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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): October 16, 2018**

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**ADTRAN, Inc.**

(Exact name of Registrant as Specified in Its Charter)

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**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)

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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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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.

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

On October 16, 2018, ADTRAN, Inc. announced its financial results for the fiscal quarter ended September 30, 2018 and certain other information.

ADTRAN also announced that its Board of Directors declared a quarterly cash dividend of \$0.09 per common share to be paid to shareholders of record at the close of business on October 31, 2018. The ex-dividend date is October 30, 2018 and the payment date is November 14, 2018.

A copy of ADTRAN's press release announcing such financial results and other information is attached as Exhibit 99.1 hereto and incorporated by reference herein.

In addition, ADTRAN has posted supplemental information regarding revenues by segment and category for the fiscal quarter ended September 30, 2018 on the Investor Relations page of its website, [www.adtran.com](http://www.adtran.com). A copy of the supplemental information is attached as Exhibit 99.2 hereto and incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibits are furnished as part of this Current Report on Form 8-K.

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
99.1	<a href="#">Press Release dated October 16, 2018</a>
99.2	<a href="#">Revenues by segment and category classification</a>

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on October 17, 2018.

**ADTRAN, Inc.**  
**(Registrant)**

By : /s/ Roger D Shannon  
Roger D. Shannon  
Senior Vice President of Finance,  
Chief Financial Officer, Corporate Secretary and Treasurer  
(Principal Accounting Officer)

## ADTRAN, Inc. Reports Earnings for the Third Quarter 2018 and Declares Quarterly Cash Dividend

HUNTSVILLE, Ala.--(BUSINESS WIRE)—October 16, 2018-- ADTRAN, Inc. (NASDAQ:ADTN) reported results for the third quarter 2018. For the quarter, sales were \$140.3 million compared to \$185.1 million for the third quarter of 2017. Net income was \$7.6 million compared to \$15.9 million for the third quarter of 2017. Earnings per share, assuming dilution, were \$0.16 compared to \$0.33 for the third quarter of 2017. Non-GAAP earnings per share were \$0.21 compared to \$0.37 for the third quarter of 2017. GAAP earnings per share include the expense of stock-based compensation, acquisition related amortizations and other expenses, and restructuring expenses. The reconciliation between GAAP earnings per share, diluted, and non-GAAP earnings per share, diluted, is in the table provided.

ADTRAN Chairman and Chief Executive Officer Tom Stanton stated, “Total revenue for the quarter grew 10% sequentially, including the effect of a late start to our G.fast shipments to the Asia-Pacific region. Notwithstanding the G.fast shipment impact, our third quarter results showed strong improvements in gross margins and operating expenses. On a regional basis, sales contributions followed typical seasonal patterns with growth in the Americas, expected seasonal declines in Europe and growth in Asia-Pacific, driven by new customer activity. Looking forward, we are very encouraged by the continued momentum in ultra-broadband shipments to both carriers and MSOs globally as service providers continue to evolve their networks to meet changing customer expectations.”

The Company also announced that its Board of Directors declared a cash dividend for the third quarter of 2018. The quarterly cash dividend is \$0.09 per common share to be paid to holders of record at the close of business on October 31, 2018. The ex-dividend date is October 30, 2018, and the payment date is November 14, 2018.

The Company confirmed that it will hold its third quarter conference call Wednesday, October 17, 2018, at 9:30 a.m. Central Time. ADTRAN will webcast this conference. To listen, simply visit the Investor Relations site at [www.investors.adtran.com](http://www.investors.adtran.com) approximately 10 minutes prior to the start of the call and click on the conference call link provided.

An online replay of the conference call, as well as the text of the Company's earnings release, will be available on the Investor Relations site approximately 24 hours following the call and will remain available for at least 12 months. For more information, visit [www.investors.adtran.com](http://www.investors.adtran.com) or via email at [investor.relations@adtran.com](mailto:investor.relations@adtran.com).

ADTRAN, Inc. is the leading global provider of networking and communications equipment. ADTRAN's products enable voice, data, video and Internet communications across a variety of network infrastructures. ADTRAN solutions are currently in use by service providers, private enterprises, government organizations, and millions of individual users worldwide. Please visit us at [www.adtran.com](http://www.adtran.com), [LinkedIn](#), [Facebook](#) and [Twitter](#).

This press release contains forward-looking statements which reflect management's best judgment based on factors currently known. However, these statements involve risks and uncertainties, including the successful development and market acceptance of new products, the degree of competition in the market for such products, the product and channel mix, component costs, manufacturing efficiencies, and other risks detailed in our annual report on Form 10-K for the year ended December 31, 2017. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements included in this press release.

