

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a yellow Greek letter alpha symbol to the right, all on a dark red background.

iRobot Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Paul Coster - J.P. Morgan.

Paul Coster - J.P. Morgan

Colin I hate to do this to you, but sort of '08 saw the history I think for most investors, what about '09; can you give us any early thought about either of your segments moving into the New Year?

Colin Angle

We are not commenting on '09 guidance at this point. We are all concerned about the economy and how that will impact us, but as you see we've held up pretty well so far this year.

Paul Coster - J.P. Morgan

Do you have pretty good visibility into the G&I business going into '09 at this point?

Colin Angle

I think that as we look at FCS with administration change and so forth it is difficult to say definitive things about how it's looking, but the demand for robots is continuing to help transform, our military is still strong and that we just can't comment exactly on the mix between FasTac and SUGV's and that the whole transition between our robots going to the infantry at this point.

Paul Coster - J.P. Morgan

Okay John, a couple of quick questions, tax rate for '09 and you mentioned EBITDA is an important metrics, does that mean you'll be issuing guidance from an EBITDA basis and are you expecting to be sort of sustainable EBITDA profitable at some point in the near future?

John Leahy

Paul, in terms of EBITDA I do see EBITDA as an important metric for us going forward and so that would form part of our guidance going forward. I can't say right now whether we will be consistently EBITDA positive, meaning quarter-in, quarter-out in the near to mid-term, but clearly that is an objective of ours to get there at some point.

Paul Coster - J.P. Morgan

Any FX benefit that you can talk of this quarter; any hedging on the go forward basis, given how big that's becoming now, the international business is becoming part of your revenue and any comments on nickel pricing and hedging there as well; please?

John Leahy

Really nothing meaningful in terms of Forex at this point Paul; although we do have European sales starting to become more meaningful the domestic business still really shadows off shore, so nothing meaningful in terms of Forex hedging. Nickel continues to decline, I think it's to down something like \$10,000 or \$12,000 of ton from a peak of \$55000. We are in the midst of our negotiations right now for pricing for next year with our contract manufactures. So, nothing to report except clearly the improvement in nickel will benefit us and help in those negotiations.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.