

AMERICAN TECHNICAL CERAMICS CORP
Form 10-Q
May 11, 2007

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, 2007

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 1-9125

AMERICAN TECHNICAL CERAMICS CORP.

(Exact Name of Company as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

11-2113382
(I.R.S. Employer Identification No.)

**1 Norden Lane, Huntington
Station, NY**
(Address of Principal Executive
Offices)

11746
(Zip Code)

(631) 622-4700

(Telephone Number, Including Area Code)

Indicate by check mark whether the Company (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 Company 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 Company is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

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Large accelerated filer Accelerated filer Non-accelerated filer

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

Yes No

As of May 4, 2007, the Company had outstanding 9,011,158 shares of Common Stock, par value \$0.01 per share.

PART 1 FINANCIAL INFORMATION**Item 1. Financial Statements****AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(In thousands, except per share data)

	March 31, 2007	June 30, 2006
	(unaudited)	
ASSETS		
Current assets		
Cash (including cash equivalents of \$1 and \$2, respectively)	\$ 3,187	\$ 6,230
Investments	5,173	2,094
Accounts receivable (net of allowance for doubtful accounts and sales returns of \$323 and \$401, respectively)	11,982	12,719
Inventories	40,013	33,255
Deferred income taxes, net	3,549	3,472
Prepaid and other current assets	3,284	1,035
Assets held for sale, net	469	
Total current assets	67,657	58,805
Property, plant and equipment (net of accumulated depreciation and amortization of \$54,226 and \$52,827, respectively)	29,825	31,375
Other assets	305	363
Total assets	\$ 97,787	\$ 90,543
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt (including related party debt of \$524 and \$485, respectively)	\$ 2,071	\$ 1,957
Accounts payable	2,784	3,005
Accrued expenses	6,327	6,192
Income tax payable		1,002
Total current liabilities	11,182	12,156
Long-term debt, net of current portion (including related party debt of \$1,576 and \$1,974, respectively)	5,617	7,229
Deferred income taxes, net	3,451	3,091
Total liabilities	20,250	22,476
COMMITMENTS AND CONTINGENCIES		
Stockholders' equity		
Common Stock \$0.01 par value; authorized 20,000 shares; issued 9,425 and 9,105 shares, outstanding 9,011 and 8,690 shares, respectively	94	91
Capital in excess of par value	18,226	15,000
Retained earnings	60,299	54,102
Accumulated other comprehensive income:		
Unrealized loss on investments available-for-sale, net		(1)
Cumulative foreign currency translation adjustment	314	271
	314	270

Less: Treasury stock, at cost (414 and 414 shares, respectively)	1,396	1,396
Total stockholders equity	77,537	68,067
Total liabilities and stockholders equity	\$ 97,787	\$ 90,543

See accompanying notes to unaudited consolidated financial statements.

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2007	2006	2007	2006
Net sales	\$ 23,872	\$ 22,690	\$ 67,563	\$ 59,870
Cost of sales	15,912	14,120	42,623	39,460
Gross profit	7,960	8,570	24,940	20,410
Selling, general and administrative expenses	4,509	4,586	13,670	13,252
Research and development expenses	622	427	1,682	1,488
Other	57	20	84	26
Operating expenses	5,188	5,033	15,436	14,766
Income from operations	2,772	3,537	9,504	5,644
Other (income) expense:				
Interest expense	166	174	521	461
Interest income	(83)	(19)	(139)	(63)
	83	155	382	398
Income before provision for income taxes	2,689	3,382	9,122	5,244
Provision for income taxes	824	1,293	2,925	1,917
Net income	\$ 1,865	\$ 2,089	\$ 6,197	\$ 3,