

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): March 9, 2017

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))

Item 2.02 Results of Operations and Financial Condition.

On March 10, 2017, Hurco Companies, Inc. (the "Company") reported its results of operations for the first fiscal quarter ended January 31, 2017. The Company'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. Exhibit 99.1 is furnished pursuant to Item 2.02 of Form 8-K.

Item 5.07 Submission of Matters to a Vote of Security Holders.

The Company held its Annual Meeting of Shareholders on March 9, 2017. The shareholders:

- elected all nine of the Company's nominees for director to serve until the next Annual Meeting of Shareholders;
- approved, on an advisory basis, the compensation for the Company's named executive officers as disclosed in the proxy statement for the 2017 Annual Meeting;
- submitted, on an advisory basis, a majority of votes for annual frequency for future executive compensation say-on-pay votes; and
- ratified the appointment of Ernst & Young LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending October 31, 2017.

Shares were voted on these proposals as follows:

	<u>Number of Votes FOR</u>	<u>Number of Votes WITHHELD</u>	<u>Broker Non- Votes</u>
Election of Directors:			
Thomas A. Aaro	5,330,946	16,695	815,274
Robert W. Cruickshank	5,327,752	19,889	815,274
Michael Doar	4,787,949	559,692	815,274
Timothy J. Gardner	5,331,254	16,387	815,274
Jay C. Longbottom	5,329,795	17,846	815,274
Andrew Niner	5,331,464	16,177	815,274
Richard Porter	5,332,554	15,087	815,274
Janaki Sivanesan	5,331,256	16,385	815,274
Ronald Strackbein	5,329,346	18,295	815,274
	<u>For</u>	<u>Against</u>	<u>Broker Non- Votes</u>
Advisory vote to approve executive compensation:	5,217,672	42,237	815,274
			<u>Abstentions</u>
			87,732

	<u>FOR</u> <u>Every 1 Year</u>	<u>FOR</u> <u>Every 2 Years</u>	<u>FOR</u> <u>Every 3 Years</u>	<u>Broker Non-</u> <u>Votes</u>	<u>Abstentions</u>
Advisory vote on frequency of future say-on-pay votes:	4,219,424	84,987	941,919	815,274	101,311

	<u>For</u>	<u>Against</u>	<u>Broker</u> <u>Non-</u> <u>Votes</u>	<u>Abstentions</u>
Ratification of appointment of public accounting firm:	6,139,422	16,299	--	7,194

Based on the advisory vote results on the frequency of future say-on-pay votes, and consistent with the recommendation of the Company's Board of Directors (the "Board"), the Board has determined that the Company will hold a shareholder advisory vote on executive compensation every year until the next required vote on the frequency of future say-on-pay votes.

Item 7.01 Regulation FD Disclosure.

The Company's press release issued on March 10, 2017 announced the payment of a cash dividend of \$0.10 per share of common stock. A copy of the press release is filed as Exhibit 99.1 to this report and is incorporated by reference herein.

Item 9.01 **Financial Statements and Exhibits.**

99.1 Press release of Hurco Companies, Inc. dated March 10, 2017

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: March 10, 2017

HURCO COMPANIES, INC.

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

EXHIBIT INDEX

99.1 Earnings Release of Hurco Companies, Inc. dated March 10, 2017

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 10, 2017

HURCO REPORTS FIRST QUARTER RESULTS FOR FISCAL 2017

INDIANAPOLIS, INDIANA – March 10, 2017, Hurco Companies, Inc. (Nasdaq Global Select Market: HURC) today reported results for the first fiscal quarter ended January 31, 2017. Hurco recorded net income of \$879,000, or \$0.13 per diluted share, for the first quarter of fiscal 2017 compared to net income of \$3,895,000, or \$0.58 per diluted share, for the corresponding period in fiscal 2016.

Hurco CEO Michael Doar stated, “I am encouraged by the increased volume of orders we received from all product lines and geographic regions during the first quarter of fiscal 2017 compared to the first quarter of fiscal 2016. Two strong order quarters back-to-back provide us with confidence that our strategy to penetrate the market with three product lines, Hurco, Takumi and Milltronics, aligns with customer demand for quality machine tools equipped with user-friendly, yet sophisticated control technologies to advance their businesses. Additionally, our geographic reach to serve the global machine tool market proves to be an important part of our ongoing focus to provide customers with machine tools wherever they need them.”

