

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): September 5, 2014

Hurco Companies, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

Indiana  
(State or Other Jurisdiction of Incorporation)

0-9143  
(Commission File Number)

35-1150732  
(IRS Employer Identification No.)

One Technology Way  
Indianapolis, Indiana  
(Address of Principal Executive Offices)

46268  
(Zip Code)

(317) 293-5309  
(Registrant's Telephone Number, Including Area Code)

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition**

On September 5, 2014, Hurco Companies, Inc. (the "Registrant") reported its results of operations for the third quarter ended July 31, 2014. The Registrant's earnings release for the period is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The attached Exhibit is furnished pursuant to Item 2.02 of Form 8-K.

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**Item 9.01 Financial Statements and Exhibits**

**99.1** Press Release of Hurco Companies, Inc. dated September 5, 2014

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**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 hereunto duly authorized.

Dated: September 5, 2014

HURCO COMPANIES, INC.

By: /s/ Sonja K. McClelland  
Sonja K. McClelland, Vice President, Secretary,  
Treasurer and Chief Financial Officer

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**EXHIBIT INDEX**

**99.1** Press Release of Hurco Companies, Inc. dated September 5, 2014

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**FOR IMMEDIATE RELEASE**  
**FRIDAY, SEPTEMBER 5, 2014**  
**HURCO REPORTS THIRD QUARTER RESULTS**

**INDIANAPOLIS, INDIANA, — September 5, 2014,** Hurco Companies, Inc. (Nasdaq, Global Select Market: HURC) today reported net income of \$4,375,000, or \$0.66 per diluted share, for its third fiscal quarter ended July 31, 2014, compared to \$854,000, or \$0.13 per diluted share, for the corresponding period in fiscal 2013. For the first nine months of fiscal 2014, Hurco reported net income of \$10,280,000, or \$1.56 per diluted share, compared to \$6,291,000, or \$0.96 per diluted share, for the corresponding period in fiscal 2013.

Sales and service fees for the third quarter of fiscal 2014 totaled \$55,379,000, an increase of \$10,221,000, or 23%, compared to the third quarter of fiscal 2013. Sales and service fees for the nine months ended July 31, 2014, totaled \$160,080,000, an increase of \$21,218,000, or 15%, compared to the corresponding period in fiscal 2013. The year-over-year increases in sales and service fees for the third quarter and the first nine months of fiscal 2014 benefitted from favorable currency impacts of approximately \$1,655,000 and \$3,956,000, respectively, when translating foreign sales to U.S. Dollars for financial reporting purposes.

The following table sets forth sales and service fees by geographic region for the third quarter and the first nine months of fiscal 2014 and 2013, respectively (in thousands):

	Three Months Ended July 31,				Nine Months Ended July 31,			
	2014	2013	\$ Change	% Change	2014	2013	\$ Change	% Change
North America	\$ 13,643	\$ 14,730	\$ (1,087)	-7%	\$ 42,223	\$ 44,062	\$ (1,839)	-4%
Europe	36,627	25,973	10,654	41%	100,898	82,539	18,359	22%
Asia Pacific	5,109	4,455	654	15%	16,959	12,261	4,698	38%
Total	\$ 55,379	\$ 45,158	\$ 10,221	23%	\$ 160,080	\$ 138,862	\$ 21,218	15%

Sales and service fees in Europe and the Asia Pacific region increased during the third quarter of fiscal 2014 by 41% and 15%, respectively, compared to the corresponding prior year period. The overall improvement in sales for these regions was driven by increased shipments and a favorable mix of higher-performance machines. European sales and service fees for the third quarter and the first nine months of fiscal 2014 included \$2,616,000 and \$6,419,000, respectively, of sales from electro-mechanical components and accessories manufactured by Hurco's Italian-based subsidiary, LCM Precision Technologies (LCM), compared to \$523,000, representing one month's sales in each of those periods in fiscal 2013. Hurco acquired the LCM machine tool component business on July 1, 2013. The increase in European sales and service fees for the third quarter and the first nine months of fiscal 2014 benefitted from favorable currency impacts of approximately \$1,735,000 and \$4,249,000, respectively, due primarily to a stronger Euro and Pound Sterling when translating foreign sales to U.S. Dollars for financial reporting purposes.

Sales and service fees in North America decreased during the third quarter of fiscal 2014 by 7% compared to the corresponding prior year period. During the first nine months of fiscal 2014, sales in North America have experienced some market softening in comparison to the record level sales achieved during fiscal 2013. In general, the softening of sales in North America is not unusual in the months prior to the International Manufacturing Technology Show which is held in September of even-numbered years.

