

ITERIS, INC.
Form 10-Q
November 12, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014

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: 001-08762

ITERIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

95-2588496

(I.R.S. Employer
Identification No.)

**1700 Carnegie Avenue, Suite 100
Santa Ana, California**

(Address of principal executive office)

92705

(Zip Code)

(949) 270-9400

(Registrant's telephone number, including area code)

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, as amended (the Exchange Act), 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 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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

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As of November 5, 2014, there were 32,560,982 shares of common stock outstanding.

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ITERIS, INC.

Quarterly Report on Form 10-Q

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Unless otherwise indicated in this report, the Company, we, us and our refer to Iteris, Inc. and its wholly-owned subsidiaries.

Abacus®, ClearPath®, ClearPath Ag®, ClearPath Agriculture®, ClearPath Weather®, Edge®, EdgeConnect®, iPerform®, iPeMS®, Iteris®, IterisPeMS®, Pico®, P10®, P100®, RZ-4®, SmartCycle®, SmartSpan®, Vantage®, VantageNext®, VantageView®, Vantage Vector®, Velocity®, and VersiCam® are among the trademarks of Iteris, Inc. Any other trademarks or trade names mentioned herein are the property of their respective owners.

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Iteris, Inc.****Consolidated Balance Sheets****(In thousands, except par value)**

	September 30, 2014 (Unaudited)	March 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,386	\$ 20,414
Trade accounts receivable, net of allowance for doubtful accounts of \$591 and \$532 at September 30, 2014 and March 31, 2014, respectively	11,880	12,349
Costs and estimated earnings in excess of billings on uncompleted contracts	4,814	5,813
Inventories	2,267	2,546
Deferred income taxes	1,429	1,429
Prepaid expenses and other current assets	1,518	1,275
Total current assets	44,294	43,826
Property and equipment, net	1,637	1,546
Deferred income taxes	6,173	6,112
Intangible assets, net	1,263	1,584
Goodwill	17,318	17,318
Other assets	214	221
Total assets	\$ 70,899	\$ 70,607
Liabilities and stockholders equity		
Current liabilities:		
Trade accounts payable	\$ 5,480	\$ 5,913
Accrued payroll and related expenses	3,840	3,971
Accrued liabilities	1,692	1,643
Billings in excess of costs and estimated earnings on uncompleted contracts	1,889	1,391
Total current liabilities	12,901	12,918
Deferred rent	929	
Unrecognized tax benefits	181	199
Total liabilities	14,011	13,117
Commitments and contingencies		
Stockholders equity:		
Preferred stock, \$1.00 par value:		
Authorized shares - 2,000		
Issued and outstanding shares - none		
Common stock, \$0.10 par value:		
Authorized shares - 70,000 at September 30, 2014 and March 31, 2014		
Issued and outstanding shares - 32,561 at September 30, 2014 and 32,788 at March 31, 2014	3,257	3,280
Additional paid-in capital	135,613	135,986
Accumulated deficit	(81,982)	(81,776)
Total stockholders equity	56,888	57,490

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Total liabilities and stockholders' equity	\$	70,899	\$	70,607
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See accompanying notes.

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Iteris, Inc.

Unaudited Consolidated Statements of Operations

(In thousands, except per share amounts)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2014	2013	2014	2013
Total revenues	\$ 18,550	\$ 17,027	\$ 36,666	\$ 34,057
Cost of revenues	11,251	10,115	22,560	20,419
Gross profit	7,299	6,912	14,106	13,638
Operating expenses:				