

ITERIS, INC.
Form 10-Q
November 10, 2015
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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, 2015

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 3, 2015, there were 31,974,059 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®, ClearAg®, ClearPath , ClearPath Weather , iPerform®, iPeMS®, Iteris®, P10 , P100 , Pico , SmartCycle®, SmartSpan®, Vantage®, VantageNext , Vantage Vector®, VantageView , 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.****Unaudited Consolidated Balance Sheets****(In thousands, except par value)**

Assets			
Cash and cash equivalents	\$	19,137	\$ 21,961
Costs and estimated earnings in excess of billings on uncompleted contracts		3,929	4,266
Deferred income taxes		2,680	2,680
Prepaid expenses and other current assets		1,665	1,338
Total current assets		43,495	44,513
Property and equipment, net		2,105	1,990
Deferred income taxes		5,874	5,610
Intangible assets, net		720	987
Goodwill		17,318	17,318
Other assets		203	214
Total assets	\$	69,715	\$ 70,632
Liabilities and stockholders equity			
Current liabilities:			
Trade accounts payable	\$	6,427	\$ 5,915
Accrued payroll and related expenses		4,645	4,871
Accrued liabilities		1,162	1,320
Billings in excess of costs and estimated earnings on uncompleted contracts		1,890	1,549
Total current liabilities		14,124	13,655
Deferred rent		788	826
Unrecognized tax benefits		189	183
Total liabilities		15,101	14,664
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, 2015 and March 31, 2015			
Issued and outstanding shares - 31,974 at September 30, 2015 and 32,411 at March 31, 2015		3,198	3,242
Additional paid-in capital		134,849	135,572
Accumulated deficit		(83,433)	(82,846)
Total stockholders equity		54,614	55,968

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Total liabilities and stockholders' equity	\$	69,715	\$	70,632
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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,	
	2015	2014	2015	2014
Total revenues	\$ 20,573	\$ 18,550	\$ 38,938	\$ 36,666
Cost of revenues	12,690	11,251	23,417	22,560
Gross profit	7,883	7,299	15,521	