Orders for the third quarter of fiscal 2014 were \$56,378,000, an increase of \$10,244,000, or 22%, over the corresponding period in fiscal 2013. European orders for the third quarter of fiscal 2014 included \$1,258,000 of LCM products compared to \$3,768,000 in the third quarter of fiscal 2013. LCM orders for the third quarter of fiscal 2013 included backlog orders existing at the date of acquisition and one month of new orders booked subsequent to the acquisition. Orders for the first nine months of fiscal 2014 were \$167,152,000, an increase of \$21,145,000, or 14%, over the corresponding period in fiscal 2013 and included \$7,285,000 of orders for LCM products. The increase in European orders for the third quarter and the first nine months of fiscal 2014 were primarily driven by increased orders in Germany and England. The year-over-year improvement in Asian Pacific orders for the third quarter and nine month periods included the benefit of multiple machine orders and a favorable mix of higher-performance machines. The impact of currency translation on orders booked in the third quarter and the first nine months of fiscal 2014 was consistent with the impact on sales in those periods.

The following table sets forth new orders booked by geographic region for the third quarter and the first nine months of fiscal 2014 and 2013, respectively:

	Three Months Ended July 31,				Nine Months Ended July 31,			
	2014	2013	\$ Change	% Change	2014	2013	\$ Change	% Change
North America	\$ 14,039	\$ 14,427	\$ (388)	-3%	\$ 40,040	\$ 42,076	\$ (2,036)	-5%
Europe	36,368	28,267	8,101	29%	110,698	89,719	20,979	23%
Asia Pacific	5,971	3,440	2,531	74%	16,414	14,212	2,202	15%
Total	\$ 56,378	\$ 46,134	\$ 10,244	22%	\$ 167,152	\$ 146,007	\$ 21,145	14%

Hurco's gross profit for the third quarter of fiscal 2014 was \$18,012,000, or 33% of sales, compared to \$11,715,000, or 26% of sales, for the corresponding period in fiscal 2013. Gross profit for the first nine months of fiscal 2014 was \$48,560,000, or 30% of sales, compared to \$39,914,000, or 29% of sales, for the corresponding prior year period. The increases in gross profit were attributable to a higher sales volume, particularly in Europe, the primary market for higher-performance machines, and the increased cost efficiencies realized from higher production levels during fiscal 2014.

Selling, general and administrative expenses for the third quarter of fiscal 2014 were \$11,869,000, or 21% of sales, compared to \$10,012,000, or 22% of sales, in the corresponding period in fiscal 2013. Selling, general and administrative expenses for the first nine months of fiscal 2014 were \$33,675,000, or 21% of sales, compared to \$29,611,000, or 21% of sales, for the corresponding prior year period. The year-over-year increases in selling, general and administrative expenses were primarily due to incremental operating expenses associated with the acquisition of the LCM business and increased incentive compensation expense.

The effective tax rate for the third quarter of fiscal 2014 was 28%, compared to 24% for the corresponding prior year period. The effective tax rate for the first nine months of fiscal 2014 was 29%, compared to 33% for the corresponding prior year period. The changes in effective tax rates in the year-over-year comparisons reflected the shift in geographic mix of income or loss among tax jurisdictions.

Cash and cash equivalents totaled \$51,345,000 at July 31, 2014, compared to \$42,804,000 at October 31, 2013.

Michael Doar, Chief Executive Officer, stated, "I am extremely pleased that Europe has performed so well this quarter, with marked increases in both sales and orders. Europe continues to be an extremely important market for Hurco due to the fact that it accounts for a large percentage of our high-performance machines. We are gaining traction in Asia as we continue to identify companies with more complex manufacturing needs, which is important since these companies can realize the greatest benefit from our control technologies. While activity in North America was somewhat softer than in the corresponding periods in 2013, I am confident our new machines, next generation control and new software technologies will generate excitement at the upcoming International Manufacturing Technology Show as customers seek to increase their productivity and profitability."

Hurco Companies, Inc. is an industrial technology company that designs and produces interactive computer controls, software and computerized machine tools and machine tool components for the worldwide metal cutting and metal forming industry. The end market for the Company's products consists primarily of independent job shops and short-run manufacturing operations within large corporations in industries such as aerospace, defense, medical equipment, energy, transportation and computer equipment. The Company is based in Indianapolis, Indiana, with manufacturing operations in Taiwan, Italy, and China, and sells its products through direct and indirect sales forces throughout North America, Europe, and Asia. The Company has sales, application engineering support and service subsidiaries in China, England, France, Germany, India, Italy, Poland, Singapore, South Africa and the United States of America. Web Site: [www.hurco.com](http://www.hurco.com)

*Certain statements in this news release are forward-looking statements which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, the cyclical nature of the machine tool industry, changes in general economic and business conditions that affect demand for our products, the risks of our international operations, changes in manufacturing markets, innovations by competitors, the ability to protect our intellectual property, fluctuations in foreign currency exchange rates, increases in prices of raw materials, quality and delivery performance by our vendors, our ability to effectively integrate acquisitions, negative or unforeseen tax consequences and governmental actions and initiatives including import and export restrictions and tariffs.*

Contact: Sonja K. McClelland  
Vice President, Secretary, Treasurer & Chief Financial Officer  
317-293-5309

