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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 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) August 8, 2019**

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**PCTEL, Inc.**

(Exact name of registrant as specified in its charter)

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

**000-27115**  
(Commission  
File Number)

**77-0364943**  
(IRS Employer  
Identification No.)

**471 Brighton Drive**  
**Bloomington, Illinois**  
(Address of Principal Executive Offices)

**60108**  
(Zip Code)

**Registrant's telephone number, including area code: (630) 372-6800**

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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))

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

| <b>Title of each class</b> | <b>Trading<br/>Symbol(s)</b> | <b>Name of each exchange on which registered</b> |
|----------------------------|------------------------------|--|
| Common Stock               | PCTI                         | 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.

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

The following information is intended to be furnished under Item 2.02 of Form 8-K, “Results of Operations and Financial Condition.” This 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.

On August 8, 2019, PCTEL, Inc. issued a press release regarding its financial results for the second quarter ended June 30, 2019. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

99.1 [Press release dated August 8, 2019, of PCTEL, Inc. announcing its financial results for the second quarter ended June 30, 2019.](#)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 9, 2019

PCTEL, INC.

By: /s/ Kevin J. McGowan  
Kevin J. McGowan, Chief Financial Officer

## EXHIBIT 99.1



### PCTEL Reports \$23.5 Million in Second Quarter Revenue

**BLOOMINGDALE, Illinois – August 8, 2019** – PCTEL, Inc. (Nasdaq: PCTI) announced its results for the second quarter ended June 30, 2019.

#### Highlights

- **Revenue of \$23.5 million in the quarter**, 9% higher compared to the prior year. The second quarter revenue was higher by 82% for the test and measurement product line and lower by 8% for the antenna product line compared to the second quarter 2018.
- **Gross profit margin of 45.5% in the quarter**, up 9.4% compared to gross profit margin in the prior year. The increase in the second quarter is a result of higher revenues for test and measurement products and improved profitability for antenna products.
- **GAAP net income per share of \$0.05 in the quarter** compared to a GAAP loss of \$0.07 per share in the second quarter last year.
- **Non-GAAP net income and adjusted EBITDA are measures the Company uses to reflect the results of its core earnings.** A reconciliation of those non-GAAP measures to our GAAP financial statements is provided later in the press release.
  - **Non-GAAP net income per share of \$0.13 in the quarter** compared to a break-even in the second quarter last year.
  - **Adjusted EBITDA margin as a percent of revenue of 13% in the quarter** compared to 2% in the second quarter last year.
- **\$36.8 million of cash and short-term investments at June 30, 2019 and no debt.**
- **The Company will incur restructuring expense in the second half of fiscal year 2019 related to the transition plan for China manufacturing.**

“We are pleased with the sequential revenue and gross margin growth driven by 5G scanning receiver demand and significant Industrial IoT antenna project wins and facilitated by the cost reduction and realignment actions we took over the past year,” said David Neumann, PCTEL’s CEO. “We are in the early stages of 5G and the deployment of Industrial IoT systems. PCTEL has the capabilities and resources to grow with these markets and increase value for all stakeholders.”

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## CONFERENCE CALL / WEBCAST

PCTEL's management team will discuss the Company's results today at 4:30 p.m. ET. The call can be accessed by dialing (888) 782-2072 (U.S. / Canada) or (706) 679-6397 (International), conference ID: **5497038**. The call will also be webcast at <http://investor.pctel.com/news-events/webcasts-presentations>.

REPLAY: A replay will be available for two weeks after the call on either the website listed above or by calling (855) 859-2056 (U.S./Canada), or International (404) 537-3406, conference ID: **5497038**.

### About PCTEL

PCTEL, Inc. is a leading global supplier of antennas and wireless network testing solutions. Founded in 1994, we are currently celebrating our 25th anniversary. PCTEL's precision antennas are deployed in small cells, enterprise Wi-Fi access points, fleet management and transit systems, and in equipment and devices for the Industrial Internet of Things (IIoT). We offer in-house design, testing, radio integration, and manufacturing capabilities for our customers. PCTEL's test and measurement tools improve the performance of wireless networks globally, with a focus on LTE, public safety, and emerging 5G technologies. Network operators, neutral hosts, and equipment manufacturers rely on our scanning receivers and testing solutions to analyze, design, and optimize their networks.

