

GLOBECOMM SYSTEMS INC
Form 10-Q
November 15, 2004
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 September 30, 2004

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: 000-22839

Globecomm Systems Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
45 Oser Avenue,
Hauppauge, NY
(Address of principal executive offices)

11-3225567
(I.R.S. Employer
Identification No.)
11788
(Zip Code)

Registrant's telephone number, including area code: (631) 231-9800

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 is an accelerated filer (as defined in Rule 12b-2 of the Act).
Yes No

As of November 10, 2004, there were 14,403,222 shares of the Registrant's common stock, \$0.001 par value, outstanding.

GLOBECOMM SYSTEMS INC.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

GLOBECOMM SYSTEMS INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

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	September 30, 2004 (Unaudited)	June 30, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,242	\$ 28,252
Restricted cash	11,888	1,903
Accounts receivable, net	20,357	14,318
Inventories	7,589	3,904
Prepaid expenses and other current assets	569	1,274
Deferred income taxes	83	83
Total current assets	57,728	49,734
Fixed assets, net	15,323	15,441
Goodwill	7,204	7,204
Other assets	1,106	1,096
Total assets	\$ 81,361	\$ 73,475
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 19,537	\$ 15,453
Deferred revenues	1,899	1,083
Accrued payroll and related fringe benefits	967	1,154
Other accrued expenses	1,652	1,676
Deferred liabilities	316	316
Total current liabilities	24,371	19,682
Deferred liabilities, less current portion	908	987
Commitments and contingencies		
Stockholders' equity:		
Series A Junior Participating, shares authorized, issued and outstanding: none at September 30, 2004 and June 30, 2004		
	—	—
Common stock, \$.001 par value, 22,000,000 shares authorized, shares issued: 14,838,274 at September 30, 2004 and 14,628,574 at June 30, 2004	15	15
Additional paid-in capital	131,619	130,503
Accumulated deficit	(73,017)	(75,198)
Accumulated other comprehensive income	246	267

Treasury stock, at cost, 465,351 shares at September 30, 2004 and June 30, 2004	(2,781)	(2,781)
Total stockholders' equity	56,082	52,806
Total liabilities and stockholders' equity	\$ 81,361	\$ 73,475

See accompanying notes.

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GLOBECOMM SYSTEMS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	September 30, 2004	September 30, 2003
Revenues from ground segment systems, networks and enterprise solutions	\$ 21,586	\$ 17,031
Revenues from data communications services	3,873	3,430
Total revenues	25,459	20,461
Costs and operating expenses:		
Costs from ground segment systems, networks and enterprise solutions	18,062	15,304
Costs from data communications services	3,194	3,218
Selling and marketing	1,169	1,116
Research and development	298	475
General and administrative	628	893
Total costs and operating expenses	23,351	21,006
Income (loss) from operations	2,108	(545)
Other income (expense):		
Interest income	73	62
Interest expense	—	(1)
Net income (loss)	\$ 2,181	\$ (484)
Basic and diluted net income (loss) per common share	\$ 0.15	\$ (0.04)
Weighted-average shares used in the calculation of basic net income (loss) per common share	14,180	12,576