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## Section 1: 8-K (FORM 8-K)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event Reported): February 5, 2018

**PERCEPTRON, INC.**

(Exact Name of Registrant as Specified in Charter)

**Michigan**  
(State or Other Jurisdiction of Incorporation)

**0-20206**  
(Commission File Number)

**38-2381442**  
(I.R.S. Employer Identification Number)

**47827 Halyard Drive, Plymouth, MI 48170-2461**  
(Address of Principal Executive Offices) (Zip Code)

**(734) 414-6100**  
(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.

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**Item 2.02. Results of Operations and Financial Condition.**

On February 5, 2018, Perceptron, Inc. (the “Company”) issued a press release announcing the Company’s financial and operating results for the fiscal 2018 second quarter ended December 31, 2017. Attached hereto and incorporated by reference as Exhibit 99.1 is the press release relating to such announcement. Such information, including Exhibit 99.1 attached hereto under Item 9.01, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

D. Exhibits.

**Exhibit No.** **Description**

[99.1](#) Press Release dated February 5, 2018 announcing the Company’s financial and operating results for the fiscal 2018 second quarter ended December 31, 2017.

**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.

**PERCEPTRON, INC.**

Date: February 5, 2018

By: /s/ David L. Watza

By: David L. Watza

Its: President, Chief Executive Officer and Chief Financial Officer

## EXHIBIT INDEX

Exhibit

Number Description

99.1 Press Release dated February 5, 2018 announcing the Company's financial and operating results for the fiscal 2018 second quarter ended December 31, 2017.

[\(Back To Top\)](#)

## **Section 2: EX-99.1 (PRESS RELEASE)**

### **EXHIBIT 99.1**

#### **Perceptron Announces Second Quarter Fiscal 2018 Results**

Achieves Record Fiscal Second Quarter Backlog Level; Sales of \$20.4 million and Bookings of \$20.0 million

PLYMOUTH, Mich., Feb. 05, 2018 (GLOBE NEWSWIRE) -- **Perceptron, Inc.** (NASDAQ:PRCP), a leading global provider of 3D automated metrology solutions and coordinate measuring machines, today announced results for the second quarter of its 2018 fiscal year (quarterly period ended December 31, 2017).

#### **FINANCIAL HIGHLIGHTS (in millions, except per share data)**

	<b>Three Months Ended December 31,</b>			<b>Six Months Ended December 31,</b>		
	<b>2017</b>	<b>2016</b>	<b>Change</b>	<b>2017</b>	<b>2016</b>	<b>Change</b>
Sales	\$ 20.4	\$ 21.8	\$ (1.4)	\$ 39.7	\$ 39.3	\$ 0.4
Net Income	0.4	2.5	(2.1)	1.9	0.1	1.8
Diluted Income per Share	\$ 0.04	\$ 0.27	\$ (0.23)	\$ 0.20	\$ 0.02	\$ 0.18

#### Second quarter fiscal 2018 results compared to second quarter fiscal 2017:

- Second quarter consolidated net sales were \$20.4 million, a decrease of 6.4% as compared to a strong second quarter in fiscal year 2017
- Consolidated gross profit was \$7.4 million and gross margin was 36.3%
- Second quarter and year-to-date results include a charge of \$0.7 million for a court award in a trade secrets case granting defendants' motions for the recovery of attorney fees
- Second quarter reported operating income totaled \$0.5 million and recurring operating income of \$1.1 million
- Net income for the second quarter of fiscal 2018 was \$0.4 million
- Second quarter diluted earnings per share was \$0.04 per diluted share
- Bookings were \$20.0 million; bookings have been at least \$20 million for six out of the last seven quarters
- Backlog increased 16.3% to \$48.5 million, a record for the Company's second quarter
- Cash and short-term investments totaled \$9.0 million for the period ending December 31, 2017

