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iRobot Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

(Operator Instructions) We'll go to Jim Ricchiuti of Needham & Company.

Jim Ricchiuti - Needham & Company

Thank you, and good morning. Just a question on backlog. So your current backlog ? If we take into account the orders that you announced in January, is this somewhere around 20 million or 21 million?

John Leahy

Yes, that's correct.

Jim Ricchiuti - Needham & Company

And I wonder if you would comment a little bit on the order visibility you alluded to. Can you give us a sense in terms of the orders you're anticipating, will just be for existing PackBot, and how do you see the bookings that you are getting to ramp over the next one to two quarters?

Colin Angle

Well, typically, at this point in the year, we don't have visibility yet for the full year in the form of booked orders or work completed. That grows typically in our next call substantially, and we're in a very similar position as we sit here today than we have been in 2008 and 2007. So that we are very comfortable as to what we have in hand. So there is, really, despite the transition and so forth in the administration, we are in a very similar position. So we feel good about that. So, well our backlog at year end was lower than a year before; that was only because of our year end beginning your timing of contracts, which we have since received.

Jim Ricchiuti - Needham & Company

And again, just with respect to what you potentially see on the horizon, and will the near-term, will these be PackBot?

Colin Angle

In the first half of the year, they are primarily going to be the PackBot FasTac robot.

Jim Ricchiuti - Needham & Company

Okay.

Colin Angle

That's going to drive revenue in the first half ,and we are going to see a transition in the back half away from the FasTac version of the PackBot to some of our new products such as the SUGV, the Warrior, the Negotiator and some of our Underwater Vehicles. So we'll see a diversification of products – of revenue drivers in G&I.

Jim Ricchiuti - Needham & Company

And just a question for John, if I may, just on operating expenses and, in particular, R&D. You alluded to that, something like that's going to be a little higher in the June quarter. Will that be the high water mark for R&D for the year, the June quarter? I wonder how you had characterized operating expense in general for the year? If there is any color you can give on that? Thank you.

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