

PAR TECHNOLOGY CORP
Form 8-K
February 09, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): February 9, 2011

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

| | | |
|--|-------------------------------------|---|
| Delaware (State or other jurisdiction of organization) | 1-09720 (Commission File Number) | 16-1434688 (I.R.S. Employer incorporation or Identification Number) |
|--|-------------------------------------|---|

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

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

Not Applicable
(Former Name or Former Address, if changed since Last Report)

Item 2.02 Results of Operations and Financial Condition.

- (a) The information, including Exhibits attached hereto, in this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing.
- (b) On February 9, 2011, PAR Technology Corporation issued a press release announcing its results of operation for the quarterly period ending December 31, 2010. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1

Press Release dated February 9, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PAR TECHNOLOGY CORPORATION
(Registrant)

Date: February 9, 2011

/s/Ronald J. Casciano
Ronald J. Casciano
Vice President, Chief Financial Officer,
Treasurer and Chief Accounting Officer

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press Release dated February 9, 2011.

Exhibit 99.1 Press Release dated February 9, 2011.

FOR RELEASE: NEW HARTFORD, NY, February 9, 2011
CONTACT: Christopher R. Byrnes (315) 738-0600 ext. 226
cbyrnes@partech.com, www.partech.com

PAR TECHNOLOGY CORPORATION ANNOUNCES

2010 FOURTH QUARTER & YEAR END RESULTS

Revenues grow 10.7% in Quarter and 7.6% for the year

NEW HARTFORD, NY, PAR TECHNOLOGY CORPORATION (NYSE:PAR)

New Hartford, NY- February 9, 2011 -- PAR Technology Corporation (NYSE: PAR), a provider of integrated hardware, software and service solutions to the restaurant, hotel/resort, and hospitality industries along with information technology services to the U.S. Department of Defense and federal and state government agencies, today reported fourth quarter and year end 2010 financial results.

For the fourth quarter ended December 31, 2010, PAR reported revenues of \$64.4 million an increase of 10.7% when compared to the \$58.2 million reported for the fourth quarter of 2009. The Company reported net income of \$1.2 million and diluted earnings per share of \$0.08 for the period, versus a net loss of \$4.9 million and loss per diluted share of \$0.33 reported for the same period last year.

For fiscal year 2010, PAR reported total revenues of \$239.9 million, an increase of 7.6% when compared to the \$223 million reported for fiscal year 2009. Net income for the year was \$3.1 million, and \$0.21 earnings per diluted share. The results represent a dramatic increase from the net loss of \$5.2 million and loss per diluted share of \$0.36 for fiscal year 2009.

In 2009, fourth quarter and fiscal year results included one-time charges that reduced operating income by approximately \$6.5 million, comprised of \$1.2 million related to personnel actions, and \$5.3 million related to inventory. In addition the Company recorded a \$1.4 million valuation allowance for certain deferred tax assets.

“Our improved fourth quarter sales and earnings were based on the strength of our product and service offerings along with the successful and continued implementation of the McDonald’s North American rollout. In 2010, as the economy slowly improved, we experienced growth in most sectors of our hospitality business while some particular sectors remained flat to down awaiting still further economic improvement. While our government business’ growth was temporarily interrupted due to the timing of the contractual cycle, we expect growth to be restored in 2011,” said John W. Sammon, PAR Chairman and Chief Executive Officer. “During 2010 we continued to invest in several key initiatives to accelerate our long term sales growth. NextGen investments in software for restaurants and hotels

continue to make progress and we expect meaningful results in 2011 and beyond. Our focus continues to be on expanding new business lines through channel growth, international reach and new product offerings.”

Certain Company information in this release or by its spokespersons from time to time may contain forward-looking statements. Any statements in this document that do not describe historical facts are forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including without limitation, delays in new product introduction, risks in technology development and commercialization, risks in product development and market acceptance of and demand for the Company's products, risks of downturns in economic conditions generally, and in the quick service sector of the restaurant market specifically, risks of intellectual property rights associated with competition and competitive pricing pressures, risks associated with foreign sales and high customer concentration, and other risks detailed in the Company's filings with the Securities and Exchange Commission.

ABOUT PAR TECHNOLOGY

PAR Technology Corporation creates and markets products that help hospitality operators around the world to better manage money, materials, people and the guest experience. PAR has provided hardware, software and services to the world's largest restaurant chains and their franchisees for almost 30 years. Today the Company's extensive offerings include technology solutions for the full spectrum of hospitality operations, from boutique hotels and independent table service restaurants to international QSR chains, all backed by PAR's global service network. The Company has over 50,000 installations in 105 countries worldwide. PAR is also a leader in providing computer-based system design and engineering services to the U.S. Department of Defense and federal and state government agencies. PAR Technology Corporation's stock is traded on the New York Stock Exchange under the symbol PAR. For more information visit the Company's website at www.partech.com.