For more information, please visit our website at <https://www.pctel.com/>.

### PCTEL Safe Harbor Statement

This press release and our related comments in our earnings conference call contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Specifically, the statements regarding our future financial performance, growth of our antenna solutions and test and measurement businesses, the impact of our transition plan for manufacturing in China and our 2018 cost reduction actions, the anticipated demand for certain products including those related to public safety, the Industrial IoT and the rollout of 5G, the impact of tariffs on certain imports from China, and the anticipated growth of public and private wireless systems are forward-looking statements within the meaning of the safe harbor. These statements are based on management's current expectations and actual results may differ materially from those projected as a result of certain risks and uncertainties, including the impact of data densification and IoT on capacity and coverage demand, impact of 5G, customer demand for these types of products and services generally including demand from customers in China, growth and continuity in PCTEL's defined market segments, and PCTEL's ability to grow its wireless products business and create, protect and implement new technologies and solutions. These and other risks and uncertainties are detailed in PCTEL's Securities and Exchange Commission filings. These forward-looking statements are made only as of the date hereof, and PCTEL disclaims any obligation to update or revise the information contained in any forward-looking statement, whether as a result of new information, future events or otherwise.

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### For further information contact:

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**PCTEL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

|  | June 30,<br>2019 | December 31,<br>2018 |
|--|------------------|----------------------|
| <b>ASSETS</b>  |                  |                      |
| Cash and cash equivalents  | \$ 4,066         | \$ 4,329             |
| Short-term investment securities   | 32,694           | 30,870               |
| Accounts receivable, net of allowances of \$99 and \$63 at June 30, 2019 and December 31, 2018, respectively   | 16,108           | 15,864               |
| Inventories, net   | 13,140           | 12,848               |
| Prepaid expenses and other assets  | 1,412            | 1,416                |
| <b>Total current assets</b>  | <u>67,420</u>    | <u>65,327</u>        |
| Property and equipment, net  | 11,536           | 12,138               |
| Goodwill   | 3,332            | 3,332                |
| Intangible assets, net   | 574              | 1,029                |
| Other noncurrent assets  | 1,291            | 45                   |
| <b>TOTAL ASSETS</b>  | <u>\$ 84,153</u> | <u>\$ 81,871</u>     |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                  |                      |
| Accounts payable   | \$ 5,881         | \$ 6,083             |
| Accrued liabilities  | 7,384            | 5,801                |
| <b>Total current liabilities</b>   | <u>13,265</u>    | <u>11,884</u>        |
| Long-term liabilities  | 759              | 381                  |
| <b>Total liabilities</b>   | <u>14,024</u>    | <u>12,265</u>        |
| Stockholders' equity:  |                  |                      |
| Common stock, \$0.001 par value, 100,000,000 shares authorized, 18,417,701 and 18,271,249 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively | 18               | 18                   |
| Additional paid-in capital   | 133,753          | 133,859              |
| Accumulated deficit  | (63,431)         | (64,055)             |
| Accumulated other comprehensive loss   | (211)            | (216)                |
| <b>Total stockholders' equity</b>  | <u>70,129</u>    | <u>69,606</u>        |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>  | <u>\$ 84,153</u> | <u>\$ 81,871</u>     |

