

ADVANCED ENERGY INDUSTRIES INC

FORM 8-K

(Unscheduled Material Events)

Filed 10/14/1997 For Period Ending 10/13/1997

Address	1625 SHARP POINT DR FT COLLINS, Colorado 80525
Telephone	970-221-4670
CIK	0000927003
Industry	Electronic Instr. & Controls
Sector	Technology
Fiscal Year	12/31

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): OCTOBER 13, 1997

ADVANCED ENERGY INDUSTRIES, INC.

(Exact Name of Registrant as Specified in Charter)

DELAWARE

0-26966

84-0846841

(State or Other Jurisdiction (Commission File Number)
of Incorporation)

(IRS Employer
Identification No.)

1625 SHARP POINT DRIVE, FORT COLLINS, COLORADO

80525

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: 970-221-4670

N/A

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

ITEM 5. OTHER EVENTS.

Pursuant to Form 8-K, General Instructions F, registrant hereby incorporates by reference the press release attached hereto as Exhibit 99.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

Exhibit No. -----	Description -----
Exhibit 99	Advanced Energy Industries, Inc. Press Release dated October 13, 1997.

SIGNATURE

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.

Dated: October 13, 1997

ADVANCED ENERGY INDUSTRIES, INC.

By: /s/ Richard P. Beck

Name: Richard P. Beck

Title: Vice President, Chief Financial Officer

**FOR MORE INFORMATION, CONTACT:
RICHARD BECK THE FINANCIAL RELATIONS BOARD
CHIEF FINANCIAL OFFICER CATHERINE ROBERTS (INVESTORS)
ADVANCED ENERGY INDUSTRIES FRANK THORSBERG (MEDIA)**

T: 970/407-6204 T: 415/986-1591
BETSY TRUAX (GENERAL INFO)

T: 208/233-8323

**FOR IMMEDIATE RELEASE:
MONDAY, OCTOBER 13, 1997**

**ADVANCED ENERGY INDUSTRIES REPORTS THIRD QUARTER RESULTS
FOR 1997**

FORT COLLINS, CO -- OCTOBER 13, 1997 -- Advanced Energy Industries, Inc. (Nasdaq:AEIS) reported improved revenues and net income for the third quarter of 1997. Net sales grew 97% from a year ago, while net income increased despite the Company's reporting of one-time charges totaling \$6.1 million.

For the quarter ended September 30, 1997, Advanced Energy reported net sales of \$42.6 million, a 97% improvement over net sales reported a year ago, and a 30% improvement over net sales in the second quarter of 1997 of \$32.7 million. Gross margin increased to 40% for the third quarter of 1997, compared with 30.5% a year ago and 38.4% in the second quarter of 1997.

Net income for the third quarter of 1997 was \$517,000, or two cents per share, compared with net income of \$123,000, or a penny per share, a year ago. Weighted average shares outstanding for the third quarters of 1997 and 1996 were 22,402,000 and 21,622,000, respectively.

The 1997 third quarter improvement in net income was reported despite an increase in operating expenses from one-time charges totaling \$6.1 million. These charges included a \$3.0 million charge taken for storm damage during heavy rains in the Fort Collins area

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on July 29, 1997, and a \$3.1 million charge for purchased in-process research and development efforts of Tower Electronics expensed immediately upon the acquisition of Tower Electronics.

Operating income for the third quarter of 1997, excluding the one-time charges, would have been \$8.7 million compared with \$109,000 in the comparable period in 1996 and \$5.0 million in the second quarter of 1997. Net income for the quarter, excluding the one-time charges, would have been \$5.5 million, or 24 cents per share.

The 81% tax provision in the third quarter of 1997 exceeds the normal tax provision for the Company because certain of the charges are not tax deductible.

NINE-MONTH RESULTS

For the nine months of 1997, Advanced Energy reported net sales of \$95.9 million, a 22% increase over the comparable period. Net income, including the storm damage and purchased in-process R&D, was \$4.6 million, or 21 cents per share, compared with net income of \$4.5 million, or 21 cents per share, a year ago. Without the one-time charges, net income for the nine months of 1997 would have been \$9.5 million or 43 cents per share.

Advanced Energy ended the third quarter of 1997 with \$9.3 million of cash, \$42.4 million of working capital, \$87.4 million of total assets, and \$51.9 million of stockholders' equity. Long-term debt increased to \$14.7 million primarily due to the debt incurred in connection with the acquisition of Tower Electronics.

SAFE HARBOR STATEMENT

Except for any historical information contained herein, the matters discussed in this news release are forward-looking statements that involve risks and uncertainties, including the achievement of goals established by the Company to improve gross margin and maintain operating expenses in line with revenue, continued sales growth in non-semiconductor areas, and other risks detailed from time to time in reports to the Securities and Exchange Commission, including the Company's Form 10-K and Forms 10-Q. The Company continues to be susceptible to fluctuations in quarterly and annual revenues and operating results. The Company assumes no obligation to update the information in this release.

ABOUT THE COMPANY

Advanced Energy Industries, Inc. was founded in 1981 and is a leading manufacturer of power delivery systems that are critical in the manufacturing of semiconductors, data

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storage media, flat panel displays, and other products using thin-film technology. Within its comprehensive product portfolio of direct current (DC), low/mid-frequency and radio frequency (RF) solutions, the Company sells hundreds of different products critical in applications ranging from compact disks, digital video disks, flat panel displays, the most popular logic semiconductor devices, among many other applications. The Company's stock is traded on Nasdaq under the symbol AEIS.

-- TABLES FOLLOW --

CONSOLIDATED INCOME STATEMENTS
(IN THOUSANDS EXCEPT PER SHARE DATA)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net sales	\$ 42,571	\$ 21,639	\$ 95,928	\$ 78,636
Cost of sales	25,538	15,047	58,835	49,286
Gross profit	17,033	6,592	37,093	29,350
Operating expenses:				
Research and development	4,072	3,349	10,406	10,491
Sales and marketing	2,329	2,201	6,464	6,532
General and administrative	1,943	933	4,893	4,989
Storm damage	3,000	0	3,000	0
Purchased in-process research and development	3,080	0	3,080	0
Operating income	2,609	109	9,250	7,338
Other income (expense)	54	97	(46)	(139)
Income before income taxes	2,663	206	9,204	7,199
Income taxes	2,146	83	4,632	2,741
Net income	\$ 517	\$ 123	\$ 4,572	\$ 4,458
Net income per share	0.02	0.01	0.21	0.21
Number of shares used in per share calculations	22,402	21,622	22,073	21,645

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CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

ASSETS	SEPTEMBER 30, 1997	December 31, 1996
	----- (unaudited)	----- (audited)
Current Assets:		
Cash and cash equivalents	\$ 9,250	\$ 11,231
Accounts receivable	34,585	16,116
Inventories	20,911	13,976
Prepaid expenses and other		
current assets	1,648	1,013
Deferred income taxes	1,280	1,223
	-----	-----
Total current assets	67,674	43,559
Property and equipment, net	10,587	9,500
Other assets	1,784	2,972
Goodwill	7,335	0
	-----	-----
Total assets	\$ 87,380	\$ 56,031
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 13,233	\$ 2,253
Other current liabilities	6,095	3,718
Accrued income taxes payable	1,423	1,485
Current portion of long-term debt	4,495	924
	-----	-----
Total current liabilities	25,246	8,380
Long-term debt	10,220	1,127
Deferred income tax liability	28	28
Stockholders' equity	51,886	46,496
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Total liabilities and stockholders' equity	\$ 87,380	\$ 56,031
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