

PAR TECHNOLOGY CORP  
Form 10-Q  
November 13, 2017

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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 Quarterly Period Ended September 30, 2017.

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 1-09720

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

Large Accelerated Filer	Accelerated Filer
Non Accelerated Filer	(Do not check if a smaller reporting company) Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes    No

As of November 10, 2017, 16,007,447 shares of the registrant's common stock, \$0.02 par value, were outstanding.

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PAR TECHNOLOGY CORPORATION

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net revenues:				
Product	\$20,706	\$25,757	\$90,594	\$69,285
Service	13,317	12,620	42,694	36,128
Contract	14,915	23,115	43,776	64,042
	48,938	61,492	177,064	169,455
Costs of sales:				
Product	15,861	18,433	67,822	51,012
Service	10,102	8,969	29,753	25,787
Contract	13,608	21,490	39,264	59,002
	39,571	48,892	136,839	135,801
Gross margin	9,367	12,600	40,225	33,654
Operating expenses:				
Selling, general and administrative	9,054	8,672	27,581	23,271
Research and development	2,668	2,866	9,521	8,421
Amortization of identifiable intangible assets	241	241	724	724
	11,963	11,779	37,826	32,416
Operating (loss) income from continuing operations	(2,596 )	821	2,399	1,238
Other expense, net	(70 )	(38 )	(264 )	(318 )
Interest expense, net	(39 )	(12 )	(84 )	20
(Loss) income from continuing operations before provision for income taxes	(2,705 )	771	2,051	940
Benefits (provision) for income taxes	1,188	(253 )	(327 )	(306 )
(Loss) income from continuing operations	(1,517 )	518	1,724	634
Discontinued operations				
Income (loss) from discontinued operations (net of tax)	-	-	183	(26 )
Net (loss) income	\$(1,517 )	\$518	\$1,907	\$608
Basic Earnings per Share:				
(Loss) income from continuing operations	(0.10 )	0.03	0.11	0.04
(Loss) income from discontinued operations	(0.00 )	(0.00 )	0.01	(0.00 )
Net (loss) income	\$(0.10 )	\$0.03	\$0.12	\$0.04
Diluted Earnings per Share:				
(Loss) income from continuing operations	(0.10 )	0.03	0.11	0.04
(Loss) income from discontinued operations	(0.00 )	(0.00 )	0.01	(0.00 )
Net (loss) income	\$(0.10 )	\$0.03	\$0.12	\$0.04
Weighted average shares outstanding				
Basic	15,976	15,770	15,949	15,670
Diluted	15,976	15,822	16,260	