

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

AMERICAN TECHNICAL CERAMICS CORP
Form 10-Q
February 13, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

(X) Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2000

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 1-9125

AMERICAN TECHNICAL CERAMICS CORP.

(Exact name of Registrant as specified in its charter)

DELAWARE

11-2113382

(State or other jurisdiction of
incorporation or organization)

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

17 STEPAP PLACE, HUNTINGTON STATION, NY

11746

(Address of principal executive offices)

(Zip Code)

(631) 622-4700

(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 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 X No

As of February 2, 2001, the Registrant had outstanding 7,970,738 shares of Common Stock, par value \$.01 per share.

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	Dec. 31, 200

ASSETS	(unaudited)
Current Assets:	
Cash (including cash equivalents of approximately \$458 and \$448, respectively)	\$
Investments	
Accounts receivable, net	1
Inventories	2
Deferred income taxes, net	
Other current assets	

TOTAL CURRENT ASSETS	3

Property, plant and equipment, net of accumulated depreciation and amortization of \$25,946 and \$23,957, respectively	2
Other assets, net	

TOTAL ASSETS	\$ 6
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	
Current portion of long-term debt	\$
Accounts payable	
Accrued expenses	
Income taxes payable, net	

TOTAL CURRENT LIABILITIES	1

Long-term debt, net of current portion	
Deferred income taxes	

TOTAL LIABILITIES	1

Commitments and Contingencies	
STOCKHOLDERS' EQUITY:	
Common stock ---\$.01 par value; authorized 20,000 shares; issued 8,426 and 8,370 shares, respectively	
Capital in excess of par value	1
Retained earnings	4
Accumulated other comprehensive income (loss):	
Unrealized gain (loss) on investments available-for-sale, net	
Cumulative foreign currency translation adjustment	

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

Less: Treasury stock, at cost (457 and 485 shares, respectively)
Deferred compensation

TOTAL STOCKHOLDERS' EQUITY

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 6

See accompanying notes to unaudited consolidated financial statements.

-2-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share data)

	For the Quarter Ended Dec. 31,	
	2000	1999
	----	----
Net sales	\$ 21,326	\$ 14,935
Cost of sales	12,468	8,650
	-----	-----
Gross profit	8,858	6,285
	-----	-----
Selling, general and administrative expenses	3,982	2,990
Research and development expenses	1,089	718
	-----	-----
Operating expenses	5,071	3,708
	-----	-----
Income from operations	3,787	2,577
	-----	-----
Other expense (income):		
Interest expense	143	86
Interest income	(90)	(84)
Other	(28)	23
	-----	-----
	25	25
	-----	-----
Income before provision for income taxes	3,762	2,552
Provision for income taxes	1,317	893
	-----	-----
Net income	\$ 2,445	\$ 1,659

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

Basic net income per common share	\$ 0.31	\$ 0.22
Diluted net income per common share	\$ 0.30	\$ 0.21
Basic weighted average common shares outstanding	7,952	7,653
Diluted weighted average common shares outstanding	8,292	7,847

See accompanying notes to unaudited consolidated financial statements.

-3-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the Six Mo 2000
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 5,040
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	2,063
Loss on disposal of fixed assets	---
Stock award compensation expense	340
Realized gain on sale of investments	---
Changes in operating assets and liabilities:	
Accounts receivable, net	931
Inventories	(4,109)
Other assets, net	(59)
Accounts payable and accrued expenses	(417)
Income taxes payable	1,069
Net cash provided by operating activities	4,858
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	(7,131)
Purchase of investments	(102)
Proceeds from sale of investments	---
Proceeds from sale of fixed assets	9
Net cash used in investing activities	(7,224)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of debt	(168)
Proceeds from exercise of stock options	239

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

Proceeds from issuance of debt	1,771

Net cash provided by (used in) financing activities	1,842

Effect of exchange rate changes on cash	54

Net (decrease) increase in cash and cash equivalents	(470)
CASH AND CASH EQUIVALENTS, beginning of year	2,277

CASH AND CASH EQUIVALENTS, end of period	\$ 1,807
	=====
Supplemental cash flow information:	
Interest paid	\$ 260
Taxes paid	\$ 1,642

See accompanying notes to unaudited consolidated financial statements.

