

CAMTEK LTD
Form 6-K
May 12, 2010

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

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the Month of May 2010

CAMTEK LTD.
(Translation of Registrant's Name into English)

Ramat Gavriel Industrial Zone
P.O. Box 544
Migdal Haemek 23150
ISRAEL
(Address of Principal Corporate Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities and Exchange Act of 1934.

Yes No

SIGNATURE

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.

CAMTEK LTD.
(Registrant)

By: /s/ Mira Rosenzweig

Mira Rosenzweig,
Chief Financial Officer

Dated: May 12, 2010

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CAMTEK ANNOUNCES FIRST QUARTER 2010 RESULTS

CONTINUED IMPROVEMENT IN REVENUES AND CASH GENERATION

90% year-over-year revenue increase

MIGDAL HAEMEK, Israel – May 12, 2010 – Camtek Ltd. (NASDAQ and TASE: CAMT), today announced its financial results for the quarter ended March 31, 2010.

Main Financial Highlights of the First Quarter

- Revenues of \$17.6 million representing a year-over-year increase of 90% and a sequential increase of 2%.
- Non-GAAP operating loss of \$0.1 million compared with \$5.0 million in the first quarter of 2009. GAAP operating loss of \$0.4 million.
- Cash and cash equivalents balance increased to \$16.2 million; Company generated \$0.8 million in operating cash flow during the quarter.

Results for the three months ended March 31, 2010 on a non-GAAP basis, exclude the following items: (i) Expenses with respect to the acquisition of SELA and Printar; and (ii) share based compensation expenses. A re-conciliation between the GAAP and non-GAAP results appears in the tables at the end of this press release.

First Quarter 2010 Financial Results

Revenues for the first quarter of 2010 increased 90% to \$17.6 million, compared to \$9.3 million in the first quarter of 2009. Revenues grew 2% sequentially, representing the fourth quarter of continued sequential growth.

Gross profit on a GAAP basis for the quarter was \$7.0 million (40% of revenues), compared to gross profit of \$3.5 million (37% of revenues) in the first quarter of 2009. On a non-GAAP basis, gross profit for the quarter of 2010 totaled \$7.3 million (41% of revenues), compared with \$3.5 million (37% of revenues) in the first quarter of 2009.

Non-GAAP operating loss for the first quarter of 2010 was \$0.1 million compared with \$5.0 million in the first quarter of 2009. On a GAAP basis, the operating loss in the first quarter of 2010 was \$0.4 million and in the first quarter of 2009 was \$5.0 million.

Non-GAAP net loss for the first quarter of 2010 totaled \$0.3 million, or \$0.01 per share, compared to a net loss of \$5.5 million, or a loss of \$0.19 per share, in the first quarter of 2009. On a GAAP basis, net loss in the first quarter of 2010 was \$0.9 million, or a loss of \$0.03 per share, and in the first quarter of 2009 was \$5.5 million, or \$0.19 per share.

Cash and cash equivalents as of March 31, 2010 reached \$16.2 million compared to \$15.8 million at the end of the prior quarter. The increase in cash during the quarter resulted from a positive operating cash flow of \$0.8 million less \$0.4 million for cash used in capital expenditure.

Roy Porat, Camtek's General Manager, commented, "We are happy with our first quarter results. Although results are normally seasonally weaker in the first quarter than those of the fourth quarter, they, in fact, improved and are in line with our strong expectations, demonstrating the solid footing underlying the recovery."

Continued Mr. Porat, "As we move through the second quarter, we can definitely say that the markets we operate in are now all in a high utilization mode and customers are actively expanding their capacity by investing in capital equipment. Looking ahead, we are expecting to show continued improvements, not only from the recovery and expansion of our main markets, but also from the additional growth of our new products, which are targeting new and potentially larger markets for Camtek. With regard to our outlook for the second quarter, we expect revenues of between \$20-\$22 million and anticipate continued growth into the second half of the year."

Conference Call

Camtek will host a conference call today, May 12, 2010, at 10:00 am ET. Roy Porat, General Manager of Camtek and Mira Rosenzweig, Chief Financial Officer, will host the call and will be available to answer questions after presenting the results.

