

Waytronx Reports Second Quarter Financial Results

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Waytronx, Inc., along with its wholly owned subsidiaries, **CUI Inc.** and **CUI-Japan**, its Japanese subsidiary, and **Comex Electronics**, a partially owned (49%) Japanese subsidiary, announced that it posted results for the second quarter ended June 30, 2010.

For the three months ended June 30, 2010, Waytronx produced consolidated revenues of \$10,716,227 and EBITDA of \$6,494,479. These numbers represent a 40% quarter-to-quarter increase in revenues, up from \$7,668,805 in the first quarter 2010. The company maintained 37% gross margins and continued to focus on operational efficiencies.

This revenue growth and operating profit was accomplished while the company's Selling, General, and Administrative ("SG&A") expenses were reduced from 41% of total revenue in second quarter 2009 to 29% of total revenue for the second quarter 2010 - a decline of more than 12%. Significantly, the SG&A dropped from 37% of total revenue in first quarter 2010 to 29% of total revenues in second quarter 2010 - a quarter-to-quarter drop of 8%.

As explained by William Clough, Waytronx's President and CEO, "We are especially encouraged by these numbers and the trend in growth and profitability, while, at the same time, lowering our SG&A as a percentage of revenues."

"These numbers demonstrate the effectiveness of our calculated decision to build out infrastructure and engineering support, along with restructuring the company and expanding our Representative network," Clough stated. "These strategic improvements have allowed us to get into the design cycle much earlier and much more effectively. The result is clearly evidenced by the fact that we continue to see an increase in revenues and an increase in our EPS."

The company reports that the above analysis does not take into account any revenue or sales associated with its Novum Digital Power Line or its other proprietary technologies like the SEPIC-fed BUCK converter technology, and the GasPT2 natural gas metering device - all of which are expected to be in the market later this year.

"These results and this quarter-to-quarter year-over-year growth rate and profitability again demonstrate the effectiveness of our new technology/licensing model," continued Clough. "This growth in revenues and profitability and the retirement of \$9,200,000 in debt in the last five months are all part of our larger, long-term plans to expand our product line, focus on operational efficiencies, and continue to re-structure and/or retire corporate debt. We are even more confident

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Published on Electronic Component News (<http://www.ecnmag.com>)

that the acquisitions and initiatives we have implemented since May 2008 will continue to produce positive results in revenue growth, profitability, and increased shareholder value."

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