

AXT INC
Form 10-Q
May 12, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC. 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, 2008

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 000-24085

AXT, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
Incorporation or organization)

94-3031310
(I.R.S. Employer
Identification No.)

4281 Technology Drive, Fremont, California 94538

(Address of principal executive offices) (Zip code)

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(510) 683-5900

(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 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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 at April 30, 2008
Common Stock, \$0.001 par value	30,408,403

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AXT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands, except per share data)

	March 31, 2008	December 31, 2007
Assets:		
Current assets:		
Cash and cash equivalents	\$ 23,225	\$ 18,380
Short-term investments	16,217	20,825
Accounts receivable, net of allowances of \$187 and \$379 as of March 31, 2008 and December 31, 2007, respectively	16,693	12,149
Inventories, net	29,077	24,781
Prepaid expenses and other current assets	5,405	3,569
Assets held for sale		5,140
Total current assets	90,617	84,844
Property, plant and equipment, net	17,120	15,986
Restricted deposits	6,550	6,700
Other assets	5,468	5,242
Total assets	\$ 119,755	\$ 112,772
Liabilities and stockholders' equity:		
Current liabilities:		
Accounts payable	\$ 8,973	\$ 4,328
Accrued liabilities	4,279	4,326
Current portion of long-term debt	735	450
Income taxes payable	633	390
Total current liabilities	14,620	9,494
Long-term debt, net of current portion	6,100	6,250
Other long-term liabilities	2,983	3,778
Total liabilities	23,703	19,522
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 2,000 shares authorized; 883 shares issued and outstanding as of March 31, 2008 and December 31, 2007.	3,532	3,532
Common stock, \$0.001 par value per share; 70,000 shares authorized; 30,395 and 30,358 shares issued and outstanding as of March 31, 2008 and December 31, 2007, respectively	30	30
Additional paid-in capital	186,187	185,949
Accumulated deficit	(96,584)	(98,543)
Accumulated other comprehensive income	2,887	2,282
Total stockholders' equity	96,052	93,250
Total liabilities and stockholders' equity	\$ 119,755	\$ 112,772

See accompanying notes to condensed consolidated financial statements.

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AXT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended	
	2008	2007
	March 31,	
Revenue	\$ 19,634	\$ 12,526
Cost of revenue	13,413	7,121
Gross profit	6,221	5,405
Operating expenses:		
Selling, general and administrative	3,667	3,703
Research and development	504	460
Impairment on assets held for sale	83	
Total operating expenses	4,254	4,163
Income from operations	1,967	1,242
Interest income, net	124	224
Other income (expense), net	428	(11)
Income before provision for income taxes	2,519	1,455
Provision for incomes taxes	560	111
Net income	\$ 1,959	\$ 1,344
Net income per share:		
Basic	\$ 0.06	\$ 0.04
Diluted	\$ 0.06	\$ 0.04

Shares used in computing net income per share: