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SIMTEK CORP  
Form 8-K  
March 27, 2003

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15 (d) of  
The Securities Act of 1934

Date of Report (Date of earliest event reported) March 27, 2003

SIMTEK CORPORATION

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(Exact name of registrant as specified in its charter)

|  |                             |   |
|--|-----------------------------|---|
| Colorado   | 0-19027                     | 84-1057605                              |
| -----  | -----                       | -----                                   |
| (State or other<br>jurisdiction<br>of incorporation) | (Commission<br>File Number) | (I.R.S. Employer<br>Identification No.) |

|  |          |
|--|----------|
| 4250 Buckingham Dr. #100<br>Colorado Springs, Colorado | 80907    |
| -----  | -----    |
| (Address of principal executive offices)               | Zip Code |

Registrant's telephone, including area code: (719) 531-9444

Not applicable

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Former name or former address, if changed since last report

Item 5: Other Information:

Simtek Corporation released the following press release dated March 27, 2003,  
titled "Simtek Announces Fourth Quarter and Year End Financial Results":

SIMTEK REPORTS 2002 FOURTH QUARTER AND YEAR END FINANCIAL RESULTS

COLORADO SPRINGS, Colorado - March 27, 2003 -- Simtek Corporation (OTCBB: SRAM),  
a global provider of advanced nonvolatile semiconductor memory products, today

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reported 2002 fourth quarter and year end financial results and updated investors on its growth strategy for 2003 and beyond.

For the fourth quarter 2002 the Company reported relatively stable revenue of \$3.7 million versus \$3.8 million the same quarter a year ago. Net loss for the quarter was \$253,000, or less than one cent per share, as compared with a net loss of \$140,000, or less than one cent per share, in the fourth quarter of 2001. For the full year Simtek reported revenue of \$14.3 million as compared with \$16.9 million in 2001. Net loss for the year was reduced to \$963,000, or \$.02 per share, versus a net loss of \$1.1 million, or \$.02 per share, in the prior year. The net loss in 2002 included a \$1.1 million increase in research and development expenses primarily related to a new product family that the Company expects will become a major contributor to revenue. Without the increase in R&D spending, Simtek would have transitioned to profitability in 2002.

Revenue results for the year revealed some positive trends but overall continued to reflect ongoing sluggishness in the semiconductor industry. In 2002 product sales to high-end industrial and military segments grew by 63% to \$2.4 million while research and development revenues from Simtek's Q-DOT subsidiary increased 28% to \$1.9 million due to an increase in performance on government contracts. These increases were offset by a 29% decline in semiconductor product sales to commercial customers. The change in product mix in 2002 resulted in a 6.0% improvement in gross margins from product sales and a 7.3% improvement in overall gross margins.

Simtek supports a wide range of commercial, industrial, military and government customers on a global basis. In 2002, 55% of net product sales were in North America, 28% were in the Pacific Rim and 11% were in Europe. The remaining 6% of sales were distributed among various other markets.

Simtek closed the year with over \$3.1 million in cash and cash equivalents. The Company believes that it's cash position is sufficient to fund its growth plan for 2003.

"Given ongoing challenges in the worldwide semiconductor industry and our continuing investments in a promising new product family, our financial results in 2002 were generally in line with expectations," said Douglas Mitchell, president and CEO. "Our diversified customer base enabled us to partially replace revenue from the temporarily depressed commercial segment while we continued to invest aggressively in products that hold excellent potential for new revenue streams beginning in the second half of 2003 and accelerating into 2004."

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### Selected 2002 Highlights

- o New 1 Mbit nvSRAM Product Nearing Final Development Stages. During 2002 Simtek increased its R&D expenditures 34% over 2001, from \$3.2 million to \$4.3 million. This increase was concentrated primarily on advancing the development of the Company's new 1 Mbit nvSRAM using 0.25 micron design rules. This product has been in development since the 4th Quarter of 2001 and represents the first in a planned family of high performance memory products that are expected to afford Simtek distinct competitive advantages in the industry. Specifically, the new product will have more storage capacity than any previous memory integrated circuit combining static RAM and nonvolatile elements on a single chip. It will also operate at speeds far exceeding Simtek's current memory products. These attributes will

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support next-generation developments in mass storage systems, office automation equipment such as copiers and facsimiles, industrial control systems and military flight and weapons systems. The unique 1 Mbit product, which has generated strong initial interest in the marketplace, will be introduced in the second quarter of this year with qualified volume production around mid-year. The 1 Mbit nvSRAM, along with a planned succession of follow-on products, is expected to become a major component of the Company's revenue mix during 2004, increasing steadily thereafter.

