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EMS Technologies, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from Rich Valera of Needham & Company. Please state your question.

Rich Valera – Needham & Company

Thanks, good morning gentlemen. Congrats on the Space & Defense backlog, obviously a record there. It sounds like you have – based on your comments, Paul, you feel like you have the vast majority of your revenue for '09 covered out of that backlog. I was going to ask what percent of that you thought might be delivered in 2009. So I guess I would still ask that question with respect to your \$115 million of backlog. Roughly, how much of that do you think could be delivered in 2009?

Paul Domorski

I will answer the best way that I can, which is, we anticipate continued growth in the Defense business and we have virtually all of the revenue that we need to make that number now, in-house. So, to be honest, my goal is to be in this same position next year by continuing to close business and continuing to firm up those numbers, given the changes that are occurring in the administration, and that's what our effort is right now.

Did I answer your question?

Rich Valera of Needham & Company

Yes, I think that's helpful. And with respect to – you sort of also answered my follow-up, which was, what do you feel the bookings pipeline looks like for this year? Obviously, you had a very good bookings year in '08. Do you think you have a similar type of opportunities in 2009 on the bookings front?

Paul Domorski

I think that's our goal. Our goal is to continue the progress that we have made and to continue that to occur. We have talked about the fact that we are – that we have tried to do more, gone from development jobs to manufacturing jobs. We have talked about the fact that we are also seeking commercial Ku-band opportunities in that area to be able to diversify our business. We are continuing to work with our partners on TSAT or AHF or any of the different satellite programs that are there. And all of those things, I think, are contributing to the success that you are seeing.

Rich Valera of Needham & Company

That's great. And just a quick on the Inmarsat contract, a little more color – just why exactly did you have to pay them the \$3.4 million? What were the mechanics of that process for you to end up paying them that amount?

Paul Domorski

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