

GREENMAN TECHNOLOGIES INC
Form 10-Q
February 17, 2009

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 December 31, 2008

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: 1-13776

GreenMan Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

71-0724248

(I.R.S. Employer Identification No.)

205 South Garfield, Carlisle, Iowa
(Address of principal executive offices)

50047

(Zip Code)

(781) 224-2411

(Registrant's telephone number, including area code)

12498 Wyoming Ave South, Savage, MN 55378

(Former name, former address and former fiscal year, if changed since last report)

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 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. (Check one):

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Large Accelerated Filer
Non-accelerated Filer

Accelerated Filer
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

As of February 17, 2009, there were 30,880,435 shares of the registrant's Common Stock were outstanding.

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GreenMan Technologies, Inc.

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GreenMan Technologies, Inc.
Consolidated Balance Sheets
(Unaudited)

| | December 31, 2008 | September 30, 2008 |
|---|----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 10,113,897 | \$ 210,080 |
| Accounts receivable, trade, less allowance for doubtful accounts of \$96,338 and \$96,338 as of December 31, 2008 and September 30, 2008 | 353,285 | 1,135,015 |
| Inventory | 1,183,456 | 1,323,748 |
| Other current assets | 1,166,780 | 291,371 |
| Assets related to discontinued operations | -- | 10,145,282 |
| Total current assets | 12,817,418 | 13,105,496 |
| Property, plant and equipment, net | 538,258 | 551,683 |
| Other assets: | | |
| Goodwill | 2,289,939 | 2,289,939 |
| Long term contracts, net | 509,438 | 554,250 |
| Patents, net | 108,017 | 113,433 |
| Other | 425,056 | 425,908 |
| Assets related to discontinued operations | -- | 6,566,780 |
| Total other assets | 3,332,450 | 9,950,310 |
| | \$ 16,688,126 | \$ 23,607,489 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Current liabilities: | | |
| Notes payable, current | \$ 233,558 | \$ 506,678 |
| Accounts payable | 359,823 | 782,494 |
| Accrued expenses, other | 1,307,871 | 1,176,408 |
| Obligations due under lease settlement, current | 68,518 | 68,518 |
| Notes payable, related parties, current | -- | 534,320 |
| Liabilities related to discontinued operations | -- | 16,140,322 |
| Total current liabilities | 1,969,770 | 19,208,740 |
| Notes payable, non-current | 479,391 | 482,881 |
| Obligations due under lease settlement, non-current | 580,540 | 580,540 |
| Liabilities related to discontinued operations | -- | 3,397,258 |
| Total liabilities | 3,029,701 | 23,669,419 |
| Stockholders' deficit: | | |
| Preferred stock, \$1.00 par value, 1,000,000 shares authorized, none outstanding | -- | -- |
| Common stock, \$.01 par value, 60,000,000 shares authorized, 30,880,435 shares issued and outstanding at December 31, 2008 and September 30, 2008 | 308,804 | 308,804 |
| Additional paid-in capital | 38,914,403 | 38,881,669 |
| Accumulated deficit | (25,564,782) | (39,252,403) |
| Total stockholders' equity (deficit) | 13,658,425 | (61,930) |

\$ 16,688,126 \$ 23,607,489

See accompanying condensed notes to unaudited consolidated financial statements.

GreenMan Technologies, Inc.
Consolidated Statements of Operations
(Unaudited)

