

DATA I/O CORP
Form 10-Q
November 12, 2015

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

FORM 10-Q

(Mark One)
(X)

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

For the quarterly period ended **September 30, 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 number:

0-10394

DATA I/O CORPORATION

(Exact name of registrant as specified in its charter)

Washington

91-0864123

(State or other jurisdiction of incorporation or
organization)

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

6645 185th Ave NE, Suite 100, Redmond, Washington, 98052

(Address of principal executive offices, including zip code)

(425) 881-6444

(Registrant's telephone number, including area code)

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

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

Shares of Common Stock, no par value, outstanding as of November 1, 2015:

7,943,720

DATA I/O CORPORATION
FORM 10-Q
For the Quarter Ended September 30, 2015

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements**

**DATA I/O CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(UNAUDITED)**

	September 30, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$8,995	\$9,361
Trade accounts receivable, net of allowance for doubtful accounts of \$95 and \$93, respectively	5,139	4,109
Inventories	3,623	4,445
Other current assets	311	426
TOTAL CURRENT ASSETS	18,068	18,341
Property, plant and equipment – net	973	926
Other assets	63	65
TOTAL ASSETS	\$19,104	\$19,332
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$994	\$968
Accrued compensation	1,476	1,756
Deferred revenue	1,087	1,801
Other accrued liabilities	651	640
Accrued costs of business restructuring	-	113
TOTAL CURRENT LIABILITIES	4,208	5,278
Long-term other payables	380	183
COMMITMENTS	-	-
STOCKHOLDERS' EQUITY		
Preferred stock -		
Authorized, 5,000,000 shares, including 200,000 shares of Series A Junior Participating		
Issued and outstanding, none	-	-
Common stock, at stated value -		
Authorized, 30,000,000 shares		

Issued and outstanding, 7,930,867 shares as of September 30, 2015 and 7,861,141 shares as of December 31, 2014	18,964	18,704
Accumulated earnings (deficit)	(5,354)	(5,943)
Accumulated other comprehensive income	906	1,110
TOTAL STOCKHOLDERS' EQUITY	14,516	13,871
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$19,104	\$19,332

See notes to consolidated financial statements

DATA I/O CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net Sales	\$6,159	\$6,213	\$17,019	\$16,631
Cost of goods sold	2,990	2,822	8,270	7,723
Gross margin	3,169	3,391	8,749	8,908
Operating expenses:				
Research and development	1,188	1,217	3,530	3,539
Selling, general and administrative	1,505	1,444	4,457	4,588
Provision for business restructuring	-	-	-	13
Total operating expenses	2,693	2,661	7,987	8,140
Operating income	476	730	762	768
Non-operating income (expense):				
Interest income	30	50	88	122
Foreign currency transaction gain (loss)	(50)	(139)	(237)	(113)
Total non-operating income (expense)	(20)	(89)	(149)	9
Income before income taxes	456	641	613	777
Income tax (expense) benefit	(17)	5	(24)	(27)
Net income	\$439	\$646	\$589	\$750
Basic earnings per share	\$0.06	\$0.08		