

FLOW INTERNATIONAL CORP

Form 10-Q

March 31, 2003

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2003

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

91-1104842

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(State or other jurisdiction
of incorporation or organization)

(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 .

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No .

The number of shares outstanding of common stock, as of March 24, 2003 is 15,358,759 shares.

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(unaudited; in thousands, except share amounts)

	January 31, 2003	April 30, 2002
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 6,599	\$ 7,120
Receivables, Net	44,092	62,774
Inventories	45,096	48,164
Deferred Income Taxes		1,980
Other Current Assets	15,235	11,608
	<u> </u>	<u> </u>
Total Current Assets	111,022	131,646
Equipment Held for Lease, Net	2,368	5,968
Property and Equipment, Net	15,238	16,996
Patents and Other Intangible Assets, Net of Accumulated Amortization of \$9,715 and \$8,735, respectively	12,622	13,182
Goodwill	10,205	16,332
Deferred Income Taxes		5,115
Other Assets	10,349	17,237
	<u> </u>	<u> </u>
	<u>\$ 161,804</u>	<u>\$ 206,476</u>
<u>LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Notes Payable	\$ 5,253	\$ 374
Current Portion of Long-Term Obligations	90,276	6,114
Accounts Payable	8,406	11,617
Accrued Payroll and Related Liabilities	4,636	4,844
Other Accrued Taxes	1,711	2,530
Deferred Revenue	5,285	3,613
Other Accrued Liabilities	15,502	14,920
	<u> </u>	<u> </u>
Total Current Liabilities	131,069	44,012
Long-Term Obligations		81,625
Customer Deposits	5,811	7,909
	<u> </u>	<u> </u>
Total Liabilities	136,880	133,546
	<u> </u>	<u> </u>
Minority Interest	2,337	2,246
	<u> </u>	<u> </u>
Stockholders' Equity:		
Series A 8% Convertible Preferred Stock \$.01 par value, 1,000,000 shares authorized, none issued		
Common Stock \$.01 par value, 20,000,000 shares authorized, 15,358,759 shares outstanding at January 31, 2003, 15,281,759 shares outstanding at April 30, 2002	154	153
Capital in Excess of Par	55,711	55,158
Retained Earnings (Accumulated Deficit)	(25,251)	29,206

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Accumulated Other Comprehensive Loss	(8,027)	(13,833)
Total Stockholders' Equity	22,587	70,684
	\$ 161,804	\$ 206,476

See Accompanying Notes to
Condensed Consolidated Financial Statements

Table of Contents**FLOW INTERNATIONAL CORPORATION****CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited; in thousands, except per share data)

	Three Months Ended January 31,	
	2003	2002
Revenues	\$ 30,865	\$ 41,483
Cost of Sales	31,635	24,259
Gross Margin	(770)	17,224
Expenses:		
Marketing	10,853	8,036
Research and Engineering	3,696	3,538
General and Administrative	7,411	4,072
Goodwill Impairment	7,145	
	29,105	15,646
Operating (Loss) Income	(29,875)	1,578
Interest Expense, Net	3,198	2,203
Other Expense, Net	3,234	128
Loss Before (Provision) Benefit for Income Taxes	(36,307)	(753)
(Provision) Benefit for Income Taxes	(5,312)	248
Net Loss	\$ (41,619)	\$ (505)
Basic Loss Per Share	\$ (2.71)	\$ (.03)
Diluted Loss Per Share	\$ (2.71)	\$ (.03)
Weighted Average Shares Used in Computing Basic and Diluted		
Loss Per Share		
Basic	15,359	15,254
Diluted	15,359	15,254

See Accompanying Notes to

Condensed Consolidated Financial Statements

Table of Contents**FLOW INTERNATIONAL CORPORATION****CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited; in thousands, except per share data)

	Nine Months Ended January 31,	
	2003	2002
Revenues	\$ 113,553	\$ 132,323
Cost of Sales	86,552	78,056
Gross Margin	27,001	54,267
Expenses:		
Marketing	27,132	23,280
Research and Engineering	10,324	10,825
General and Administrative	16,772	12,536
Goodwill Impairment	7,145	
	61,373	46,641
Operating (Loss) Income	(34,372)	7,626
Interest Expense, Net	8,201	6,761
Other Expense, Net	4,053	430
(Loss) Income Before Provision for Income Taxes	(46,626)	435