#### Year-to-date fiscal 2018 results compared to year-to-date fiscal 2017:

- Year-to-date consolidated net sales increased 1.0% to \$39.7 million
- Year-to-date consolidated gross profit increased \$1.1 million to \$15.1 million
- Consolidated gross margin was 38.0%, an increase of 240 basis points
- Year-to-date reported operating income totaled \$2.0 million and recurring operating income was \$2.6 million
- Net income increased considerably, growing by \$1.8 million to \$1.9 million for year-to-date fiscal 2018
- Year-to-date diluted earnings per share also improved significantly, achieving \$0.20 as compared to \$0.02 per share in the prior year-to-date period
- Bookings increased 1.2% to \$43.2 million for year-to-date fiscal 2018

#### Third quarter and full year 2018 guidance:

- Expect revenue in the range of \$18.0 million to \$21.0 million
- Reaffirm our previous guidance of mid-single digit revenue growth for fiscal year 2018

David Watzka, President and CEO, commented, “We are pleased with the progress we continue to make this fiscal year, as we were able to achieve recurring operating income in excess of \$1.0 million for the third consecutive quarter, excluding the \$0.7 million charge related to a court award in a trade secrets case, which we plan to appeal. Year-to-date bookings and backlog remain strong, while revenue grew slightly. Our elevated backlog levels mark a second quarter record for the Company.”

“We remain well positioned this fiscal year with an increase of 54% in our year-to-date reported operating income, while we also generated strong operating cash flows of \$4.0 million so far in fiscal 2018,” added Watzka. “The strategic plan we put into place continues to drive strength in key customer demand metrics, as evidenced by the robust backlog this quarter. We are confident that a relentless focus in our core markets will continue to provide sustainable and profitable long-term growth opportunities as we continue to remove cost from our system and deliver more value to our customers.”

“Finally, and most importantly, when I look at our development initiatives, we made several significant steps during the quarter,” continued Watzka. “We launched our Helix@evo product line in October and delivered several systems with this product during our fiscal second quarter. The Helix@evo product is our most advanced 3D scanning sensor and we are very excited about its potential, based on customer feedback. In addition, we demonstrated our AccuSite™ product line at the Quality Show in Chicago with several customer deliveries expected during our current fiscal year. AccuSite™ is our next evolution in accurate measurement. Perceptron pioneered Absolute Accuracy for robotic measurement systems in 2005. Our AccuSite™ solution provides best-in-class system accuracy and eliminates the need to offset to a CMM. This capability dramatically increases the applications available in the marketplace.”

“Looking ahead to our third quarter of fiscal year 2018, we expect revenue in the range of \$18.0 million to \$21.0 million, and affirm our previous guidance of mid-single digit growth in our top line results for the full year fiscal 2018. Our longer-term aspirations are for sustained high-single digit revenue growth and resulting double-digit earnings growth,” Watzka concluded.

#### Highlights of Operations

#### **INCOME STATEMENT KEY METRICS (in millions, except per share data)**

	<b>Three Months Ended December</b>			<b>Six Months Ended December</b>		
	<b>2017</b>	<b>31, 2016</b>	<b>Change</b>	<b>2017</b>	<b>31, 2016</b>	<b>Change</b>
Americas Sales	\$ 10.0	\$ 9.1	\$ 0.9	\$ 18.0	\$ 14.3	\$ 3.7
Europe Sales	6.4	7.7	(1.3)	14.2	17.7	(3.5)
Asia Sales	4.0	5.0	(1.0)	7.5	7.3	0.2
Total Sales	\$ 20.4	\$ 21.8	\$ (1.4)	\$ 39.7	\$ 39.3	\$ 0.4
Gross Profit	\$ 7.4	\$ 9.4	\$ (2.0)	\$ 15.1	\$ 14.0	\$ 1.1
<i>Gross Profit as a percent of sales</i>	<i>36.3 %</i>	<i>43.1 %</i>		<i>38.0 %</i>	<i>35.6 %</i>	

Operating Income	\$ 0.5	\$ 3.3	\$ (2.8)	\$ 2.0	\$ 1.3	\$ 0.7
<i>Operating Income as a percent of sales</i>	2.5 %	15.1 %		5.0 %	3.3 %	
Net Income	\$ 0.4	\$ 2.5	\$ (2.1)	\$ 1.9	\$ 0.1	\$ 1.8
Diluted Income per Share	\$ 0.04	\$ 0.27	\$ (0.23)	\$ 0.20	\$ 0.02	\$ 0.18
Recurring Operating Income	\$ 1.1	\$ 3.4	\$ (2.3)	\$ 2.6	\$ 2.1	\$ 0.5
<i>Recurring Operating Income as a percent of sales</i>	5.4 %	15.6 %		6.5 %	5.3 %	

