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Advanced Energy Industries, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And our first question comes from C.J. Muse - Lehman Brothers.

C.J. Muse - Lehman Brothers

First question, can you talk a little bit about flat panel display, the linearity you expect in 2008, and where your lead times are today?

Hans-Georg Betz

I think the flat panel display market is recovering. This is a consensus. And it's mainly driven by the TV sets which are gaining traction now. The lead time – it's hard to judge at this point.

Lawrence Firestone

Lead time on our products is anywhere between 8 and 13 weeks. But I think, C.J., maybe part of your question is when are we going to see the order cycle? I think that's going to depend on the OEMs' lead time and what they are quoting to their customers.

C.J. Muse - Lehman Brothers

Given that we are seeing strong uplift at pretty much every equipment company across the board, whether it's CVD, DVD; this quarter I would think, then, you'd see it one quarter from now or would it be two?

Lawrence Firestone

We would probably be in the middle to maybe a little past the middle of the manufacturing cycle is where you would see the order and then the delivery of the product. Because they won't need it on their floor until they are ready to fire the machine up.

C.J. Muse - Lehman Brothers

So you are saying strong ramp either June or September?

Lawrence Firestone

Yes, I would guess we would see some activity early in the year, but I don't know if we have got a line where we would put that level of granularity to it.

C.J. Muse - Lehman Brothers

Okay. And moving over to solar, are you seeing first-generation production equipment orders yet or is it still all pilot line purchases?

Lawrence Firestone

Predominantly pilot line, but I think some of the higher volume hardware is starting to move out to the field.

C.J. Muse - Lehman Brothers

And what exactly do you need in terms of mix there to achieve I think you said the doubling for 2008?

Lawrence Firestone

We haven't broken out the inverter versus the tool, but I think what we see is, inverter is starting from a pretty small base, so substantial growth on the inverter side, and I think still nice growth out of the tool side as well.

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