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PAR TECHNOLOGY CORP  
Form 8-K  
April 27, 2005

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): April 27, 2005

PAR TECHNOLOGY CORPORATION

-----  
(Exact name of registrant as specified in its charter)

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

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

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

Not Applicable  
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(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 April 27, 2005, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending March 31, 2005. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1 Press Release dated April 27, 2005.

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: April 27, 2005

/s/ RONALD J. CASCIANO

-----  
Ronald J. Casciano  
Vice President, Chief Financial Officer  
and Treasurer

EXHIBIT INDEX

| Exhibit Number | Description                         |
|----------------|-------------------------------------|
| -----          | -----                               |
| 99.1           | Press Release dated April 27, 2005. |

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cbyrnes@partech.com, www.partech.com

PAR TECHNOLOGY CORPORATION  
-REPORTS RECORD FIRST QUARTER RESULTS-

|X| RECORD REVENUES FOR 1ST QUARTER  
|X| REVENUES RISE 29%  
|X| EPS GROWS 75%

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

New Hartford, NY--April 27, 2005--PAR Technology Corporation (NYSE:PTC) today

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announced results from operations for the first quarter ended March 31, 2005.

PAR reported record first quarter revenues of \$48.8 million, a 29% increase over the \$37.9 million reported in the same period a year ago. Net income for the first quarter of \$1.3 million was reported compared with net income of \$736,000 in the first quarter of 2004, a 77% increase. The Company reported diluted earnings per share of \$0.14 for the first quarter of 2005, an increase of 75% when compared to diluted earnings per share of \$0.08 for the first quarter of last year.

PAR experienced significant revenue growth in both of its businesses. PAR's hospitality technology revenues grew 30% from a year ago along with the Company's Government business raising revenues by 26% over the first quarter of 2004.

John W. Sammon, PAR Chairman and CEO commented, "We are pleased with our results for the first three months of 2005. Our business units continue to execute at a high level and with operational excellence. We believe our growth is indicative of the value our integrated solutions deliver to our customers. The sustained success in our results continues to reflect well on our strategy, which includes increasing the software content of the revenue mix to improve product and service margins. Our innovative products and services have extended our technology leadership in the marketplace by best addressing the current and emerging requirements of our customers."

Sammon concluded, "We exceeded expectations for first quarter performance and posted record revenues for the quarter. This success is attributed to stronger than anticipated market demand for our integrated solutions and the continued improvements in execution Company wide. We remain confident we are well positioned to deliver positive results for the balance of the year."

Statements in this release or by the Company's 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 hospitality technology 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 is a leading provider of professional services and enterprise business intelligence software and hardware to the hospitality industry. PAR develops, markets and supports hardware and software products that improve the ability of hospitality business professionals to make timely, fact-based business decisions. The Company is a premier provider of I/T management solutions to hotel and restaurant companies, with over 40,000 installations worldwide in 100 countries. PAR is a leader in providing computer-based system design and engineering services to the Department of Defense and Federal Government Agencies. PAR Technology Corporation's stock is traded on the New York Stock Exchange under the symbol PTC. For more information visit the Company's website at [www.partech.com](http://www.partech.com).

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PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(in thousands except share amounts)  
(unaudited)