-4-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)

(1) BASIS OF PRESENTATION:

The accompanying unaudited interim consolidated financial statements of American Technical Ceramics Corp. and subsidiaries (the "Registrant") reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary for a fair presentation of its consolidated financial position as of December 31, 2000 and the results of its operations for the three and six month periods ended December 31, 2000 and 1999. These consolidated financial statements should be read in conjunction with the summary of significant accounting policies and notes to consolidated financial statements included in the Registrant's Annual Report to Stockholders for the fiscal year ended June 30, 2000. Results for the three and six month periods ended December 31, 2000 are not necessarily indicative of results which could be expected for the entire year.

Prior year share data has been revised to reflect the 2-for-1 stock split of the Registrant's Common Stock effected in the form of a 100% stock dividend effective April 24, 2000.

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

(2) SUPPLEMENTAL CASH FLOW INFORMATION:

During the six months ended December 31, 2000, the Registrant (i) granted \$484 in deferred compensation stock awards, (ii) recognized a \$140

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

reduction of income taxes payable related to stock options exercised, (iii) issued treasury stock in connection with stock awards with a cost basis of \$47, and (iv) partially financed the acquisition of a building with a \$795 mortgage.

(3) INVENTORIES:

Inventories included in the accompanying consolidated financial statements consist of the following:

	Dec. 31, 2000	June 30, 2000	
	(unaudited)		
Raw materials	\$ 9,524	\$ 7,892	
Work-in-process	5,408	4,103	
Finished goods	5,310	4,138	
	\$ 20,242	\$ 16,133	
	\$ 20,242	\$ 16,133	

-5-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)

(4) EARNINGS PER SHARE:

The following represents a reconciliation of the numerators and denominators of the basic and diluted EPS computation.

	2000	2000	2000	2000
			(in thousands, except per share)	
	Income (Numerator)	Share (Denominator)	Per-Share Amount	Income (Numerator)
	-----	-----	-----	-----
Basic EPS	\$ 2,445	7,952	\$.31	\$ 1,6
Effect of dilutive securities:				
Stock options		317		
Deferred compensation stock awards		23		
Diluted EPS	\$ 2,445	8,292	\$.30	\$ 1,6
	\$ 2,445	8,292	\$.30	\$ 1,6

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

	For the Six Months Ended December			
	2000			

	(in thousands, except per share			
	Income	Share	Per-Share	Income
	(Numerator)	(Denominator)	Amount	(Numerator)
	-----	-----	-----	-----
Basic EPS	\$ 5,040	7,939	\$.63	\$ 2,4
			=====	
Effect of dilutive securities:				
Stock options		363		
Deferred compensation				
stock awards		23		
	-----	-----	-----	-----
Diluted EPS	\$ 5,040	8,325	\$.61	\$ 2,4
	=====	=====	=====	=====

A total of 765 options have been omitted from the calculation of dilutive EPS for the three and six months ended December 31, 2000, because their inclusion would have been antidilutive.

-6-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)

(5) COMPREHENSIVE INCOME:

The Registrant's comprehensive income is as follows:

	For The Three Months E	
	2000	

Net income		\$ 2,445

Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments		96
Unrealized gains (losses) on investments:		
Gains (losses) on investments arising during		
period	87	
Less: reclassification adjustment for realized		
gains included in net income	---	87
	-----	-----
Other comprehensive income (loss)		183

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

Comprehensive income		\$ 2,628 =====
		For The Six Months En 2000 ----
Net income		\$ 5,040 -----
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments		54
Unrealized gains (losses) on investments:		
Gains (losses) on investments arising during period	120	
Less: reclassification adjustment for realized gains included in net income	---	120
	-----	-----
Other comprehensive income (loss)		174 -----
Comprehensive income		\$ 5,214 =====

-7-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)

(6) LONG-TERM DEBT:

Long-term debt consists of the following:

	December 31, 2000 -----	June 30, 2000 -----
Note payable to banks	\$ 3,473	\$ 984
Obligations under capital leases	2,899	2,990
	-----	-----
	6,372	3,974
Less: Current portion	1,091	488
	-----	-----
Long-term debt	\$ 5,281	\$ 3,486
	=====	=====

In August 2000, the Registrant secured a mortgage loan in the principal

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

amount of \$795 with European American Bank, N.A. secured by the recently purchased facility at 11-13 Stepar Place. The term of the loan is 10 years to be repaid in 120 equal installments. The mortgage is subject to certain financial covenants, including maintenance of asset and liability percentage ratios. The mortgage loan bears interest at 1.5% above the six month rate for the U.S. Dollar deposits on the London Interbank Market.

