

AXT INC  
Form 10-Q  
August 09, 2010  
Table of Contents

**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 June 30, 2010**

**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**

---

# AXT, INC.

(Exact name of registrant as specified in its charter)

**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)

---

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 <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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.

Edgar Filing: AXT INC - Form 10-Q

**Class**  
Common Stock, \$0.001 par value

**Outstanding at July 23, 2010**  
31,024,198

---

Table of Contents

AXT, INC.  
FORM 10-Q  
TABLE OF CONTENTS

	<b>Page</b>
<u>PART I. FINANCIAL INFORMATION</u>	3
<u>Item 1. Financial Statements (unaudited)</u>	3
<u>Condensed Consolidated Balance Sheets as of June 30, 2010 and December 31, 2009</u>	3
<u>Condensed Consolidated Statements of Operations for the three months and six months ended June 30, 2010 and 2009</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2010 and 2009</u>	5
<u>Notes To Condensed Consolidated Financial Statements</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	29
<u>Item 4. Controls and Procedures</u>	30
<u>PART II. OTHER INFORMATION</u>	30
<u>Item 1. Legal Proceedings</u>	30
<u>Item 1A. Risk Factors</u>	31
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
<u>Item 3. Defaults Upon Senior Securities</u>	31
<u>Item 4. Reserved</u>	31
<u>Item 5. Other Information</u>	31
<u>Item 6. Exhibits</u>	31
<u>Signatures</u>	33

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

AXT, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

	<b>June 30, 2010 (unaudited)</b>	<b>December 31, 2009 (1)</b>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 20,394	\$ 16,934
Short-term investments	11,321	18,469
Accounts receivable, net of allowances of \$797 and \$1,019 as of June 30, 2010 and December 31, 2009, respectively	18,640	15,362
Inventories, net	27,247	27,718
Prepaid expenses and other current assets	4,032	2,411
Total current assets	81,634	80,894
Long-term investments	7,210	
Property, plant and equipment, net	20,314	20,853
Other assets	6,199	6,199
Total assets	\$ 115,357	\$ 107,946
Liabilities and stockholders' equity:		