

GSI TECHNOLOGY INC
Form 10-Q
February 03, 2017
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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 December 31, 2016

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 001-33387

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GSI Technology, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

77-0398779

(IRS Employer Identification No.)

1213 Elko Drive

Sunnyvale, California 94089

(Address of principal executive offices, zip code)

(408) 331-8800

(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 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. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
No

The number of shares of the registrant's common stock outstanding as of January 31, 2017: 20,383,726

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

GSI TECHNOLOGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	December 31, 2016	March 31, 2016
	(In thousands, except share and per share amounts)	
ASSETS		
Cash and cash equivalents	\$ 30,495	\$ 31,963
Short-term investments	16,510	23,149
Accounts receivable, net	7,059	7,478
Inventories	9,243	7,174
Prepaid expenses and other current assets	3,160	2,198
Total current assets	66,467	71,962
Property and equipment, net	7,929	8,653
Long-term investments	14,122	11,148
Goodwill	7,978	8,030
Intangible assets, net	3,381	3,651
Other assets	2,461	3,086
Total assets	\$ 102,338	\$ 106,530
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 2,127	\$ 2,514
Accrued expenses and other liabilities	6,379	4,398
Deferred revenue	2,211	2,330
Total current liabilities	10,717	9,242

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Income taxes payable	242	116
Long-term deferred income taxes	—	811
Other accrued expenses	5,136	6,492
Total liabilities	16,095	16,661
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock: \$0.001 par value authorized: 5,000,000 shares; issued and outstanding: none	—	—
Common Stock: \$0.001 par value authorized: 150,000,000 shares; issued and outstanding: 20,360,401 and 21,716,364 shares, respectively	20	22
Additional paid-in capital	20,267	25,050
Accumulated other comprehensive income (loss)	(48)	27
Retained earnings	66,004	64,770
Total stockholders' equity	86,243	89,869
Total liabilities and stockholders' equity	\$ 102,338	\$ 106,530

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

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GSI TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
	(In thousands, except per share amounts)			
Net revenues	\$ 11,484	\$ 12,921	\$ 37,788	\$ 40,523
Cost of revenues	4,989	6,535	17,228	19,925
Gross profit	6,495	6,386	20,560	20,598
Operating expenses:				
Research and development	3,813	2,782	11,594	8,720
Selling, general and administrative	2,448	5,164	7,963	14,743
Total operating expenses	6,261	7,946	19,557	23,463
Income (loss) from operations	234	(1,560)	1,003	(2,865)
Interest income, net	81	78	227	229
Other income (expense), net	(20)	11	68	(45)
Income (loss) before income taxes	295	(1,471)	1,298	(2,681)
Provision (benefit) for income taxes	(53)	(652)	64	(598)
Net income (loss)	\$ 348	\$ (819)	\$ 1,234	\$ (2,083)
Net income (loss) per share:				
Basic	\$ 0.02	\$ (0.04)	\$ 0.06	\$ (0.09)
Diluted	\$ 0.02	\$ (0.04)	\$ 0.06	\$ (0.09)
Weighted average shares used in per share calculations:				
Basic	20,300	22,612	20,707	22,743
Diluted	21,097	22,612	21,239	22,743

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

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GSI TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)