In October 2000, the Registrant amended its loan agreement with Bank of America, N.A. The amendment increased the equipment line of credit to \$8,500 from \$3,500. The line continues to bear interest at 1.5% above the one month rate for U.S. Dollar deposits on the London Interbank Market and is subject to certain financial covenants, including maintenance of asset and liability percentage ratios. The outstanding principal rolls over periodically into a self-amortizing term note of not less than four nor more than seven years. The equipment loan is secured by the related equipment purchases. During the six months ended December 31, 2000, the Registrant borrowed an additional \$1,171 against the equipment line of credit and rolled over \$1,466 into term notes. As of December 31, 2000, the Registrant has outstanding an aggregate of \$2,698 under the equipment line.

(7) STOCK BASED COMPENSATION:

In April 2000, the Board of Directors approved the American Technical Ceramics Corp. 2000 Incentive Stock Plan (the "2000 Plan"). The 2000 Plan was approved by the stockholders on November 15, 2000. See Item 4 herein and Note 6 to the consolidated financial statements included in the Registrant's Form 10-K for the fiscal year ended June 30, 2000.

-8-

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (In thousands except share data)

The following discussion and analysis should be read in conjunction with the consolidated financial statements, related notes and other information included in this Quarterly Report on Form 10-Q.

Statements in this Quarterly Report on Form 10-Q that are not historical fact may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All such forward-looking statements are subject to risks and uncertainties, including, but not limited to, the impact of competitive products, product demand and market acceptance risks, changes in product mix, costs and availability of raw materials, fluctuations in operating results and delays in development of highly complex products, risks associated with international sales and sales to the U. S. military, risk of customer contract or sales order cancellation and the other matters listed in the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2000 under the caption "Cautionary Statements Regarding Forward-Looking Statements" and in the Registrant's other filings with the Securities and Exchange Commission. These risks could cause the Registrant's actual results for future periods to differ materially from those expressed in any forward-looking statements made by the Registrant.

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

RESULTS OF OPERATIONS

THREE MONTHS ENDED DECEMBER 31, 2000 COMPARED WITH THREE MONTHS ENDED DECEMBER 31, 1999

Net sales for the three months ended December 31, 2000 increased 43% to \$21,326 from \$14,935 in the comparable quarter in the prior fiscal year. The increase in net sales was primarily the result of increased sales of core commercial capacitors in both domestic and foreign markets and sales of thin film products as a result of general market demand increases.

The backlog of unfilled orders was \$30,485 at December 31, 2000, compared to \$14,836 at December 31, 1999 and \$28,803 at September 30, 2000. The increase in backlog compared to both the prior year and the preceding quarter was primarily due to the overall strong demand for the Registrant's core capacitor products. Bookings for the second quarter of fiscal year 2001 have slowed from the levels attained in the fourth quarter of fiscal year 2000, but are still significantly higher than the levels attained in the second quarter of fiscal year 2000.

Gross margin for the three months ended December 31, 2000 was 41.5% of net sales as compared to 42.1% for the comparable period in the prior fiscal year. The decrease in gross margin was principally due to the costs associated with initial production of several new product initiatives and higher palladium costs, partially offset by higher sales volume and the resulting production efficiencies.

-9-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(In thousands except share data)

Prevailing market prices for palladium are significantly higher than prices the Registrant paid for palladium held in inventory at December 31, 2000. The Registrant has offset the increased costs of this material in part by increasing the prices of certain of its products that utilize large amounts of this material relative to their sales prices. The Registrant's newer products are being designed to minimize or eliminate the usage of palladium. At its current usage rate, the Registrant expects that, to the extent that it is not able to reflect increases in the market price of palladium in the prices of its products, these higher material prices will continue to negatively impact gross margins for the remainder of fiscal year 2001.

Selling, general and administrative expenses for the three months ended December 31, 2000 increased 33% to \$3,982 as compared to \$2,990 in the comparable period in the prior fiscal year. The increase was due to increased commission expense as a result of the increase in net sales, higher bonus accruals due to increased profitability and increased payroll related expenses due to an increase in the number of employees commensurate with sales volume increases. As a percentage of sales, selling, general and administrative expenses decreased to 18.7% from 20.0% in the comparable quarter in the prior fiscal year.

