

AGILYSYS INC
Form 10-Q
November 05, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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 0-5734

AGILYSYS, INC.
(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction of
incorporation or organization)

34-0907152
(I.R.S. Employer
Identification No.)

425 Walnut Street, Suite 1800,
Cincinnati, Ohio
(Address of principal executive offices)

45202
(ZIP Code)

(770) 810-7800
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

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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. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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 Common Shares of the registrant outstanding as of November 2, 2015 was 22,940,975.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	September 30, 2015	March 31, 2015
(In thousands, except share data)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$62,101	\$75,067
Accounts receivable, net of allowance for doubtful accounts of \$762 and \$888, respectively	17,034	25,481
Inventories	1,219	641
Prepaid expenses and other current assets	3,706	3,828
Total current assets	84,060	105,017
Property and equipment, net	13,777	11,929
Goodwill	19,622	19,622
Intangible assets, net	8,922	9,006
Software development costs, net	38,472	31,818
Other non-current assets	4,382	4,133
Total assets	\$169,235	\$181,525
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$8,514	\$16,586
Deferred revenue	18,109	23,881
Accrued liabilities	10,035	10,001
Capital lease obligations, current	139	142
Total current liabilities	36,797	50,610
Deferred income taxes, non-current	3,129	3,053
Capital lease obligations, non-current	31	47
Other non-current liabilities	4,290	3,627
Commitments and contingencies (see Note 8)		
Shareholders' equity:		
Common shares, without par value, at \$0.30 stated value; 80,000,000 shares authorized; 31,606,831 shares issued; and 22,944,100 and 22,789,355 shares outstanding at September 30, 2015 and March 31, 2015, respectively	9,482	9,482
Treasury shares, 8,662,731 and 8,817,477 at September 30, 2015 and March 31, 2015, respectively	(2,599)	(2,646)
Capital in excess of stated value	(9,349)	(10,675)
Retained earnings	127,624	128,178
Accumulated other comprehensive loss	(170)	(151)
Total shareholders' equity	124,988	124,188
Total liabilities and shareholders' equity	\$169,235	\$181,525

See accompanying notes to condensed consolidated financial statements.

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AGILYSYS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)

(In thousands, except share data)	Three months ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Net revenue:				
Products	\$9,943	\$7,649	\$18,754	\$13,701
Support, maintenance and subscription services	14,665	13,775	29,564	27,594
Professional services	5,036	4,894	8,817	8,769
Total net revenue	29,644	26,318	57,135	50,064
Cost of goods sold:				