

Orbotech Buys Out Partner in Joint Fab Subsidiary

Israel-based Orbotech awaits Chinese regulatory approval for its acquisition by U.S.-based KLA-Tencor

Lilach Baumer 08:41 27.12.18

Nasdaq-listed Orbotech has bought out its partner in Frontline P.C.B. Solutions Ltd., a company primarily developing computer-aided manufacturing and archiving processes for bare printed circuit board fabrication, the company announced in a filing to the U.S. Securities and Exchange Commission Wednesday.

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Orbotech agreed to pay \$85 million in cash out of its reserves to buy the remaining 50% stake in Frontline, which is based in Israel's Rehovot, and pay another \$10 million over the next four years. The company also agreed to pay an earn out of \$5 million to \$20 million, based on revenues from a still-under-development Frontline product.



Orbotech, Israel. Photo: Tal Shachar

Orbotech announced record revenues of \$267.5 million for the second quarter of 2018, and a GAAP net income of \$36.1 million.

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Israel-based Orbotech, a manufacturer of processing, inspection, and repair systems for electronics manufacturing, agreed in March to be acquired by U.S.-based semiconductor company KLA-Tencor Corporation for \$3.4 billion. Initially expected to close by the end of 2018, the deal still awaits regulatory approval in China.

Orbotech was up 2.28% on Nasdaq on Wednesday market close.