

LANTRONIX INC
Form 10-Q
February 07, 2011

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

FORM 10-Q

xQUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2010

OR

oTRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 1-16027

LANTRONIX, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

33-0362767
(I.R.S. Employer
Identification No.)

167 Technology Drive, Irvine, California
(Address of principal executive offices)

92618
(Zip Code)

(949) 453-3990

(Registrant's telephone number, including area code)

Former name, former address and former fiscal year, if changed since last report: N/A

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 S No £

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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 definition 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 Smaller reporting company
(do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No .

As of February 3, 2011, there were 10,437,001 shares of the Registrant’s common stock outstanding.

LANTRONIX, INC.

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FOR THE FISCAL QUARTER ENDED
December 31, 2010

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LANTRONIX, INC.
 UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands)

	December 31, 2010	June 30, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$10,645	\$10,075
Accounts receivable, net	1,970	1,342
Contract manufacturers' receivable	1,488	1,015
Inventories, net	9,586	6,873
Prepaid expenses and other current assets	366	515
Deferred tax assets	542	542
Total current assets	24,597	20,362
Property and equipment, net	2,094	2,392
Goodwill	9,488	9,488
Purchased intangible assets, net	109	155
Other assets	167	135
Total assets	\$36,455	\$32,532
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$9,756	\$6,545
Accrued payroll and related expenses	1,288	1,568
Warranty reserve	209	183
Short-term debt	667	667
Other current liabilities	4,123	3,776
Total current liabilities	16,043	12,739
Non-current liabilities:		
Long-term liabilities	591	646
Long-term capital lease obligations	91	153
Long-term debt	1,167	111
Deferred tax liabilities	542	542
Total non-current liabilities	2,391	1,452
Total liabilities	18,434	14,191
Commitments and contingencies		
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	192,084	191,147
Accumulated deficit	(174,463)	(173,206)

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Accumulated other comprehensive income	399	399
Total stockholders' equity	18,021	18,341
Total liabilities and stockholders' equity	\$36,455	\$32,532

See accompanying notes.

LANTRONIX, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Net revenue (1)	\$12,719	\$11,478	\$24,911	\$22,432
Cost of revenue	6,441	5,429	12,406	10,666
Gross profit	6,278			