

TRANSACT TECHNOLOGIES INC  
Form 10-Q  
May 11, 2010

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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, 2010  
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)

Registrant's telephone number, including area code 203-859-6800

(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

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

Class	Outstanding as of April 30, 2010
Common stock, \$.01 par value	9,391,560

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TRANSACT TECHNOLOGIES INCORPORATED

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## PART I - FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

TRANSACT TECHNOLOGIES INCORPORATED  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(unaudited)

(In thousands, except share data)	March 31, 2010	December 31, 2009
Assets:		
Current assets:		
Cash and cash equivalents	\$10,693	\$10,017
Receivables, net	8,157	8,996
Inventories	8,538	5,952
Refundable income taxes	-	270
Deferred tax assets	2,240	2,240
Other current assets	441	521
Total current assets	30,069	27,996
Fixed assets, net	4,387	4,551
Goodwill	1,469	1,469
Deferred tax assets	673	669
Intangible and other assets, net of accumulated amortization of \$411 and \$390, respectively	184	214
	6,713	6,903
Total assets	\$36,782	\$34,899
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$6,214	\$5,052
Accrued liabilities	1,750	1,890
Deferred revenue	562	580
Total current liabilities	8,526	7,522
Deferred revenue, net of current portion	399	501
Deferred rent, net of current portion	410	385
Other liabilities	134	137
	943	1,023
Total liabilities	9,469	8,545
Shareholders' equity:		
Common stock, \$0.01 par value, 20,000,000 authorized at March 31, 2010 and December 31, 2009; 10,551,836 and 10,528,209 shares issued, respectively; 9,387,736 and 9,364,109 shares outstanding at March 31, 2010 and December 31, 2009, respectively	105	105
Additional paid-in capital	22,158	21,820
Retained earnings	13,662	13,033

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Accumulated other comprehensive loss, net of tax	(74 )	(66 )
Treasury stock, 1,164,100 shares, at cost	(8,538 )	(8,538 )
Total shareholders' equity	27,313	26,354
Total liabilities and shareholders' equity	\$36,782	\$34,899

See notes to condensed consolidated financial statements.

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TRANSACT TECHNOLOGIES INCORPORATED  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(unaudited)

(In thousands, except share data)	Three Months Ended	
	March 31, 2010	2009
Net sales	\$14,208	\$12,202
Cost of sales	9,019	8,076
Gross profit	5,189	4,126
Operating expenses:		
Engineering, design and product development	745	694
Selling and marketing	1,583	1,398
General and administrative	1,879	1,855
	4,207	3,947
Operating income		