

PAR TECHNOLOGY CORP  
Form 10-Q  
August 08, 2013

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 Quarter Ended June 30, 2013. Commission File Number 1-9720  
OR

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

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number \_\_\_\_\_

PAR TECHNOLOGY CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware 16-1434688  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

PAR Technology Park  
8383 Seneca Turnpike  
New Hartford, New York 13413-4991  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (315) 738-0600

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 definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non Accelerated Filer  Smaller Reporting Company   
(Do not check if a 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 outstanding of registrant's common stock, as of August 1, 2013 – 15,521,316 shares.



TABLE OF CONTENTS  
FORM 10-Q

PART I  
FINANCIAL INFORMATION

Item Number		Page
Item 1.	<u>Financial Statements</u> (unaudited)	
	<u>Consolidated Statements of Operations</u> for the three and six months ended June 30, 2013 and June 30, 2012	1
	<u>Consolidated Statements of Comprehensive Income (Loss)</u> for the three and six months ended June 30, 2013 and June 30, 2012	2
	<u>Consolidated Balance Sheets</u> at June 30, 2013 and December 31, 2012	3
	<u>Consolidated Statements of Cash Flows</u> for the six months ended June 30, 2013 and June 30, 2012	4
	<u>Notes to Unaudited Interim Consolidated Financial Statements</u>	5
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	11
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	16
Item 4.	<u>Controls and Procedures</u>	17

PART II  
OTHER INFORMATION

Item 1A.	<u>Risk Factors</u>	17
Item 4.	<u>Mine Safety Disclosures</u>	17
Item 5.	<u>Other Information</u>	17
Item 6.	<u>Exhibits</u>	18
	<u>Signatures</u>	19
	<u>Exhibit Index</u>	20

Table of Contents

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(Unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Net revenues:				
Product	\$22,257	\$20,142	\$46,173	\$40,312
Service	15,314	16,014	31,334	31,393
Contract	21,945	25,929	48,683	45,973
	59,516	62,085	126,190	117,678
Costs of sales:				
Product	14,841	14,041	31,314	25,018
Service	10,904	11,473	22,456	22,038
Contract	20,312	24,584	45,791	43,567
	46,057	50,098	99,561	90,623
Gross margin	13,459	11,987	26,629	27,055
Operating expenses:				
Selling, general and administrative	9,494	9,291	19,699	19,434
Research and development	3,706	3,089	7,846	6,638
Amortization of identifiable intangible assets	-	150	-	303
	13,200	12,530	27,545	26,375
Operating income (loss) from continuing operations	259	(543 )	(916 )	680
Other income (expense), net	255	(366 )	221	207
Interest expense	(13 )	(21 )	(26 )	(42 )
Income (loss) from continuing operations before provision for income taxes	501	(930 )	(721 )	845
Provision (benefit) for income taxes	253	(419 )	(600 )	321
Income (loss) from continuing operations	248	(511 )	(121 )	524
Discontinued operations				
Income (loss) on discontinued operations (net of tax)	(191 )	(10 )	(206 )	1,420
Net Income (loss)	\$57	\$(521 )	\$(327 )	\$1,944
Basic Earnings per Share				
Income (loss) from continuing operations	0.02	(0.03 )	(0.01 )	0.03
Income (loss) from discontinued operations	(0.01 )	-	(0.01 )	0.09
Net Income (loss)	\$0.00	\$(0.03 )	\$(0.02 )	\$0.13
Diluted Earnings per Share:				
Income (loss) from continuing operations	0.02	(0.03 )	(0.01 )	0.03
Income (loss) from discontinued operations	(0.01 )	-	(0.01 )	0.09
Net Income (loss)	\$0.00	\$(0.03 )	\$(0.02 )	\$0.13
Weighted average shares outstanding				
Basic	15,171	15,098	15,162	15,091
Diluted	15,340	15,098	15,162	15,163

See accompanying notes to consolidated financial statements

1

---

Table of Contents

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(in thousands)  
(Unaudited)

For the three	For the six
months	months
ended June	ended June
30,	30,
2013	2013
2012	2012