

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

FORM 10-QA

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 1996.

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 0 - 21810

Amerigon Incorporated  
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California 95-431855-4  
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404 East Huntington Drive, Monrovia, California 91016  
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(818) 932-1200  
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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes X No  
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At May 1, 1996 the registrant had 7,050,000 shares of Class A Common Stock; no par value; 0 shares of Class B Common Stock, no par value; and 0 shares Preferred Stock, no par value, issued and outstanding.

(1)

AMERIGON INCORPORATED

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AMERIGON INCORPORATED  
(A DEVELOPMENT STAGE ENTERPRISE)

CONDENSED BALANCE SHEET  
(IN THOUSANDS, EXCEPT SHARE DATA)

	December 31, 1995	March 31, 1996
	-----	-----
ASSETS		(unaudited)
Current Assets:		
Cash and cash equivalents	\$4,486	\$1,129
Accounts receivable less allowance of \$100	1,052	1,273
Unbilled revenue	1,468	3,284
Inventories, primarily raw materials	243	241
Deferred contract costs		550
Prepaid expenses and other assets	961	827
	-----	-----
Total current assets	8,210	7,304
Property and Equipment, net	785	843
	-----	-----
Total Assets	\$8,995	\$8,147
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$1,123	\$1,061
Deferred revenue	94	87
Accrued liabilities	512	451
	-----	-----
Total current liabilities	1,729	1,599
	-----	-----
Long Term Portion of Lease Liability	68	64
	-----	-----
Shareholders' Equity:		
Preferred stock, no par value; 5,000,000 shares authorized, none issued and outstanding		
Common stock:		
Class A -no par value; 17,000,000 shares authorized, 4,050,000 issued and outstanding	17,270	17,176
(An additional 3,000,000 shares held in escrow)		
Class B -no par value; 3,000,000 shares authorized, none issued and outstanding		
Contributed capital	3,115	3,115
Deficit accumulated during development stage	(13,187)	(13,807)
	-----	-----
Total shareholders' equity	7,198	6,484
	-----	-----
Total Liabilities and Shareholders' Equity	\$8,995	\$8,147
	-----	-----

See accompanying notes to the financial statements.

AMERIGON INCORPORATED  
(A DEVELOPMENT STAGE ENTERPRISE)

CONDENSED STATEMENT OF OPERATIONS  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended March 31, 1995                      1996		From April 23, 1991 (inception) to March 31, 1996
	(unaudited)		(unaudited)
<b>Revenues:</b>			
Development contracts and related grants	\$671	\$3,054	\$10,996
Grants	226	-	6,696
Total revenues	897	3,054	17,692
<b>Costs And Expenses:</b>			
Direct development contract and related grant costs	623	2,771	\$8,857
Direct grant costs	172	-	5,221
Research and development	655	384	7,043
Selling, general and administrative, including reimbursable expenses	789	555	10,932
Total Costs and Expenses	2,239	3,710	32,053
Operating Loss	(1,342)	(656)	(14,361)
Interest Income	67	36	554
Net Loss	(\$1,275)	(\$620)	(\$13,807)
Net Loss Per Share	(\$0.39)	(\$0.15)	
Weighted Average Number Of Shares Outstanding	3,300	4,050	

See accompanying notes to the financial statements.

AMERIGON INCORPORATED  
(A DEVELOPMENT STAGE ENTERPRISE)  
CONDENSED STATEMENT OF CASH FLOWS  
(IN THOUSANDS)

	Three Months Ended March 31, 1995	1996	From April 23, 1991 (inception) to March 31, 1996
	----- (unaudited)	----- (unaudited)	----- (unaudited)
<b>Operating Activities:</b>			
Net loss	(\$1,275)	(\$620)	(\$13,807)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation and amortization	84	90	644
Provision for doubtful accounts			110
Stock option compensation		712	
Contributed capital -founders' services without cash compensation			300
Change in operating assets and liabilities:			
Accounts receivable	(39)	(221)	(1,383)
Unbilled revenue	92	(1,816)	(3,284)
Inventory	(426)	2	(241)
Deferred contract costs		(550)	(550)
Prepaid expenses and other assets	32	134	(826)
Accounts payable	529	(62)	1,061
Deferred revenue	(439)	(7)	87
Accrued liabilities	(40)	(61)	451
Net cash used in operating activities	----- (1,482)	----- (3,111)	----- (16,726)
<b>Investing Activities:</b>			
Purchase of property and equipment	(241)	(148)	(1,410)
Short term investments	996		0
Net cash used in investing activities	----- 755	----- (148)	----- (1,410)
<b>Financing Activities:</b>			
Proceeds from sale of common stock, net		(94)	17,176
Proceeds from sale of warrants			1
Borrowing under line of credit			1,100
Repayment of line of credit			(1,100)
Repayment of capital lease	(3)	(4)	(14)
Notes payable to shareholders contributed to capital			2,102
Net cash provided by (used in) financing activities	----- (3)	----- (98)	----- 19,265
Net increase (decrease) in cash	----- (730)	----- (3,357)	----- 1,129
Cash and cash equivalents, beginning of period	2,405	4,486	-
Cash and cash equivalents, end of period	----- \$1,675	----- \$1,129	----- \$1,129

See accompanying notes to the financial statements.

