

LIQUIDMETAL TECHNOLOGIES INC

Form 10-Q

November 10, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

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 No. 001-31332

LIQUIDMETAL TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

33-0264467
(I.R.S. Employer Identification No.)

30452 Esperanza
Rancho Santa Margarita, CA 92688
(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: (949) 635-2100

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 has submitted electronically and posted on its corporate 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

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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.

Large accelerated filer Accelerated filer Non-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

The number of common shares outstanding as of October 31, 2011 was 133,898,215.

LIQUIDMETAL TECHNOLOGIES, INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

FORWARD-LOOKING INFORMATION

Statements in this report concerning future sales, expenses, profitability, financial resources, product mix, market demand and product development and other statements in this report concerning the future results of operations, financial condition and business of Liquidmetal Technologies, Inc. ("The Company") are "forward-looking" statements as defined in the Securities Act of 1933 and the Securities Exchange Act of 1934. When used in this report, words such as "expects", "anticipates", "estimates", "believes", "plans", "will", "intend", "can" and similar expressions are intended to identify such forward-looking statements. Investors are cautioned that the Company's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environment, including competition, the need for continued technology development and advances, our ability to obtain financing when needed on terms acceptable to us, or at all, the need for increased acceptance of products and alloys, our ability to continue to develop and extend our brand identity, our ability to anticipate and adapt to a competitive market, our ability to effectively manage rapidly expanding operations, the amount and timing of operating costs and capital expenditures relating to expansion of our business, our operations and infrastructure, our ability to provide superior customer service, our dependence upon key personnel and the like. The Company's most recent filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K/A for the year ended December 31, 2010, contain additional information concerning many of these risk factors, and copies of these filings are available from the Company upon request and without charge.

These forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances or on which any such statement is based.

TABLE OF CONTENTS

PART I - Financial Information

Item 1 –	<u>Financial Statements</u>	4
	<u>Condensed Consolidated Balance Sheets (unaudited)</u>	
	<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (unaudited)</u>	
	<u>Condensed Consolidated Statements of Shareholders' Deficiency (unaudited)</u>	
	<u>Condensed Consolidated Statements of Cash Flows (unaudited)</u>	
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	
Item 2 –	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
Item 3 –	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	28
Item 4 –	<u>Controls and Procedures</u>	29
PART II – Other Information		
Item 1 –	<u>Legal Proceedings</u>	30
Item 1A –	<u>Risk Factors</u>	30
Item 2 –	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
Item 3 –	<u>Defaults Upon Senior Securities</u>	30
Item 4 –	<u>Removed and Reserved</u>	31
Item 5 –	<u>Other Information</u>	31
Item 6 –	<u>Exhibits</u>	31
	<u>Signatures</u>	32

Table Of Contents

PART I

FINANCIAL INFORMATION

Item 1 – Financial Statements

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 30, 2011 (unaudited)	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,699	\$5,049
Trade accounts receivable, net of allowance for doubtful accounts of \$0 and \$1	1,381	631
Notes receivable (Note 1)	200	-
Inventories	852	1,016
Prepaid expenses and other current assets	339	1,264
Total current assets	4,471	7,960
Other receivable	1,100	1,100
Property, plant and equipment, net	845	796
Long-lived assets to be disposed of (Note 12)	2,880	3,758
Intangible assets, net	1,017	1,121
Other assets	187	310
Total assets	\$10,500	\$15,045
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities:		
Accounts payable	\$1,238	\$2,041
Accrued liabilities	1,976	5,312
Accrued interest of majority-owned subsidiary	2,575	1,754
Deferred revenue	43	8
Short-term debt of majority-owned subsidiary (Note 7)	1,140	480
Long-term debt of majority-owned subsidiary, current portion (Note 7)	7,618	558
Warrant liabilities (Note 8)	5,932	12,819
Other liabilities, current portion (Note 12, Note 16)	2,880	3,626
Total current liabilities	23,402	26,598
Long-term debt of majority-owned subsidiary, net of current portion (Note 7)	-	7,404
Other long-term liabilities	2,321	681
Total liabilities	25,723	34,683
Shareholders' deficiency:		
Liquidmetal Technologies, Inc. shareholders' deficiency	1	2

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Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 1,309,151 and 2,171,760 shares issued and outstanding as of September 30, 2011 and December 31, 2010, respectively

Common stock, \$0.001 par value; 300,000,000 shares authorized; 133,898,215 and 93,695,375 shares issued and outstanding as of September 30, 2011 and December 31, 2010, respectively	128	88
Additional paid-in capital	149,756	146,870
Accumulated deficit	(167,135)	(168,679)
Accumulated other comprehensive income	1,451	1,494
Total Liquidmetal Technologies, Inc. shareholders' deficiency	(15,799)	(20,225)
Noncontrolling interest	576	587
Total shareholders' deficiency	(15,223)	(19,638)
Total liabilities and shareholders' deficiency	\$ 10,500	\$ 15,045

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

Table Of Contents

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share data)
(unaudited)