

ASTRO MED INC /NEW/

FORM 10-Q (Quarterly Report)

Filed 6/13/1997 For Period Ending 5/3/1997

Address	600 E GREENWICH AVE WEST WARWICK, Rhode Island 02893
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CIK	000008146
Industry	Computer Peripherals
Sector	Technology
Fiscal Year	01/31

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 May 3, 1997

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 0-13200

Astro-Med, Inc.

(Exact name of registrant as specified in its charter)

Rhode Island

05-0318215

(State or other jurisdiction of
incorporation or organization)

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

600 East Greenwich Avenue, West Warwick, Rhode Island 02893

(Address of principal executive offices) (Zip Code)

(401) 828-4000

(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 [X]. No [].

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.05 Par Value - 4,886,635 shares (excluding treasury shares) as of May 23, 1997

ASTRO-MED, INC.

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Part I. FINANCIAL INFORMATION

**ASTRO-MED, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS**

ASSETS	January 31, 1997	May 3, 1997
	-----	-----
		(Unaudited)
CURRENT ASSETS		
Cash and Cash Equivalents.....	\$ 6,561,184	\$ 7,157,818
Securities Available for Sale.....	7,099,358	7,185,894
Accounts Receivable, Net.....	8,311,736	7,698,071
Inventories.....	10,361,505	10,392,399
Prepaid Expenses and Other Current Assets..	1,441,505	1,661,549
	-----	-----
Total Current Assets.....	33,775,288	34,095,731
PROPERTY, PLANT AND EQUIPMENT		
Less Accumulated Depreciation.....	17,046,969	17,168,045
	(8,986,149)	(9,342,068)
	-----	-----
	8,060,820	7,825,977
OTHER ASSETS		
Excess of Cost Over Net Assets Acquired....	976,384	967,310
Other.....	508,935	782,640
	-----	-----
	1,485,319	1,749,950
	-----	-----
	\$43,321,427	\$43,671,658
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable.....	\$ 1,614,986	\$ 2,041,006
Accrued Compensation.....	1,115,026	1,371,972
Accrued Expenses.....	1,318,103	899,850
Income Taxes.....	819,535	937,950
Current Maturities of Long-Term Debt.....	97,706	98,860
	-----	-----
Total Current Liabilities.....	4,965,356	5,349,638
LONG-TERM DEBT, Less Current Maturities.....	258,135	227,706
EXCESS OF NET ASSETS ACQUIRED OVER COST.....	544,199	489,779
DEFERRED INCOME TAXES.....	794,895	794,895
STOCKHOLDERS' EQUITY		
Preferred Stock, \$10 Par Value, Authorized 100,000 Shares, None Issued....		
Common Stock, \$.05 Par Value, Authorized 13,000,000 Shares, Issued 5,136,737 and 5,137,530 Shares, Respectively.....	256,837	256,881
Additional Paid-In Capital.....	5,624,239	5,631,070
Retained Earnings.....	32,772,044	33,202,587
Treasury Stock, at Cost (209,395 Shares and 250,895 Shares, Respectively).....	(1,804,986)	(2,118,821)
Cumulative Translation Adjustment.....	(76,649)	(131,747)
Net Unrealized (Loss) on Securities Available for Sale.....	(12,643)	(30,330)
	-----	-----
	36,758,842	36,809,640
	-----	-----
	\$43,321,427	\$43,671,658
	=====	=====

ASTRO-MED, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	May 4, 1996	May 3, 1997
Net Sales.....	\$10,489,822	\$11,706,507
Cost of Sales.....	6,531,526	7,202,596
Gross Profit.....	3,958,296	4,503,911
Costs and Expenses:		
Selling, General and Administrative.....	3,351,265	3,139,098
Research and Development.....	605,921	709,328
	3,957,186	3,848,426
Operating Income.....	1,110	655,485
Other Income (Expense):		
Investment Income.....	519,039	194,199
Interest Expense.....	(3,955)	(3,239)
Other, Net.....	17,917	(24,018)
	533,001	166,942
Income before Income Taxes.....	534,111	822,427
Provision for Income Taxes.....	(91,000)	(244,055)
Net Income.....	\$ 443,111	\$ 578,372
Earnings Per Common Share.....	\$.09	\$.12
Weighted Average Number of Common and Common Equivalent Shares Outstanding.....	5,038,008	4,964,505
Dividends Declared Per Common Share.....	\$.03	\$.04