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PAR TECHNOLOGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

| | December 31, | |
|--|--------------|-----------|
| | 2010 | 2009 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$6,781 | \$3,907 |
| Accounts receivable-net | 43,517 | 46,107 |
| Inventories-net | 38,707 | 32,867 |
| Income tax refunds | 152 | 438 |
| Deferred income taxes | 5,719 | 6,362 |
| Other current assets | 3,067 | 3,235 |
| Total current assets | 97,943 | 92,916 |
| Property, plant and equipment - net | 5,796 | 6,332 |
| Deferred income taxes | 1,079 | 1,202 |
| Goodwill | 26,954 | 26,635 |
| Intangible assets - net | 10,389 | 7,243 |
| Other assets | 2,124 | 1,775 |
| Total Assets | \$144,285 | \$136,103 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$1,711 | \$1,404 |
| Borrowings under lines of credit | - | 2,000 |
| Accounts payable | 19,902 | 12,942 |
| Accrued salaries and benefits | 9,055 | 7,607 |
| Accrued expenses | 2,843 | 3,868 |
| Customer deposits | 2,286 | 1,782 |
| Deferred service revenue | 16,260 | 16,598 |
| Total current liabilities | 52,057 | 46,201 |
| Long-term debt | 2,744 | 4,455 |
| Other long-term liabilities | 2,725 | 2,212 |
| Shareholders' Equity: | | |
| Preferred stock, \$.02 par value, 1,000,000 shares authorized | - | - |
| Common stock, \$.02 par value, 29,000,000 shares authorized; 16,746,618 and 16,449,695 shares issued; 15,039,334 and 14,796,940 outstanding | 335 | 329 |
| Capital in excess of par value | 42,264 | 41,382 |
| Retained earnings | 50,605 | 47,482 |
| Accumulated other comprehensive loss | (613) | (449) |
| Treasury stock, at cost, 1,707,284 and 1,652,755 shares | (5,832) | (5,509) |
| Total shareholders' equity | 86,759 | 83,235 |
| Total Liabilities and Shareholders' Equity | \$144,285 | \$136,103 |

PAR TECHNOLOGY CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

| | For the three months ended ended December 31, | | For the year ended December 31, | |
|---|---|------------|------------------------------------|------------|
| | 2010 | 2009 | 2010 | 2009 |
| Net revenues: | | | | |
| Product | \$29,209 | \$19,918 | \$101,394 | \$72,555 |
| Service | 18,563 | 17,989 | 71,932 | 74,046 |
| Contract | 16,663 | 20,300 | 66,613 | 76,447 |
| | 64,435 | 58,207 | 239,939 | 223,048 |
| Costs of sales: | | | | |
| Product | 19,278 | 14,367 | 66,534 | 48,945 |
| Service | 12,291 | 16,661 | 48,432 | 56,408 |
| Contract | 15,490 | 19,158 | 62,344 | 72,220 |
| | 47,059 | 50,186 | 177,310 | 177,573 |
| Gross margin | 17,376 | 8,021 | 62,629 | 45,475 |
| Operating expenses: | | | | |
| Selling, general and administrative | 11,478 | 9,386 | 40,794 | 36,207 |
| Research and development | 4,469 | 4,069 | 17,061 | 14,196 |
| Amortization of identifiable intangible assets | 236 | 233 | 939 | 1,337 |
| | 16,183 | 13,688 | 58,794 | 51,740 |
| Operating income (loss) | 1,193 | (5,667) | 3,835 | (6,265) |
| Other income (loss), net | 124 | (109) | 640 | 165 |
| Interest expense | (53) | (72) | (352) | (400) |
| Income (loss) before provision for income taxes | 1,264 | (5,848) | 4,123 | (6,500) |
| (Provision) benefit for income taxes | (110) | 955 | (1,000) | 1,314 |
| Net income (loss) | \$1,154 | \$(4,893) | \$3,123 | \$(5,186) |
| Earnings (loss) per share | | | | |
| Basic | \$.08 | \$(.33) | \$.21 | \$(.36) |
| Diluted | \$.08 | \$(.33) | \$.21 | \$(.36) |
| Weighted average shares outstanding | | | | |
| Basic | 14,905 | 14,666 | 14,822 | 14,547 |
| Diluted | 15,063 | 14,666 | 15,008 | 14,547 |