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Triquint Semiconductor Q1 2009 Earnings Call Transcript Introductory Remarks

Earnings Call Excerpt

Triquint Semiconductor (TQNT)

Q1 2009 Earnings Call

April 22, 2009 4:00 pm CT

Executives:

Steve Buhaly – Chief Financial Officer

Ralph Quinsey – Moderator

Presentation:

Operator:

Good afternoon. My name is (Kayla). And I will be your conference operator today.

At this time I would like to welcome everyone to the TriQuint First Quarter Earnings conference call.

All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question and answer session. If you would like to ask a question during this time simply press star then the number 1 on your telephone keypad. If you would like to withdraw your question press the pound key. Thank you. I would now like to turn the call over to Mr. Steve Buhaly, Chief Financial Officer. Sir you may begin your conference.

Steve Buhaly:

Thank you. Good afternoon and welcome to our First Quarter 2009 conference call.

This call will include forward-looking statements about TriQuint's projected financial and operating results. Results could differ materially based on various factors including those described in our reports on Forms 10-K and 10-Q and other filings with the Securities and Exchange Commission.

This presentation also includes non-GAAP financial measures which exclude equity compensation charges, certain impairment charges, and charges associated with the acquisition of WJ Communications. These non-GAAP measures are provided to enhance overall understanding of our core operating performance. A full reconciliation of these non-GAAP measures is in our press release.

Ralph will now provide an overview of the quarter.

Ralph Quinsey:

Thank you Steve. As expected Q1 revenue was seasonally down compared to Q4 in the challenging environment of inventory correction and reduced short term demand.

The reduction of both channel and TriQuint inventory drove fab utilization to 35% and pushed gross margins down resulting in a non-GAAP loss of 7 Cents per share on revenue of \$119 million both at the favorable end of our expectations.

Our earnings benefited from aggressive short term operating expense control in Q1. Cash was slightly down helped by solid inventory reductions but offset by capital expense committed last year for technology development.

It should be noted that an inflexion point of increased demand occurred late in the quarter as handset inventory normalized supporting higher revenue expectations in Q2.

Total revenue was up 7% as compared to Q1 2008 led by handset growth of 24% and defense and aerospace growth of 23%. Our growth was supported by market strength in Smartphones, the addition of WJ Communications and positive momentum in major defense and aerospace programs.

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