

DGT HOLDINGS CORP.

FORM 8-K (Current report filing)

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Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
Telephone	631 231-6400
CIK	0000027748
Symbol	DGTC
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): June 8, 2010

DEL GLOBAL TECHNOLOGIES CORP.

(Exact name of registrant as specified in its charter)

New York	0-3319	13-1784308
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
100 Pine Aire Drive, Bay Shore, New York		11706
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (631) 231-6400

(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))
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Item 2.02 Results of Operations and Financial Condition.

On June 8, 2010, Del Global Technologies Corp., a New York corporation, (the "Company"), announced its results for the fiscal 2010 third quarter ended May 1, 2010.

A copy of the press release is furnished as Exhibit 99.1 to this report.

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 liabilities of that 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.

(d) *Exhibits*

Exhibit No.

Exhibits

99.1

Press Release dated June 8, 2010 (announcing fiscal 2010 third quarter financial results).

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: June 8, 2010

By: /s/ Mark A. Zorko

Mark A. Zorko

Chief Financial Officer

EXHIBIT INDEX

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Press Release dated June 8, 2010 (announcing fiscal 2010 third quarter financial results).



FOR IMMEDIATE RELEASE

DEL GLOBAL TECHNOLOGIES REPORTS FISCAL 2010 THIRD QUARTER FINANCIAL RESULTS

Bay Shore, NY – June 8, 2010 -- Del Global Technologies Corp. (OTCBB: DGTC) (“Del Global” or “the Company”) today announced financial results for its fiscal 2010 third quarter and nine months ended May 1, 2010.

Consolidated net sales of \$13.2 million for the third quarter of fiscal 2010 reflect an increase of \$1.4 million or 11.3% from fiscal 2009 third quarter net sales of \$11.8 million. The Medical Systems Group’s third quarter fiscal 2010 sales of \$9.9 million were \$0.8 million or 8.4% higher than the prior year’s third quarter primarily due to favorable exchange rates. Sales at the Power Conversion Group during the third quarter of fiscal 2010 were \$3.3 million, approximately \$0.6 million or 21.0% higher than prior year’s third quarter sales, due to increased volume and in part to the timing of shipment approvals from our customers.

Consolidated gross margin as a percent of sales was 23.5% for the third quarter of fiscal 2010, compared to 20.9% in the third quarter of fiscal 2009. The Medical Systems Group, third quarter of fiscal 2010 gross margin of 19.5% was higher than the gross margin of 18.7% in the third quarter of fiscal 2009 due primarily to higher sales volumes. The Power Conversion Group’s gross margin for the third quarter of fiscal 2010 was 35.7%, versus 28.2% in the prior year third quarter, attributable to increased sales volume.

Operating expenses for the third quarter of fiscal 2010 increased to 21.2% of net sales from 18.6% of net sales in the same period one year ago. This increase was the result of a fiscal 2009 reversal of accrued expenses related to selling, general and administrative expenses, primarily in the areas of employee benefits. In addition, research and development expense in the third quarter of fiscal 2010 of \$0.6 million was \$0.1 million higher than the third quarter of fiscal 2009.

Operating income for the third quarter of fiscal 2010 was \$0.3 million, comparable to the prior year period. Operating income at the Medical Systems Group for the third quarter of fiscal 2010 was \$40 thousand compared to \$0.2 million for the same period in the prior year. The Power Conversion Group’s operating income in the third quarter of fiscal 2010 increased by \$0.4 million to \$0.5 million compared to \$0.1 million in the third quarter of fiscal 2009 due primarily to the increase in sales noted above.

Net income in the third quarter of fiscal 2010 was \$0.3 million, or \$0.01 per basic share, compared to a net loss of \$0.8 million, or \$0.04 per basic share in the comparable prior year period. For the third quarter of fiscal 2010, there were approximately 22.7 million weighted average common diluted shares outstanding (“shares outstanding”), the same as the third quarter of fiscal 2009.

The Company recorded a net loss of \$2.0 million or \$0.09 per basic share in the first nine months of fiscal 2010, compared to net loss of \$3.2 million or \$0.14 per basic share in the first nine months of the prior fiscal year. The discontinued operations impact for the current and prior nine month periods was \$0.14 per basic share and \$0.10 per basic share respectively.

BACKLOG

Consolidated backlog at May 1, 2010 was \$9.9 million compared to a backlog at August 1, 2009 of approximately \$10.6 million. The Company's Medical System segment experienced a decrease in third quarter fiscal 2010 backlog of \$2.0 million from August 1, 2009. The backlog in the Power Conversion Group of \$5.7 million reflects an increase of \$1.2 million from levels at the beginning of the fiscal year. Substantially all of the backlog should result in shipments within the next 12 to 15 months.

