

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

FORM 8-K

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 25, 2020

ADTRAN, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-24612

(Commission File Number)

63-0918200
(IRS Employer
Identification No.)

901 Explorer Boulevard
Huntsville, Alabama
(Address of Principal Executive Offices)

35806-2807
(Zip Code)

Registrant's Telephone Number, Including Area Code: (256) 963-8000

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 (see General Instructions A.2. below):

- 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered</u>
Common Stock, Par Value \$0.01	ADTN	The NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On February 25, 2020, ADTRAN, Inc. (“ADTRAN”) filed its Annual Report on Form 10-K for the twelve months ended December 31, 2019 (the “Form 10-K”). In connection with the filing of the Form 10-K, ADTRAN has updated its operating income, net income and earnings per share- basic and diluted, which revised its non-GAAP operating income, non-GAAP net income and non-GAAP earnings per shares – basic and diluted financial measures and related reconciliations for the three and twelve months ended December 31, 2019 from the preliminary measures and reconciliations that were previously disclosed in Exhibit 99.1 to ADTRAN’s Current Report on Form 8-K furnished to the Securities and Exchange Commission on February 6, 2020. This supplemental information is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein. This supplemental information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Supplemental Information – Non-GAAP Financial Measures and Reconciliations for the Three and Twelve Months Ended December 31, 2019
104	Cover Page Interactive Data File – the cover page iXBRL tags are embedded within the Inline XBRL document

SIGNATURES

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.

Date: February 25, 2020

ADTRAN, Inc.

By: /s/ Michael Foliano

Michael Foliano

Senior Vice President of Finance and
Chief Financial Officer

Supplemental Information
Reconciliation of Operating Loss to Non-GAAP Operating Loss
(Unaudited)

	Three Months ended December 31,				Twelve Months ended December 31,			
	2019		2018		2019		2018	
Operating Loss	\$	(14,070)	\$	(3,783)	\$	(39,963)	\$	(45,422)
Acquisition related expenses, amortizations and adjustments		1,357	(1)	1,433	(5)	5,703	(8)	4,084 (14)
Stock-based compensation expense		1,778	(2)	1,912	(6)	6,962	(9)	7,155 (15)
Restructuring expenses		1,356	(3)	25	(7)	6,014	(10)	7,261 (16)
Deferred compensation income (expense)		536	(4)	(3,739)	(4)	2,767	(4)	(3,119) (4)
Asset impairments		—		—		3,872	(11)	—
Gain on contingency		—		—		(1,230)	(12)	—
Settlement income		—		—		(746)	(13)	—
Non-GAAP Operating Loss	\$	(9,043)	\$	(4,152)	\$	(16,621)	\$	(30,041)

(1) \$0.4 million is included in total cost of sales, \$0.5 million is included in selling, general and administrative expenses and \$0.5 million is included in research and development expenses on the consolidated statements of income.

(2) \$0.1 million is included in total cost of sales, \$1.0 million is included in selling, general and administrative expenses and \$0.7 million is included in research and development expenses on the consolidated statements of income.

(3) \$0.3 million is included in selling, general and administrative expenses and \$1.1 million is included in research and development expenses on the consolidated statements of income.

(4) Includes non-cash change in fair value of equity investments held in the ADTRAN, Inc. Deferred Compensation Program for Employees (as amended and restated as of June 1, 2010) per ASU 2016-01, all of which is included in selling, general and administrative expenses on the consolidated statement of income.

(5) \$0.5 million is included in total cost of sales, \$0.6 million is included in selling, general and administrative expenses and \$0.3 million is included in research and development expenses on the consolidated statements of income.

(6) \$0.1 million is included in total cost of sales, \$1.1 million is included in selling, general and administrative expenses and \$0.7 million is included in research and development expenses on the consolidated statements of income.

(7) \$0.1 million is included in selling, general and administrative expenses on the consolidated statements of income.

(8) \$1.7 million is included in total cost of sales, \$2.1 million is included in selling, general and administrative expenses and \$1.9 million is included in research and development expenses on the consolidated statements of income.

(9) \$0.4 million is included in total cost of sales, \$3.9 million is included in selling, general and administrative expenses and \$2.7 million is included in research and development expenses on the consolidated statements of income.

(10) \$0.8 million is included in total cost of sales, \$2.3 million is included in selling, general and administrative expenses and \$2.9 million is included in research and development expenses on the consolidated statements of income.

(11) Includes abandonment of certain information technology projects.

(12) Includes gain related to unearned contingent liabilities recognized upon the acquisition of a business in November 2018.

(13) Includes income related to certain freight forwarder claim settlements which were received during the three months ended June 30, 2019, all of which is included in total cost of sales on the consolidated statements of income.

(14) \$1.4 million is included in total cost of sales, \$1.5 million is included in selling, general and administrative expenses and \$1.2 million is included in research and development expenses on the consolidated statements of income.

(15) \$0.4 million is included in total cost of sales, \$4.0 million is included in selling, general and administrative expenses and \$2.8 million is included in research and development expenses on the consolidated statements of income.

(16) \$2.8 million is included in total cost of sales, \$2.7 million is included in selling, general and administrative expenses and \$1.8 million is included in research and development expenses on the consolidated statements of income.

Supplemental Information
Reconciliation of Net Loss and Loss per Common Share – Basic and Diluted to Non-GAAP
Net Income (Loss) and Non-GAAP Earnings (Loss) per Common Share – Basic and Diluted
(Unaudited)

	Three Months ended December 31,		Twelve Months ended December 31,	
	2019	2018	2019	2018
Net Loss	\$ (11,624)	\$ (8,447)	\$ (52,982)	\$ (19,342)
Acquisition related expenses, amortizations and adjustments	1,357	1,433	5,703	4,084
Stock-based compensation expense	1,778	1,912	6,962	7,155
Restructuring expenses	1,356	25	6,014	7,261
Pension expense ⁽¹⁾	195	59	795	247
Valuation allowance	5,723	—	42,778	—
Asset impairments	—	—	3,872	—
Gain on contingency	—	—	(1,230)	—
Settlement income	—	—	(746)	—
Gain on bargain purchase of a business	—	—	—	(11,322)
Tax effect of adjustments to net income (loss)	(1,251)	(818)	(5,675)	(4,476)
Non-GAAP Net Income (Loss)	\$ (2,466)	\$ (5,836)	\$ 5,491	\$ (16,393)
Weighted average shares outstanding – basic	47,936	47,730	47,836	47,880
Weighted average shares outstanding – diluted	47,936	47,730	47,836	47,880
Loss per common share - basic	\$ (0.24)	\$ (0.18)	\$ (1.11)	\$ (0.40)
Loss per common share - diluted	\$ (0.24)	\$ (0.18)	\$ (1.11)	\$ (0.40)
Non-GAAP earnings (loss) per common share - basic	\$ (0.05)	\$ (0.12)	\$ 0.11	\$ (0.34)
Non-GAAP earnings (loss) per common share - diluted	\$ (0.05)	\$ (0.12)	\$ 0.11	\$ (0.34)

(1) Includes amortization of actuarial losses related to the Company's pension plan for employees in certain foreign countries.