

NOVA MEASURING INSTRUMENTS LTD
Form 6-K
May 01, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2019

Commission File No.: 000-30668

NOVA MEASURING INSTRUMENTS LTD.
(Translation of registrant's name into English)

Building 22 Weizmann Science Park, Rehovot
P.O.B 266
Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Attached hereto and incorporated by way of reference herein is a press release issued by the Registrant and entitled: "Nova Reports First Quarter 2019 Results".

The GAAP financial statements tables included in the press release attached hereto are hereby incorporated by reference into the Registrant's registration statements on Form S-8, filed with the Securities and Exchange Commission on the following dates: November 5, 2007 (File No. 333-147140); October 25, 2012 (File No. 333-184585), March 6, 2015 (File No. 333-202550); and August 25, 2017 (File No. 333-220158).

SIGNATURES

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, thereunto duly authorized.

NOVA MEASURING INSTRUMENTS LTD.
(Registrant)

Date: May 1, 2019

By: /s/ Dror David

Dror David
Chief Financial Officer

| | |
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| Dror David, Chief Financial Officer | Miri Segal |
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Company Press Release

Nova Reports First Quarter 2019 Results

Rehovot, Israel, May 1, 2019 - Nova (Nasdaq: NVMI) today announced financial results for the first quarter 2019, the period ended March 31, 2019.

First Quarter 2019 Highlights:

- Quarterly revenue of \$56.7 million, meeting guidance of \$52 Million to \$58 Million.
- GAAP net income of \$7.8 million, or \$0.27 per diluted share, exceeding guidance of \$0.15 to \$0.26 per share
- Non-GAAP net income of \$10.4 million, or \$0.37 per diluted share, exceeding guidance of \$0.24 to \$0.34 per share
- Five customers contributed 10% or more each to total product revenues, including two Foundry and three Memory providers
- Additional Memory penetration and extensive deliveries to leading edge Foundry led to a balanced revenue mix

GAAP Results (\$K)

| | Q1 2019 | Q4 2018 | Q1 2018 |
|----------------------------|----------|----------|----------|
| Revenues | \$56,657 | \$63,072 | \$62,603 |
| Net Income | \$7,756 | \$15,152 | \$14,080 |
| Earnings per Diluted Share | \$0.27 | \$0.53 | \$0.49 |

NON-GAAP Results (\$K)

| | Q1 2019 | Q4 2018 | Q1 2018 |
|----------------------------|----------|----------|----------|
| Net Income | \$10,449 | \$16,914 | \$15,430 |
| Earnings per Diluted Share | \$0.37 | \$0.59 | \$0.54 |

A reconciliation between GAAP operating results and non-GAAP operating results is provided following the financial statements that are part of this release. Non-GAAP results exclude amortization of acquired intangible assets, stock-based compensation expenses, facilities transition costs, revaluation of long-term liabilities and tax effect of non-GAAP adjustments.

Management Comments

“Nova continued to demonstrate solid execution through the first quarter of 2019, with revenue within the guidance range and EPS exceeding guidance. The results demonstrate the efficient business model we have built predicated on growing diversification in our revenue mix, customer base and technology offering” commented Eitan Oppenheim, President and Chief Executive Officer of Nova. “Looking forward, we are confident in our strategy and expect that our balanced market exposure, combined with our newly awaited products, will further strengthen the company’s fundamentals and will support our long-term growth plans as market conditions improve beyond the interim industry volatility.”

2019 Second Quarter Financial Outlook

Management provided an outlook for the second quarter, the period ending June 30, 2019. Based on current estimates, management expects:

·\$45 million to \$53 million in revenue

·\$0.09 to \$ 0.26 in diluted GAAP EPS

·\$ 0.17 to \$ 0.35 in diluted non-GAAP EPS

2019 First Quarter Results

Total revenues for the first quarter of 2019 were \$56.7 million, a decrease of 10% compared to the fourth quarter of 2018 and the first quarter of 2018.

Gross margin for the first quarter of 2019 was 56%, compared to 57% gross margin in the fourth quarter of 2018, and compared to the gross margin of 58% in the first quarter of 2018.

Operating expenses in the first quarter of 2019 were \$22.9 million, compared with \$20.7 in the fourth quarter of 2018, and compared with \$20.3 million in the first quarter of 2018.

