BALLANTYNE STRONG, INC.

Form 10-Q August 08, 2017
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q
(Mark One)
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
ACT OF 1934
For the quarterly period ended June 30, 2017
O.D.
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: 1-13906

BALLANTYNE STRONG, INC.			
(Exact Name of Registrant as Specified in Its Charter)			
Delaware 47-0587703 (State or Other Jurisdiction of Incorporation or Organization) Identification Number)			
, , , , , , , , , , , , , , , , , , , ,	68154 (Zip Code)		
(402) 453-4444			
(Registrant's telephone number, including area code:)			
Indicate by check mark whether the registrant: (1) has filed all the Securities Exchange Act of 1934 during the preceding twe was required to file such reports), and (2) has been subject to so No []	lve months (or for such shorter period that the registrant		
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 [X] No []			
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act (check one):			
Large accelerated filer [] Non-accelerated filer [] (Do not check if a smaller rep Smaller reporting company []	Accelerated filer [X] orting company) Emerging growth company []		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes $[\]$ No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

Class Outstanding as of August 4, 2017

Common Stock, \$.01, par value 14,416,040 shares

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PART I. Financial Information

Item 1. Financial Statements

Ballantyne Strong, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, except par values)

	June 30, 2017 (Unaudited)	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,800	\$7,596
Accounts receivable (net of allowance for doubtful accounts of \$1,482 and \$1,097,	16,943	16,316
respectively)	10,545	10,510
Inventories:		
Finished goods, net	1,261	1,341
Work in process	418	247
Raw materials and components, net	5,285	4,975
Total inventories, net	6,964	6,563
Recoverable income taxes	1,041	672
Deposit on equipment to be leased	2,500	
Other current assets	1,996	1,746
Current assets held for sale		188
Total current assets	32,244	33,081
Property, plant and equipment (net of accumulated depreciation of \$7,968 and \$7,066,	11,187	11,187
respectively)	11,107	11,107
Equity method investments	18,134	13,098
Intangible assets, net	3,641	2,357
Goodwill	920	889
Notes receivable	1,669	1,669
Deferred income taxes		84
Other assets	165	74
Total assets	\$ 67,960	\$62,439
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 7,062	\$5,175
Accrued expenses	3,793	4,097
Short-term debt	2,500	_
Current portion of long-term debt	63	_
Customer deposits/deferred revenue	3,201	4,211
Income tax payable	198	108
Current liabilities held for sale		57

Total current liabilities	16,817		13,648
Long-term debt, net of current portion	1,899		
Deferred revenue	1,226		1,226
Deferred income taxes	2,704		1,841
Other accrued expenses, net of current portion	491		570
Total liabilities	23,137		17,285
Stockholders' equity:			
Preferred stock, par value \$.01 per share; authorized 1,000 shares, none outstanding			
Common stock, par value \$.01 per share; authorized 25,000 shares; issued 17,210 and			
17,047 shares at June 30, 2017 and December 31, 2016, respectively; 14,416 and 14,268	169		169
shares outstanding at June 30, 2017 and December 31, 2016, respectively			
Additional paid-in capital	40,121		39,758
Accumulated other comprehensive income:			
Foreign currency translation	(4,891)	(5,709)
Postretirement benefit obligations	97		97
Unrealized gain on available-for-sale securities of equity method investment	315		136
Retained earnings	27,598		29,187
	63,409		63,638
Less 2,794 and 2,779 of common shares in treasury, at cost at June 30, 2017 and December	(18,586)	(18,484)
31, 2016, respectively	(10,500	,	(10,101)
Total stockholders' equity	44,823		45,154
Total liabilities and stockholders' equity	\$ 67,960		\$62,439

See accompanying notes to condensed consolidated financial statements.

Ballantyne Strong, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations

Three and Six Months Ended June 30, 2017 and 2016

(In thousands, except per share data)

(Unaudited)

	Three Months		Six Months Ended		
	Ended June 30,		June 30,		
	2017	2016	2017	2016	
Net product sales	\$12,917	\$14,862	\$25,493	\$26,597	
Net service revenues	6,483	5,696	11,832	11,075	
Total net revenues	19,400	20,558	37,325	37,672	
Cost of products sold	10,429	11,280			