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**Condensed Consolidated Balance Sheet**  
**(Unaudited)**  
**(In thousands)**

	<u>September 30,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 94,173	\$ 86,433
Short-term investments	5,912	16,129
Accounts receivable, net	101,865	144,150
Other receivables	30,084	26,578
Inventory, net	106,060	122,542
Prepaid expenses and other current assets	10,428	17,282
<b>Total Current Assets</b>	<b>348,522</b>	<b>413,114</b>
Property, plant and equipment, net	81,457	85,079
Deferred tax assets, net	39,595	23,428
Goodwill	3,492	3,492
Other assets	31,523	13,725
Long-term investments	144,241	130,256
<b>Total Assets</b>	<b>\$ 648,830</b>	<b>\$ 669,094</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 65,032	\$ 60,632
Unearned revenue	17,004	13,070
Accrued expenses	14,548	13,232
Accrued wages and benefits	12,604	15,948
Income tax payable	14,340	3,936
<b>Total Current Liabilities</b>	<b>123,528</b>	<b>106,818</b>
Non-current unearned revenue	3,846	4,556
Other non-current liabilities	32,255	34,209
Bonds payable	25,600	25,600
<b>Total Liabilities</b>	<b>185,229</b>	<b>171,183</b>
<b>Stockholders' Equity</b>	<b>463,601</b>	<b>497,911</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 648,830</b>	<b>\$ 669,094</b>

**Consolidated Statements of Income**  
**(Unaudited)**  
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Sales</b>				
Products	\$ 121,043	\$ 145,467	\$ 341,359	\$ 444,607
Services	19,292	39,645	47,830	95,457
<b>Total Sales</b>	<b>140,335</b>	<b>185,112</b>	<b>389,189</b>	<b>540,064</b>
<b>Cost of Sales</b>				
Products	69,943	73,534	208,184	229,861
Services	11,944	25,087	32,828	65,377
<b>Total Cost of Sales</b>	<b>81,887</b>	<b>98,621</b>	<b>241,012</b>	<b>295,238</b>
<b>Gross Profit</b>	<b>58,448</b>	<b>86,491</b>	<b>148,177</b>	<b>244,826</b>
Selling, general and administrative expenses	30,750	34,676	96,361	104,171
Research and development expenses	29,877	33,588	93,455	99,116
<b>Operating Income (Loss)</b>	<b>(2,179)</b>	<b>18,227</b>	<b>(41,639)</b>	<b>41,539</b>
Interest and dividend income	825	952	2,604	2,857
Interest expense	(134)	(139)	(398)	(417)
Net realized investment gain	4,507	1,009	5,400	2,869
Other income (expense), net	201	(842)	(73)	(1,427)
Gain on bargain purchase of a business	—	—	11,322	—
<b>Income (Loss) Before Provision for Income Taxes</b>	<b>3,220</b>	<b>19,207</b>	<b>(22,784)</b>	<b>45,421</b>
(Provision) benefit for income taxes	4,369	(3,309)	11,889	(10,471)
<b>Net Income (Loss)</b>	<b>\$ 7,589</b>	<b>\$ 15,898</b>	<b>\$ (10,895)</b>	<b>\$ 34,950</b>
Weighted average shares outstanding – basic	47,710	47,870	47,927	48,110
Weighted average shares outstanding – diluted <sup>(1)</sup>	47,834	48,531	47,994	48,618
Earnings (loss) per common share – basic	\$ 0.16	\$ 0.33	\$ (0.23)	\$ 0.73
Earnings (loss) per common share – diluted <sup>(1)</sup>	\$ 0.16	\$ 0.33	\$ (0.23)	\$ 0.72

(1) Assumes exercise of dilutive stock options calculated under the treasury stock method.

**Consolidated Statements of Comprehensive Income**  
**(Unaudited)**  
**(In thousands)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net Income (Loss)	\$ 7,589	\$ 15,898	\$ (10,895)	\$ 34,950
<b>Other Comprehensive Income (Loss), net of tax</b>				
Net unrealized gains (losses) on available-for-sale securities	(32)	804	(3,340)	2,512
Net unrealized gains (losses) on cash flow hedges	—	142	—	(196)
Defined benefit plan adjustments	37	73	104	214
Foreign currency translation	(451)	1,541	(3,033)	5,402
<b>Other Comprehensive Income (Loss), net of tax</b>	<b>(446)</b>	<b>2,560</b>	<b>(6,269)</b>	<b>7,932</b>
<b>Comprehensive Income (Loss), net of tax</b>	<b>\$ 7,143</b>	<b>\$ 18,458</b>	<b>\$ (17,164)</b>	<b>\$ 42,882</b>

**Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**(In thousands)**

	Nine Months Ended September 30,	
	2018	2017
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (10,895)	\$ 34,950
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	11,952	12,034
Amortization of net premium on available-for-sale investments	(14)	352
Net realized gain on long-term investments	(5,400)	(2,869)
Net (gain) loss on disposal of property, plant and equipment	68	(10)
Gain on bargain purchase of a business	(11,322)	—
Stock-based compensation expense	5,243	5,573
Deferred income taxes	(20,368)	—
Changes in operating assets and liabilities:		
Accounts receivable, net	41,166	(6,975)
Other receivables	(1,842)	(2,924)
Inventory	16,543	(9,483)
Prepaid expenses and other assets	8,722	(9,647)
Accounts payable	5,223	(4,727)
Accrued expenses and other liabilities	156	(2,820)
Income tax payable	9,461	8,571
<b>Net cash provided by operating activities</b>	<b>48,693</b>	<b>22,025</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(5,695)	(12,304)
Proceeds from disposals of property, plant and equipment	—	16
Proceeds from sales and maturities of available-for-sale investments	116,757	137,272
Purchases of available-for-sale investments	(115,271)	(79,713)
Acquisition of business	(7,806)	—
<b>Net cash provided by (used in) investing activities</b>	<b>(12,015)</b>	<b>45,271</b>
<b>Cash flows from financing activities:</b>		
Proceeds from stock option exercises	1,321	6,606
Purchases of treasury stock	(14,185)	(17,348)
Dividend payments	(12,976)	(13,031)
<b>Net cash used in financing activities</b>	<b>(25,840)</b>	<b>(23,773)</b>
Net increase in cash and cash equivalents	10,838	43,523
Effect of exchange rate changes	(3,098)	4,835
<b>Cash and cash equivalents, beginning of period</b>	<b>86,433</b>	<b>79,895</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 94,173</b>	<b>\$ 128,253</b>
Supplemental disclosure of non-cash investing activities:		
Purchases of property, plant and equipment included in accounts payable	\$ 355	\$ 272



**Supplemental Information**  
**Restructuring Expenses**  
(Unaudited)  
(In thousands)

Restructuring expense was recorded in the following Consolidated Statements of Income categories for three and nine months ended September 30, 2018 and 2017:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Restructuring expense included in cost of sales</b>	\$ —	\$ —	\$ 2,761	\$ —
Selling, general and administrative expense	261	93	2,661	93
Research and development expense	—	122	1,814	122
<b>Restructuring expense included in operating expenses</b>	<b>261</b>	<b>215</b>	<b>4,475</b>	<b>215</b>
<b>Total restructuring expense</b>	<b>261</b>	<b>215</b>	<b>7,236</b>	<b>215</b>
Provision for income taxes	(68)	(84)	(1,882)	(84)
<b>Total restructuring expense, net of tax</b>	<b>\$ 193</b>	<b>\$ 131</b>	<b>\$ 5,354</b>	<b>\$ 131</b>

**Supplemental Information**  
**Acquisition Related Expenses, Amortizations and Adjustments**  
(Unaudited)  
(In thousands)

On August 4, 2011, we closed on the acquisition of Bluesocket, Inc., on May 4, 2012, we closed on the acquisition of the Nokia Siemens Networks Broadband Access business (NSN BBA), on September 13, 2016, we closed on the acquisition of CommScope's active fiber business (CommScope), and on March 19, 2018, we closed on the acquisition of Sumitomo Electric Lightwave Corp.'s North American EPON business (Sumitomo). Acquisition related expenses, amortizations and adjustments for the three and nine months ended September 30, 2018 and 2017 for all four transactions are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<i>Bluesocket, Inc. acquisition</i>				
Amortization of acquired intangible assets	\$ 53	\$ 158	\$ 369	\$ 474
<i>NSN BBA acquisition</i>				
Amortization of acquired intangible assets	88	95	270	432
Amortization of other purchase accounting adjustments	—	1	1	39
<b>Subtotal - NSN BBA acquisition</b>	<b>88</b>	<b>96</b>	<b>271</b>	<b>471</b>
<i>CommScope acquisition</i>				
Amortization of acquired intangible assets	123	219	373	1,513
Amortization of other purchase accounting adjustments	—	4	1	85
Acquisition related professional fees, travel and other expenses	—	—	—	8
<b>Subtotal - CommScope acquisition</b>	<b>123</b>	<b>223</b>	<b>374</b>	<b>1,606</b>
<i>Sumitomo acquisition</i>				
Amortization of acquired intangible assets	662	—	1,434	—
Amortization of other purchase accounting adjustments	—	—	79	—
Acquisition related professional fees, travel and other expenses	—	—	124	—
<b>Subtotal - Sumitomo acquisition</b>	<b>662</b>	<b>—</b>	<b>1,637</b>	<b>—</b>
<b>Total acquisition related expenses, amortizations and adjustments</b>	<b>926</b>	<b>477</b>	<b>2,651</b>	<b>2,551</b>
Provision for income taxes	(245)	(178)	(702)	(957)
<b>Total acquisition related expenses, amortizations and adjustments, net of tax</b>	<b>\$ 681</b>	<b>\$ 299</b>	<b>\$ 1,949</b>	<b>\$ 1,594</b>

