

HARDINGE INC
Form 10-Q
May 10, 2016
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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 March 31, 2016

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 Number: 000-15760

Hardinge Inc.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

16-0470200

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

One Hardinge Drive

Elmira, NY

(Address of principal executive offices)

14902

(Zip Code)

(607) 734-2281

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

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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 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 (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 Exchange Act).

Yes No

As of April 29, 2016 there were 12,869,771 shares of Common Stock of the registrant outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

HARDINGE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	March 31, 2016 (Unaudited)	December 31, 2015
Assets		
Cash and cash equivalents	\$ 29,285	\$ 32,774
Restricted cash	2,163	2,192
Accounts receivable, net	49,940	56,945
Inventories, net	117,131	110,232
Other current assets	10,496	9,314
Total current assets	209,015	211,457
Property, plant and equipment, net	62,312	62,025
Goodwill	6,619	6,620
Other intangible assets, net	27,892	28,018
Other non-current assets	3,672	3,015
Total non-current assets	100,495	99,678
Total assets	\$ 309,510	\$ 311,135
Liabilities and shareholders' equity		
Notes payable to bank	\$ 3,177	\$ —
Accounts payable	24,523	24,696
Accrued expenses	24,032	27,964
Customer deposits	17,932	19,845
Accrued income taxes	1,489	1,919
Deferred income taxes	2,385	2,164
Current portion of long-term debt	5,456	5,621
Total current liabilities	78,994	82,209
Long-term debt	5,376	5,985
Pension and postretirement liabilities	56,811	57,322
Deferred income taxes	1,225	1,121
Other liabilities	3,476	3,393
Total non-current liabilities	66,888	67,821
Commitments and contingencies (see Note 10)		
Common stock (\$0.01 par value, 20,000,000 authorized; 12,861,674 issued and outstanding as of March 31, 2016, and 12,856,716 issued and 12,838,227 outstanding as of December 31, 2015)		128
Additional paid-in capital	120,539	120,524
Retained earnings	87,866	89,368
Treasury shares (at cost, none as of March 31, 2016, and 18,489 as of December 31, 2015)	—	(202)
Accumulated other comprehensive loss	(44,905)	(48,713)

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Total shareholders' equity	163,628	161,105
Total liabilities and shareholders' equity	\$ 309,510	\$ 311,135

See accompanying notes to the unaudited consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Three Months Ended March 31,	
	2016	2015
	(Unaudited)	
Sales	\$67,822	\$69,128
Cost of sales	45,078	47,273
Gross profit	22,744	21,855
Selling, general and administrative expenses	20,593	19,600
Research & development	3,287	3,607
Restructuring	200	—
Other (income) expense, net	(91)	65
Loss from operations	(1,245)	(1,417)
Interest expense	153	157
Interest income	(67)	(17)
Loss before income taxes	(1,331)	(1,557)
Income taxes	(86)	(149)
Net loss	\$(1,245)	\$(1,408)