

Aviat Networks Inc  
Form 10-Q  
November 14, 2016

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, 2016

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 001-33278

AVIAT  
NETWORKS,  
INC.  
(Exact name of  
registrant as  
specified in its  
charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

20-5961564  
(I.R.S. Employer  
Identification No.)

860 N. McCarthy Blvd., Suite 200, Milpitas, California  
(Address of principal executive offices)  
(408) 941-7100

95035  
(Zip Code)

(Registrant's telephone number, including area code)

5200 Great America Parkway, Santa Clara, CA 95054

(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark 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 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.

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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

The number of shares outstanding of the registrant's Common Stock as of November 2, 2016 was 5,261,286 shares.

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AVIAT NETWORKS, INC.  
QUARTERLY REPORT ON FORM 10-Q  
For the Quarterly Period Ended September 30, 2016  
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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## AVIAT NETWORKS, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)	Three Months Ended	
	September 30, 2016	October 2, 2015
Revenues:		
Revenue from product sales	\$34,724	\$53,686
Revenue from services	23,483	25,869
Total revenues	58,207	79,555
Cost of revenues:		
Cost of product sales	24,860	37,178
Cost of services	15,982	21,366
Total cost of revenues	40,842	58,544
Gross margin	17,365	21,011
Operating expenses:		
Research and development expenses	4,943	5,476
Selling and administrative expenses	15,187	17,112
Restructuring charges	160	21
Total operating expenses	20,290	22,609
Operating loss	(2,925 )	(1,598 )
Interest income	54	82
Interest expense	(18 )	(9 )
Other expense	(182 )	—
Loss from continuing operations before income taxes	(3,071 )	(1,525 )
Benefit from income taxes	(2,470 )	(12 )
Loss from continuing operations	(601 )	(1,513 )
Income from discontinued operations, net of tax	—	359
Net loss	(601 )	(1,154 )
Less: Net income attributable to noncontrolling interests, net of tax	28	49
Net loss attributable to Aviat Networks	\$(629 )	\$(1,203 )
Amount attributable to Aviat Networks:		
Net loss from continuing operations, net of tax	\$(629 )	\$(1,562 )
Net income from discontinued operations, net of tax	\$—	\$359
Basic and diluted loss per share attributable to Aviat Networks' common stockholders:		
Continuing operations	\$(0.12 )	\$(0.30 )
Discontinued operations	\$—	\$0.07
Net loss	\$(0.12 )	\$(0.23 )
Weighted average shares outstanding, basic and diluted	5,295	5,206
See accompanying Notes to Condensed Consolidated Financial Statements		

AVIAT NETWORKS, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
 (Unaudited)

(In thousands)	Three Months Ended	
	September 30, 2016	October 2, 2015
Net loss	\$(601)	\$(1,154)
Other comprehensive loss:		
Net change in unrealized loss on hedging activities	—	(41)
Net change in cumulative translation adjustments	(370)	(697)
Other comprehensive loss	(370)	(738)
Comprehensive loss	(971)	(1,892)
Comprehensive income attributable to noncontrolling interests, net of tax	28	49
Comprehensive loss attributable to Aviat Networks	\$(999)	\$(1,941)

See accompanying Notes to Condensed Consolidated Financial Statements

AVIAT NETWORKS, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited)

(In thousands)	September 30, 2016	July 1, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 31,750	\$30,479
Short-term investments	230	222
Accounts receivable, net	49,697	63,449
Unbilled costs	7,653	5,117
Inventories	24,074	27,293
Customer service inventories	2,783	3,064
Other current assets	11,394	10,790
Total current assets	127,581	140,414
Property, plant and equipment, net	18,130	18,162
Deferred income taxes	5,759	6,068
Other assets, including restricted cash	1,356	1,467
Total long-term assets	25,245	25,697
<b>TOTAL ASSETS</b>	<b>\$ 152,826</b>	<b>\$</b>