Total sales for the second quarter of fiscal 2018 decreased \$1.4 million, or 6.4%, versus the same quarter in the prior year, reflecting decreases in Europe and Asia regions. The Europe region was down due to decreases in In-Line and Near-Line Measurement Solutions, partially offset by small increases in Off-Line Measurement Solutions and Value-Added Services. The decline in the Asia region was primarily due to decreases in the In-Line and Near-Line Measurement Solutions as well as the 3D Scanning Solutions, partially offset by an increase in sales of Off-Line Measurement Solutions. The year-over-year improvement in the Americas region was primarily due to increases in In-Line and Near-Line Measurement Solutions and Value-Added Services, partially offset by decreased sales of 3D Scanning Solutions.

In the second quarter of fiscal 2018, gross profit as a percentage of sales declined by 680 basis points compared to the prior year period, primarily due to the lower volume of sales, the mix of the Company's revenue, the timing of certain expenses in cost of goods sold under applicable accounting rules and higher warranty costs.

During the second quarter of fiscal 2018, our SG&A, Engineering and R&D expenses were up \$0.3 million, primarily as a result of strategic investments in several engineering, research and development initiatives as well as increased legal and audit fees and an increase in Board of Director fees, partially offset by lower bad debt expense.

BOOKINGS (in millions)	Three Months Ended December 31,			Six Months Ended December 31,		
	2017	2016	Change	2017	2016	Change
<b>Geographic Region</b>						
Americas	\$ 6.9	\$ 8.5	\$ (1.6)	\$ 16.5	\$ 19.3	\$ (2.8)
Europe	8.0	8.6	(0.6)	17.4	14.8	2.6
Asia	5.1	3.8	1.3	9.3	8.6	0.7
Total Bookings	\$ 20.0	\$ 20.9	\$ (0.9)	\$ 43.2	\$ 42.7	\$ 0.5

BACKLOG (in millions)	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016
<b>Geographic Region</b>					
Americas	\$ 18.0	\$ 21.1	\$ 19.5	\$ 20.9	\$ 15.6
Europe	19.6	18.0	16.4	16.7	16.2
Asia	10.9	9.8	9.1	11.0	9.9
Total Backlog	\$ 48.5	\$ 48.9	\$ 45.0	\$ 48.6	\$ 41.7

Second quarter bookings were \$20.0 million. The decrease in booking activity is primarily due to decreases in 3D Scanning

Solutions and Value Added Services, partially offset by increases in Off-Line Measurement Solutions and In-Line and Near-Line Measurement Solutions. The significant booking activity in Asia was driven by increases in In-Line and Near-Line Measurement Solutions and Off-Line Measurement Solutions, partially offset by a decrease in 3D Scanning Solutions.

Revenue in the second quarter of fiscal 2018 exceeded bookings by \$0.4 million, which resulted in a decrease in backlog to \$48.5 million at December 31, 2017. This is the highest backlog level for a second quarter in the Company's history. As the levels of bookings and backlog typically fluctuate from quarter to quarter, management does not necessarily consider these metrics to be indicative of the future operating performance of the Company.

## **FINANCIAL POSITION**

Cash and short-term investment balance was \$ 9.0 million at December 31, 2017, up from \$8.1 million at September 30, 2017 and up from \$6.3 million at December 31, 2016. At December 31, 2017, bank debt outstanding totaled \$1.6 million, up from an outstanding balance of \$0.4 million at September 30, 2017 and up from \$1.4 million at December 31, 2016.

## **Quarterly Investor Call and Webcast**

Perceptron, Inc., will hold its second quarter fiscal year 2018 investor conference call/webcast, chaired by David L. Watzka, President and CEO, on Tuesday, February 6, 2018, at 10:00 AM (EST). Investors can access the call at:

Webcast            investors.perceptron.com on the Event page  
Conference Call   877-317-6789 (domestic callers) or  
                         412-317-6789 (international callers)  
Conference ID    10115732

A replay will be posted to the Company's website after the conference call concludes.

