
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): November 8, 2018

HOUSTON WIRE & CABLE COMPANY

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-52046
(Commission File Number)

36-4151663
(I.R.S. Employer Identification Number)

10201 North Loop East, Houston, Texas 77029
(Address of Principal Executive Offices) (Zip Code)

(713) 609-2100
(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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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.

Item 2.02. Results of Operations and Financial Condition.

On November 8, 2018, Houston Wire & Cable Company announced financial results for the third quarter ended September 30, 2018. A copy of Houston Wire & Cable Company's press release is attached as Exhibit 99.1 and incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[99.1 Press Release of Houston Wire & Cable Company dated November 8, 2018](#)

SIGNATURE

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.

HOUSTON WIRE & CABLE COMPANY

Date: November 8, 2018

By: /s/ Christopher M. Micklas
Christopher M. Micklas
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
<u>99.1</u>	<u>Press Release of Houston Wire & Cable Company dated November 8, 2018</u>

Houston Wire & Cable Company Reports Results for the Quarter Ended September 30, 2018

HOUSTON, Nov. 08, 2018 (GLOBE NEWSWIRE) – Houston Wire & Cable Company (NASDAQ: HWCC) (the “Company”) announced operating results for the third quarter ended September 30, 2018.

Third Quarter 2018 Highlights

- Net income of \$2.5 million, or \$0.15 per diluted share
- Reduced debt by \$6.7 million
- Sales of \$90.1 million increased 10.9% over 2017
- Gross margin of 23.8% up 90 basis points compared with 2017

Third Quarter Summary

Houston Wire & Cable Company reported net income of \$2.5 million, or \$0.15 per diluted share, for the quarter ended September 30, 2018, compared to a net loss of \$1.7 million, or a loss of \$0.11 per diluted share, for the same quarter in 2017. Operating income in the third quarter 2018 was \$3.0 million compared to \$2.0 million during the third quarter of 2017.

Jim Pokluda, President and Chief Executive Officer, commented, “We were pleased to post our fifth consecutive quarter of year-over-year revenue growth, as customer demand and end market strength remained much improved over the prior year. We estimate sales for our project business, which targets end markets for Utility Power Generation, Environmental Compliance, Engineering & Construction, Industrials, and Mechanical Wire Rope, increased 13%, while Maintenance, Repair, and Operations (MRO) sales were up 10%, as compared to the third quarter of 2017.”

Gross margin at 23.8% increased 90 basis points from the third quarter of 2017, primarily due to higher product margins driven by ongoing pricing discipline and product mix as metals prices remained relatively consistent year over year. Operating expenses at \$18.3 million were up \$1.8 million from Q3 2017 and \$0.4 million sequentially. During the quarter, these expenses were elevated by approximately \$0.4 million as the Company completed two warehouse moves and one warehouse reorganization. Operating expenses as a percentage of revenue remained relatively flat to 2017 at 20.4%.

Debt for the quarter decreased by \$6.7 million to \$73.4 million, primarily from increased earnings and improved working capital efficiency, while the effective interest rate increased from 3.7% in the second quarter to 3.8% in the third quarter of 2018.

The effective tax rate for the quarter was a benefit of 6.4%, which included the impact of a release of the Company’s \$1.0 million valuation allowance established in 2017 and the impact of lower corporate tax rates under the 2017 Tax Cuts and Jobs Act.

Mr. Pokluda further commented, “Our improved year-over-year results are being driven by on-going recovery of end-market activity, customer demand, and excellent execution of our strategic plan. We are encouraged by these results, and remain laser focused on driving above market performance in the period ahead.”

Conference Call

The Company will host a conference call to discuss fourth quarter results today, Friday, November 9th, 2018, at 10:00 a.m., C.S.T. Hosting the call will be James Pokluda, President and Chief Executive Officer, and Christopher Micklas, Vice President and Chief Financial Officer.

A live audio web cast of the call will be available on the Investor Relations section of the Company’s website at www.houwire.com.

Live call dial-in numbers are as follow:

Toll-Free: (800)-936-7954

International: (720)-545-0048

Conference ID # 2295115

Approximately two hours after the completion of the live call, a telephone replay will be available until November 16th, 2018.

Replay, Toll-Free #: (855)-859-2056

Replay, Toll #: (404)-537-3406

Conference ID # 2295115

About the Company

With 43 years of experience in the industry, Houston Wire & Cable Company, an industrial distributor, is a large provider of products in the U.S market. Headquartered in Houston, Texas, the Company has sales and distribution facilities strategically located throughout the United States.

Standard stock items available for immediate delivery include continuous and interlocked armor cable; instrumentation cable; medium voltage cable; high temperature wire; portable cord; power cable; primary and secondary aluminum distribution cable; private branded products, including LifeGuard™, a low-smoke, zero-halogen cable; mechanical wire and cable and related hardware, including wire rope, lifting products and synthetic rope and slings; corrosion resistant fasteners, hose clamps, and rivets.

Comprehensive value-added services include same-day shipping, knowledgeable sales staff, inventory management programs, just-in-time delivery, logistics support, customized online ordering capabilities and 24/7/365 service.