- o Growth Capital Put In Place. During 2002 Simtek strengthened its balance sheet and positioned itself to complete critical new product development efforts with the closing of a \$3.0 million convertible debenture through long-time investor Renaissance Capital Group of Dallas, Texas. Subsequent to the financing, Simtek appointed Renaissance principal Robert Pearson to its board of directors. Pearson is an active board member who brings to Simtek a wealth of expertise accumulated through years of hands-on experience with emerging growth companies.
- o New 256Kbit nvSRAM Product Introduction. Simtek introduced production-qualified 3-volt versions of its 256Kbit nvSRAM family, which provides exceptionally high levels of reliability and data security while consuming less power. This low voltage product uses Quantum Trap(TM) silicon nitride nonvolatile storage technology enabling more than 100 years of data retention and unlimited read/write endurance along with true high speed static RAM system performance.
- o SONOS Technology Installed With ANAM. Simtek installed its nonvolatile SONOS technology in ANAM Semiconductor's 0.25 micron CMOS production line. The newly developed module incorporates SONOS Quantum Trap(TM) technology, which will be used to manufacture both high density SONOS Flash and nonvolatile static RAM cells for stand alone and embedded products. SONOS offers reliability superior to other nonvolatile memory technologies.
- o Simtek Awarded Fast 50 Status. During 2002 Simtek was named to Deloitte & Touche's Technology Fast 50 program, which recognizes 50 Colorado technology companies.

### Business Outlook

Simtek closed the year with \$3.1 million in cash. The Company expects its cash balance to decrease in the first half of 2003 due to continued investment in research and development related primarily to its 1 Mbit nvSRAM, which is expected to be completed and introduced late in the second quarter. With R&D expenses declining sharply in the second half, and with normal operating expenses closely tracking anticipated revenue levels, cash is then expected to increase over the final two quarters of 2003. Management's goal is to increase revenue from Simtek's base business and augment that growth in the second half with modest initial sales of its new 1 Mbit nvSRAM. Management believes that acceptance of its new product families, combined with a slow but steady recovery in the overall semiconductor industry, can lead to sustainable growth and profitability.

### SUMMARY STATEMENT OF OPERATIONS DATA

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Three Months ended Dec 31

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|                                      | 2002<br>---- | 2001<br>---- |
|--------------------------------------|--------------|--------------|
| Net Sales                            | 3,656,085    | 3,780,393    |
| Cost of Goods Sold                   | 2,243,703    | 2,188,091    |
| Gross Margin                         | 1,412,382    | 1,592,302    |
| Total Operating Expenses             | 1,614,240    | 1,681,478    |
| Income (loss) from Operations        | (201,858)    | (89,176)     |
| Other Income (Expense)               | (50,795)     | (50,355)     |
| Equity in Losses of QDA              | 0            | 0            |
| Net Income (loss) Before Tax         | (252,653)    | (139,531)    |
| Provision for Income Taxes           | 0            | 0            |
| Net Income (Loss) After Tax          | (252,653)    | (139,531)    |
| Basic and diluted Earnings per Share |              |              |
| Dilutive Shares Outstanding          |              |              |

SUMMARY BALANCE SHEET DATA

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ASSETS

Current Assets:

Cash and cash equivalents  
 Certificate of deposit, restricted  
 Accounts receivable  
 Inventory  
 Prepaid expenses and other

Total current assets

Equipment and Furniture, net

Deferred financing costs

Other Assets

Total Assets

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts payable  
 Accrued expenses, wages, vacation  
 Deferred Revenue  
 Obligation under capital leases

Total current liabilities

Notes Payable

Debentures

Obligations Under Capital Leases, net of Current Portion

Total liabilities

Shareholders' Equity:

Total Liabilities and Shareholders' Equity

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page: www.simtek.com; email: info@simtek.com; by calling (719) 531-9444; or fax (719) 531-9481. The company is headquartered in Colorado Springs, Colorado, with international sales and marketing channels. Simtek is listed under the symbol SRAM on the OTC Electronic Bulletin Board.

### Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements by Mr. Mitchell predicting the Company's future growth. Such statements involve risks and uncertainties, and actual results could differ materially from the results anticipated in such forward-looking statements as a result of a number of factors, including, but not limited to, the risk of delays in the availability of new products due to technological, market or financial factors including the availability of necessary working capital, or the other factors described in the Company's most recent Form 10-KSB and Form 10-QSB filed with the Securities and Exchange Commission.

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### 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 and hereunto duly authorized.

SIMTEK CORPORATION

March 27, 2003

By: /s/Douglas Mitchell

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DOUGLAS MITCHELL  
Chief Executive Officer, President  
and Chief Financial Officer (acting)

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