## **About Perceptron®**

Perceptron (NASDAQ:PRCP) develops, produces and sells a comprehensive range of automated industrial metrology products and solutions to manufacturing organizations for dimensional gauging, dimensional inspection and 3D scanning. Products include 3D machine vision solutions, robot guidance, coordinate measuring machines, laser scanning and advanced analysis software. Global automotive, aerospace and other manufacturing companies rely on Perceptron's metrology solutions to assist in managing their complex manufacturing processes to improve quality, shorten product launch times and reduce costs. Headquartered in Plymouth, Michigan, USA, Perceptron has subsidiary operations in Brazil, China, Czech Republic, France, Germany, India, Italy, Japan, Singapore, Slovakia, Spain and the United Kingdom. For more information, please visit [www.perceptron.com](http://www.perceptron.com).

## **Safe Harbor Statement**

Certain statements in this press release may be "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, including our expectation as to our fiscal year 2018 and future results, operating data, new order bookings, revenue, expenses, net income and backlog levels, trends affecting our future revenue levels, the rate of new orders, the timing of revenue and net income increases from new products which we have recently released or have not yet released, the timing of the introduction of new products, and our ability to fund our fiscal year 2018 and future cash flow requirements. Whenever possible, we have identified these forward-looking statements by words such as "target," "will," "should," "could," "believes," "expects," "anticipates," "estimates," "prospects," "outlook," "guidance" or similar expressions. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all of our forward-looking statements. While we believe that our forward-looking statements are reasonable, you should not place undue reliance on any such forward-looking statements, which speak only as of the date made. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond our control or are subject to change, actual results could be materially different. Factors that might cause such a difference include, without limitation, the risks and uncertainties discussed from time to time in our periodic reports filed with the Securities and Exchange Commission, including those listed in "Item 1A – Risk Factors" of our Annual Report on Form 10-K for fiscal 2017. Except as required by applicable law, we do not undertake, and expressly disclaim, any obligation to publicly update

or alter our statements whether as a result of new information, events or circumstances occurring after the date of this report or otherwise.

--- Financial Tables Follow ---

**PERCEPTRON, INC.**  
**SELECTED FINANCIAL DATA**

(Unaudited, In Thousands Except Per Share Amounts)

<b>Condensed Income Statements</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Net Sales</b>	\$ 20,433	\$ 21,751	\$ 39,702	\$ 39,271
<b>Cost of Sales</b>	13,026	12,307	24,645	25,253
<b>Gross Profit</b>	<u>7,407</u>	<u>9,444</u>	<u>15,057</u>	<u>14,018</u>
<b>Operating Expenses</b>				
Selling, General and Administrative Expense	4,497	4,469	8,921	8,756
Engineering, Research and Development Expense	1,797	1,657	3,530	3,267
Severance, Impairment and Other Charges	658	61	606	717
<b>Operating Income</b>	<u>455</u>	<u>3,257</u>	<u>2,000</u>	<u>1,278</u>
<b>Other Income and (Expenses), net</b>				
Interest Expense, net	(42)	(61)	(84)	(118)
Foreign Currency and Other, net	(62)	(370)	(54)	(320)
<b>Income Before Income Taxes</b>	<u>351</u>	<u>2,826</u>	<u>1,862</u>	<u>840</u>
<b>Income Tax Benefit (Expense)</b>	<u>15</u>	<u>(302)</u>	<u>62</u>	<u>(671)</u>
<b>Net Income</b>	<u>\$ 366</u>	<u>\$ 2,524</u>	<u>\$ 1,924</u>	<u>\$ 169</u>
<b>Income Per Common Share</b>				
Basic	\$ 0.04	\$ 0.27	\$ 0.20	\$ 0.02
Diluted	\$ 0.04	\$ 0.27	\$ 0.20	\$ 0.02
<b>Weighted Average Common Shares Outstanding</b>				
Basic	9,491	9,381	9,455	9,376
Diluted	9,597	9,416	9,527	9,409