On a GAAP basis, the company reported net income of \$7.8 million, or \$0.27 per diluted share, in the first quarter of 2019. This is compared with \$15.2 million, or \$0.53 per diluted share, in the fourth quarter of 2018, and compared with net income of \$14.1 million, or \$0.49 per diluted share, in the first quarter of 2018.

On a non-GAAP basis, which exclude amortization of acquired intangible assets, stock-based compensation expenses, facilities transition costs, revaluation of long-term liabilities and tax effect of non-GAAP adjustments, the company reported net income of \$10.4 million, or \$0.37 per diluted share, in the first quarter of 2019. This is compared with net income of \$16.9 million, or \$0.59 per diluted share, in the fourth quarter of 2018, and compared with net income of \$15.4 million, or \$0.54 per diluted share, in the first quarter of 2018.

Conference Call Information

Nova will host a conference call today, May 1, 2019, at 9 a.m. Eastern Time, to discuss the financial results and future outlook. To attend the conference call, please dial one of the following teleconferencing numbers. Please begin by placing your calls five minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

U.S. Dial-in Number: 1-888-394-8218

ISRAEL Dial-in Number: 1-809-212-883

INTERNATIONAL Dial-in Number: 1-323-701-0225

At:

9 a.m. Eastern Time

6 a.m. Pacific Time

4 p.m. Israeli Time

Please reference conference ID 3002923

The conference call will also be webcast live from a link on Nova's website at <http://ir.novami.com>.

A replay of the conference call will be available from May 1, 2019 at 12 p.m. Eastern Time to May 8, 2019 at 11:59 p.m. Eastern Time. To access the replay, please dial one of the following numbers:

Replay Dial-in TOLL-FREE 1-844-512-2921

Replay Dial-in TOLL/INTERNATIONAL 1-412-317-6671

Replay Pin Number: 3002923

A replay will also be available for 90 days on Nova's website at <http://ir.novami.com>.

About Nova: Nova is a leading innovator and key provider of metrology solutions for advanced process control used in semiconductor manufacturing. Nova delivers continuous innovation by providing state-of-the-art high-performance metrology solutions for effective process control throughout the semiconductor fabrication lifecycle. Nova's product portfolio, which combines high-precision hardware and cutting-edge software, provides its customers with deep insight into the development and production of the most advanced semiconductor devices. Nova's unique capability to deliver innovative X-ray and Optical solutions enable its customers to improve performance, enhance product yields and accelerate time to market. Nova acts as a partner to semiconductor manufacturers from its offices around the world. Additional information may be found at www.novami.com.

Nova is traded on the NASDAQ & TASE under the symbol NVMI.

This press release provides financial measures that exclude amortization of acquired intangible assets, stock-based compensation expenses, facilities transition costs, revaluation of long-term liabilities and tax effect of non-GAAP adjustments and are therefore not calculated in accordance with generally accepted accounting principles (GAAP). Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding Nova's performance because they reflect our operational results and enhances management's and investors' ability to evaluate Nova's performance before charges or benefits considered by management to be outside Nova's ongoing operating results. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management believes that it is in the best interest of its investors to provide financial information that will facilitate comparison of both historical and future results and allows greater transparency to supplemental information used by management in its financial and operational decision making. A reconciliation of each GAAP to non-GAAP financial measure discussed in this press release is contained in the accompanying financial tables.

This press release contains forward-looking statements within the meaning of safe harbor provisions of the Private Securities Litigation Reform Act of 1995 relating to future events or our future performance, such as statements regarding, but are not limited to, anticipated growth opportunities and projections about our business and its future revenues, expenses and profitability. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied in those forward-looking statements. Factors that may affect our results, performance, circumstances or achievements include, but are not limited to, the following: our dependency on three product lines; our dependency on a small number of large customers and small number of suppliers; the highly cyclical and competitive nature of the markets we target and we operate in; our inability to reduce spending during a slowdown in the semiconductor industry; our ability to respond effectively on a timely basis to rapid technological changes; our dependency on PEMs; risks related to exclusivity obligations and non-limited liability that may be included in our commercial agreements and arrangements; our ability to retain our competitive position despite the ongoing consolidation in our industry; risks related to our dependence on our manufacturing facilities; risks related to changes in our order backlog; risks related to efforts to complete and integrate current and/or future acquisitions; risks related to the worldwide financial instabilities; risks related to our intellectual property; new product offerings from our competitors; unanticipated manufacturing or supply problems; risks related to government programs we participate in; risks related to taxation;