**PCTEL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)**  
(in thousands, except per share data)

|  | Three Months Ended |            | Six Months Ended |            |
|--|--------------------|------------|------------------|------------|
|  | June 30,           |            | June 30,         |            |
|  | 2019               | 2018       | 2019             | 2018       |
| <b>REVENUES</b>                          | \$ 23,499          | \$ 21,582  | \$ 44,090        | \$ 43,313  |
| <b>COST OF REVENUES</b>                  | 12,805             | 13,783     | 24,737           | 27,650     |
| <b>GROSS PROFIT</b>                      | 10,694             | 7,799      | 19,353           | 15,663     |
| <b>OPERATING EXPENSES:</b>               |                    |            |                  |            |
| Research and development                 | 3,006              | 3,053      | 6,009            | 5,993      |
| Sales and marketing                      | 3,097              | 3,075      | 5,895            | 6,102      |
| General and administrative               | 3,914              | 3,149      | 7,167            | 6,143      |
| Amortization of intangible assets        | 48                 | 124        | 122              | 248        |
| Restructuring expenses                   | 0                  | 0          | 0                | 0          |
| Total operating expenses                 | 10,065             | 9,401      | 19,193           | 18,486     |
| <b>OPERATING INCOME (LOSS)</b>           | 629                | (1,602)    | 160              | (2,823)    |
| Other income, net                        | 320                | 209        | 481              | 260        |
| <b>INCOME (LOSS) BEFORE INCOME TAXES</b> | 949                | (1,393)    | 641              | (2,563)    |
| Expense (benefit) for income taxes       | 8                  | (167)      | 17               | (479)      |
| <b>NET INCOME (LOSS)</b>                 | \$ 941             | \$ (1,226) | \$ 624           | \$ (2,084) |
| <b>Net Income (Loss) per Share:</b>      |                    |            |                  |            |
| Basic                                    | \$ 0.05            | \$ (0.07)  | \$ 0.04          | \$ (0.12)  |
| Diluted                                  | \$ 0.05            | \$ (0.07)  | \$ 0.03          | \$ (0.12)  |
| <b>Weighted Average Shares:</b>          |                    |            |                  |            |
| Basic                                    | 17,828             | 17,142     | 17,725           | 17,099     |
| Diluted                                  | 17,934             | 17,142     | 17,916           | 17,099     |
| Cash dividend per share                  | \$ 0.055           | \$ 0.055   | \$ 0.110         | \$ 0.110   |

**PCTEL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited, in thousands)

|  | <u>Six Months Ended June 30,</u> |                 |
|--|----------------------------------|-----------------|
|  | <u>2019</u>                      | <u>2018</u>     |
| <b>Operating Activities:</b>   |                                  |                 |
| Net income (loss)  | \$ 624                           | \$ (2,084)      |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                                  |                 |
| Depreciation and Amortization  | 1,425                            | 1,381           |
| Intangible asset amortization  | 455                              | 581             |
| Stock-based compensation   | 2,328                            | 1,786           |
| Loss on disposal of property and equipment   | 30                               | (5)             |
| Restructuring costs  | (14)                             | (20)            |
| Bad debt provision   | 11                               | 124             |
| Deferred tax provision   | 0                                | (390)           |
| Changes in operating assets and liabilities:   |                                  |                 |
| Accounts receivable  | (234)                            | 473             |
| Inventories  | (268)                            | (813)           |
| Prepaid expenses and other assets  | 354                              | 330             |
| Accounts payable   | (231)                            | 2,743           |
| Income taxes payable   | (46)                             | (38)            |
| Other accrued liabilities  | 675                              | (2,107)         |
| Deferred revenue   | (40)                             | 16              |
| Net cash provided by operating activities  | <u>5,069</u>                     | <u>1,977</u>    |
| <b>Investing Activities:</b>   |                                  |                 |
| Capital expenditures   | (986)                            | (1,519)         |
| Proceeds from disposal of property and equipment   | 0                                | 14              |
| Purchases of investments   | (26,823)                         | (22,712)        |
| Redemptions/maturities of short-term investments   | 24,999                           | 26,307          |
| Net cash (used in) provided by investing activities                                      | <u>(2,810)</u>                   | <u>2,090</u>    |
| <b>Financing Activities:</b>   |                                  |                 |
| Proceeds from issuance of common stock   | 338                              | 364             |
| Payment of withholding tax on stock-based compensation                                   | (743)                            | (289)           |
| Principle payments on finance leases   | (52)                             | (57)            |
| Cash dividends   | (2,029)                          | (1,999)         |
| Net cash used in financing activities  | <u>(2,486)</u>                   | <u>(1,981)</u>  |
| Net (decrease) increase in cash and cash equivalents                                     | (227)                            | 2,086           |
| Effect of exchange rate changes on cash  | (36)                             | (42)            |
| Cash and cash equivalents, beginning of period   | 4,329                            | 5,559           |
| <b>Cash and Cash Equivalents, End of Period</b>  | <u>\$ 4,066</u>                  | <u>\$ 7,603</u> |