Research and development expenses for the three months ended December 31, 2000 increased 52% to \$1,089 as compared to \$718 in the comparable period in

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

the prior fiscal year. This increase was primarily the result of increased personnel costs to support accelerated future product development and to further increase the breadth of the Registrant's research and development activities.

Primarily as a result of the foregoing, net income for the three months ended December 31, 2000 was \$2,445, or \$.31 per common share (\$.30 per common share assuming dilution), compared to net income of \$1,659, or \$.22 per common share (\$.21 per common share assuming dilution), for the comparable period in the prior fiscal year.

Comparing results to those of the immediately preceding quarter, net income was 6% lower, primarily due to an expected decline in gross margins which resulted from increases in the cost of palladium, continued expenses relating to the startup of new product lines, and investments in the infrastructure for newer product initiatives and capacity increases for core product lines.

SIX MONTHS ENDED DECEMBER 31, 2000 COMPARED WITH SIX MONTHS ENDED DECEMBER 31, 1999

Net sales for the six months ended December 31, 2000 increased 57% to \$42,223 as compared to net sales of \$26,837 for the comparable period in the prior fiscal year. The increase in sales was primarily the result of increased sales of core commercial capacitors in both domestic and foreign markets and sales of thin film products as a result of general market demand increases.

Gross margin for the six months ended December 31, 2000 was 42.6% of net sales as compared to 38.3% for the comparable period in the prior fiscal year. The improvement in gross margin was due to higher sales volume, particularly in thin film products, and the resulting increases in efficiency, offset somewhat by increased costs of palladium and the commencement of several new product production initiatives and measures designed to increase manufacturing capacity for the Registrant's core products.

-10-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS (CONTINUED)
(In thousands except share data)

Selling, general and administrative expenses for the six months ended December 31, 2000 increased 56% to \$8,072 as compared to \$5,169 in the comparable period in the prior fiscal year. The increase was due to increased commission expense as a result of the increase in net sales, higher bonus accruals due to increased profitability and increased payroll related expenses due to an increase in the number of employees commensurate with sales volume increases. As a percentage of sales, selling, general and administrative expenses actually decreased to 19.1% from 19.3% in the comparable period in the prior fiscal year.

Research and development expenses for the six months ended December 31, 2000 increased 71% to \$2,130 as compared to \$1,248 in the comparable period in the prior fiscal year. This increase was primarily the result of increased personnel costs to support accelerated future product development and to further increase the breadth of the Registrant's research and development activities.

As a result of the foregoing, net income amounted to \$5,040, or

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

approximately \$.63 per common share (\$.61 per common share assuming dilution), for the six months ended December 31, 2000 compared to net income of \$2,489, or approximately \$.33 per common share (\$.32 per common share assuming dilution), for the comparable period in the prior fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

The Registrant's financial position at December 31, 2000 remains strong as evidenced by working capital of \$28,914 and stockholders' equity of \$50,253. The Registrant's current ratio at December 31, 2000 was 3.7:1 as compared to a current ratio of 3.8:1 at June 30, 2000. The Registrant's quick ratio at December 31, 2000 was 1.8:1 compared to the quick ratio at June 30, 2000 of 2.1:1.

Cash, cash equivalents and investments decreased by \$185 to \$5,338 at December 31, 2000 from \$5,523 at June 30, 2000, primarily as a result of continued investment in property, plant and equipment partially offset by cash provided by operations. Accounts receivable decreased by \$931 to \$11,755 at December 31, 2000 from \$12,686 at June 30, 2000. Accounts receivable decreased even though sales were essentially level for the quarter, due to a larger percentage of sales recognized earlier in the period. Inventories increased by \$4,109 to \$20,242 at December 31, 2000 from \$16,133 at June 30, 2000. The increase is primarily the result of increased palladium costs, an increase in finished goods inventory at our Sweden facility and increased work in process for core capacitors due to higher production to satisfy increased demand and to increase inventories to shorten core product delivery times. Accounts payable and accrued expenses decreased by \$417 to \$8,484 at December 31, 2000 from \$8,901 at June 30, 2000 primarily as a result of payment of year end bonus accruals during the quarter offset by increased raw material purchases and increased bonus and commission expense.