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**Hurco Companies, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except per-share data)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
	(unaudited)		(unaudited)	
<b>Sales and service fees</b>	\$ 55,379	\$ 45,158	\$ 160,080	\$ 138,862
Cost of sales and service	37,367	33,443	111,520	98,948
<b>Gross profit</b>	<u>18,012</u>	<u>11,715</u>	<u>48,560</u>	<u>39,914</u>
Selling, general and administrative expenses	11,869	10,012	33,675	29,611
<b>Operating income</b>	<u>6,143</u>	<u>1,703</u>	<u>14,885</u>	<u>10,303</u>
Interest expense	65	74	196	194
Interest income	23	14	55	61
Investment income (expense)	4	4	40	19
Other (income) expense, net	46	530	331	861
Income before income taxes	6,059	1,117	14,453	9,328
Provision for income taxes	1,684	263	4,173	3,037
<b>Net income</b>	<u>\$ 4,375</u>	<u>\$ 854</u>	<u>\$ 10,280</u>	<u>\$ 6,291</u>
<b>Income per common share</b>				
<b>Basic</b>	<u>\$ 0.67</u>	<u>\$ 0.13</u>	<u>\$ 1.57</u>	<u>\$ 0.96</u>
<b>Diluted</b>	<u>\$ 0.66</u>	<u>\$ 0.13</u>	<u>\$ 1.56</u>	<u>\$ 0.96</u>
<b>Weighted average common shares outstanding</b>				
<b>Basic</b>	<u>6,505</u>	<u>6,458</u>	<u>6,493</u>	<u>6,452</u>
<b>Diluted</b>	<u>6,548</u>	<u>6,507</u>	<u>6,529</u>	<u>6,495</u>
<b>OTHER CONSOLIDATED FINANCIAL DATA</b>				
<b>Operating Data:</b>	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
	(unaudited)		(unaudited)	
Gross margin	33%	26%	30%	29%
SG&A expense as a percentage of sales	21%	22%	21%	21%
Operating income as a percentage of sales	11%	4%	9%	7%
Pre-tax income as a percentage of sales	11%	2%	9%	7%
Effective tax rate	28%	24%	29%	33%
Depreciation and amortization	808	791	2,359	2,506
Capital expenditures	761	608	2,135	1,897
<b>Balance Sheet Data:</b>			7/31/2014	10/31/2013
			(unaudited)	
Working capital (excluding cash)			\$ 88,300	\$ 86,512
Days sales outstanding (unaudited)			48	45
Inventory turns (unaudited)			1.5	1.4
Capitalization				
Total debt			\$ 3,239	\$ 3,665
Shareholders' equity			<u>161,252</u>	<u>151,491</u>
Total			<u>\$ 164,491</u>	<u>\$ 155,156</u>

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**Hurco Companies, Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per-share data)

	July 31, 2014 (Unaudited)	October 31, 2013 (Audited)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 51,345	\$ 42,804
Accounts receivable, net	37,620	36,145
Inventories, net	99,338	95,260
Deferred income taxes	2,096	2,080
Derivative assets	1,189	699
Prepaid expenses	8,691	6,584
Other	1,479	1,430
Total current assets	<u>201,758</u>	<u>185,002</u>
<b>Property and equipment:</b>		
Land	782	782
Building	7,314	7,326
Machinery and equipment	19,787	19,059
Leasehold improvements	3,594	3,634
	<u>31,477</u>	<u>30,801</u>
Less accumulated depreciation and amortization	(19,490)	(18,502)
	<u>11,987</u>	<u>12,299</u>
<b>Non-current assets:</b>		
Software development costs, less accumulated amortization	3,625	3,714
Goodwill	2,771	2,807
Intangible assets, net	1,811	2,155
Other assets	5,746	5,258
	<u>\$ 227,698</u>	<u>\$ 211,235</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 41,819	\$ 35,527
Derivative liabilities	668	1,212
Accrued expenses	16,387	15,282
Short-term debt	3,239	3,665
Total current liabilities	<u>62,113</u>	<u>55,686</u>
<b>Non-current liabilities:</b>		
Deferred income taxes	804	743
Accrued tax liability	1,127	1,103
Deferred credits and other obligations	2,402	2,212
Total liabilities	<u>66,446</u>	<u>59,744</u>
<b>Shareholders' equity:</b>		
Preferred stock: no par value per share; 1,000,000 shares authorized; no shares issued	-	-
Common stock: no par value; \$.10 stated value per share; 12,500,000 shares authorized; 6,585,918 and 6,533,510 shares issued; and 6,504,880 and 6,465,054 shares outstanding, as of July 31, 2014 and October 31, 2013, respectively	651	647
Additional paid-in capital	55,651	54,698
Retained earnings	107,174	98,130
Accumulated other comprehensive loss	(2,224)	(1,984)
Total shareholders' equity	<u>161,252</u>	<u>151,491</u>
	<u>\$ 227,698</u>	<u>\$ 211,235</u>