**PERCEPTRON, INC.**  
**SELECTED FINANCIAL DATA**

(In Thousands)

<b>Condensed Balance Sheets</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2017</b>	<b>2017</b>
	<b>(Unaudited)</b>	
Cash and Cash Equivalents	\$ 6,346	\$ 3,704
Short-Term Investments	2,639	1,572
Receivables, net	27,909	31,943



Inventories, net	15,320	11,466
Other Current Assets	1,736	1,953
<b>Total Current Assets</b>	<b>53,950</b>	<b>50,638</b>
Property and Equipment, net	7,365	7,377
Goodwill and Other Intangible Assets, net	11,938	11,866
Long-Term Deferred Income Tax Asset	919	9
Long-Term Investments	725	725
<b>Total Non-Current Assets</b>	<b>20,947</b>	<b>19,977</b>
<b>Total Assets</b>	<b>\$ 74,897</b>	<b>\$ 70,615</b>
Line of Credit and Short-Term Notes Payable	\$ 1,821	\$ 1,705
Accounts Payable	9,209	8,280
Deferred Revenue	8,679	8,485
Restructuring Reserve	1,244	1,113
Other Current Liabilities	7,022	8,572
<b>Total Current Liabilities</b>	<b>27,975</b>	<b>28,155</b>
Long-Term Taxes Payable	719	969
Long-Term Deferred Income Tax Liability	1,709	871
Other Long-Term Liabilities	680	785
<b>Total Long-Term Liabilities</b>	<b>3,108</b>	<b>2,625</b>
<b>Total Liabilities</b>	<b>31,083</b>	<b>30,780</b>
<b>Shareholders' Equity</b>	<b>43,814</b>	<b>39,835</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 74,897</b>	<b>\$ 70,615</b>

### Non-GAAP Financial Measures

While Perceptron's results under Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP") provide significant insight into our operations and financial position, Perceptron's management supplements its analysis of the business using "Recurring Operating Income" and "Recurring Net Income". These are non-GAAP financial measures. Management believes that these non-GAAP financial measures, when taken together with the corresponding GAAP measures, provides incremental insight into the underlying factors and trends affecting our performance. However, it should be viewed as supplemental data, rather than as a substitute or an alternative to the comparable GAAP measure. The table below presents reconciliations of each non-GAAP measure to Operating Income and Net Income, respectively.

**PERCEPTRON, INC.**  
**Additional Information Regarding Special Items Impacting**  
**Reported GAAP Financial Measures**  
(Unaudited, In Thousands except per share data)

	Three Months Ended		Six Months Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Operating Income, as reported</b>	\$ 455	\$ 3,257	\$ 2,000	\$ 1,278

Severance, Impairment and Other Charges	<u>658</u>	<u>61</u>	<u>606</u>	<u>717</u>
<b>Excluding special items, Operating Income would have been</b>	<u>\$ 1,113</u>	<u>\$ 3,318</u>	<u>\$ 2,606</u>	<u>\$ 1,995</u>
<hr/>				
<b>Net Income, as reported</b>	\$ 366	\$ 2,524	\$ 1,924	\$ 169
Valuation Allowance on DTA	<u>-</u>	<u>-</u>	<u>-</u>	<u>511</u>
<b>Excluding special items, Net Income would have been</b>	\$ 366	\$ 2,524	\$ 1,924	\$ 680
<b>Income Per Common Share - Diluted, as reported</b>	\$ 0.04	\$ 0.27	\$ 0.20	\$ 0.02
Diluted Income Per Share due to Valuation Allowance on DTA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.05</u>
<b>Excluding special items, Diluted Income per Share would have been</b>	<u>\$ 0.04</u>	<u>\$ 0.27</u>	<u>\$ 0.20</u>	<u>\$ 0.07</u>
<b>Diluted Weighted Average Common Shares Outstanding, as reported</b>	<u>9,597</u>	<u>9,416</u>	<u>9,527</u>	<u>9,409</u>

Contact:  
Investor Relations  
investors@perceptron.com

[\(Back To Top\)](#)