AMERIGON INCORPORATED  
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - THE COMPANY:

Amerigon Incorporated (the "Company") is a development stage enterprise, which was incorporated in California on April 23, 1991 primarily to develop, manufacture and market proprietary, high technology automotive components and systems for gasoline-powered and electric vehicles.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF CERTAIN ACCOUNTING POLICIES:

The accompanying condensed balance sheet as of March 31, 1996 and the condensed statements of operations and cash flows for the three months ended March 31, 1996 and the period from April 23, 1991 (inception) to March 31, 1996 have been prepared by the Company without audit. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for fair presentation have been included. The results of operations for the three month period ended March 31, 1996 are not necessarily indicative of the operating results for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These condensed financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 1995.

The condensed financial statements have been restated to reflect certain adjustments to contract cost accounting and revenue recognition. In the three months ended March 31, 1996, these adjustments resulted in a decrease in revenues from development and related grants of \$800,000 and a decrease in expenses related to development contract costs and related grants of \$550,000 which caused an increase in the operating loss and net loss of \$250,000. Net loss per share increased by \$.06.

DEVELOPMENT CONTRACT REVENUES. The Company has entered into a number of fixed price contracts under which revenue is recognized using the percentage of completion method, or in the case of short duration contracts, when the prototype or services are delivered. Development contract revenues earned are recorded on the balance sheet as unbilled revenue until billed.

GRANT REVENUES. Revenue from government agency grants and other sources pursuant to cost-sharing arrangements is recognized when reimbursable costs have been incurred. Grant revenues earned are recorded on the balance sheet as unbilled revenue until billed.

NOTE 3 - NET LOSS PER SHARE:

The Company's net loss per share calculations are based upon the weighted average number of shares of common stock outstanding. Excluded from this calculation are the 3,000,000 Escrowed Contingent Shares (Note 4). Common stock equivalents (stock options and stock warrants) are anti-dilutive in both periods and are excluded from the net loss per share calculation.

NOTE 4--ESCROW AGREEMENT

Pursuant to the Underwriting Agreement, prior to the effective date of the June 1993 initial public offering, 3,000,000 shares of the Company's Class A Common Stock ("Escrowed Contingent Shares") were deposited into escrow by the then existing shareholders in proportion to their then current holdings. These shares are not transferable (but may be voted) and will be released from escrow in the event the Company attains certain earnings levels (which have been adjusted for the December 29, 1995 private placement of 750,000 shares) during the period through December 31, 1998 or the market price of the Class A Common Stock reaches specified levels during the period through June 10, 1996.

The release of the Escrowed Contingent Shares will be deemed compensatory and, accordingly, will result in charges to earnings equal to the fair market value of the Escrowed Contingent Shares recorded ratably over the period beginning on the date when management determines that any of the specified events are probable of being attained and ending on the date on which the Escrowed Contingent Shares are released. At the time a goal is attained, previously unrecognized compensation expense will be adjusted by a one-time charge based on the then fair market value of the shares released from Escrow. Such charges could substantially reduce the Company's net income or increase the Company's loss for financial reporting purposes in the periods such charges are recorded. The specified events are not considered probable of attainment at this time.

On April 30, 1999, all shares that have not been released from Escrow will automatically be exchanged for shares of Class B Common Stock, which will then be released from Escrow. Any dividends or other distributions made with respect to Escrowed Contingent Shares that have not been released from Escrow as Class A Common Stock will be forfeited and contributed to the capital of the Company on April 30, 1999.

PART 1

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

FIRST QUARTER 1996 COMPARED WITH FIRST QUARTER 1995

REVENUES. Revenues for the three months ended March 31, 1996 ("First Quarter 1996") were \$3,054,000 as compared with revenues of \$897,000 in the three months ended March 31, 1995 ("First Quarter 1995"). Product development and grant revenue related to the Company's electric vehicle program increased approximately \$2,344,000 in the current quarter compared to the same period in 1995. These revenues are recognized on the percentage of completion basis under the product development contract and when reimbursable costs are incurred under the grants. A major electric vehicle project which started in the First Quarter 1995 is still in process and is expected to continue through the third fiscal quarter of 1996. The level of activity in the project involved considerably more labor and material expenses in the First Quarter 1996 compared to the beginning stages of the project in the First Quarter 1995 when engineering design was the principal activity. In the First Quarter 1996, a prototype of the vehicle was completed and was being tested; final design changes were being made; and tooling and parts were being ordered to make additional vehicles in kit form for eventual shipment to the customer. As a consequence, revenues increase as expenses increase under the percentage of completion accounting for the development contract and under the recognition of reimbursable costs for the related grants.

