

HURCO COMPANIES INC
Form 10-Q
June 04, 2008

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 April 30, 2008 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)

Registrant's telephone number, including area 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):

Large accelerated filer []
X]

Accelerated filer []

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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

The number of shares of the Registrant's common stock outstanding as of June 2, 2008 was 6,420,851.

HURCO COMPANIES, INC.
April 2008 Form 10-Q Quarterly Report

Table of Contents

Part I - Financial Information

Item 1. Financial Statements

Condensed Consolidated Statement of Operations3.....
Three and six months ended April 30, 2008 and 2007

Condensed Consolidated Balance Sheet4.....
As of April 30, 2008 and October 31, 2007

Condensed Consolidated Statement of Cash Flows.....5.....
Three and six months ended April 30, 2008 and 2007

Condensed Consolidated Statement of Changes in Shareholders' Equity.....6.....
Six months ended April 30, 2008 and 2007

Notes to Condensed Consolidated Financial Statements.....7.....

Item 2. Management's Discussion and Analysis of Financial13.....
Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk20.....

Item 4. Controls and Procedures22.....

Part II - Other Information

Item 1. Legal Proceedings.....23.....

Item 1A. Risk Factors.....23.....

Item 4. Submission of Matters to a Vote of Security Holders.....23.....

Item 5. Other Information.....23.....

Item 6. Exhibits.....24.....

Signatures25.....

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 April 30		Six Months Ended April 30	
	2008	2007	2008	2007
Sales and service fees	\$ 58,285	\$ 42,494	\$ 119,208	\$ 89,372
Cost of sales and service	37,954	26,145	74,020	55,700
Gross profit	20,331	16,349	45,188	33,672
Selling, general and administrative expenses	11,676	9,405	24,052	18,655
Operating income	8,655	6,944	21,136	15,017
Interest expense	10	71	21	154
Interest income	133	196	282	389
Investment income	119	57	291	78
Other (income) expense, net	376	(318)	840	(506)
Income before taxes	8,521	7,444	20,848	15,836
Provision for income taxes	3,054	2,764	7,576	5,761
Net income	\$ 5,467	\$ 4,680	\$ 13,272	\$ 10,075
Earnings per common share				
Basic	\$ 0.85	\$ 0.73	\$ 2.07	\$ 1.58
Diluted	\$ 0.85	\$ 0.73	\$ 2.06	\$ 1.57
Weighted average common shares outstanding				
Basic	6,410	6,373	6,410	6,373
Diluted	6,444	6,431	6,442	6,427

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

HURCO COMPANIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	April 30 2008	October 31 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 25,609	\$ 29,760
Short-term investments	3,650	10,000
Accounts receivable, net	35,741	25,645
Inventories, net	68,735	61,121
Deferred tax assets, net	8,810	8,258
Other	5,960	4,481
	148,505	139,265
Property and equipment:		
Land	776	776
Building	7,135	7,135
Machinery and equipment	14,643	13,629
Leasehold improvements	1,668	1,473
	24,222	23,013
Less accumulated depreciation and amortization	(11,606)	(11,617)
	12,616	11,396
Non-current assets:		
Software development costs, less accumulated amortization	5,542	5,960
Long-term investments	4,774	-
Other assets	7,284	7,160
	\$ 178,721	\$ 163,781
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 36,750	\$ 35,486
Accrued expenses	26,522	27,729
	63,272	63,215
Non-current liabilities:		
Deferred tax liability, net	1,886	1,956
Deferred credits and other obligations	1,000	1,007
Total liabilities	66,158	66,178

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 6,392,220 shares issued and outstanding, respectively	642	639
Additional paid-in capital	51,269	50,971
Retained earnings	62,641	49,369
Accumulated other comprehensive loss	(1,989)	(3,376)
Total shareholders' equity	112,563	97,603
	\$ 178,721	\$ 163,781

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 April 30		Six Months Ended April 30	
	2008	2007	2008	2007
Cash flows from operating activities:				
Net income	\$ 5,467	\$ 4,680	\$ 13,272	\$ 10,075
Adjustments to reconcile net income to				
Net cash provided by (used for) operating activities:				