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Maxwell Technologies, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Craig Irwin with Merriman.

Craig Irwin – Merriman Curhan Ford

My first question is really the upside on the ultracaps. You're about 1.5 million ahead of what I was looking for and obviously something really went well for you in the quarter. Can you speak a little bit about sort of how things came through and whether or not this was ahead of what you were expecting when you started the fourth quarter?

David Schramm

Craig, I always run the risk of trying to hit the analyst forecasts for revenue against what I think I'm going to do, but to comment on that, we're just getting better gaining in the market acceptance of the product itself. As I've stated in the past, we don't have enough competition out there helping us educate the market as to what an ultracap can do, but some of our education is starting to pay off and I think the license to the windmill patent has helped us significantly, as well as the transit bus getting penetration with us, [le keepay] and then with Golden Dragon, so we're seeing a lot of traction there.

We're also seeing a lot of traction with new applications in the cranes and things like that. So it's not one event that actually happened to help that growth. The other thing, frankly, that helped the growth a lot is that we are getting ourselves out of strategic pricing and again we all know what that means, and we're taking profitable growth, so as those old contracts come off the table and we can replace them with profitable growth, that's at a fair market value, then of course our upside goes up and the bottom line gets better.

Craig Irwin – Merriman Curhan Ford

I was hoping you could frame out for us a little bit more about your success in the wind market. Could you maybe discuss the number of customers, the breadth of potential design wins there, and maybe speak at LTI potentially the same size or bigger than InterCon yet.

David Schramm

The difference with LTI is they only make pitch control systems and so they're working with windmill manufacturers whereas InterCon builds the whole thing. I visited InterCon in November and they gave me a lifetime opportunity to climb to the top of one of these windmills to see my BOOSTCAPS in action and I can now check that off as something I don't have to do again, but it's quite a ways up

there. But again, LTI is selling pitch control systems using a little different configuration than what InterCon uses but that was revenue that we did not have access to without the license to the patent.

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