

DGT HOLDINGS CORP.

FORM 8-K (Current report filing)

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SIC Code	3679 - Electronic Components, Not Elsewhere Classified
Industry	Medical Equipment & Supplies
Sector	Healthcare
Fiscal Year	07/31

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) December 14, 2005

DEL GLOBAL TECHNOLOGIES CORP.

(Exact name of registrant as specified in charter)

New York

0-3319

13-1784308

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

One Commerce Park, Valhalla, NY

10595

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (914) 686-3650

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On December 14, 2005, Del Global Technologies Corp., a New York corporation

(the "Company"), announced its results for the fiscal 2006 first quarter, including summary balance sheet data. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

The information furnished pursuant to this Current Report on Form 8-K, including the exhibit hereto, shall not be considered "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of such section, nor shall it be incorporated by reference into future filings by the Company under the Securities Act of 1933, as amended, or under the Securities Act of 1934, as amended, unless the Company expressly sets forth in such future filing that such information is to be considered "filed" or incorporated by reference therein.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Financial Statements of Businesses Acquired.
Not Applicable
- (b) Pro Forma Financial Information.
Not Applicable
- (c) Shell Company Transactions.
Not Applicable
- (d) Exhibits

Exhibit No. -----	Exhibits -----
99.1	Press Release dated December 14, 2005.

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 hereunto duly authorized.

DEL GLOBAL TECHNOLOGIES CORP.

(Registrant)

Date: December 14, 2005

By: /s/ Mark A. Koch

Mark A. Koch
Principal Accounting Officer and
Treasurer

EXHIBIT INDEX

Exhibit No.	Exhibits
99.1	Press Release dated December 14, 2005.

[GRAPHIC OMITTED]

EXHIBIT 99.1

FOR IMMEDIATE RELEASE

DEL GLOBAL TECHNOLOGIES ANNOUNCES FISCAL 2006 FIRST QUARTER RESULTS

VALHALLA, NY - December 14, 2005 -- DEL GLOBAL TECHNOLOGIES CORP. (DGTC) ("Del Global" or "the Company") today announced operating results for its fiscal 2006 first quarter ended October 29, 2005, as well as summary balance sheet data (see attached tables). These results are for continuing operations, and exclude the results of the Del High Voltage ("DHV") division, sold on October 1, 2004. DHV results are treated as discontinued operations.

FISCAL 2006 FIRST QUARTER RESULTS

Consolidated net sales for the first quarter of fiscal 2006 were \$16.2 million versus the \$18.8 million in the same period last year. Sales at the Medical Systems Group decreased to \$12.8 million from \$15.4 million in the same period last year. Prior year sales reflect international shipments of \$4.3 million under a Romanian tender order. Lower sales were partially offset by a favorable currency exchange rate difference of \$700,000. Fiscal 2006 first quarter sales at the Power Conversion Group ("RFI") were stable at \$3.5 million from the first quarter of fiscal 2005.

Consolidated gross margin decreased to 23% in the fiscal 2006 first quarter from 24.3% in same period last year. Gross margin declined at the Medical Systems Group to 20% from 23% in the prior year period due to unfavorable product mix. Conversely, gross margin at RFI improved due to better procurement practices, lower materials costs as a percentage of sales and lower waste levels.

Selling, general and administrative expenses ("SG&A") during the first quarter of fiscal 2006 declined to \$3 million from \$3.3 million in the same period last year due to reduced legal and accounting expenses.

The Medical Systems Group posted operating income of \$260,000 in the first quarter of fiscal 2006 compared to operating income of \$1.2 million in the same period last year. This decline was attributable to lower overall sales and

increased material costs related to the introduction of digital products. Operating income at RFI during the fiscal 2006 first quarter improved to \$553,000 from \$448,000 in the same period last year. The consolidated operating loss of \$117,000 reflected \$930,000 in corporate expenses comprised of \$500,000 litigation settlement costs and \$430,000 related to unallocated administrative and professional costs.

The net loss for the first quarter of fiscal 2006 was \$483,000 or \$0.05 per diluted share, as compared to net income of \$247,000, or \$0.02 per diluted share, in the same period last year. The net loss for the first quarter of fiscal 2006 included a \$500,000 litigation settlement expense versus no such expense in the fiscal 2005 first quarter. Net income for the fiscal 2005 first quarter included \$199,000 in income from discontinued operations versus no such income in the fiscal 2006 first quarter.

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Walter F. Schneider, President and Chief Executive Officer of Del Global commented, "Excluding the \$500,000 in litigation settlement expenses, and despite lower sales at the Medical Systems Group, we operated on an approximate break-even basis during the first quarter of fiscal 2006. We remain pleased with the performance at RFI. As recently announced, RFI was recommended to be ISO 9001:2000 certified. This is an important designation, and one that we believe will allow RFI to expand its industry presence."

"We are also focused on gaining revenue momentum at Medical Systems Group. At the recent RSNA (Radiological Society of North America) show in Chicago, we introduced a number of new systems, including the Apollo R/F and OTC3 Hospital Systems. These products were well received and we believe will generate new orders that we expect to fill in FY 2006. Under the leadership of Christopher Japp, the President of Del Medical Systems Group, we have also launched a new global strategy to improve this segment's penetration in the global marketplace, increase overall product revenues, broaden product applications, and strengthen customer service. Over the next 12 months we will hire a VP of Global Sales and regional managers to cultivate sales opportunities in areas of the world that we believe hold significant promise, including establishing Del Global's first-ever presence in the large and growing Asian market."

