

ITERIS, INC.  
Form 10-Q  
November 06, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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, 2018

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 every Interactive Data File required to be submitted 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 such files) Yes  No

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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As of October 31, 2018, there were 33,246,187 shares of our 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 subsidiary, ClearAg, Inc. CheckPoint, ClearAg®, ClearPath Weather®, CVIEW-Plus, Edge®, EdgeConnect, EMPower®, EvapoSmart, IMFocus, inspect, iPeMS®, Iteris®, Iteris SPM, Next®, P10, P100, PedTrax®, Pegasus, SmartCycle®, SmartCycle Bike Indicator, SmartSpan®, SPM (logo), TransitHelper®, UCRLink, Vantage®, VantageLive!, VantageNext®, VantagePegasus®, VantageRadius, Vantage Vector®, VantageView, Velocity®, VersiCam and WeatherPlot® are among, but not all of, 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.****Unaudited Consolidated Balance Sheets****(In thousands, except par values)**

	<b>September 30, 2018</b>	<b>March 31, 2018</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,498	\$ 10,152
Short-term investments	6,411	5,319
Trade accounts receivable, net of allowance for doubtful accounts of \$277 and \$333 at September 30, 2018 and March 31, 2018, respectively	15,402	12,866
Unbilled accounts receivable	7,030	7,473
Inventories	3,402	2,921
Prepaid expenses and other current assets	1,033	1,165
Total current assets	36,776	39,896
Property and equipment, net	2,262	2,333
Intangible assets, net	3,410	3,751
Goodwill	15,150	15,150
Other assets	1,756	1,756
Total assets	\$ 59,354	\$ 62,886
<b>Liabilities and stockholders equity</b>		
Current liabilities:		
Trade accounts payable	\$ 9,423	\$ 7,838
Accrued payroll and related expenses	5,430	7,398
Accrued liabilities	2,186	2,358
Deferred revenue	3,928	4,900
Total current liabilities	20,967	22,494
Deferred rent	548	638
Deferred income taxes	65	65
Unrecognized tax benefits	145	168
Total liabilities	21,725	23,365
Commitments and contingencies (Note 6)		
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, 2018 and March 31, 2018		
Issued and outstanding shares - 33,246 at September 30, 2018 and 33,186 at March 31, 2018	3,324	3,318
Additional paid-in capital	140,953	139,722
Accumulated deficit	(106,648)	(103,519)

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Total stockholders' equity		37,629		39,521
Total liabilities and stockholders' equity	\$	59,354	\$	62,886

See accompanying notes.

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**Iteris, Inc.**

**Unaudited Consolidated Statements of Operations**

**(In thousands, except per share amounts)**

	<b>Three Months Ended September 30,</b>		<b>Six Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Product revenues	\$ 12,412	\$ 11,702	\$ 24,330	\$ 23,625
Service revenues	12,005	13,546	25,562	28,806
Total revenues	\$ 24,417	\$		