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Cymer, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operators instructions) And your first question comes from the line of C.J. Muse. Please proceed.

C.J. Muse – Barclays Capital

Yes, good afternoon. Thank you for taking my question. I was hoping you could provide a little bit more granularity to, I guess, the breakdown of the revenue guide. In terms of the downside, the 10%, are you seeing the weakness there a drop off in shipments? Or is that a weakness in the consumable part of the business?

Bob Akins

Well, we believe that the light source unit shipments will most likely be flat, maybe down a unit or two, so there could be some slight decrease there. And as we discussed before, we expect that IBPS will continue to track utilization rates, so it will be a combination of those two.

C.J. Muse – Barclays Capital

Okay. And I guess looking at your laser shipments last two years, looks like tracking from 196 down to about 100 for a wave. Can you give us your kind of best guess as to what you think that looks like for 2009, and if you're not comfortable being specific with yourselves, what do you think the industry looks like for DUV?

Bob Akins

Yes. I think that in 2009, obviously because the visibility is so low, it becomes difficult to ascertain what's going to happen going forward, but I think that in general the business is going to be down, immersion is going to remain strong as we (inaudible) our prepared remarks and it's going to be the primary driver for that, but I think that being specific about the size of the market in 2009 is just beyond our ability to prognosticate at this particular point in time. On the immersion side, in 2008, it is our belief that by the time the year is over, we will see that the number of immersion installations for the year will actually have been greater than anticipated at the beginning of 2008. I think most workouts are in the 70 unit range or so and we wouldn't be surprised if it came at 10 units or greater than that for 2008, and when we look into 2009, I think our expectation will be that immersion business would be flat to perhaps up a little bit relative to 2008.

C.J. Muse – Barclays Capital

Great, that's helpful. Last question from me. On the consumable front, and I know there is a lot of moving parts here in terms of bringing customers on to OnPulse and stuff coming off of warranty but also giving discounts as you bring them on. If you look at the second half of 2008, it looks like you're down about kind of 7% or 8% versus the first half of the year. And if you annualize that for 2009, it looks like kind of down 5% year-over-year. Is that the right way to think about the math here and then later in potentially higher utilization rates or how should we think about the growth in that business for 2009?

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