

MERRIMAC INDUSTRIES INC  
Form 10QSB  
May 13, 2003

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the Quarterly period ended March 29, 2003

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

MERRIMAC INDUSTRIES, INC.

(Exact Name of Small Business Issuer as specified in Its Charters)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**22-1642321**  
(I.R.S. Employer Identification No.)

41 Fairfield Place, West Caldwell, New Jersey 07006

(Address of Principal Executive Offices)

Registrant's telephone number (973) 575-1300

Former name, former address and former fiscal year, if changed since last report: N/A

As of May 12, 2003, 3,120,591 shares of Common Stock, par value \$0.01 per share, were issued and outstanding.

Transitional Small Business Disclosure Format (check one): Yes      No

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

MERRIMAC INDUSTRIES, INC.  
CONSOLIDATED BALANCE SHEETS

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	March 29, 2003 (Unaudited)	December 28, 2002 (Audited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,146,160	\$ 3,610,798
Accounts receivable, net	5,535,830	3,801,198
Income tax refunds receivable	302,085	300,914
Inventories, net	3,803,224	4,015,331
Other current assets	394,642	318,141
Deferred tax assets	945,000	945,000
Total current assets	13,126,941	12,991,382
Property, plant and equipment at cost	37,242,455	36,420,776
Less accumulated depreciation and amortization	17,993,061	17,138,713
Property, plant and equipment, net	19,249,394	19,282,063
Other assets	790,525	817,305
Deferred tax assets, non-current	929,000	905,000
Goodwill, net	2,691,670	2,491,146
Total Assets	\$36,787,530	\$36,486,896
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 6,112,365	\$ 6,239,758
Accounts payable	1,932,462	1,554,517
Accrued liabilities	1,655,482	1,541,309
Income taxes payable	28,997	37,857
Total current liabilities	9,729,306	9,373,441
Long-term debt, net of current portion	416,524	429,420
Deferred compensation	115,067	123,452
Deferred liabilities	240,739	155,483
Deferred tax liabilities	1,717,000	1,703,000
Total liabilities	12,218,636	11,784,796
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$.01 per share:		
Authorized: 1,000,000 shares		
No shares issued		
Common stock, par value \$.01 per share:		
Authorized: 20,000,000 shares		
Issued: 3,202,691 and 3,201,069 shares		
	32,027	32,011
Common stock warrants	837,200	837,200
Additional paid-in capital	17,848,697	17,841,970
Retained earnings	6,940,593	7,395,978
Accumulated other comprehensive income (loss)	52,243	(263,193)
	25,710,760	25,843,966
Less treasury stock, at cost:		
82,100 shares at March 29, 2003 and December 28, 2002	(573,866)	(573,866)
Less loan to officer-stockholder	(568,000)	(568,000)
Total stockholders' equity	24,568,894	24,702,100
Total Liabilities and Stockholders' Equity	\$36,787,530	\$36,486,896

See accompanying notes.

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MERRIMAC INDUSTRIES, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME (LOSS)  
(Unaudited)

	Quarter Ended	
	March 29, 2003	March 30, 2002
<b>OPERATIONS</b>		
Net sales	\$6,511,644	\$6,850,587
Costs and expenses:		
Cost of sales	4,059,703	3,656,307
Selling, general and administrative	2,329,394	2,343,780
Research and development	599,731	575,547
	6,988,828	6,575,634
Operating income (loss)	(477,184)	274,953
Interest and other expense, net	59,201	62,116
Income (loss) before income taxes	(536,385)	212,837
Provision (benefit) for income taxes	(81,000)	70,000
Net income (loss)	\$ (455,385)	\$ 142,837
Net income (loss) per common share:		