

COMTECH TELECOMMUNICATIONS CORP /DE/  
Form 10-Q  
March 11, 2015  
Index

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 January 31, 2015

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-7928

(Exact name of registrant as specified in its charter)

Delaware

11-2139466

(State or other jurisdiction of incorporation  
/organization)

(I.R.S. Employer Identification Number)

68 South Service Road, Suite 230,

Melville, NY

11747

(Address of principal executive offices)

(Zip Code)

(631) 962-7000

(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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting  
company

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes            No

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of March 6, 2015, the number of outstanding shares of Common Stock, par value \$.10 per share, of the registrant was 16,254,613 shares.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	January 31, 2015 (Unaudited)	July 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 135,139,000	154,500,000
Accounts receivable, net	68,896,000	54,887,000
Inventories, net	67,472,000	61,332,000
Prepaid expenses and other current assets	11,153,000	9,947,000
Deferred tax asset, net	10,056,000	10,178,000
Total current assets	292,716,000	290,844,000
Property, plant and equipment, net	17,448,000	18,536,000
Goodwill	137,354,000	137,354,000
Intangibles with finite lives, net	23,099,000	26,220,000
Deferred financing costs, net	—	65,000
Other assets, net	870,000	833,000
Total assets	\$471,487,000	473,852,000
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 17,896,000	18,902,000
Accrued expenses and other current liabilities	27,559,000	29,803,000
Dividends payable	4,869,000	4,844,000
Customer advances and deposits	8,597,000	12,610,000
Interest payable	—	29,000
Total current liabilities	58,921,000	66,188,000
Other liabilities	4,181,000	4,364,000
Income taxes payable	1,980,000	2,743,000
Deferred tax liability, net	4,069,000	3,632,000
Total liabilities	69,151,000	76,927,000
Commitments and contingencies (See Note 18)		
Stockholders' equity:		
Preferred stock, par value \$.10 per share; shares authorized and unissued 2,000,000	—	—
Common stock, par value \$.10 per share; authorized 100,000,000 shares; issued 31,095,737 shares and 31,016,469 shares at January 31, 2015 and July 31, 2014, respectively	3,110,000	3,102,000
Additional paid-in capital	423,678,000	421,240,000
Retained earnings	412,408,000	409,443,000
	839,196,000	833,785,000
Less:		
Treasury stock, at cost (14,857,582 shares at January 31, 2015 and July 31, 2014)	(436,860,000)	(436,860,000)
Total stockholders' equity	402,336,000	396,925,000
Total liabilities and stockholders' equity	\$471,487,000	473,852,000

See accompanying notes to condensed consolidated financial statements.



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COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited)

	Three months ended January 31,		Six months ended January 31,	
	2015	2014	2015	2014
Net sales	\$81,802,000	85,499,000	158,193,000	168,867,000
Cost of sales	43,927,000	48,130,000	84,993,000	95,120,000
Gross profit	37,875,000	37,369,000		