

AXT INC  
Form 10-Q  
November 09, 2009  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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, 2009**

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 000-24085**

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**AXT, INC.**

(Exact name of registrant as specified in its charter)

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**DELAWARE**  
(State or other jurisdiction of  
Incorporation or organization)

**94-3031310**  
(I.R.S. Employer  
Identification No.)

**4281 Technology Drive, Fremont, California 94538**

(Address of principal executive offices) (Zip code)

**(510) 683-5900**

(Registrant's telephone number, including area code)

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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 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 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):

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 30, 2009
Common Stock, \$0.001 par value	30,670,640



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AXT, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands, except per share data)

	September 30, 2009	December 31, 2008
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 16,042	\$ 13,566
Short-term investments	18,737	17,756
Accounts receivable, net of allowances of \$220 and \$663 as of September 30, 2009 and December 31, 2008, respectively	13,983	11,497
Inventories, net	28,642	35,082
Prepaid expenses and other current assets	2,070	3,131
Total current assets	79,474	81,032
Property, plant and equipment, net	20,808	22,184
Restricted deposits	3,000	3,013
Other assets	5,768	5,433
Total assets	\$ 109,050	\$ 111,662
<b>Liabilities and stockholders' equity:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 7,165	\$ 6,657
Accrued liabilities	4,810	4,453
Line of credit	3,000	3,013
Current portion of long-term debt	75	73
Total current liabilities	15,050	14,196
Long-term debt, net of current portion	440	496
Other long-term liabilities	65	94
Total liabilities	15,555	14,786
Commitments and contingencies (Note 11)		
<b>Stockholders' equity:</b>		
Preferred stock, \$0.001 par value per share; 2,000 shares authorized; 883 shares issued and outstanding as of September 30, 2009 and December 31, 2008, respectively	3,532	3,532
Common stock, \$0.001 par value per share; 70,000 shares authorized; 30,670 and 30,513 shares issued and outstanding as of September 30, 2009 and December 31, 2008, respectively	30	30
Additional paid-in capital	187,478	186,754
Accumulated deficit	(103,907)	(99,232)
Accumulated other comprehensive income	3,971	2,580
Total AXT, Inc. stockholders' equity	91,104	93,664
Noncontrolling interests	2,391	3,212
Total stockholders' equity	93,495	96,876

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Total liabilities and stockholders' equity	\$	109,050	\$	111,662
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See accompanying notes to condensed consolidated financial statements.

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AXT, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenue	\$ 16,819	\$ 17,863	\$ 37,528	\$ 57,429
Cost of revenue	11,281	13,326	29,711	40,227
Gross profit	5,538	4,537	7,817	17,202
<b>Operating expenses:</b>				
Selling, general and administrative	3,323	4,901	10,815	12,146
Research and development	360	562	1,175	1,635
Impairment on assets held for sale				