Forward-Looking Statements

This release contains comments concerning management’s view of the Company’s future expectations, plans and prospects that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements are inherently uncertain and projections about future events may, and often do, vary materially from actual results.

Other risk factors that may cause actual results to differ materially from statements made in this press release can be found in the Company’s Annual Report on Form 10-K and other documents filed with the SEC. These documents are available under the Investor Relations section of the

Company's website at www.houwire.com.

Any forward-looking statements speak only as of the date of this press release and the Company undertakes no obligation to publicly update such statements.

HOUSTON WIRE & CABLE COMPANY
Consolidated Balance Sheets
(In thousands, except share data)

	September 30, 2018	December 31, 2017
	(unaudited)	
Assets		
Current assets:		
Accounts receivable, net		
Trade	\$ 60,022	\$ 51,031
Other	4,981	6,365
Inventories, net	86,469	88,115
Income taxes	550	449
Prepays	1,622	1,938
Total current assets	153,644	147,898
Property and equipment, net	11,522	11,355
Intangible assets, net	11,433	12,015
Goodwill	22,353	22,353
Deferred income taxes	1,123	—
Other assets	578	418
Total assets	\$ 200,653	\$ 194,039
Liabilities and stockholders' equity		
Current liabilities:		
Book overdraft	\$ 1,728	\$ 3,028
Trade accounts payable	9,350	8,449
Accrued and other current liabilities	16,517	16,823
Total current liabilities	27,595	28,300
Debt	73,403	73,555
Deferred income taxes	—	414
Other long term obligations	784	1,026
Total liabilities	101,782	103,295
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized, none issued and outstanding	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized: 20,988,952 shares issued: 16,523,439 and 16,491,181 outstanding at September 30, 2018 and December 31, 2017, respectively	21	21
Additional paid-in-capital	54,571	54,006
Retained earnings	104,344	97,336
Treasury stock	(60,065)	(60,619)
Total stockholders' equity	98,871	90,744
Total liabilities and stockholders' equity	\$ 200,653	\$ 194,039

(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Sales	\$ 90,074	\$ 81,196	\$ 268,952	\$ 235,551
Cost of sales	<u>68,681</u>	<u>62,626</u>	<u>204,723</u>	<u>183,732</u>
Gross profit	21,393	18,570	64,229	51,819
Operating expenses:				
Salaries and commissions	9,778	8,975	28,878	26,647
Other operating expenses	8,028	6,999	23,016	21,303
Depreciation and amortization	<u>541</u>	<u>549</u>	<u>1,627</u>	<u>2,234</u>
Total operating expenses	<u>18,347</u>	<u>16,523</u>	<u>53,521</u>	<u>50,184</u>
Operating income	3,046	2,047	10,708	1,635
Interest expense	<u>739</u>	<u>543</u>	<u>2,156</u>	<u>1,492</u>
Income before income taxes	2,307	1,504	8,552	143
Income tax (benefit) expense	<u>(148)</u>	<u>3,215</u>	<u>1,544</u>	<u>2,361</u>
Net income (loss)	<u>\$ 2,455</u>	<u>\$ (1,711)</u>	<u>\$ 7,008</u>	<u>\$ (2,218)</u>
Earnings (loss) per share:				
Basic	<u>\$ 0.15</u>	<u>\$ (0.11)</u>	<u>\$ 0.43</u>	<u>\$ (0.14)</u>
Diluted	<u>\$ 0.15</u>	<u>\$ (0.11)</u>	<u>\$ 0.42</u>	<u>\$ (0.14)</u>
Weighted average common shares outstanding:				
Basic	<u>16,404,805</u>	<u>16,274,663</u>	<u>16,380,807</u>	<u>16,260,862</u>
Diluted	<u>16,563,245</u>	<u>16,274,663</u>	<u>16,492,217</u>	<u>16,260,862</u>

HOUSTON WIRE & CABLE COMPANY
Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2018	2017
Operating activities		
Net income (loss)	\$ 7,008	\$ (2,218)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,627	2,234
Stock-based compensation	1,085	770
Provision for inventory obsolescence	813	78
Deferred income taxes	(1,537)	3,163
Other non-cash items	93	195
Changes in operating assets and liabilities:		
Accounts receivable	(7,668)	(12,619)
Inventories	833	(2,082)

Prepays	316	(639)
Income taxes	(101)	(742)
Book overdraft	(1,300)	(1,293)
Trade accounts payable	901	(1,790)
Accrued and other current liabilities	(267)	4,031
Other operating activities	(264)	18
Net cash provided by (used in) operating activities	<u>1,539</u>	<u>(10,894)</u>
Investing activities		
Expenditures for property and equipment	(1,210)	(1,307)
Cash received for acquisition	—	193
Net cash used in investing activities	<u>(1,210)</u>	<u>(1,114)</u>
Financing activities		
Borrowings on revolver	270,609	243,651
Payments on revolver	(270,761)	(231,509)
Payment of dividends	(39)	(60)
Purchase of treasury stock/stock surrendered on vested awards	(138)	(74)
Net cash (used in) provided by financing activities	<u>(329)</u>	<u>12,008</u>
Net change in cash	—	—
Cash at beginning of period	<u>—</u>	<u>—</u>
Cash at end of period	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

CONTACT:

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