During the First Quarter 1996, development continued on the thermoelectric seat and the ultra-wideband radar pursuant to development contracts. The magnitude of the expenses and the revenues recognized for the development of the seat systems and radar, and for the sale of audio navigation systems in the First Quarter 1996 was \$282,000 compared to \$243,000 in the First Quarter 1995.

Grant revenues in the First Quarter 1996 of approximately \$320,000 were directly related to the electric vehicle development contracts activities and are combined with the development contract revenues. There were no grant activities in the First Quarter 1996 related to the Company's other products. In the First Quarter 1995, grant revenues were \$226,000 and were related to two other electric vehicle projects and small projects in each of the other three product areas.

DIRECT DEVELOPMENT CONTRACT AND RELATED GRANT COSTS. Direct development contract and related grant costs increased from \$623,000 in the First Quarter 1995 to \$2,771,000 in the First Quarter 1996 due to the increased activity in the Company's electric vehicle program, as discussed above.

RESEARCH AND DEVELOPMENT EXPENSES. Research and development expenses decreased from \$655,000 in First Quarter 1995 to \$384,000 in the First Quarter 1996 due to the fact that more of the Company's research and development activities are funded by grants and by development



contracts. Furthermore, the company was continuing development of the audio navigation system in the First Quarter 1995 which was completed in late 1995 and therefore considerably less was expended in the First Quarter 1996.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative ("SG&A") expenses decreased from \$789,000 in First Quarter 1995 to \$555,000 in First Quarter 1996. Direct and indirect overhead expenses included in SG&A which are associated with development contracts are allocated to such contracts. As a result of the increased activity as discussed under "Revenues," more of such expenses were allocated to development contracts in the First Quarter 1996 than in the First Quarter 1995.

#### LIQUIDITY AND CAPITAL RESOURCES

At March 31, 1996, the Company had net working capital of \$5,705,000. Since its inception, the Company's principal sources of operating capital have been the proceeds of its initial public offering in June 1993 and the private placement of common stock in December 1995, and the revenues from grants, development contracts and the sale of prototypes to customers. To a lesser extent the Company received capital contributions from the Company's principal shareholders before becoming a public company.

In the First Quarter 1996 cash and cash equivalents decreased by \$3,357,000. Operating activities used \$3,111,000 of which \$620,000 was for the operating loss, \$1,816,000 was for the increase in unbilled revenues related to the development contracts and grants related to the Company's electric vehicle program, and \$550,000 was for deferred contract costs related to work for the proposed contract with an Indian joint venture company. Unbilled revenues at the end of the First Quarter 1996 will be billed later in the fiscal year. Investing activities used \$148,000 related to the purchase of property and equipment. Financing activities used \$94,000 for expenses related to the private common stock offering in December 1995.

The Company expects to incur losses for the foreseeable future due to the significant cost of its product development and marketing activities and establishing its manufacturing capabilities. The Company believes it has sufficient cash to further its development of the audio navigation system, electric vehicle systems, climate controlled seat and radar products for the balance of the fiscal year and it may be able to supplement that cash with additional development funds from customers and from grants. The Company also has a bank line of credit to finance the cash flow requirements to complete a major electric vehicle project. Broader or faster expansion of these development programs may be desirable depending on customer interest and market opportunities; furthermore, significant expenditures for capital equipment and tooling could be required to begin volume production of electric vehicle systems, climate controlled seats or radar products any of which would likely require additional financing.

To the extent available, the Company will seek bank financing to support the working capital needs of its activities. The current bank line of credit which specifically relates to one contract, and under which up to \$4,000,000 is available, extends to June 30, 1996. However, other financing may be required depending on the circumstances of development activities and of production preparation. There can be no assurance that adequate working capital financing and/or other required additional financing can be obtained, or that it will be obtained on terms favorable to the Company.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Not applicable.

ITEM 2. CHANGES IN SECURITIES.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 5. OTHER INFORMATION.

Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

Exhibits: Not applicable.  
Reports on Form 8-K: January 5, 1996.

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.

Amerigon Incorporated

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Registrant

Date: October 23, 1996

/s/ R. John Hamman, Jr.

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R. John Hamman, Jr.  
Vice President Finance and  
Chief Financial Officer



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3-MOS

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JAN-01-1996		
MAR-31-1996		
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