(in thousands)

|                       | <u>Three Months Ended June 30, 2019</u> |  |                  |              | <u>Six Months Ended June 30, 2019</u> |  |                  |              |
|-----------------------|---|--|------------------|--------------|---------------------------------------|--|------------------|--------------|
|                       | <u>Antenna<br/>Products</u>             | <u>Test &amp;<br/>Measurement<br/>Products</u> | <u>Corporate</u> | <u>Total</u> | <u>Antenna<br/>Products</u>           | <u>Test &amp;<br/>Measurement<br/>Products</u> | <u>Corporate</u> | <u>Total</u> |
| <b>REVENUES</b>       | \$ 16,014                               | \$ 7,526                                       | \$ (41)          | \$ 23,499    | \$ 31,102                             | \$ 13,062                                      | \$ (74)          | \$44,090     |
| <b>GROSS PROFIT</b>   | \$ 5,569                                | \$ 5,112                                       | \$ 13            | \$ 10,694    | \$ 10,430                             | \$ 8,898                                       | \$ 25            | \$19,353     |
| <b>GROSS PROFIT %</b> | 34.8%                                   | 67.9%  |                  | 45.5%        | 33.5%                                 | 68.1%  |                  | 43.9%        |

|                       | <u>Three Months Ended June 30, 2018</u> |  |                  |              | <u>Six Months Ended June 30, 2018</u> |  |                  |              |
|-----------------------|---|--|------------------|--------------|---------------------------------------|--|------------------|--------------|
|                       | <u>Antenna<br/>Products</u>             | <u>Test &amp;<br/>Measurement<br/>Products</u> | <u>Corporate</u> | <u>Total</u> | <u>Antenna<br/>Products</u>           | <u>Test &amp;<br/>Measurement<br/>Products</u> | <u>Corporate</u> | <u>Total</u> |
| <b>REVENUES</b>       | \$ 17,478                               | \$ 4,135                                       | \$ (31)          | \$ 21,582    | \$ 35,243                             | \$ 8,134                                       | \$ (64)          | \$43,313     |
| <b>GROSS PROFIT</b>   | \$ 5,031                                | \$ 2,755                                       | \$ 13            | \$ 7,799     | \$ 10,229                             | \$ 5,426                                       | \$ 8             | \$15,663     |
| <b>GROSS PROFIT %</b> | 28.8%                                   | 66.6%  |                  | 36.1%        | 29.0%                                 | 66.7%  |                  | 36.2%        |

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**Reconciliation of GAAP to non-GAAP Results (unaudited)**  
(in thousands except per share information)

**Reconciliation of GAAP operating loss to non-GAAP operating income (loss)**

|   | Three Months Ended June 30, |                 | Six Months Ended June 30, |                 |
|---|-----------------------------|-----------------|---------------------------|-----------------|
|   | 2019                        | 2018            | 2019                      | 2018            |
| <b>Operating Income (Loss)</b>          | \$ 629                      | \$ (1,602)      | \$ 160                    | \$ (2,823)      |
| <b>(a) Add:</b>                         |                             |                 |                           |                 |
| Amortization of intangible assets       |                             |                 |                           |                 |
| -Cost of revenues                       | 167                         | 167             | 333                       | 333             |
| -Operating expenses                     | 48                          | 124             | 122                       | 248             |
| Restructuring                           | 0                           | 0               | 0                         | 0               |
| Stock Compensation:                     |                             |                 |                           |                 |
| -Cost of revenues                       | 102                         | 93              | 205                       | 181             |
| -Engineering                            | 177                         | 159             | 350                       | 297             |
| -Sales & marketing                      | 182                         | 157             | 363                       | 288             |
| -General & administrative               | 983                         | 710             | 1,410                     | 1,021           |
|   | <u>1,659</u>                | <u>1,410</u>    | <u>2,783</u>              | <u>2,368</u>    |
| <b>Non-GAAP Operating Income (Loss)</b> | <u>\$ 2,288</u>             | <u>\$ (192)</u> | <u>\$ 2,943</u>           | <u>\$ (455)</u> |
| % of revenue                            | 9.7%                        | -0.9%           | 6.7%                      | -1.1%           |