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changes in customer demand for our products; risks related to currency fluctuations; risks related to technology security threats and changes in privacy laws; risks related to acquisitions we may pursue and risks related to our operations in Israel. We cannot guarantee future results, levels of activity, performance or achievements. The matters discussed in this press release also involve risks and uncertainties summarized under the heading “Risk Factors” in Nova’s Annual Report on Form 20-F for the year ended December 31, 2018 filed with the Securities and Exchange Commission on February 28, 2019. These factors are updated from time to time through the filing of reports and registration statements with the Securities and Exchange Commission. Nova Measuring Instruments Ltd. does not assume any obligation to update the forward-looking information contained in this press release.

(Tables to Follow)

NOVA MEASURING INSTRUMENTS LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands) - (Unaudited)

| | As of March 31, 2019 | December 31, 2018 |
|---|-------------------------------|-------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 36,134 | 22,877 |
| Short-term interest-bearing bank deposits | 155,323 | 152,951 |
| Trade accounts receivable | 46,921 | 53,531 |
| Inventories | 45,631 | 41,786 |
| Other current assets | 10,359 | 10,961 |
| Total current assets | 294,368 | 282,106 |
| Long-term assets | | |
| Long-term interest-bearing bank deposits | 2,000 | 2,000 |
| Deferred tax assets | 4,070 | 3,873 |
| Severance pay funds | 1,436 | 1,394 |
| Property and equipment, net | 15,025 | 13,756 |
| Identifiable intangible assets, net | 9,530 | 10,187 |
| Operating lease right-of-use assets | 27,826 | - |
| Goodwill | 20,114 | 20,114 |
| Total long-term assets | 80,001 | 51,324 |
| Total assets | 374,369 | 333,430 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Trade accounts payable | 22,319 | 19,015 |
| Deferred revenues | 5,118 | 3,984 |
| Operating lease current liabilities | 3,236 | - |
| Other current liabilities | 23,239 | 25,079 |
| Total current liabilities | 53,912 | 48,078 |
| Long-term liabilities | | |
| Liability for employee severance pay | 2,329 | 2,254 |
| Operating lease long-term liabilities | 25,697 | - |
| Other long-term liabilities | 2,422 | 2,358 |
| Total long-term liabilities | 30,448 | 4,612 |
| Shareholders' equity | 290,009 | 280,740 |
| Total liabilities and shareholders' equity | 374,369 | 333,430 |

NOVA MEASURING INSTRUMENTS LTD.CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(U.S. dollars in thousands, except per share data) - (Unaudited)

| | Three months ended | |
|--|-----------------------|----------------------|
| | March 31, 2019 | March 31, 2018 |
| Revenues: | | |
| Products | 44,061 | 50,185 |
| Services | 12,596 | 12,418 |
| Total revenues | 56,657 | 62,603 |
| Cost of revenues: | | |
| Products | 17,577 | 17,969 |
| Services | 7,496 | 8,277 |
| Total cost of revenues | 25,073 | 26,246 |
| Gross profit | 31,584 | 36,357 |
| Operating expenses: | | |
| Research and development expenses, net | 12,584 | 11,226 |
| Sales and marketing expenses | 7,146 | 6,231 |
| General and administrative expenses | 2,522 | 2,230 |
| Amortization of acquired intangible assets | 656 | 653 |
| Total operating expenses | 22,908 | 20,340 |
| Operating income | 8,676 | 16,017 |
| Financing income, net | 510 | 448 |
| Income before tax on income | 9,186 | 16,465 |
| Income tax expenses | 1,430 | 2,385 |
| Net income for the period | 7,756 | 14,080 |
| Earnings per share: | | |
| Basic | 0.28 | 0.50 |
| Diluted | 0.27 | 0.49 |
| Shares used for calculation of earnings per share: | | |
| Basic | 27,932 | 27,915 |
| Diluted | 28,580 | 28,739 |

