

UFP TECHNOLOGIES INC
Form 10-Q
November 13, 2006

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

(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, 2006**

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: **001-12648**

UFP Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-2314970
(IRS Employer Identification No.)

172 East Main Street, Georgetown, Massachusetts 01833, USA

(Address of principal executive offices) (Zip Code)

(978) 352-2200

(Registrant's telephone number, including area code)

(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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ; No

5,150,639 shares of registrant's Common Stock, \$.01 par value, were outstanding as of November 5, 2006.

UFP Technologies, Inc.

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PART I: FINANCIAL INFORMATION**ITEM 1: FINANCIAL STATEMENTS****UFP Technologies, Inc.****Condensed Consolidated Balance Sheets**

	30-Sep-06 (unaudited)	31-Dec-05
Assets		
Current assets:		
Cash	\$ 182,111	\$ 265,352
Receivables less allowances of \$497,270 and \$565,141	12,716,967	15,299,748
Inventories net of reserves of \$489,692 and \$262,154	5,960,492	6,441,592
Prepaid expenses and other current assets	965,040	1,573,665
Total current assets	19,824,610	23,580,357
Property, plant and equipment	37,836,338	36,723,341
Less accumulated depreciation and amortization	(27,493,624)	(25,750,620)
Net property, plant and equipment	10,342,714	10,972,721
Goodwill	6,481,037	6,481,037
Other assets	3,127,095	2,965,901
Total assets	\$ 39,775,456	\$ 44,000,016
Liabilities and Stockholders Equity		
Current liabilities:		
Notes payable	\$ 1,966,462	\$ 7,990,521
Current installments of long-term debt	1,079,733	1,087,030
Current installments of capital lease obligations	687,228	638,875
Accounts payable	5,108,588	6,062,841
Accrued expenses and payroll withholdings	4,685,244	4,480,239
Total current liabilities	13,527,255	20,259,506
Long-term debt, excluding current installments	4,774,620	5,286,548
Capital lease obligations, excluding current installments	2,520,869	2,363,163
Minority interest	614,715	633,853
Retirement and other liabilities	700,391	695,780
Total liabilities	22,137,850	29,238,850
Commitments and contingencies		
Stockholders equity:		
Common stock, \$.01 par value. Authorized 20,000,000 shares; issued and outstanding 5,143,764 shares at September 30, 2006 and 4,828,079 shares at December 31, 2005	51,438	48,281
Additional paid-in capital	10,170,102	8,966,472
Retained earnings	7,416,066	5,746,413
Total stockholders equity	17,637,606	14,761,166
Total liabilities and stockholders equity	\$ 39,775,456	\$ 44,000,016

The accompanying notes are an integral part of these condensed consolidated financial statements.

UFP Technologies, Inc.

Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended		Nine Months Ended	
	30-Sep-06	30-Sep-05	30-Sep-06	30-Sep-05
Net sales	\$ 21,737,107	\$ 21,649,267	\$ 70,411,795	\$ 60,758,960
Cost of sales	17,560,308	18,562,083	56,066,869	49,922,489
Gross profit	4,176,799	3,087,184	14,344,926	10,836,471
Selling, general & administrative expenses	3,293,301	3,068,531	10,822,587	9,491,427
Operating income	883,498	18,653	3,522,339	1,345,044
Interest expense	219,366	260,826	758,625	726,720
Minority interest earnings	26,297	22,348	85,855	256,236
Other income		(24,956)	(15,037)	(42,835)
Income before income tax expense	637,835	(239,565)	2,692,896	404,923
Income tax expense	242,320	(91,034)	1,023,243	153,863
Net income	\$ 395,515	\$ (148,531)	\$ 1,669,653	\$ 251,060
<i>Net income per share:</i>				
Basic	\$ 0.08	\$ (0.03)	\$ 0.33	\$ 0.05
Diluted	\$ 0.07	\$		