The acquisition related expenses, amortizations and adjustments above were recorded in the following Consolidated Statements of Income categories for the three and nine months ended September 30, 2018 and 2017:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Cost of goods sold</b>	<b>\$ 350</b>	<b>\$ 5</b>	<b>\$ 839</b>	<b>\$ 86</b>
Selling, general and administrative expenses	289	50	874	164
Research and development expenses	287	422	938	2,301
<b>Total acquisition related expenses, amortizations and adjustments included in operating expenses</b>	<b>576</b>	<b>472</b>	<b>1,812</b>	<b>2,465</b>
<b>Total acquisition related expenses, amortizations and adjustments</b>	<b>926</b>	<b>477</b>	<b>2,651</b>	<b>2,551</b>
Provision for income taxes	(245)	(178)	(702)	(957)
<b>Total acquisition related expenses, amortizations and adjustments, net of tax</b>	<b>\$ 681</b>	<b>\$ 299</b>	<b>\$ 1,949</b>	<b>\$ 1,594</b>

**Supplemental Information**  
**Stock-based Compensation Expense**  
(Unaudited)  
(In thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	2017	September 30, 2018	2017
<b>Stock-based compensation expense included in cost of sales</b>	<b>\$ 101</b>	<b>\$ 97</b>	<b>\$ 298</b>	<b>\$ 281</b>
Selling, general and administrative expense	894	994	2,924	3,018
Research and development expense	645	743	2,021	2,274
<b>Stock-based compensation expense included in operating expenses</b>	<b>1,539</b>	<b>1,737</b>	<b>4,945</b>	<b>5,292</b>
<b>Total stock-based compensation expense</b>	<b>1,640</b>	<b>1,834</b>	<b>5,243</b>	<b>5,573</b>
Tax benefit for expense associated with non-qualified options, PSUs, RSUs and restricted stock	(292)	(402)	(1,016)	(1,215)
<b>Total stock-based compensation expense, net of tax</b>	<b>\$ 1,348</b>	<b>\$ 1,432</b>	<b>\$ 4,227</b>	<b>\$ 4,358</b>

**Reconciliation of GAAP net income per share, diluted, to  
Non-GAAP net income per share, diluted  
(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>GAAP earnings (loss) per common share - diluted</b>	<b>\$ 0.16</b>	<b>0.33</b>	<b>\$ (0.23)</b>	<b>\$ 0.72</b>
Restructuring expense	—	—	0.11	—
Acquisition related expenses, amortizations and adjustments	0.01	0.01	0.04	0.03
Stock-based compensation expense	0.03	0.03	0.09	0.09
Gain on bargain purchase of a business	—	—	(0.24)	—
<b>Non-GAAP earnings (loss) per common share - diluted (1)</b>	<b>\$ 0.21</b>	<b>0.37</b>	<b>\$ (0.22)</b>	<b>\$ 0.84</b>

(1) Table may not foot due to rounding

## EXHIBIT 99.2

**Segment and Category Revenues**  
**(Unaudited)**  
**(In thousands)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Segment Revenues:</b>				
Network Solutions	\$ 121,043	\$ 145,467	\$ 341,359	\$ 444,607
Services & Support	19,292	39,645	47,830	95,457
<b>Total</b>	<b>\$ 140,335</b>	<b>\$ 185,112</b>	<b>\$ 389,189</b>	<b>\$ 540,064</b>
<b>Category Revenues:</b>				
Access & Aggregation	\$ 91,901	\$ 135,959	\$ 258,323	\$ 394,741
Customer Devices	38,552	35,582	103,213	105,683
Traditional & Other Products	9,882	13,571	27,653	39,640
<b>Total</b>	<b>\$ 140,335</b>	<b>\$ 185,112</b>	<b>\$ 389,189</b>	<b>\$ 540,064</b>
<b>Sales by Geographic Region:</b>				
United States	\$ 83,731	\$ 147,875	\$ 214,039	\$ 413,852
International	56,604	37,237	175,150	126,212
<b>Total</b>	<b>\$ 140,335</b>	<b>\$ 185,112</b>	<b>\$ 389,189</b>	<b>\$ 540,064</b>