NOVA MEASURING INSTRUMENTS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(U.S. dollars in thousands) - (Unaudited)

| | Three months ended | |
|---|-----------------------|----------------------|
| | March 31, 2019 | March 31, 2018 |
| Cash flows from operating activities: | | |
| Net income for the period | 7,756 | 14,080 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,700 | 1,568 |
| Amortization of deferred stock-based compensation | 1,212 | 834 |
| Decrease (increase) in liability for employee termination benefits, net | 33 | (41) |
| Deferred tax assets, net | (197) | (136) |
| Decrease in trade accounts receivable | 6,610 | 3,567 |
| Increase in inventories | (4,532) | (4,475) |
| Decrease in other current assets | 602 | 1,506 |
| Increase in trade accounts payable | 3,304 | 2,353 |
| Decrease in other current liabilities and other long-term liabilities | (1,122) | (2,684) |
| Increase (decrease) in short term deferred revenues | 1,134 | (4,369) |
| Net cash provided by operating activities | 17,500 | 12,203 |
| Cash flow from investment activities: | | |
| Increase in short-term and long-term interest-bearing bank deposits | (2,372) | *(10,808) |
| Additions to property and equipment | (1,977) | (361) |
| Net cash used in investment activities | (4,349) | *(11,169) |
| Cash flows from financing activities: | | |
| Shares issued under employee stock-based plans | 106 | 87 |
| Net cash provided by financing activities | 106 | 87 |
| Increase in cash and cash equivalents and restricted cash | 13,257 | *1,121 |
| Cash and cash equivalents and restricted cash – beginning of period | 24,877 | *28,447 |
| Cash and cash equivalents and restricted cash – end of period | 38,134 | *29,568 |
| Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheet | | |
| Cash and cash equivalents | 36,134 | 28,468 |
| Restricted cash included in Long-term interest-bearing bank deposits | 2,000 | 1,100 |
| Total cash, cash equivalents, and restricted cash | 38,134 | 29,568 |

*Reclassified

NOVA MEASURING INSTRUMENTS LTD.RECONCILIATION OF GAAP TO NON-GAAP RESULTS

(U.S. dollars in thousands, except percentage and per share data) - (Unaudited)

| | Three months ended | | |
|---|----------------------|-------------------------|----------------------|
| | March 31, 2019 | December 31, 2018 | March 31, 2018 |
| GAAP gross profit | 31,584 | 35,710 | 36,357 |
| Stock-based compensation expenses | 234 | 269 | 171 |
| Facilities transition costs | 212 | - | - |
| Non-GAAP gross profit | 32,030 | 35,979 | 36,528 |
| GAAP gross margin as a percentage of revenues | 56 % | 57 % | 58 % |
| Non-GAAP gross margin as a percentage of revenues | 57 % | 57 % | 58 % |
| | | | |
| GAAP operating income | 8,676 | 15,054 | 16,017 |
| Stock-based compensation expenses | 1,212 | 1,245 | 834 |
| Amortization of acquired intangible assets | 656 | 654 | 653 |
| Facilities transition costs | 614 | - | - |
| Non-GAAP operating income | 11,158 | 16,953 | 17,504 |
| GAAP operating margin as a percentage of revenues | 15 % | 24 % | 26 % |
| Non-GAAP operating margin as a percentage of revenues | 20 % | 27 % | 28 % |
| | | | |
| GAAP net income | 7,756 | 15,152 | 14,080 |
| Stock-based compensation expenses | 1,212 | 1,245 | 834 |
| Amortization of acquired intangible assets | 656 | 654 | 653 |
| Facilities transition costs | 614 | - | - |
| Revaluation of long-term liabilities | 484 | - | - |
| Tax effect of non-GAAP adjustments | (273) | (137) | (137) |
| Non-GAAP net income | 10,449 | 16,914 | 15,430 |
| | | | |
| GAAP basic earnings per share | 0.28 | 0.54 | 0.50 |
| Non-GAAP basic earnings per share | 0.37 | 0.60 | 0.55 |
| | | | |
| GAAP diluted earnings per share | 0.27 | 0.53 | 0.49 |
| Non-GAAP diluted earnings per share | 0.37 | 0.59 | 0.54 |
| | | | |
| Shares used for calculation of earnings per share: | | | |
| Basic | 27,932 | 28,026 | 27,915 |
| Diluted | 28,580 | 28,655 | 28,739 |
