

FLOW INTERNATIONAL CORP
Form 10-Q
December 16, 2002
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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 October 31, 2002

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 0-12448

FLOW INTERNATIONAL CORPORATION

WASHINGTON
(State or other jurisdiction
of incorporation or organization)

91-1104842
(I.R.S. Employer
Identification No.)

23500 64th Avenue South
Kent, Washington 98032
(253) 850-3500

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

The number of shares outstanding of common stock, as of November 29, 2002 is 15,358,759 shares.

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(in thousands, except share amounts)

	October 31, 2002	April 30, 2002
	(unaudited)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 7,419	\$ 7,120
Receivables, Net	59,993	62,774
Inventories	44,745	48,164
Deferred Income Taxes	1,831	1,980
Other Current Assets	9,229	11,608
	<u>123,217</u>	<u>131,646</u>
Equipment Held for Lease, Net	3,387	5,968
Property and Equipment, Net	16,052	16,996
Intangible Assets, Net of Accumulated Amortization of \$9,294 and \$8,735, respectively	12,077	13,182
Goodwill	16,545	16,332
Deferred Income Taxes	229	5,115
Other Assets	20,388	17,237
	<u>\$ 191,895</u>	<u>\$ 206,476</u>
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Notes Payable	\$ 4,084	\$ 374
Current Portion of Long-Term Obligations	92,005	6,114
Accounts Payable	9,894	11,617
Accrued Payroll and Related Liabilities	4,936	4,844
Other Accrued Taxes	973	2,530
Deferred Revenue	3,824	3,613
Other Accrued Liabilities	5,071	14,920
	<u>120,787</u>	<u>44,012</u>
Long-Term Obligations		81,625
Customer Deposits	7,991	7,909
	<u>128,778</u>	<u>133,546</u>
Minority Interest	2,337	2,246
Stockholders Equity:		
Series A 8% Convertible Preferred Stock \$0.01 par value, 1,000,000 shares authorized, none issued		
Common Stock \$0.01 par value, 20,000,000 shares authorized, 15,358,759 shares outstanding at October 31, 2002 15,281,759 shares outstanding at April 30, 2002	154	153
Capital in Excess of Par	55,598	55,158
Retained Earnings	17,343	29,206
Accumulated Other Comprehensive Loss	(12,315)	(13,833)
	<u>60,780</u>	<u>70,684</u>
Total Stockholders Equity	<u>\$ 191,895</u>	<u>\$ 206,476</u>

See Accompanying Notes to
Condensed Consolidated Financial Statements

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FLOW INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited; in thousands, except per share data)

	Three Months Ended October 31,	
	2002	2001
Revenues	\$ 44,196	\$ 44,238
Cost of Sales	28,585	25,969
Gross Profit	15,611	18,269
Expenses:		
Marketing	8,040	7,735
Research and Engineering	3,111	3,388
General and Administrative	4,537	4,184
	15,688	15,307
Operating (Loss) Income	(77)	2,962
Interest Expense, Net	2,829	2,464
Other Expense (Income), Net	498	(63)
(Loss) Income Before Provision for Income Taxes	(3,404)	561
Provision for Income Taxes	(4,479)	(185)
Net (Loss) Income	\$ (7,883)	\$ 376
Basic (Loss) Earnings Per Share	\$ (.51)	\$.02
Diluted (Loss) Earnings Per Share	\$ (.51)	\$.02
Weighted Average Shares Used in Computing Basic and Diluted (Loss) Earnings Per Share		
Basic	15,359	15,236
Diluted	15,359	16,315

See Accompanying Notes to
Condensed Consolidated Financial Statements

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FLOW INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited; in thousands, except per share data)

	Six Months Ended October 31,	
	2002	2001
Revenues	\$ 84,673	\$ 90,840
Cost of Sales	56,123	53,797
Gross Profit	28,550	37,043
Expenses:		
Marketing	16,279	15,244
Research and Engineering	6,628	7,287
General and Administrative	9,165	8,464
	32,072	30,995
Operating (Loss) Income	(3,522)	6,048
Interest Expense, Net	5,003	4,558
Other Expense, Net	819	302
(Loss) Income Before Provision for Income Taxes	(9,344)	1,188
Provision for Income Taxes	(2,519)	(392)
Net (Loss) Income	\$ (11,863)	\$ 796
Basic (Loss) Earnings Per Share	\$ (.77)	\$.05
Diluted (Loss) Earnings Per Share	\$ (.77)	\$.05
Weighted Average Shares Used in Computing Basic and Diluted (Loss) Earnings Per Share		
Basic	15,338	15,204
Diluted	15,338	16,243

See Accompanying Notes to
Condensed Consolidated Financial Statements

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FLOW INTERNATIONAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited; in thousands)

	Six Months Ended October 31,	
	2002	2001
Cash Flows from Operating Activities:		
Net (Loss) Income	\$ (11,863)	\$ 796
Adjustments to Reconcile Net (Loss) Income to Cash (Used in) Provided by Operating Activities:		
Depreciation and Amortization	4,606	3,666
Valuation Reserve for Deferred Tax Assets	5,603	
Other Non-Cash Items	1,142	793
Decrease (Increase) in Assets	3,360	(5,904)
(Decrease) Increase in Liabilities	(12,412)	851
	(9,564)	202
Cash Flows from Investing Activities:		
Expenditures for Property and Equipment	(2,229)	