

TRANSACT TECHNOLOGIES INC  
Form 10-Q  
May 10, 2017  
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, 2017  
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

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(Exact name of registrant as specified in its charter)

Delaware 06-1456680  
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

One Hamden Center, 2319 Whitney Avenue, Suite 3B, Hamden, CT 06518  
(Address of Principal Executive Offices) (Zip Code)

(203) 859-6800  
(Registrant's Telephone Number, Including Area Code)

(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

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial standards provided pursuant to Section 13(a) of the Exchange Act.

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

Yes      No

As of April 28, 2017, the number of shares outstanding of the Company's common stock, \$0.01 par value, was 7,347,959.

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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)

	March 31, 2017	December 31, 2016
	(In thousands, except share data)	
Assets:		
Current assets:		
Cash and cash equivalents	\$2,429	\$2,503
Accounts receivable, net	9,304	10,585
Inventories, net	9,962	9,707
Other current assets	541	372
Total current assets	22,236	23,167
Fixed assets, net of accumulated depreciation of \$19,449 and \$19,215, respectively	2,228	2,241
Goodwill	2,621	2,621
Deferred tax assets	3,410	3,432
Intangible assets, net of accumulated amortization of \$3,203, and \$3,122, respectively	464	545
Other assets	37	36
	8,760	8,875
Total assets	\$30,996	\$32,042
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$3,556	\$4,894
Accrued liabilities	1,676	2,394
Income taxes payable	529	19
Deferred revenue	233	117
Total current liabilities	5,994	7,424
Deferred revenue, net of current portion	67	67
Deferred rent, net of current portion	179	178
Other liabilities	260	264
	506	509
Total liabilities	6,500	7,933
Shareholders' equity:		
Common stock, \$0.01 par value, 20,000,000 shares authorized; 11,198,426 and 11,185,331 shares issued, respectively; 7,346,459 and 7,333,364 shares outstanding, respectively	112	112
Additional paid-in capital	29,761	29,701
Retained earnings	24,482	24,157
Accumulated other comprehensive loss, net of tax	(107 )	(109 )
Treasury stock, at cost, 3,851,967 shares	(29,752)	(29,752 )
Total shareholders' equity	24,496	24,109

Total liabilities and shareholders' equity	\$30,996	\$32,042
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See notes to Condensed Consolidated Financial Statements.

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TRANSACT TECHNOLOGIES INCORPORATED  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (unaudited)

	Three Months Ended March 31, 2017      2016 (In thousands, except per share data)	
Net sales	\$ 13,997	\$ 14,357
Cost of sales	7,904	8,472
Gross profit	6,093	5,885
Operating expenses:		
Engineering, design and product development	993	1,236
Selling and marketing	1,672	1,793
General and administrative	2,012	1,917
	4,677	4,946
Operating income	1,416	939
Interest and other income (expense):		
Interest, net	(8 )	(4 )
Other, net	(6 )	1
	(14 )	(3 )
Income before income taxes	1,402	936
Income tax provision	459	311