-11-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED) (In thousands except share data)

The Registrant has available two credit facilities with Bank of America, N.A.; a revolving line of credit of \$4,000 and an equipment line of credit of \$8,500.

In October 2000, the Registrant amended its loan agreement with Bank of America. The amendment increased the equipment line of credit to \$8,500 from \$3,500. The line continues to bear interest at 1.5% above the one month rate for U.S. Dollar deposits on the London Interbank Market and is subject to certain financial covenants, including maintenance of asset and liability percentage ratios. The outstanding principal rolls over periodically into a self-amortizing term note of not less than four nor more than seven years. The equipment loan is secured by the related equipment purchases.

During the six months ended December 31, 2000, the Registrant borrowed an additional \$1,771 under the equipment line of credit and rolled \$1,466 over into a term loan. As of December 31, 2000, the Registrant has outstanding an aggregate of \$2,698 under the equipment line and nothing outstanding under its revolving line of credit with Bank of America, N.A. The Registrant has \$5,802 available under the equipment line and another \$4,000 available under its revolving line of credit.

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

In August 2000, the Registrant secured a mortgage loan in the principal amount of \$795 with European American Bank, N.A. secured by the recently purchased facility at 11 - 13 Stepar Place. The term of the loan is 10 years to be repaid in 120 equal installments. The mortgage is subject to certain financial covenants, including maintenance of asset and liability percentage ratios. The mortgage loan bears interest at 1.5% above the six month rate for U.S. Dollar deposits on the London Interbank Market.

Capital expenditures for the six months ended December 31, 2000 totaled \$7,131 of which \$4,267 was for machinery and equipment and \$629 was for the purchase and renovation of the new facility on Stepar Place. The Registrant intends to use cash on hand and available lines of credit to finance budgeted capital expenditures, primarily for equipment acquisition and facility expansion, of approximately \$5,000 for the remainder of fiscal year 2001.

-12-

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Registrant has identified four market risks relative to its business: interest rate risk, foreign currency exchange rate risk, commodity price risk and security price risk. There has been no material changes in the way the Registrant conducts its worldwide business, foreign exchange risk management, investments in marketable securities or raw material commodity purchasing from the descriptions thereof in the Registrant's Form 10-K for the fiscal year ended June 30, 2000.

PART II - OTHER INFORMATION

ITEMS 1. THROUGH 3. Not Applicable

ITEM 4. Submission of Matters to a Vote of Security Holders

At the Registrant's Annual Meeting of Stockholders held on November 15, 2000 (the "Annual Meeting"), the stockholders elected the individuals named below as directors for one-year terms. Votes were cast as follows:

	For	Withhold
	-----	-----
Victor Insetta	7,083,728	512,429
Chester E. Spence	7,198,699	397,458
O. Julian Garrard III	7,083,728	512,429
Stuart P. Litt	7,198,699	397,458
Thomas Volpe	7,198,699	397,458
Dov S. Bacharach	7,198,699	397,458

At the Annual Meeting, the stockholders voted to approve the American Technical Ceramics Corp. 2000 Incentive Stock Plan (the "2000 Plan"). The holders of 6,667,174 shares of Common Stock voted in favor of approving the 2000 Plan, 904,063 voted against approving the 2000 Plan and the holders of 24,920 shares of Common Stock abstained from voting on the issue.

The stockholders also ratified the appointment of KPMG LLP as the independent public accountants to audit the Registrant's consolidated financial statements for the fiscal year ending June 30, 2001. The holders of 7,568,446

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

shares of Common Stock voted to ratify the appointment, 9,471 voted against ratification and the holders of 18,240 shares of Common Stock abstained from voting on the issue.

