklin Avenue**

**Franklin Park, Illinois**  
(Address of Principal Executive Offices)

**60131**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (847) 295-7000**

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 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.

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

As of November 5, 2009 the Registrant had 20,053,293 shares of common stock, par value \$0.001 per share, outstanding.

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**RUBICON TECHNOLOGY, INC.**

**Quarterly Report on Form 10-Q**

**For the quarterly period ended September 30, 2009**

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**Table of Contents****PART I FINANCIAL INFORMATION****ITEM 1. Consolidated Financial Statements  
Rubicon Technology, Inc.****Consolidated balance sheets**

	September 30, 2009	December 31, 2008
	(unaudited)	
	(in thousands other than share data)	
<b>Assets</b>		
Cash and cash equivalents	\$ 3,816	\$ 7,629
Restricted cash	10	5
Short-term investments	41,594	37,328
Accounts receivable, net of allowances of \$239 and \$629	3,395	2,542
Inventories, net	7,247	7,882
Spare parts	1,956	3,569
Prepaid expenses and other current assets	838	1,357
<b>Total current assets</b>	<b>58,856</b>	<b>60,312</b>
Property and equipment, net	38,585	39,337
Investments	2,000	12,696
<b>Total assets</b>	<b>\$ 99,441</b>	<b>\$ 112,345</b>
<b>Liabilities and stockholders equity</b>		
Accounts payable	\$ 868	\$ 2,440
Accrued payroll	325	677
Corporate income and franchise taxes	143	255
Accrued and other current liabilities	530	580
<b>Total current liabilities</b>	<b>1,866</b>	<b>3,952</b>
<b>Commitments and contingencies (Note 9)</b>		
<b>Stockholders equity</b>		
Preferred stock, \$0.001 par value, 5,000,000 undesignated shares authorized, no shares issued or outstanding		
Common stock, \$0.001 par value, 85,000,000 shares authorized, 21,301,600 and 21,279,692 shares issued and outstanding	21	21
Additional paid-in capital	261,299	260,581
Treasury stock, at cost 1,249,975 and 730,733 shares	(5,661)	(3,084)
Accumulated other comprehensive income	45	129
Accumulated deficit	(158,129)	(149,254)

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Total stockholders' equity	97,575	108,393
Total liabilities and stockholders' equity	\$ 99,441	\$ 112,345

The accompanying notes are an integral part of these consolidated statements.

**Table of Contents****Rubicon Technology, Inc.****Consolidated statements of operations**

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	(unaudited)			
	(in thousands, other than share data)			
Revenue	\$ 5,737	\$ 11,758	\$ 11,280	\$ 33,796
Cost of goods sold	6,143	7,514	15,956	21,351
Gross profit (loss)	(406)	4,244	(4,676)	12,445
Operating expenses:				
General and administrative	1,264	1,356	3,424	5,301
Sales and marketing	310	218	799	699
Research and development	216	179	566	679
Loss on disposal of assets		1,215		1,215
Income (loss) from operations	(2,196)	1,276	(9,465)	4,551
Other income (expense):				
Interest income	149	392	556	1,693
Interest expense	(2)		(2)	(2)
Realized gain (loss) on investments	(13)		36	
Total other income (expense)	134	392	590	1,691
Income (loss) before income taxes	(2,062)	1,668	(8,875)	6,242
Income tax expense		49		173
Net income (loss)	\$ (2,062)	\$ 1,619	\$ (8,875)	\$ 6,069
Net income (loss) per common share				
Basic	\$ (0.10)	\$ 0.08	\$ (0.44)	\$ 0.29
Diluted	\$ (0.10)	\$ 0.07	\$ (0.44)	\$ 0.27
Weighted average common shares outstanding used in computing net income (loss) per common share				
Basic	20,032,470	21,222,321	20,112,967	20,891,128
Diluted	20,032,470	22,084,570	20,112,967	22,262,889

The accompanying notes are an integral part of these consolidated statements.

**Table of Contents****Rubicon Technology, Inc.****Consolidated statements of cash flows**

	<b>Nine months ended September 30, 2009                      2008 (unaudited) (in thousands)</b>	
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ (8,875)	\$ 6,069
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities		
Depreciation and amortization	3,976	3,236
Net loss on disposal of equipment		1,215
Stock-based compensation	682	571
Realized gain on investments	(36)	
Changes in operating assets and liabilities:		
Accounts receivable	(853)	(3,364)
Inventories	635	(3,080)
Spare parts	1,613	(1,571)
Prepaid expenses and other current assets	519	62
Accounts payable	(1,572)	1,341
Accrued payroll	(352)	(158)
Deferred revenue		(583)
Corporate income and franchise taxes	(112)	(179)
Accrued and other current liabilities	(50)	(325)
Net cash (used in) provided by operating activities	(4,425)	3,234
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(3,224)	(15,807)
Proceeds from sale of investments	6,382	12,716
Net cash provided by (used in) investing activities	3,158	(3,091)
<b>Cash flows from financing activities</b>		
Payment of issuance costs of initial public offering		(38)
Proceeds from exercise of options	36	602
Restricted cash	(5)	3
Payments on capital lease		(29)
Purchase of treasury stock	(2,577)	
Net cash (used in) provided by financing activities	(2,546)	538
Net increase (decrease) in cash and cash equivalents	(3,813)	681
Cash and cash equivalents, beginning of period	7,629	4,380
Cash and cash equivalents, end of period	\$ 3,816	\$ 5,061

