

HURCO COMPANIES INC
Form 10-Q
March 09, 2009

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

FORM 10-Q

(Mark One)

Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended January 31, 2009 or
 Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission File No. 0-9143

HURCO COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction of
incorporation or organization)

35-1150732
(I.R.S. Employer Identification Number)

One Technology Way
Indianapolis, Indiana
(Address of principal executive offices)

46268
(Zip code)

R e g i s t r a n t ' s t e l e p h o n e n u m b e r , i n c l u d i n g a r e a
code (317) 293-5309

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to the filing requirements for the past 90 days:

Yes No - .

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a small reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer []
X]

Accelerated filer [

Non-accelerated filer [] (Do not check if a smaller reporting company)
company []

Smaller reporting

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the
Exchange Act).

Yes [] No [X]

The number of shares of the Registrant's common stock outstanding as of March 1, 2009 was 6,420,851.

HURCO COMPANIES, INC.
January 2009 Form 10-Q Quarterly Report

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

HURCO COMPANIES, INC.
 CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
 (In thousands, except per share data)

	Three Months Ended January 31	
	2009	2008
	(Unaudited)	
Sales and service fees	\$ 28,307	\$ 60,923
Cost of sales and service	19,765	36,066
Gross profit	8,542	24,857
Selling, general and administrative expenses	8,029	12,376
Operating income	513	12,481
Interest expense	23	11
Interest income	104	149
Investment income	28	172
Other expense, net	73	464
Income before taxes	549	12,327
Provision for income taxes	195	4,522
Net income	\$ 354	\$ 7,805
Earnings per common share		
Basic	\$ 0.06	\$ 1.22
Diluted	\$ 0.05	\$ 1.21
Weighted average common shares outstanding		
Basic	6,421	6,401
Diluted	6,438	6,433

The accompanying notes are an integral part of the condensed consolidated financial statements.

HURCO COMPANIES, INC.
 CONDENSED CONSOLIDATED BALANCE SHEET
 (In thousands, except share and per-share data)

	January 31 2009 (Unaudited)	October 31 2008 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 30,126	\$ 26,394
Short-term investments	--	6,674
Accounts receivable, net	18,587	31,952
Inventories, net	63,294	66,368
Deferred tax assets, net	6,489	5,444
Derivative assets	8,762	12,463
Other	1,824	2,017
	129,082	151,312
Property and equipment:		
Land	782	782
Building	7,127	7,127
Machinery and equipment	15,396	14,885
Leasehold improvements	1,827	1,765
	25,132	24,559
Less accumulated depreciation and amortization	(11,300)	(10,961)
	13,832	13,598
Non-current assets:		
Software development costs, less accumulated amortization	5,967	5,711
Other assets	6,825	6,823
	\$ 155,706	\$ 177,444
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 14,587	\$ 28,303
Derivative liabilities	3,094	2,692
Accrued expenses	12,105	20,134
	29,786	51,129
Non-current liabilities:		
Deferred tax liability, net	2,083	2,056
Deferred credits and other obligations	786	782
Total liabilities	32,655	53,967

Shareholders' equity:		
Preferred stock: no par value per share; 1,000,000 shares authorized; no shares issued	--	--
Common stock: no par value; \$.10 stated value per share; 13,250,000 shares authorized, and 6,420,851 and 6,420,851 shares issued and outstanding, respectively	642	642
Additional paid-in capital	51,747	51,690
Retained earnings	72,243	71,889
Accumulated other comprehensive loss	(1,581)	(744)
Total shareholders' equity	123,051	123,477
	\$ 155,706	\$ 177,444

The accompanying notes are an integral part of the condensed consolidated financial statements.

HURCO COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in thousands)

	Three Months Ended	
	January 31	
	2009	2008
	(Unaudited)	
Cash flows from operating activities:		
Net income	\$ 354	\$ 7,805
Adjustments to reconcile net income to		
Net cash provided by (used for) operating activities:		
Provision for doubtful accounts	306	(25)
Deferred tax provision	(1,106)	(268)
Equity in (income) loss of affiliates	24	20
Depreciation and amortization	791	683
Stock-based compensation	57	57
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	13,047	(10,019)
(Increase) decrease in inventories	2,929	(2,029)
Increase (decrease) in accounts payable	(13,441)	982
Increase (decrease) in accrued expenses	(7,993)	(2,003)
Other	3,522	1,103
Net cash provided by (used for) operating activities	(1,510)	(3,694)
Cash flows from investing activities:		
Proceeds from sale of property and equipment	4	12
Purchase of property and equipment	(792)	(1,096)
Purchase of investments	--	(8,000)
Sale of investments	6,674	4,000
Software development costs	(559)	(51)
Other investments	(48)	(106)
Net cash provided by (used for) investing activities	5,279	(5,241)
Cash flows from financing activities:		
Proceeds from exercise of common stock options	--	54
Net cash provided by (used for) financing activities	--	54
Effect of exchange rate changes on cash	(37)	297
Net increase (decrease) in cash and cash equivalents	3,732	(8,584)
Cash and cash equivalents at beginning of period		