Sales and service fees for the first quarter of fiscal 2017 were \$48,744,000, a decrease of \$7,759,000, or 14%, compared to the corresponding prior year period and included a negative currency impact of \$1,480,000, or 3%, when translating foreign sales to U.S. dollars for financial reporting purposes.

The following table sets forth net sales and service fees by geographic region for the quarter ended January 31, 2017 and 2016 (in thousands):

	Quarter Ended January 31,			
	2017	2016	\$ Change	% Change
Americas	\$ 16,709	\$ 18,941	\$ (2,232)	-12%
Europe	25,572	29,004	(3,432)	-12%
Asia Pacific	6,463	8,558	(2,095)	-24%
Total	\$ 48,744	\$ 56,503	\$ (7,759)	-14%

The decrease in sales in all geographic regions during the first quarter of fiscal 2017 compared to the corresponding prior year period was impacted by the timing of customer-requested delivery dates and the availability of specific customer-requested inventory models.

Orders for the first quarter of fiscal 2017 were \$61,020,000, an increase of \$9,730,000, or 19%, from the corresponding prior year period and included a negative currency impact of \$2,161,000, or 4%, when translating foreign orders to U.S. dollars.

The following table sets forth new orders booked by geographic region for the first quarter of fiscal 2017 and 2016 (in thousands):

	Quarter Ended			
	January 31,			
	2017	2016	\$ Change	% Change
Americas	\$ 20,342	\$ 16,863	\$ 3,479	21%
Europe	32,349	28,618	3,731	13%
Asia Pacific	8,329	5,809	2,520	43%
Total	\$ 61,020	\$ 51,290	\$ 9,730	19%

Orders in the Americas for the first quarter of fiscal 2017 increased by \$3,479,000, or 21%, compared to the corresponding prior year period primarily due to overall increased customer demand for the higher-performance Hurco machines and entry level Milltronics machines.

European orders for the first quarter of fiscal 2017 increased by \$3,731,000 or 13%, compared to the corresponding prior year period and included a negative currency impact of \$2,076,000, or 7%, when translating foreign orders to U.S. dollars. The year-over-year growth in European orders for the first quarter of fiscal 2017, excluding the effect of the negative currency impact, was driven by increased orders in the United Kingdom and Germany, partially offset by decreased orders in France and Italy. The increase in European orders included a multiple machine order from a customer in the United Kingdom totaling \$2,755,000.

Asian Pacific orders for the first quarter of fiscal 2017 increased by \$2,520,000, or 43%, compared to the corresponding prior year period. The year-over-year growth resulted from increased customer demand for Hurco and Takumi machines, particularly in China.

Gross profit for the first quarter of fiscal 2017 was \$12,586,000, or 26% of sales, compared to \$17,698,000, or 31% of sales, for the corresponding prior year period. The year-over-year reduction in gross profit was driven by the overall reduction in sales volume.

Selling, general and administrative expenses for the first quarter of fiscal 2017 were \$11,167,000 compared to \$11,961,000 for the corresponding prior year period. The year-over-year reduction in selling, general and administrative expenses included a favorable currency impact of \$266,000, or 2%, when translating foreign expenses to U.S. dollars for financial reporting purposes.

The effective tax rate for the first quarter of fiscal 2017 was 38% compared to 31% in the corresponding prior year period. The increase in the effective tax rate for the first quarter of fiscal 2017 compared to the corresponding prior year period was due primarily to a shift in taxable income and loss among the various geographic regions.

Cash and cash equivalents totaled \$55,140,000 at January 31, 2017, compared to \$41,217,000 at October 31, 2016. Working capital was \$161,771,000 at January 31, 2017 compared to \$160,413,000 at October 31, 2016. The increase in working capital was primarily due to a reduction of accrued expenses related to the timing of employee compensation payments during the first quarter of fiscal 2017.

Hurco also announced today that its Board of Directors approved the payment of a cash dividend of \$0.10 per share. The dividend will be paid on April 10, 2017, to shareholders of record as of the close of business on March 27, 2017. Future declarations of dividends are subject to approval of the Board of Directors and may be adjusted as business needs or market conditions change.

