Nortech Reports Record Q1

Written by Mike Buetow Thursday, 15 May 2008 05:59 -

MINNEAPOLIS -- Nortech Systems reported record first-quarter net sales of \$31.2 million, up 12% over 2007.

For the period ended March 31, the EMS firm's operating income rose 90% to \$1.2 million, and net income was up 118% to \$626,000.

"Our record sales and solid earnings performance in the first quarter give us an excellent start to our 2008 fiscal year and demonstrate continued progress on our strategic priorities," said Mike Degen, Nortech's president and CEO.

For the quarter, Nortech's gross profit rose to 15% of sales, up two points, the result of favorable product mix, process improvements and volume leveraging of manufacturing costs. The 90-day backlog on March 31, was \$28.4 million, up slightly from \$27.3 million at the beginning of the quarter.

Nearly half of Nortech's revenue growth came from its Aerospace Systems operations, which produces custom wire harnesses and cable assemblies for defense and aerospace customers. The former Suntron Midwest Operation in Garner, IA, which Nortech acquired in 2007, accounted for the remainder of the revenue growth.