

NOVANTA INC
Form 10-Q
November 02, 2016

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 September 30, 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 No. 001-35083

Novanta Inc.

(Exact name of registrant as specified in its charter)

New Brunswick, Canada (State or other jurisdiction of incorporation or organization)	98-0110412 (I.R.S. Employer Identification No.)
125 Middlesex Turnpike Bedford, Massachusetts, USA	01730

Edgar Filing: NOVANTA INC - Form 10-Q

(Address of principal executive offices) (Zip Code)

(781) 266-5700

(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 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 (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). 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 October 28, 2016, there were 34,443,526 of the Registrant's common shares, no par value, issued and outstanding.

NOVANTA INC.

TABLE OF CONTENTS

Item No.	Page No.
<u>PART I — FINANCIAL INFORMATION</u>	1
ITEM 1. <u>FINANCIAL STATEMENTS</u>	1
<u>CONSOLIDATED BALANCE SHEETS (unaudited)</u>	1
<u>CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)</u>	2
<u>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (unaudited)</u>	3
<u>CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)</u>	4
<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)</u>	5
ITEM 2. <u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	23
ITEM 3. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	35
ITEM 4. <u>CONTROLS AND PROCEDURES</u>	35
<u>PART II — OTHER INFORMATION</u>	36
ITEM 1. <u>LEGAL PROCEEDINGS</u>	36
ITEM 1A. <u>RISK FACTORS</u>	36
ITEM 2. <u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	36
ITEM 3. <u>DEFAULTS UPON SENIOR SECURITIES</u>	37
ITEM 4. <u>MINE SAFETY DISCLOSURES</u>	37
ITEM 5. <u>OTHER INFORMATION</u>	37
ITEM 6. <u>EXHIBITS</u>	38
<u>SIGNATURES</u>	39
<u>EXHIBIT INDEX</u>	40

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

NOVANTA INC.

CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. dollars or shares)

(Unaudited)

	September 30, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 64,739	\$ 59,959
Accounts receivable, net of allowance of \$536 and \$500, respectively	61,787	57,188
Inventories	59,614	59,566
Income taxes receivable	4,505	2,510
Prepaid expenses and other current assets	5,621	5,989
Total current assets	196,266	185,212
Property, plant and equipment, net	34,911	40,550
Deferred tax assets	5,886	7,885
Other assets	10,466	12,673
Intangible assets, net	60,871	66,269
Goodwill	108,337	103,456
Total assets	\$ 416,737	\$ 416,045
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	\$ 7,365	\$ 7,385
Accounts payable	28,179	24,401
Income taxes payable	1,274	3,985
Accrued expenses and other current liabilities	30,074	