ITEM 5. Not Applicable

ITEM 6. Exhibits and Reports on Form 8-K

(a) EXHIBITS:

Unless otherwise indicated, the following exhibits were filed as part of the Registrant's Registration Statement on Form S-18 (No. 2-96925-NY) and are incorporated herein by reference to the same exhibit thereto:

-13-

EXHIBIT NO.	DESCRIPTION
3(a) (i)	- Certificate of Incorporation of the Registrant.
3(a) (ii)	- Amendment to Certificate of Incorporation. (4)
3(b) (i)	- By-laws of the Registrant.
9(a) (i)	- Restated Shareholders' Agreement, dated April 15, 1985, among Victor Insetta, Joseph Mezey, Joseph Colandrea and the Registrant.
10(b) (i)	- Amended and Restated Lease, dated September 25, 1998, between Victor Insetta, d/b/a Stepar Leasing Company, and the Registrant for premises at 15 Stepar Place, Huntington Station, N.Y. (9)
10(c) (i)	- 1985 Employee Stock Sale Agreement between the Registrant and various employees.
10(c) (ii)	- Form of Employee Stock Bonus Agreement, dated as of July 1, 1993, between the Registrant and various employees. (3)
10(c) (iii)	- Form of Employee Stock Bonus Agreement, dated as of April 19, 1994, between the Registrant and various employees. (3)
10(c) (iv)	- Form of Employee Stock Bonus Agreement, dated as of April 20, 1995, between the Registrant and various employees. (4)
10(e) (i)	- Second Amended and Restated Lease, dated as of May 16, 2000, between, V.P.I. Properties Associates, d/b/a V.P.I. Properties Associates, Ltd., and American Technical Ceramics (Florida), Inc. (13)
10(f)	- Purchase Agreement, dated May 31, 1989, by and among Diane LaFond Insetta and/or Victor D. Insetta, as custodians for Danielle and Jonathan Insetta, and American Technical Ceramics Corp., and amendment thereto, dated July 31, 1989. (4)
10(g) (iii)	- Profit Bonus Plan, dated April 19, 1995, and effective for the fiscal years beginning July 1, 1994. (4)
10(g) (iv)	- Employment Agreement, dated April 3, 1985, between Victor Insetta

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

- and the Registrant, and Amendments No. 1 through 4 thereto. (2)
- 10(g) (v) - Amendment No. 5, dated as of September 11, 1998, to Employment Agreement between Victor Insetta and the Registrant. (8)
- 10(g) (vi) - Amendment No. 6, dated as of January 3, 2001, to Employment Agreement between Victor Insetta and the Registrant. (14)
- 10(h) - Employment Agreement, dated September 1, 2000, between the Registrant and Richard Monsorno (14)
- 14-
- 10(i) - Managers Profit Bonus Plan, dated December 7, 1999, and effective January 1, 2000. (12)
- 10(k) - Consulting Agreement, dated October 2000, between the Registrant and Stuart P. Litt (14)
- 10(m) (i) - American Technical Ceramics Corp. 1997 Stock Option Plan (7)
- 10(m) (ii) - American Technical Ceramics Corp. 2000 Incentive Stock Plan (12)
- 10(o) - Loan Agreement, dated November 25, 1998, between the Registrant and NationsBank, N.A. (10)
- 10(o) (ii) - Amendment to loan Agreement, dated April 13, 2000, between the Registrant and Bank of America, N.A. (12)
- 10(o) (iii) - Amendment to loan Agreement, dated October 26, 2000, between the Registrant and Bank of America, N.A. (14)
- 10(p) - Amended and Restated Employment Agreement, dated as of January 1, 1998, between Judah Wolf and the Registrant. (11)
- 10(q) - Mortgage Note between American Technical Ceramics Corp. and European American Bank, N.A., dated as of August 17, 2000. (13)
- 21 Subsidiaries of the Registrant. (2)

-
1. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1989.
 2. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1993.
 3. Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended June 30, 1994.
 4. Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended June 30, 1995.
 5. Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended June 30, 1996.

-15-

6. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1997.
 7. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the quarterly period ended June 30, 1997.
 8. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1998.
 9. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998.
 10. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 1998.
 11. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999.
 12. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2000.
 13. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000.
 14. Filed herewith.
- (b) Reports on Form 8-K:
No reports on Form 8-K were filed by the Registrant during the quarter ended December 31, 2000.

-16-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN TECHNICAL CERAMICS CORP.
(Registrant)

DATE: February 12, 2001

BY: /s/ VICTOR INSETTA

Victor Insetta

Edgar Filing: AMERICAN TECHNICAL CERAMICS CORP - Form 10-Q

President
(Chief Executive Officer)

DATE: February 12, 2001

BY: /s/ ANDREW R. PERZ

Andrew R. Perz
Vice President and Controller
(Principal Financial Officer)

-17-