

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

SYSTEMONE TECHNOLOGIES INC

CIK: **934851** | IRS No.: **650226813** | State of Incorporation: **FL** | Fiscal Year End: **1231**
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SIC: **3569** General industrial machinery & equipment, nec

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**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): **August 9, 2004**

SYSTEMONE TECHNOLOGIES INC.

(Exact Name of Registrant as Specified in its Charter)

Florida

(State or Other
Jurisdiction of
Incorporation)

000-21325

(Commission File No.)

65-0226813

(IRS Employer Identification No.)

8305 N.W. 27th Street, Suite 107, Miami, Florida 33122

(Address of principal executive offices) (Zip Code)

(305) 593-8015

(Registrant's telephone number, including area code)

Not Applicable

(Former Names or Former Address, if Changed Since Last Report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Press release of SystemOne Technologies Inc. (the “Registrant”), dated August 9, 2004, reporting financial results for the three and six month periods ended June 30, 2004 (furnished and not filed herewith solely pursuant to Item 12).

Item 12. Results of Operations and Financial Condition.

On August 9, 2004, the Registrant issued a press release announcing its financial results for the three and six month periods ended June 30, 2004. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information in this report, including the exhibit hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SYSTEMONE TECHNOLOGIES INC.

Date: August 12, 2004

By: /s/ Paul Mansur
Paul Mansur
Chief Executive Officer

Index to Exhibits

<u>Exhibit No.</u>	<u>Exhibit Title</u>
99.1	Press release of SystemOne Technologies Inc., dated August 9, 2004, reporting financial results for the three and six month periods ended June 30, 2004 (furnished and not filed herewith solely pursuant to Item 12).

Press Release

SystemOne Technologies Reports Second Quarter 2004 Results

MIAMI, Florida, August 9, 2004—SystemOne Technologies Inc. (OTC BB:STEK.OB) today reported its second quarter 2004 operating results.

Revenues for the three months ended June 30, 2004 were \$358,000 compared to revenues of \$5,686,000 in the corresponding period of 2003, a 93.7% decrease. The Company reported an operating loss for the three months ended June 30, 2004 of \$897,000 compared with an operating profit of \$1,305,000 in the corresponding period of 2003. The Company's net loss for the three months ended June 30, 2004 was \$1,202,000 or a loss of 24 cents per share, compared with a net profit of \$647,000 or a profit of 13 cents per share, in the corresponding period of 2003. The Company's net loss to common stock after preferred dividends for the three months ended June 30, 2004 was \$1,705,000 or a loss of 34 cents per share, compared with a net profit of \$96,000 or a profit of 2 cents per share, in the corresponding period of 2003.

Revenues for the six months ended June 30, 2004 were \$842,000 compared to revenues of \$11,310,000 in the corresponding period of 2003, a 92.6% decrease. The Company reported an operating loss for the six months ended June 30, 2004 of \$1,722,000 compared with an operating profit of \$2,799,000 in the corresponding period of 2003. The Company's net profit for the six months ended June 30, 2004 was \$11,663,000 or a profit of \$2.35 per share, compared with a net profit of \$1,446,000 or a profit of 29 cents per share, in the corresponding period of 2003. The Company's net profit to common stock after preferred dividends for the six months ended June 30, 2004 was \$10,578,000 or a profit of \$2.13 per share, compared with a net profit of \$343,000 or a profit of 7 cents per share, in the corresponding period of 2003.

Chief Executive Officer Paul I. Mansur stated, "We are progressing with the development of a national third party distribution network as the Company transitions from its exclusive distribution arrangement with Safety-Kleen. We have appointed 18 distributors to date, another 7 distributor appointments are pending and we plan to complete the development of a national distribution network totaling about 35-40 distributors by year end."

Founded in 1990, SystemOne Technologies designs, manufactures, sells and supports a full range of self contained, recycling industrial parts washing products for use in the automotive, aviation, marine and general industrial markets. The Company has been awarded 11 U.S. patents and 13 foreign patents for its products which incorporate innovative, proprietary resource recovery and waste minimization technologies. The Company is headquartered in Miami, Florida.

