

ASTROTECH Corp
Form 10-Q
February 10, 2016
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 December 31, 2015

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: 001-34426

Astrotech Corporation
(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)
401 Congress Avenue, Suite 1650
Austin, Texas 78701
(Address of principal executive offices and zip code)

91-1273737
(I.R.S. Employer
Identification No.)

(512) 485-9530
(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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a 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

As of February 5, 2016, the number of shares of the registrant's common stock outstanding was: 20,700,673.

ASTROTECH CORPORATION AND SUBSIDIARIES
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PART I: FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

ASTROTECH CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands, except share data)

(Unaudited)

	December 31, 2015	June 30, 2015
Assets		
Current assets		
Cash and cash equivalents	\$2,145	\$2,330
Short-term investments	18,192	23,161
Accounts receivable, net of allowance	143	198
Inventory	1,232	509
Indemnity receivable	6,100	6,100
Prepaid expenses and other current assets	475	296
Total current assets	28,287	32,594
Property and equipment, net	3,572	3,108
Long-term investments	5,768	8,516
Total assets	\$37,627	\$44,218
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$409	\$398
Accrued liabilities and other	1,483	1,801
Income tax payable	—	190
Total current liabilities	1,892	2,389
Other liabilities	130	101
Total liabilities	2,022	2,490
Commitments and contingencies (Note 15)		
Stockholders' equity		
Preferred stock, no par value, convertible, 2,500,000 shares authorized; no shares issued and outstanding, at December 31, 2015 and June 30, 2015	—	—
Common stock, no par value, 75,000,000 shares authorized; 21,864,548 shares issued at December 31, 2015 and June 30, 2015, respectively; 20,700,673 and 20,743,973 shares outstanding at December 31, 2015 and June 30, 2015, respectively	189,185	189,007
Treasury stock, 1,163,875 and 1,120,575 shares at cost at December 31, 2015 and June 30, 2015, respectively	(2,789) (2,672
Additional paid-in capital	1,210	1,139
Accumulated deficit	(151,912) (146,022
Accumulated other comprehensive loss	(217) (23
Equity attributable to stockholders of Astrotech Corporation	35,477	41,429

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Noncontrolling interest	128	299
Total stockholders' equity	35,605	41,728
Total liabilities and stockholders' equity	\$37,627	\$44,218

See accompanying notes to unaudited condensed consolidated financial statements.

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ASTROTECH CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations and Comprehensive Income

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended		
	December 31,		December 31,		
	2015	2014	2015	2014	
Revenue	\$927	\$4	\$927	\$324	
Cost of revenue	632	4	632	281	
Gross profit	295	—	295	43	
Operating expenses:					
Selling, general and administrative	1,671	2,012	3,957	3,972	
Research and development	1,326	984	2,590	1,676	
Total operating expenses	2,997	2,996	6,547	5,648	
Loss from operations	(2,702)) (2,996) (6,252) (5,605)
Interest and other expense, net	94	24	193	36	
Loss from continuing operations before income taxes	(2,608)) (2,972) (6,059) (5,569)
Income tax benefit (expense)	—	734	(2)	