FINANCIAL CONDITION

Del Global's balance sheet at May 1, 2010 reflected working capital of \$18.7 million, which included \$5.4 million of cash and cash equivalents. As of May 1, 2010, Del Global had outstanding borrowings of \$0.1 million under its Italian revolving credit facilities. In the aggregate, Del Global had approximately \$11.4 million of borrowing availability under its Italian revolving credit facilities. The Company's net cash (cash and equivalents net of debt) was \$2.7 million at May 1, 2010, compared to net debt (debt net of cash and equivalents) of \$3.5 million at August 1, 2009.

COMMENTS

John J. Quicke, Del Global's President and Chief Executive Officer, commented, "Our results during the fiscal 2010 third quarter, while encouraging, reflect a sluggish capital spending recovery, primarily in our Medical business. Most of our Medical sales are in international markets. Purchasing decisions in many of these markets are dependent on capital made available to medical institutions by their local governments. Our product mix is strong and we continue to invest in new product development as well as lean manufacturing practices. We are confident of our positioning as the worldwide economy recovers."

ABOUT DEL GLOBAL TECHNOLOGIES

Del Global Technologies Corp. is primarily engaged in the design, manufacturing and marketing of high performance diagnostic imaging systems for medical and dental applications through the Del Medical Systems Group. Through its Milan, Italy based Villa Sistemi Medicali S.p.A. subsidiary the Company offers a broad portfolio of general radiographic, radiographic/fluoroscopic, portable x-ray and digital radiographic systems to the global marketplace. Through its RFI subsidiary, Del Global manufactures proprietary high-voltage power conversion subsystems including 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. The company's web site is www.delglobal.com.

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.:

John J. Quicke
Chief Executive Officer

Mark A. Zorko
Chief Financial Officer
(631) 231-6400 ext. 323

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	May 1, 2010	May 2, 2009	May 1, 2010	May 2, 2009
Net Sales	\$ 13,150	\$ 11,815	\$ 42,790	\$ 41,717
Cost of Sales	<u>10,059</u>	<u>9,345</u>	<u>32,278</u>	<u>31,147</u>
Gross Margin	<u>3,091</u>	<u>2,470</u>	<u>10,512</u>	<u>10,570</u>
Selling, General and Administrative	2,202	1,705	6,777	6,396
Research and Development	592	457	1,567	1,453
Litigation Settlement	-	36	-	2,536
Total Operating Expenses	<u>2,794</u>	<u>2,198</u>	<u>8,344</u>	<u>10,385</u>
Operating Income	297	272	2,168	185
Interest Expense, net	(45)	(92)	(394)	(192)
Other Income	<u>121</u>	<u>167</u>	<u>76</u>	<u>98</u>
Net Income from Continuing Operations Before Income Tax Provision	373	347	1,850	91
Income Tax Provision	<u>62</u>	<u>131</u>	<u>765</u>	<u>964</u>
Income (Loss) from Continuing Operations	311	216	1,085	(873)
Discontinued Operations, net of taxes	(15)	(1,031)	(3,090)	(2,351)
Net Income (Loss)	<u>\$ 296</u>	<u>\$ (815)</u>	<u>\$ (2,005)</u>	<u>\$ (3,224)</u>
Net Income (Loss) Per Basic Share	<u>\$ 0.01</u>	<u>\$ (0.04)</u>	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>
Net Income (Loss) Per Diluted Share	<u>\$ 0.01</u>	<u>\$ (0.04)</u>	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>
Weighted Average Number of Common Shares				
Outstanding:				
Basic	<u>22,718</u>	<u>22,718</u>	<u>22,718</u>	<u>23,475</u>
Diluted	<u>22,735</u>	<u>22,718</u>	<u>22,718</u>	<u>23,475</u>

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
SELECTED BALANCE SHEET DATA
(In thousands, except per share data)
(Unaudited)

	<u>May 1, 2010</u>	<u>August 1, 2009</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,371	\$ 7,983
Trade receivables, net	13,619	18,043
Inventories	10,398	16,004
Prepaid expenses and other current assets	1,280	1,719
Total current assets	<u>30,668</u>	<u>43,749</u>
NON-CURRENT ASSETS:		
Property plant and equipment, net	5,441	6,305
Deferred income taxes	583	611
Goodwill	4,526	4,526
Other assets	24	71
Total non-current assets	<u>10,574</u>	<u>11,513</u>
TOTAL ASSETS	<u>\$ 41,242</u>	<u>\$ 55,262</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Revolving loan	\$ 74	\$ 7,492
Current portion of long-term debt	1,430	1,653
Accounts payable - trade	6,236	7,304
Accrued expenses	4,246	5,239
Total current liabilities	<u>11,986</u>	<u>21,688</u>
NON-CURRENT LIABILITIES:		
Long-term debt, less current portion	1,156	2,385
Deferred income taxes	2,102	2,561
Total non-current liabilities	<u>3,258</u>	<u>4,946</u>
Total liabilities	<u>15,244</u>	<u>26,634</u>
SHAREHOLDERS' EQUITY:		
Total shareholders' equity	25,998	28,628
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 41,242</u>	<u>\$ 55,262</u>