

TRANSACT TECHNOLOGIES INC
Form 10-Q
May 06, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2016
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 0-21121

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

06-1456680
(I.R.S. Employer Identification No.)

One Hamden Center, 2319 Whitney Avenue, Suite 3B,
Hamden, CT
(Address of Principal Executive Offices)

06518
(Zip Code)

(203) 859-6800
(Registrant's Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 29, 2016, the number of shares outstanding of the Company’s common stock, \$0.01 par value, was 7,659,564.

TRANSACT TECHNOLOGIES INCORPORATED

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

TRANSACT TECHNOLOGIES INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2016	December 31, 2015
	(In thousands, except share data)	
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,892	\$ 4,473
Accounts receivable, net	9,353	7,174
Inventories	9,921	11,296
Deferred tax assets	1,817	1,932
Other current assets	688	437
Total current assets	24,671	25,312
Fixed assets, net		
Goodwill	2,552	2,507
Deferred tax assets	2,621	2,621
Intangible assets, net of accumulated amortization of \$2,861 and \$2,779, respectively	1,215	1,213
Other assets	806	888
	28	28
	7,222	7,257
Total assets	\$ 31,893	\$ 32,569
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$ 3,948	\$ 2,642
Accrued liabilities	1,635	2,838
Income taxes payable	76	245
Deferred revenue	221	604
Total current liabilities	5,880	6,329
Deferred revenue, net of current portion		
Deferred rent, net of current portion	80	77
Other liabilities	186	189
	289	246
	555	512
Total liabilities	6,435	6,841
Commitments and contingencies (Note 7)		

Shareholders' equity:

Common stock, \$0.01 par value, 20,000,000 shares authorized; 11,181,581 and 11,170,881 shares issued, respectively; 7,729,922 and 7,782,292 shares outstanding, respectively	112	112
Additional paid-in capital	29,163	28,921
Retained earnings	22,958	22,956
Accumulated other comprehensive loss, net of tax	(84)	(80)
Treasury stock, at cost, 3,451,659 and 3,388,589 shares respectively	(26,691)	(26,181)
Total shareholders' equity	25,458	25,728
Total liabilities and shareholders' equity	\$ 31,893	\$ 32,569

See notes to Condensed Consolidated Financial Statements.

TRANSACT TECHNOLOGIES INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three Months Ended March 31,	
	2016	2015
	(In thousands, except per-share data)	
Net sales	\$14,357	\$16,164
Cost of sales	8,472	9,672
Gross profit	5,885	6,492
Operating expenses:		
Engineering, design and product development	1,236	868
Selling and marketing	1,793	1,823
General and administrative	1,917	1,840
Legal fees associated with lawsuit (Note 7)	-	1,744
	4,946	