To participate, please call one of the following telephone numbers a few minutes before the start of the call.

US: 1 888 281 1167 at 10:00 am Eastern Time
Israel: 03 918 0664 at 5:00 pm Israel Time
International: +972 3 918 0664

For those unable to participate, the teleconference will be available for replay on Camtek's website at <http://www.camtek.co.il/> beginning 24 hours after the call.

ABOUT CAMTEK LTD.

Camtek Ltd provides automated solutions dedicated for enhancing production processes and yield, enabling our customers new technologies in two industries; Semiconductors, Printed Circuit Board (PCB) & IC Substrates.

Camtek addresses the specific needs of these industries with dedicated solutions based on a wide and advanced platform of technologies including intelligent imaging, image processing, ion milling and digital material deposition. Camtek's solutions range from micro-to-nano by applying its technologies to the industry-specific requirements.

This press release is available at www.camtek.co.il.

This press release may contain projections or other forward-looking statements regarding future events or the future performance of the Company. These statements are only predictions and may change as time passes. We do not assume any obligation to update that information. Actual events or results may differ materially from those projected, including as a result of changing industry and market trends, reduced demand for our products, the timely development of our new products and their adoption by the market, increased competition in the industry, intellectual property litigation, price reductions as well as due to risks identified in the documents filed by the Company with the SEC.

Use of Non-GAAP Measures

This press release provides financial measures for net income and basic and diluted earnings per share that exclude certain items and are therefore not calculated in accordance with generally accepted accounting principles (GAAP). Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance that enhances management's and investors' ability to evaluate the Company's net income and earnings per share and to compare it with historical net income and earnings per share.

The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management uses both GAAP and non-GAAP measures when evaluating the business internally and therefore felt it is important to make these non-GAAP adjustments available to investors.

CAMTEK LTD. and its subsidiaries
Consolidated Balance Sheets

(In thousands)

| | March 31, 2010 | December 31, 2009 |
|---|--------------------------------|-------------------------|
| | U.S. Dollars (In thousands) | |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 16,224 | 15,802 |
| Accounts receivable, net | 20,527 | 18,712 |
| Inventories | 14,308 | 14,176 |
| Due from affiliates | 381 | 344 |
| Other current assets | 1,774 | 1,691 |
| Deferred tax asset | 68 | 68 |
| Total current assets | 53,282 | 50,793 |
| Fixed assets, net | 15,228 | 15,394 |
| Long term inventory | 4,311 | 4,661 |
| Deferred tax asset | 98 | 98 |
| Other assets, net | 460 | 460 |
| Intangible assets * | 4,341 | 4,356 |
| Goodwill | 3,653 | 3,653 |
| Total assets | 81,373 | 79,415 |
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Accounts payable – trade | 5,928 | 4,494 |
| Convertible loan – current portion | 1,666 | 1,666 |
| Other current liabilities | 14,200 | 12,945 |
| Total current liabilities | 21,794 | 19,105 |
| Long term liabilities | | |
| Liability for employee severance benefits | 520 | 487 |
| Other long term liabilities | 8,941 | 8,802 |
| Total liabilities | 31,255 | 28,394 |
| Commitments and contingencies | | |
| Shareholders' equity | | |

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| | | |
|--|----------|----------|
| Ordinary shares NIS 0.01 par value, authorized 100,000,000 shares, issued 31,334,423 in 2010 and 31,328,119 in 2009, outstanding 29,242,047 in 2010 and 29,235,743 in 2009 | 132 | 132 |
| Additional paid-in capital | 60,338 | 60,297 |
| Retained earnings (accumulated losses) | (8,454) | (7,510) |
| | 52,016 | 52,919 |
| Treasury stock, at cost (2,092,376 in 2010 and 2009) | (1,898) | (1,898) |
| Total shareholders' equity | 50,118 | 51,021 |
| Total liabilities and shareholders' equity | 81,373 | 79,415 |

