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Brooks Automation, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from C.J. from Lehman Brothers. Please proceed with your question.

C.J. Muse – Lehman Brothers

Yes, good afternoon. Thank for taking my question. I guess my first question here is, as you look into June and beyond, do you expect sort of the same declines across all three market segments or do you see more weakness in the Automations versus the Critical Components and Global? Whatever color you could provide would be helpful.

Robert Lepofsky

Sure, thank you. I think that what you will find as we go through this cycle, as we've noted in previous calls, our extended factory activities in the Automated Systems Group really see the decline first and the recovery first. Literally, we're closely coupled with tool makers' shipment schedules. And as Martin noted, the falloff that we saw in March is reflective of what you've heard from individual tool makers. So, that one is probably the area that changes the fastest. Clearly, our Critical Components activity is fairly short cycle time, but with a little bit longer lead time from the time a tool maker ships to a chip maker.

C.J. Muse – Lehman Brothers

Okay. I guess when you think about that change of mix, how do you think about gross margin in terms of both? Could you guide for June and how do you see that trending throughout the rest of the calendar year?

Martin Headley

I think that we would see that we would be bottoming out at the kind of gross margin levels that we're at now because we have some of our restructuring benefits come into play. I don't see that mix really drives us to any adverse situation from where we are today.

C.J. Muse – Lehman Brothers

Thank you.

Operator

Next question comes from Brett from Caris & Company. Please go ahead with your question. Next question comes from Jim from Goldman Sachs.

Kate Kotlarsky – Goldman Sachs

Hi, this is Kate Kotlarsky on behalf of Jim Covello. I have a couple of questions. First, you mentioned there were a couple of customer order revisions that you witnessed towards the end of the quarter. I was just wondering if those came primarily from your memory customers. And then, I have a couple of other questions.

Michael Pippins

We saw pushes from certainly memory, but also some non-memory, primarily Asia-based.

Kate Kotlarsky – Goldman Sachs

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