

GIGA TRONICS INC
Form 10-Q
February 08, 2013

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

FORM 10-Q

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

For the quarterly period ended December 29, 2012

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 No. 0-12719

GIGA-TRONICS INCORPORATED

(Exact name of registrant as specified in its charter)

California

(State or other jurisdiction of incorporation or organization)

94-2656341

(I.R.S. Employer Identification No.)

4650 Norris Canyon Road, San Ramon, CA 94583

(Address of principal executive offices)

(925) 328-4650

Registrant's telephone number, including area code

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

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 | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

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(Do not check if a smaller reporting
company)

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

Yes [] No [X]

There were a total of 5,029,747 shares of the Registrant's Common Stock outstanding as of February 8, 2013.

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Part I – Financial Information

Item 1 - Financial Statements

GIGA-TRONICS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands except share data)	December 29, 2012	March 31, 2012
Assets		
Current assets:		
Cash and cash-equivalents	\$ 2,421	\$ 2,365
Trade accounts receivable, net of allowance of \$53 and \$96, respectively	1,776	1,270
Inventories, net	4,151	4,700
Prepaid expenses and other current assets	294	328
Total current assets	8,642	8,663
Property and equipment, net	667	611
Other assets	-	16
Total assets	\$ 9,309	\$ 9,290
Liabilities and shareholders' equity		
Current liabilities:		
Line of credit	\$ 975	\$ -
Accounts payable	805	613
Accrued commission	88	129
Accrued payroll and benefits	776	739
Accrued warranty	137	210
Deferred revenue	1,263	7
Deferred rent	76	59
Capital lease obligations	64	20
Other current liabilities	312	318
Total current liabilities	4,496	2,095
Long term obligations - deferred rent	365	433
Long term obligations - capital lease	106	15
Total liabilities	4,967	2,543
Commitments		
Shareholders' equity:		
Preferred stock of no par value;		
Authorized - 1,000,000 shares		
Series A - designated 250,000 shares; 0 shares at December 29, 2012 and March 31, 2012 issued and outstanding		
Series B - designated 10,000 shares; 9,997 shares at December 29, 2012 and March 31, 2012 issued and outstanding; liquidation preference of (\$2,309)		
	1,997	1,997
Common stock of no par value;		
Authorized - 40,000,000 shares; 5,029,747 shares at December 29, 2012 and March 31, 2012 issued and outstanding		
	15,053	14,822
Accumulated deficit	(12,708)	(10,072)
Total shareholders' equity	4,342	6,747
Total liabilities and shareholders' equity	\$ 9,309	\$ 9,290

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

GIGA-TRONICS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In thousands except per share data)	Three Month Periods Ended		Nine Month Periods Ended	
	December 29, 2012	December 31, 2011	December 29, 2012	December 31, 2011
Net sales	\$3,946	\$2,799	\$11,409	\$10,382
Cost of sales	2,342	3,269	6,892	7,877
Gross margin	1,604	(470)	4,517	2,505
Operating expenses:				
Engineering	1,179	745	3,159	2,060
Selling, general and administrative	1,187	1,397	3,703	4,393
Restructuring	99	-	283	-
Total operating expenses	2,465	2,142	7,145	6,453
Operating loss				