| | Three Months Ended | |
|---|--------------------|------------|
| | December 31, | |
| | 2008 | 2007 |
| Net sales | \$ 662,005 | \$ 599,614 |
| Cost of sales | 493,160 | 487,440 |
| Gross profit | 168,845 | 112,174 |
| Operating expenses: | | |
| Selling, general and administrative | 1,177,400 | 737,911 |
| Operating loss from continuing operations | (1,008,555) | (625,737) |
| Other (expense): | | |
| Interest and financing costs | (59,055) | (45,431) |
| Other, net | (9,462) | (19,216) |
| Other (expense), net | (68,517) | (64,647) |
| Loss from continuing operations before income taxes | (1,077,072) | (690,384) |
| Provision for income taxes | 456 | - |
| Loss from continuing operations | (1,077,528) | (690,384) |
| Discontinued operations: | | |
| Gain on sale of discontinued operations, net of taxes | 14,347,445 | -- |
| Income from discontinued operations, net of taxes | 417,704 | 708,288 |
| | 14,765,149 | 708,288 |
| Net income | \$ 13,687,621 | \$ 17,904 |
| | | |
| (Loss) from continuing operations per share – basic | \$ (0.03) | \$ (0.02) |
| Income from discontinued operations per share – basic | 0.47 | 0.02 |
| Net income per share – basic | \$ 0.44 | \$ 0.00 |
| Net income per share – diluted | \$ 0.39 | \$ 0.00 |
| | | |
| Weighted average shares outstanding -basic | 30,880,435 | 30,880,435 |
| Weighted average shares outstanding -diluted | 35,519,812 | 35,787,810 |

See accompanying condensed notes to unaudited consolidated financial statements.

GreenMan Technologies, Inc.
 Consolidated Statement of Changes in Stockholders' (Deficit) Equity
 Three Months Ended December 31, 2008
 (Unaudited)

| | Common Stock | | Additional Paid In Capital | Accumulated Deficit | Total |
|---|--------------|------------|----------------------------------|------------------------|---------------|
| | Shares | Amounts | | | |
| Balance, September 30, 2008 | 30,880,435 | \$ 308,804 | \$ 38,881,669 | \$ (39,252,403) | \$ (61,930) |
| Compensation expense associated with stock options | -- | -- | 29,166 | -- | 29,166 |
| Value of warrants issued for services rendered | -- | -- | 3,568 | -- | 3,568 |
| Net income for quarter ended December 31, 2008 | -- | -- | -- | 13,687,621 | 13,687,621 |
| Balance, December 31, 2008 | 30,880,435 | \$ 308,804 | \$ 38,914,403 | \$ (25,564,782) | \$ 13,658,425 |

See accompanying condensed notes to unaudited consolidated financial statements.

GreenMan Technologies, Inc.
Consolidated Statements of Cash Flow
(Unaudited)

| | Three Months Ended December 31, | |
|--|---------------------------------|-----------|
| | 2008 | 2007 |
| Cash flows from operating activities: | | |
| Net income | \$ 13,687,621 | \$ 17,904 |
| Adjustments to reconcile net loss to net cash (used) provided by operating activities: | | |
| Gain on sale of tire recycling operations | (19,847,445) | -- |
| Net settlement income from discontinued operations | (144,420) | -- |
| Deferred income tax application | 5,300,000 | -- |
| Gain on lease termination | (124,628) | -- |
| (Gain) loss on disposal of property, plant and equipment | -- | (11,148) |
| Depreciation | 201,778 | 346,866 |
| Amortization of deferred interest expense | 359,927 | 129,926 |
| Amortization of customer relationships | 890 | 1,738 |
| Amortization of stock option compensation expense | 29,166 | 28,182 |
| Amortization of patents | 5,416 | 5,417 |
| Amortization of long term contracts | 44,812 | 44,812 |
| Amortization of deferred gain on sale leaseback transaction | (270,228) | (9,146) |
| Net value of warrants issued | 3,568 | 5,440 |
| Decrease (increase) in assets: | | |
| Accounts receivable | 607,878 | 742,479 |
| Product inventory | 76,018 | (345,820) |
| Other current assets | (802,785) | (212,090) |
| Other assets | 91,551 | (24,756) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (358,000) | (128,997) |
| Accrued expenses and other | (255,856) | (170,416) |
| Net cash (used) provided by operating activities | (1,394,737) | 420,391 |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (58,194) | (641,972) |
| Cash acquired upon purchase of business, net of transaction costs | -- | |