BACKLOG

Consolidated backlog at October 29, 2005 was \$17.5 million versus backlog at July 30, 2005 of approximately \$14.6 million. The backlog in the Power Conversion Group decreased \$0.9 million from levels at beginning of the fiscal year, reflecting lower bookings earlier in the quarter. There was a \$3.7 million increase in the backlog at our Medical Systems Segment from July 30, 2005 levels, reflecting strong bookings during the quarter. Substantially all of the backlog should result in shipments within the next 12 months.

FINANCIAL CONDITION

Del Global's balance sheet at October 29, 2005 reflected working capital of \$11.3 million, shareholders' equity of \$8.8 million and a stated book value of \$.83 per share. As of October 29, 2005, the Company had approximately \$1.1 million of excess borrowing capacity under its domestic revolving line of credit compared to \$0.5 million at July 30, 2005.

INVESTOR CONFERENCE CALL

Walter F. Schneider, President and Chief Executive Officer, and Mark A. Koch, Principal Accounting Officer, will host a conference call on Thursday, December 15, 2005 at 12:30 P.M. Eastern Time to discuss these results. The telephone

number to join this conference call is (888) 737-9832 (Domestic) or (706) 679-0770 (International). A taped replay of the call will be available through 5:00 P.M. Eastern Time on Tuesday, December 20, 2005. Please dial (800) 642-1687 (Domestic) or (706) 645-9291 (International) and enter the number 3395828 to listen to the replay. In addition, the conference call will be broadcast live over the Internet under the "Investor Relations" section of Del Global's web site at WWW.DELGLOBAL.COM; click on "Presentations & Webcasts." To listen to the live call on the Internet, go to the web site at least 15 minutes early to register, download and install any necessary audio software. If you are unable to participate in the live call, the conference call will be archived and can be accessed on Del Global's website for approximately five business days.

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ABOUT DEL GLOBAL TECHNOLOGIES

Del Global Technologies Corp. is primarily engaged in the design, manufacture and marketing of cost-effective medical imaging and diagnostic systems consisting of stationary and portable x-ray systems, radiographic/fluoroscopic systems, dental imaging systems and proprietary high-voltage power conversion subsystems for medical and other critical industrial applications. Through its RFI subsidiary, Del Global manufactures electronic filters, high voltage capacitors, pulse modulators, transformers and reactors, and a variety of other products designed for industrial, medical, military and other commercial applications.

Statements about future results made in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. Del Global cautions that these statements are not guarantees of future performance. These statements involve a number of risks and uncertainties that are difficult to predict, including, but not limited to: the ability of Del Global to implement its business plan; retention of management; changing industry and competitive conditions; obtaining anticipated operating efficiencies; securing necessary capital facilities; favorable determinations in various legal matters; market and operating risks from foreign currency exchange exposures; and favorable general economic conditions. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company's filings with the Securities and Exchange Commission.

DEL GLOBAL TECHNOLOGIES CORP.

Walter F. Schneider, President & Chief Executive Officer
Mark Koch, Principal Accounting Officer
(914) 686-3650

INVESTOR RELATIONS:

The Equity Group Inc.
Devin Sullivan (212) 836-9608
Maura Gedid (212) 836-9605

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(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended	
	October 29, 2005 -----	October 30, 2004 -----
NET SALES	\$ 16,239	\$ 18,758
COST OF SALES	12,504	14,205
	-----	-----
GROSS MARGIN	3,735	4,553
	-----	-----
Selling, general and administrative	2,999	3,276
Research and development	353	373
Litigation settlement costs	500	-
	-----	-----
Total operating expenses	3,852	3649
	-----	-----
OPERATING (LOSS) INCOME	(117)	904
Interest expense	210	422
Other income	(13)	(14)
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX PROVISION AND MINORITY INTEREST	(314)	496
INCOME TAX PROVISION	172	377
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	(486)	119
MINORITY INTEREST	(3)	71
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS DISCONTINUED OPERATION	(483) -	48 199
NET INCOME(LOSS)	\$ (483)	\$ 247
	=====	=====
INCOME(LOSS)PER COMMON SHARE(BASIC AND DILUTED)		
Continuing operations	\$ (0.05)	\$ -
Discontinued operation	-	0.02
Net income(loss) per basic and diluted share	\$ (0.05)	0.02
	=====	=====
Weighted average number of common shares outstanding:		
Basic	10,630	10,352
Diluted	10,630	11,398
	=====	=====

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED SUMMARY BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	October 29, 2005 -----	July 30, 2005 -----
Current Assets	\$ 29,738	\$ 31,260
Total Assets	\$ 39,291	\$ 40,776
Current Liabilities	\$ 18,464	\$ 21,138
Total Liabilities	\$ 29,247	\$ 30,275
Minority Interest in Subsidiary	\$ 1,264	\$ 1,273
Shareholders' Equity	\$ 8,780	\$ 9,228
Common Shares Outstanding End of Period	10,630	10,630
Book Value Per Share	\$ 0.83	\$ 0.87

End of Filing

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