Hurco Companies, Inc. is an international, industrial technology company that sells its three brands of computer numeric control (CNC) machine tools to the worldwide metal cutting and metal forming industry. Two of the Company's brands of machine tools, Hurco and Milltronics, are equipped with interactive controls that include software that is proprietary to each respective brand. The Company designs these controls and develops the software. The third brand of CNC machine tools, Takumi, is equipped with industrial controls that are produced by third parties, which allows the customer to decide the type of control added to the Takumi CNC machine tool. The end markets for the Company's products are independent job shops, short-run manufacturing operations within large corporations, and manufacturers with production-oriented operations. The Company's customers manufacture precision parts, tools, dies, and/or molds for 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, the U.S. and China, and sells its products through direct and indirect sales forces throughout North and South 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, the U.S., and Taiwan. Web Site: www.hurco.com

Certain statements in this news release are forward-looking statements that 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, breaches of our network and system security measures, 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
Executive Vice President, Secretary, Treasurer, & Chief Financial Officer
317-293-5309

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

	Three Months Ended January 31,	
	2017	2016
	(unaudited)	
Sales and service fees	\$ 48,744	\$ 56,503
Cost of sales and service	36,158	38,805
Gross profit	12,586	17,698
Selling, general and administrative expenses	11,167	11,961
Operating income	1,419	5,737
Interest expense	21	24
Interest income	11	15
Investment income	64	102
Other expense, net	51	226
Income before taxes	1,422	5,604
Provision for income taxes	543	1,709
Net income	<u>\$ 879</u>	<u>\$ 3,895</u>
Income per common share		
Basic	<u>\$ 0.13</u>	<u>\$ 0.59</u>
Diluted	<u>\$ 0.13</u>	<u>\$ 0.58</u>
Weighted average common shares outstanding		
Basic	<u>6,583</u>	<u>6,558</u>
Diluted	<u>6,668</u>	<u>6,623</u>

OTHER CONSOLIDATED FINANCIAL DATA

	Three Months Ended January 31,	
	2017	2016
	(unaudited)	
Operating Data:		
Gross margin	26%	31%
SG&A expense as a percentage of sales	23%	21%
Operating income as a percentage of sales	3%	10%
Pre-tax income as a percentage of sales	3%	10%
Effective tax rate	38%	31%
Depreciation and amortization	959	962
Capital expenditures	1,280	1,130
Balance Sheet Data:	1/31/2017	10/31/2016
Working capital	\$ 161,771	\$ 160,413
Days sales outstanding (unaudited)	49	52
Inventory turns (unaudited)	1.4	1.4
Capitalization		
Total debt	\$ 1,453	\$ 1,476
Shareholders' equity	186,548	185,475
Total	<u>\$ 188,001</u>	<u>\$ 186,951</u>

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

	January 31, 2017	October 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 55,140	\$ 41,217
Accounts receivable, net	31,848	48,631
Inventories, net	117,762	117,025
Derivative assets	2,021	1,725
Prepaid expenses	9,260	8,207
Other	1,957	1,576
Total current assets	<u>217,988</u>	<u>218,381</u>
Property and equipment:		
Land	841	841
Building	7,352	7,352
Machinery and equipment	24,215	23,515
Leasehold improvements	3,510	3,487
	<u>35,918</u>	<u>35,195</u>
Less accumulated depreciation and amortization	(23,495)	(22,898)
Total property and equipment	<u>12,423</u>	<u>12,297</u>
Non-current assets:		
Software development costs, less accumulated amortization	5,119	4,926
Goodwill	2,279	2,314
Intangible assets, net	1,109	1,150
Deferred income taxes	6,128	6,138
Investments and other assets, net	6,781	6,743
Total non-current assets	<u>21,416</u>	<u>21,271</u>
Total assets	<u>\$ 251,827</u>	<u>\$ 251,949</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 40,266	\$ 37,200
Derivative liabilities	489	538
Accrued expenses	14,009	18,754
Short-term debt	1,453	1,476
Total current liabilities	<u>56,217</u>	<u>57,968</u>
Non-current liabilities:		
Deferred income taxes	4,618	4,294
Accrued tax liability	1,153	963
Deferred credits and other obligations	3,291	3,249
Total non-current liabilities	<u>9,062</u>	<u>8,506</u>
Shareholders' equity:		
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; 6,754,922 and 6,720,453 shares issued; and 6,602,863 and 6,573,103 shares outstanding, as of January 31, 2017 and October 31, 2016, respectively	660	657
Additional paid-in capital	59,467	59,119
Retained earnings	137,029	136,742
Accumulated other comprehensive loss	(10,608)	(11,043)
Total shareholders' equity	<u>186,548</u>	<u>185,475</u>
Total liabilities and shareholders' equity	<u>\$ 251,827</u>	<u>\$ 251,949</u>