This press release contains forward-looking statements regarding future events and the future performance of SystemOne Technologies that involves risks and uncertainties that could cause actual events to differ materially including the Company's ability to successfully complete the development of its national third party distribution network. We refer you to the documents that SystemOne Technologies files from time to time with the Securities and Exchange Commission which contain important factors that could cause its results to differ from its current expectations.

CONTACT: SystemOne Technologies Inc.
Paul I. Mansur, Chief Executive Officer, 305/593-8015

SYSTEMONE TECHNOLOGIES INC.
CONDENSED BALANCE SHEETS

(In thousands, except share and per share data)

	June 30, 2004 (Unaudited)	December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,253	\$ 8,359
Receivables, net of allowance of \$2 and \$0	136	7
Inventories	2,350	1,745
Prepaid and other assets	194	386
Assets held for sale	39	39
Total current assets	7,972	10,536
Property and equipment, net	453	540
Other assets	76	197
Total assets	\$ 8,501	\$ 11,273
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,163	\$ 1,165
Warranty accrual	210	241
Deferred revenue	36	64
Current installments of long-term debt and obligations under capital leases	8	31
Total current liabilities	1,417	1,501
Long-term debt	14,874	29,150
Warranty accrual, non-current	101	176
Total liabilities	16,392	30,827
Commitments and contingencies		
Redeemable convertible preferred stock, \$1.00 par value per share. Authorized 1,500,000 shares, 205,396 issued and outstanding (197,376 in 2003), at liquidation value		
	20,540	19,738
Less unamortized discount	-	(283)
Net redeemable convertible preferred stock	20,540	19,455
Stockholders' deficit:		
Common stock, \$0.001 par value per share. Authorized 25,000,000 shares, issued and outstanding 4,960,087	5	5
Additional paid-in capital	20,723	20,723
Deficit	(49,159)	(59,737)
Total stockholders' deficit	(28,431)	(39,009)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	\$ 8,501	\$ 11,273

SYSTEMONE TECHNOLOGIES INC.
CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(Unaudited)

(In thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Revenue	\$ 358	\$ 5,686	\$ 842	\$ 11,310
Cost of goods sold	335	3,498	823	6,877
Gross profit	<u>23</u>	<u>2,188</u>	<u>19</u>	<u>4,433</u>
Operating expenses:				
Selling, general and administrative	811	789	1,538	1,443
Research and development	109	94	203	191
Total operating expenses	<u>920</u>	<u>883</u>	<u>1,741</u>	<u>1,634</u>
Operating (loss) income	<u>(897)</u>	<u>1,305</u>	<u>(1,722)</u>	<u>2,799</u>
Other (expense) income:				
Safety-Kleen termination fee income	-	-	4,000	-
Gain on Notes repurchase	-	-	10,217	-
Interest expense	(341)	(772)	(697)	(1,570)
Interest income	11	131	25	250
Other (expense) income, net	<u>(330)</u>	<u>(641)</u>	<u>13,545</u>	<u>(1,320)</u>
(Loss) income before income tax provision	<u>(1,227)</u>	<u>664</u>	<u>11,823</u>	<u>1,479</u>
Income tax benefit (provision)	<u>25</u>	<u>(17)</u>	<u>(160)</u>	<u>(33)</u>
Net (loss) income	<u>(1,202)</u>	<u>647</u>	<u>11,663</u>	<u>1,446</u>
Dividends and accretion of discount on redeemable convertible preferred stock	<u>(503)</u>	<u>(551)</u>	<u>(1,085)</u>	<u>(1,103)</u>
Net (loss) income available to common shares	<u>\$ (1,705)</u>	<u>\$ 96</u>	<u>\$ 10,578</u>	<u>\$ 343</u>
Basic net (loss) income per common share	<u>\$ (.34)</u>	<u>\$.02</u>	<u>\$ 2.13</u>	<u>\$.07</u>
Diluted net (loss) income per common share	<u>\$ (.34)</u>	<u>\$.02</u>	<u>\$ 1.04</u>	<u>\$.06</u>