*mainly related to Printar and SELA acquisitions

Camtek Ltd.
Consolidated Statements of Operations

(in thousands, except share data)

| | Three months ended March 31, 2010 2009 U.S. dollars | | Year ended December 31, 2009 |
|--|---|----------|--|
| Revenues | 17,627 | 9,288 | 53,521 |
| Cost of revenues | 10,612 | 5,827 | 36,039 |
| Gross profit | 7,015 | 3,461 | 17,482 |
| Research and development costs | 3,086 | 2,587 | 10,319 |
| Selling, general and administrative expenses | 4,341 | 5,856 | 17,667 |
| | 7,427 | 8,443 | 27,986 |
| Operating loss | (412) | (4,982) | (10,504) |
| Financial expenses, net | (432) | (377) | (952) |
| Loss before income taxes | (844) | (5,359) | (11,456) |
| Income tax | (100) | (93) | (386) |
| Net loss | (944) | (5,452) | (11,842) |
| Net loss per ordinary share: | | | |
| Basic | (0.03) | (0.19) | (0.40) |
| Diluted | (0.03) | (0.19) | (0.40) |
| Weighted average number of ordinary shares outstanding: | | | |
| Basic | 29,242 | 29,207 | 29,218 |
| Diluted | 29,242 | 29,207 | 29,218 |

Camtek Ltd.

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

(in thousands, except share data)

| | Three months ended March 31, 2010 | | 2009 | | Year ended December 31, 2009 | |
|---|---|----|--------------|---|--|---|
| | U.S. dollars | | U.S. dollars | | U.S. dollars | |
| Reported net loss attributable to Camtek Ltd. on GAAP basis | (944 |) | (5,452 |) | (11,842 |) |
| Acquisition of Sela and Printar related expenses (1) | 647 | - | | | 1,264 | |
| Inventory write -downs (2) | - | - | | | 3,213 | |
| Share-based compensation | 41 | 40 | | | 148 | |
| Write off of other assets | - | - | | | 102 | |
| Non-GAAP net loss | (256 |) | (5,412 |) | (7,117 |) |
| Non –GAAP net loss per share , basic and diluted | (0.01 |) | (0.19 |) | (0.24 |) |
| Gross margin on GAAP basis | 40 | % | 37 | % | 33 | % |
| Reported gross profit on GAAP basis | 7,015 | | 3,461 | | 17,482 | |
| Acquisition of Sela and Printar related expenses (1) | 280 | - | | | 396 | |
| Inventory write off (2) | - | - | | | 3,213 | |
| Non GAAP gross margin | 41 | % | 37 | % | 39 | % |
| Non-GAAP gross profit | 7,295 | | 3,461 | | 21,093 | |
| Reported Operating loss attributable to Camtek Ltd. on GAAP basis | (412 |) | (4,982 |) | (10,504 |) |
| Acquisition of Sela and Printar related expenses (1) | 280 | - | | | 678 | |
| Inventory write off (2) | - | - | | | 3,213 | |
| Share-based compensation | 41 | 40 | | | 148 | |
| Write off of other assets | - | - | | | 102 | |
| Non-GAAP Operating loss | (91 |) | (4,942 |) | (6,363 |) |

(1) During the three months ended March 31, 2010 and the twelve months ended December 31, 2009, the Company recorded acquisition expenses of \$0.65 million and \$1.3 million, respectively, consisting of: (1) inventory written-up to fair value in purchase accounting charges of \$0.2 million and \$0.4 million, respectively. These amounts are recorded under cost of revenues line item. (2) Revaluation adjustments of \$0.4 million and \$0.6 million, respectively, of contingent consideration and certain future liabilities recorded at fair value. These amounts are recorded under finance expenses line item and (3) \$0.05 and \$0.1 million amortization of intangible assets acquired recorded under cost of revenues line item.

Twelve months ended December 31, 2009 also include Restructuring expenses of \$0.2 million related to the integration of the acquired operations, mainly the abandonment of certain rented properties, recorded under general

and administrative expenses line item.

(2) During the year ended December 31, 2009 the company recorded inventory write downs in the amount of \$2.6 million due to a strategic decision by the Company to discontinue certain old products and an additional amount of \$0.6 million, from a write down of software purchased from a former single source supplier which has been replaced by internally developed software.
