

COMPUTER TASK GROUP INC

Form 10-Q

October 28, 2015

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended October 2, 2015

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. 1-9410

COMPUTER TASK GROUP, INCORPORATED

(Exact name of registrant as specified in its charter)

New York

16-0912632

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification No.)

800 Delaware Avenue, Buffalo, New York

14209

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (716) 882-8000

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 requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

APPLICABLE ONLY TO CORPORATE ISSUERS:

Title of each class	Shares outstanding at October 23, 2015
Common stock, par value \$.01 per share	18,974,164

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

COMPUTER TASK GROUP, INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(amounts in thousands, except per share data)

(Unaudited)

	For the Quarter Ended		For the Three Quarters Ended	
	Oct. 2, 2015	Sept. 26, 2014	Oct. 2, 2015	Sept. 26, 2014
Revenue	\$93,055	\$96,760	\$285,276	\$295,002
Direct costs	75,587	77,723	234,902	233,835
Selling, general and administrative expenses	13,901	14,466	43,478	45,651
Operating income	3,567	4,571	6,896	15,516
Interest and other income	27	32	72	73
Interest and other expense	51	65	148	258
Income before income taxes	3,543	4,538	6,820	15,331
Provision for income taxes	1,472	1,812	2,928	6,206
Net income	\$2,071	\$2,726	\$3,892	\$9,125
Net income per share:				
Basic	\$0.13	\$0.18	\$0.25	\$0.61
Diluted	\$0.13	\$0.17	\$0.24	\$0.56
Weighted average shares outstanding:				
Basic	15,477	15,075	15,441	15,074
Diluted	15,864	16,160	15,904	16,336
Cash dividend declared per share	\$0.06	\$0.06	\$0.18	\$0.18

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

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COMPUTER TASK GROUP, INCORPORATED
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (amounts in thousands)
 (Unaudited)

	For the Quarter Ended		For the Three Quarters Ended	
	Oct. 2, 2015	Sept. 26, 2014	Oct. 2, 2015	Sept. 26, 2014
Net Income	\$2,071	\$2,726	\$3,892	\$9,125
Foreign currency adjustment	92	(1,214)	(1,456)	(1,376)
Change in pension loss, net of taxes of \$22 and \$14 in the 2015 and 2014 third quarters, respectively, and \$68 and \$40 in the first three quarters of 2015 and 2014, respectively	(8)	286	799	417
Other comprehensive income (loss)	84	(928)	(657)	(959)
Comprehensive income	\$2,155	\$1,798	\$3,235	\$8,166

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

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CONDENSED CONSOLIDATED BALANCE SHEETS

(amounts in thousands, except share balances)

(Unaudited)

	Oct. 2, 2015	Dec. 31, 2014
Assets		
Current Assets:		
Cash and cash equivalents	\$20,945	\$40,862
Accounts receivable, net of allowances of \$76 and \$891 in 2015 and 2014, respectively	75,009	67,292
Prepaid and other current assets	2,614	1,817
Income taxes receivable	535	1,684