ASTRO-MED, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	May 4, 1996	May 3, 1997
Cash Flows from Operating Activities:		
Net Income.....	\$ 443,111	\$ 578,372
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization.....	204,006	310,573
Gain on Sale of Investment.....	(416,090)	
Other.....		(72,785)
Changes in Assets and Liabilities:		
Accounts Receivable.....	1,670,259	613,665
Inventories.....	(171,833)	(30,894)
Other.....	9,034	(580,285)
Accounts Payable and Accrued Expenses....	(189,403)	264,713
Income Taxes.....	52,787	118,415
	-----	-----
Total Adjustments.....	1,158,760	623,402
Net Cash Provided by Operating Activities.....	1,601,871	1,201,774
Cash Flows from Investing Activities:		
Proceeds from Sales of Securities Available for Sale.....	1,487,684	
Purchases of Securities Available for Sale.....	(77,216)	
Proceeds from Sale of Building.....	515,935	
Additions to Property, Plant and Equipment....	(146,150)	(121,076)
	-----	-----
Net Cash Provided by Investing Activities.....	1,780,253	(121,076)
Cash Flows from Financing Activities:		
Payments of Long-Term Debt.....	(25,000)	(29,275)
Proceeds from Common Shares Issued Under Employee Benefit Plans.....	15,933	6,875
Purchases of Treasury Stock.....	(434,379)	(313,835)
Dividends Paid.....	(150,065)	(147,829)
	-----	-----
Net Cash (Used) by Financing Activities.....	(593,511)	(484,064)
Net Increase in Cash and Cash Equivalents.....	2,788,613	596,634
Cash and Cash Equivalents, Beginning of Period.....	2,033,713	6,561,184
	-----	-----
Cash and Cash Equivalents, End of Period.....	\$4,822,326	\$7,157,818
	=====	=====
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Period for:		
Interest.....	\$ 8,643	\$ 7,099
Income Taxes.....	\$ 38,224	\$ 33,456
	=====	=====

ASTRO-MED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 3, 1997

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) The accompanying financial statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with footnotes contained in the Company's annual report on Form 10-K for the year ended January 31, 1997.

(b) Earnings per common share are computed based on the weighted average number of common shares and common share equivalents outstanding during each period. Common share equivalents include the dilutive effect of certain stock options under the treasury stock method. Fully diluted earnings per share have not been separately presented since they would not be materially different.

In February, 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (SFAS) No. 128, Earnings Per Share, which supercedes APB Opinion 15. The Statement's objective is to simplify and harmonize the computation of earnings per share and to make the U.S. standard for computing earnings per share more compatible with the EPS standards of other countries and with that of the International Accounting Standards Committee. As required by SFAS No. 128, the Company will adopt this statement for the fiscal year ending January 31, 1998.

Pro-Forma basic and diluted earnings per share had the Company adopted SFAS No. 128 for the first quarter of fiscal year 1997 were equal to \$.09.

Pro-Forma basic and diluted earnings per share had the Company adopted SFAS No. 128 for the first quarter of fiscal year 1998 were equal to \$.12.

Note 2 - INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out) or market and include material, labor and manufacturing overhead. The components of inventories were as follows:

	January 31, 1997	May 3 1997
	-----	-----
Materials and Supplies..	\$ 5,558,216	\$ 5,732,069
Work-In-Process.....	779,337	933,770
Finished Goods.....	4,023,952	3,726,560
	-----	-----
	\$10,361,505	\$10,392,399
	=====	=====

ASTRO-MED, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations:

Net Sales rose 12% in the first quarter over the prior year's first quarter. The increase was due to an 18% increase over the prior year in the domestic channels. International sales declined 5% from last year as the strength of the US dollar tempered the local currency growth realized in our European markets. All three product groups reported sales increments with the Barcode and Grass Products Groups posting single digit growth rates and the Core Products Group reporting double digit growth rates.

