

DATA I/O CORP
Form 10-Q
November 08, 2013

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, 2013**
or

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**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
(State or other jurisdiction of incorporation or
organization)

91-0864123
(I.R.S. Employer Identification No.)

6464 185th Ave NE, Suite 101, 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, 2013:

7,786,053

DATA I/O CORPORATION
FORM 10-Q
For the Quarter Ended September 30, 2013

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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, 2013	December 31, 2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$10,294	\$10,528
Trade accounts receivable, net of allowance for doubtful accounts of \$99 and \$89, respectively	4,031	2,648
Inventories	3,551	4,033
Other current assets	283	486
TOTAL CURRENT ASSETS	18,159	17,695
Property, plant and equipment – net	881	1,006
Intangible software technology – net	32	35
Other assets	87	86
TOTAL ASSETS	\$19,159	\$18,822
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$1,226	\$850
Accrued compensation	1,068	1,183
Deferred revenue	1,317	1,238
Other accrued liabilities	612	539
Accrued costs of business restructuring	235	25
Income taxes payable	9	23
TOTAL CURRENT LIABILITIES	4,467	3,858
Long-term other payables	385	219
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, 7,774,307 shares as of September 30, 2013 and 7,741,686 shares as of December 31, 2012	18,253	17,928
Accumulated earnings (deficit)	(5,404)	(4,466)
Accumulated other comprehensive income	1,458	1,283
TOTAL STOCKHOLDERS' EQUITY	14,307	14,745
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$19,159	\$18,822

See notes to consolidated financial statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net Sales	\$5,357	\$4,311	\$15,387	\$13,350
Cost of goods sold	2,801	2,384	7,351	6,541
Gross margin	2,556	1,927	8,036	6,809
Operating expenses:				
Research and development	1,109	1,429	3,430	4,248
Selling, general and administrative	1,367	1,656	4,959	5,901
Provision for business restructuring	1	214	642	214
Total operating expenses	2,477	3,299	9,031	10,363
Operating income (loss)	79	(1,372)	(995)	(3,554)
Non-operating income (expense):				
Interest income	19	31	93	238
Foreign currency transaction gain (loss)	17	(32)		