|  | March 31,<br>2005 | December 31,<br>2004 |
|--|-------------------|----------------------|
|  | -----             | -----                |
| <b>Assets</b>  |                   |                      |
| <b>Current assets:</b>   |                   |                      |
| Cash .....   | \$ 3,362          | \$ 8,696             |
| Accounts receivable-net .....  | 33,292            | 32,702               |
| Inventories - net .....  | 27,450            | 27,047               |
| Deferred income taxes .....  | 6,689             | 6,634                |
| Other current assets .....   | 2,785             | 2,617                |
|  | -----             | -----                |
| Total current assets .....   | 73,578            | 77,696               |
| Property, plant and equipment - net .....  | 7,972             | 8,123                |
| Goodwill .....   | 15,379            | 15,379               |
| Intangible assets - net .....  | 9,001             | 9,235                |
| Other assets .....   | 1,672             | 1,319                |
|  | -----             | -----                |
|  | \$ 107,602        | \$ 111,752           |
|  | =====             | =====                |
| <b>Liabilities and Shareholders' Equity</b>  |                   |                      |
| <b>Current liabilities:</b>  |                   |                      |
| Current portion of long-term debt .....  | \$ 68             | \$ 90                |
| Borrowings under lines of credit .....   | 2,555             | 10,246               |
| Accounts payable .....   | 10,869            | 9,486                |
| Accrued salaries and benefits .....  | 7,747             | 8,072                |
| Accrued expenses .....   | 2,694             | 2,998                |
| Customer deposits .....  | 4,468             | 4,861                |
| Deferred service revenue .....   | 10,037            | 9,083                |
| Net liabilities of discontinued operation .  | 290               | 323                  |
|  | -----             | -----                |
| Total current liabilities .....  | 38,728            | 45,159               |
|  | -----             | -----                |
| Long-term debt .....   | 2,008             | 2,005                |
|  | -----             | -----                |
| Deferred income taxes .....  | 592               | 194                  |
|  | -----             | -----                |
| Other long-term liabilities .....  | 1,190             | 820                  |
|  | -----             | -----                |
| <b>Commitments and contingent liabilities</b>  |                   |                      |
| <b>Shareholders' equity:</b>   |                   |                      |
| Preferred stock, \$.02 par value,<br>1,000,000 shares authorized .....   | --                | --                   |
| Common stock, \$.02 par value,<br>19,000,000 shares authorized;<br>10,188,082 and 10,139,132 shares issued;<br>8,984,406 and 8,935,456 outstanding ..... | 204               | 203                  |
| Capital in excess of par value .....   | 31,900            | 31,560               |
| Retained earnings .....  | 39,316            | 38,010               |
| Accumulated other comprehensive loss .....   | (318)             | (181)                |
| Treasury stock, at cost, 1,203,676 shares  | (6,018)           | (6,018)              |
|  | -----             | -----                |
| Total shareholders' equity .....   | 65,084            | 63,574               |
|  | -----             | -----                |
|  | \$ 107,602        | \$ 111,752           |
|  | =====             | =====                |

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PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(in thousands except per share amounts)  
(unaudited)

|   | For the three months<br>ended March 31, |           |
|---|---|-----------|
|   | 2005                                    | 2004      |
| Net revenues:   |   |           |
| Product .....   | \$ 21,001                               | \$ 16,239 |
| Service .....   | 13,402                                  | 10,307    |
| Contract .....  | 14,354                                  | 11,352    |
|   | 48,757                                  | 37,898    |
| Costs of sales:   |   |           |
| Product .....   | 12,876                                  | 11,037    |
| Service .....   | 10,447                                  | 8,945     |
| Contract .....  | 13,565                                  | 10,530    |
|   | 36,888                                  | 30,512    |
| Gross margin .....                                      | 11,869                                  | 7,386     |
| Operating expenses:                                     |   |           |
| Selling, general and administrative                     | 7,393                                   | 5,016     |
| Research and development .....                          | 2,278                                   | 1,343     |
| Amortization of identifiable<br>intangible assets ..... | 246                                     | --        |
|   | 9,917                                   | 6,359     |
| Operating income .....                                  | 1,952                                   | 1,027     |
| Other income, net .....                                 | 233                                     | 211       |
| Interest expense .....                                  | (78)                                    | (73)      |
|   | 2,107                                   | 1,165     |
| Income before provision for income taxes                | 2,107                                   | 1,165     |
| Provision for income taxes .....                        | (801)                                   | (429)     |
| Net income \$ .....                                     | 1,306                                   | \$ 736    |
|   | =====                                   | =====     |
| Earnings per share:                                     |   |           |
| Basic: .....  | \$ .15                                  | \$ .09    |
| Diluted: .....  | \$ .14                                  | \$ .08    |
| Weighted average shares outstanding                     |   |           |
| Basic: .....  | 8,954                                   | 8,570     |
|   | =====                                   | =====     |
| Diluted: .....  | 9,541                                   | 9,129     |
|   | =====                                   | =====     |