

## NANOMETRICS INC [US]

Nanometrics is a leading provider of advanced, high-performance process control metrology and inspection systems used primarily in the fabrication of semiconductors and other solid-state devices, such as data storage components and discrete including high-brightness LEDs and power management components. Nanometrics' automated and integrated metrology systems measure critical dimensions, device structures, overlay registration, topography and various thin film properties, including film thickness as well as optical, electrical and material properties.

### Company Facts [Website](#)

Ticker	Market Cap	Sector	Exchange	Currency	Indices
NANO	\$750m	Semiconductors	NASDAQ	\$	NASDAQ

### Key Features

- Nanometrics Incorporated (NANO) is traded on NASDAQ in USA under 'Small-Cap' category
- Located and incorporated in California in 1975 and has been publicly traded since 1984
- A pioneer and innovator in the field of optical metrology with over 500 employees in the company
- Nanometrics has an extensive installed base of more than 6,500 systems in over 150 production factories worldwide.
- Their major customers and original equipment manufacturer (OEM) partners include the largest semiconductor and process equipment manufacturers in the world.
- Provides a wide level of solution based technology including products on semiconductor manufacturing and advanced semiconductor packaging, data storage, high-brightness LEDs and solar photovoltaic applications.
- Nanometrics' systems enable advanced process control for device manufacturers, providing improved device yield at reduced manufacturing cycle time, supporting the accelerated product life cycles in the semiconductor market.
- Year on year share performance increase 99.61%. (1 Apr 2015 \$15.26 31 Mar 2016 \$30.46)

### Recent News

- [Investor Presentation Feb 2017](#)

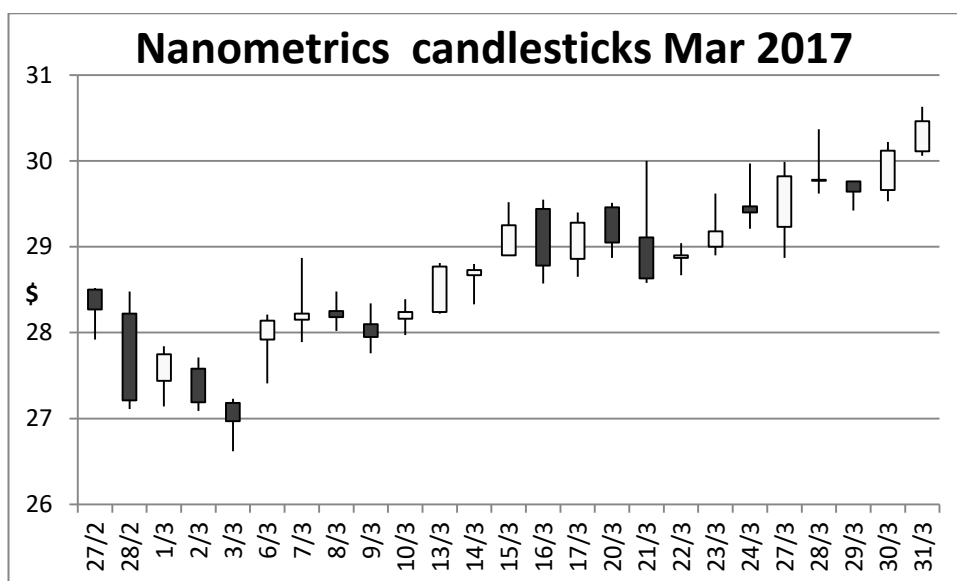
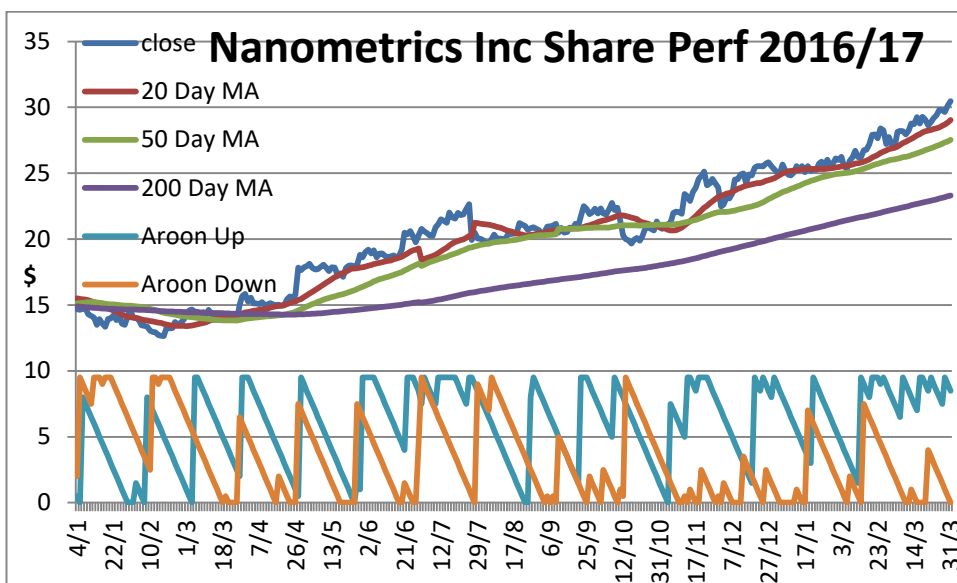
### Financial Performance