Gross Profit percentages were 39% in the first quarter as compared to 38% in the prior year first quarter. The improved percentage was the result of an improved mix of sales of higher margin products as well as the sales volume itself which increased the factory overhead absorption rate.

Selling, Research & Development and General & Administrative expenses declined 3% from last year's first quarter. These operating expenses consumed 33% of the first quarter's sales as compared to last year's rate of 38%. Most of the reduction in spending results from lower professional fees.

The Company's Other Income was lower this year than last year's first quarter. The decrease results from a one time gain reported last year from the sale of the Company's investment position in a limited partnership.

Financial Condition:

The Company's Assets increased 1% in the quarter. Working Capital dollars declined slightly in the quarter to \$28,745,000. Cash and Cash Equivalents rose \$597,000 to \$7,158,000 at quarter's end. Accounts Receivable decreased 7% to \$7,698,000, whereas Inventories were virtually flat at \$10,392,000. Long Term Debt representing capital lease obligations decreased by \$30,000 in accordance with the pay down schedule of these agreements.

The Company purchased 41,500 shares of its Common Stock during the quarter in accordance with its Common Stock repurchase plan. Shareholders' Equity increased by 3% during the period to \$36,809,000 at the quarter's end.

PART II. OTHER INFORMATION

Item 4. Results of Votes of Security Holders

An Annual Meeting of Shareholders of the registrant was held May 20, 1997. A proposed stock option plan was presented to the shareholders for their approval. Also, shareholders were asked to elect a Board of Directors to serve until the next Annual Meeting of Shareholders or until their successors are elected and qualified.

The Company's 1997 Incentive Stock Option Plan was approved by the following vote: For--3,541,689; Against--71,559; Abstain--47,151.

In an uncontested election, nominees for directors were elected by the following votes:

Name of Nominee for Director	Votes For	Votes Withheld
Albert W. Ondis	4,644,638	11,739
Everett V. Pizzuti	4,646,088	10,289
Jacques V. Hopkins	4,645,638	10,739
Hermann Viets	4,646,088	10,289
Neil K. Robertson	4,646,088	10,289

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

None.

(b) Reports on Form 8-K:

No reports on Form 8-K have been filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASTRO-MED, INC. (Registrant)

Date: May 20, 1997

By _____
A. W. Ondis, Chairman
(Principal Executive Officer)

Date: May 20, 1997

By _____
Joseph P. O'Connell, Vice
President and Treasurer
(Principal Financial Officer)

SAFE HARBOR STATEMENT

Statements which are not historical facts including statements about our expectations on new and existing products and opportunities, market growth, demand and acceptance of new and existing products are forward looking statements that involve risks and uncertainties. Those uncertainties include but are not limited to product demand and market acceptance risks; the impact of competitive products and pricing; delays or difficulties in developing, producing, testing and selling new products and technologies; capacity and supply constraints or difficulties; trade, legal, social and economic risks such as licensing, and trade restrictions, including those affecting international trade; and other risk factors listed from time to time in the Company's SEC reports including but not limited to the report on Form 10-Q for the quarter ended May 3, 1997.

ARTICLE 5

PERIOD TYPE	3 MOS
FISCAL YEAR END	JAN 31 1998
PERIOD START	FEB 1 1997
PERIOD END	MAY 3 1997
CASH	7,157,818
SECURITIES	7,185,894
RECEIVABLES	7,698,071
ALLOWANCES	0
INVENTORY	10,392,399
CURRENT ASSETS	34,095,731
PP&E	17,168,045
DEPRECIATION	9,342,068
TOTAL ASSETS	43,671,658
CURRENT LIABILITIES	5,349,638
BONDS	227,706
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	256,881
OTHER SE	36,552,759
TOTAL LIABILITY AND EQUITY	43,671,658
SALES	11,706,507
TOTAL REVENUES	11,706,507
CGS	7,202,596
TOTAL COSTS	7,202,596
OTHER EXPENSES	3,848,426
LOSS PROVISION	0
INTEREST EXPENSE	3,239
INCOME PRETAX	822,427
INCOME TAX	244,055
INCOME CONTINUING	578,372
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	578,372
EPS PRIMARY	.12
EPS DILUTED	.12

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