- [Fourth Quarter and 2016 Financial Results.](#)
- 2016 Highlights: Record Memory Sales, Record Thin-Film Metrology Sales. .
- Revenue Growth and Operational Execution Drove Significant Year-Over-Year Improvements in Financial Results.
- - Revenue up 18%
- - Gross Margin improved over 330 basis points; Operating Margin improved over 920 basis points
- - Over \$41 million in Free Cash Flow generation
- [20125 Annual Report](#)

### Key Statistics

<a href="#">2016 Results</a>	2015	2016
	\$mil	\$mil
Revenue (Millions)	187.4	221.1
Operating Margin	47.9%	51.6%
Net Income	2.9	44.0
Total Assets	235.5	287.8
Current Asset Ratio	3.94x	5.15 x
EPS	\$0.12	\$1.75
Free Cash Flow	(0.275)	41.6

**TECHNICAL ANALYSIS** – Technical Diagnosis – Moving Averages are traditionally used as lagging indicators on the general trend of a share. All moving averages for Nanometrics Inc have been upward sloping in line with its price action. The 200 day moving average has been on rising momentum since April 2016 where market consensus has been to the upside. On 31 March 2017 the price was above the 20 Day MA which was above the 50 Day MA which was above the 200 Day MA. This is the ideal formation for upward long term price action. No pullback is currently in play. Confirming investors sentiment is the continual Aroon pattern set up where the cross over in Aroon Up over with its Aroon Down counterpart since October, has seen UP being in the 50% quadrant against its DOWN equivalent which has been in the below 50% quadrant. The positivity of Aroon UP suggests that momentum will continue until the break down occurs. An early indicator of this will occur when Aroon UP moves to the lower quadrant (below 50%) and Aroon Down moves to the higher quadrant [above 50%) Since the bearish hammer on 3 March the share has seen mostly upward bullish candles and with the end of year bullish kickers in place, the share still continues to be in favour. One must always accept that a pullback may occur in the future but sentiment suggests that momentum is still in play. Believing this to be a worthwhile opportunity in conjunction with fundamental analysis, I bought 211 shares at \$29.75 on 29 March on the basis that the stock is consistent with value momentum. The upward trend has been in existence since March 2017. Unless general market changes course, I see this share as potential growth momentum although this can not be guaranteed. **Please note this analysis is not advice but interpretation of potential market moves. Performance is no guide to the future.** First Share Reviewed on 2 Apr 2017 at \$30.46 Current Price 26 May 2017 \$27.97



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