**Reconciliation of GAAP net loss to non-GAAP net income (loss)**

|  | Three Months Ended June 30, |              | Six Months Ended June 30, |                 |
|--|-----------------------------|--------------|---------------------------|-----------------|
|  | 2019                        | 2018         | 2019                      | 2018            |
| <b>Net Income (Loss)</b>                           | \$ 941                      | \$ (1,226)   | \$ 624                    | \$ (2,084)      |
| <b>Adjustments:</b>                                |                             |              |                           |                 |
| (a) Non-GAAP adjustment to operating income (loss) | 1,659                       | 1,410        | 2,783                     | 2,368           |
| Income Taxes                                       | <u>(201)</u>                | <u>(168)</u> | <u>(257)</u>              | <u>(463)</u>    |
|  | <u>1,458</u>                | <u>1,242</u> | <u>2,526</u>              | <u>1,905</u>    |
| <b>Non-GAAP Net Income (Loss)</b>                  | <u>\$ 2,399</u>             | <u>\$ 16</u> | <u>\$ 3,150</u>           | <u>\$ (179)</u> |
| <b>Non-GAAP Income (Loss) per Share:</b>           |                             |              |                           |                 |
| Basic  | \$ 0.13                     | \$ 0.00      | \$ 0.18                   | \$ (0.01)       |
| Diluted  | \$ 0.13                     | \$ 0.00      | \$ 0.18                   | \$ (0.01)       |
| <b>Weighed Average Shares:</b>                     |                             |              |                           |                 |
| Basic  | 17,828                      | 17,142       | 17,725                    | 17,099          |
| Diluted  | 17,934                      | 17,554       | 17,916                    | 17,099          |

Reconciling the Company's GAAP operating income (loss) to its non-GAAP operating income (loss). The Company believes the presentation of this schedule provides supplemental information to both management and investors that is relevant to the Company's management results and facilitates comparison of operating results across reporting periods. The Company uses non-GAAP measures when analyzing its financial results as well as for internal planning and forecasting purposes. The non-GAAP measures should not be used as a substitute for the Company's GAAP results.

The GAAP operating income (loss) consists of stock compensation expense and amortization of intangible assets. The adjustments to GAAP net income (loss) include non-GAAP adjustments to operating income (loss) as well as adjustments for (a) non-GAAP income tax expense.

**PCTEL, Inc.**  
**Reconciliation of GAAP operating loss to Adjusted EBITDA**  
(unaudited, in thousands)

|                                | <u>Three Months Ended June 30,</u> |               | <u>Year Ended June 30,</u> |               |
|--------------------------------|------------------------------------|---------------|----------------------------|---------------|
|                                | <u>2019</u>                        | <u>2018</u>   | <u>2019</u>                | <u>2018</u>   |
| <b>Operating Income (Loss)</b> | \$ 629                             | \$ (1,602)    | \$ 160                     | \$ (2,823)    |
| <b>Add:</b>                    |                                    |               |                            |               |
| Depreciation and amortization  | 713                                | 707           | 1,425                      | 1,381         |
| Intangible amortization        | 215                                | 291           | 455                        | 581           |
| Stock compensation expenses    | 1,444                              | 1,119         | 2,328                      | 1,787         |
| <b>Adjusted EBITDA</b>         | <u>\$ 3,001</u>                    | <u>\$ 515</u> | <u>\$ 4,368</u>            | <u>\$ 926</u> |
| <b>% of revenue</b>            | 12.8%                              | 2.4%          | 9.9%                       | 2.1%          |

This schedule reconciles the Company's GAAP operating income (loss) to Adjusted EBITDA. The Company believes that this schedule provides meaningful supplemental information to both management and investors that is indicative of the Company's core operating results and facilitates comparison of operating results across reporting periods. The Company uses Adjusted EBITDA when evaluating its financial results as well as for internal planning and forecasting purposes. Adjusted EBITDA should not be viewed as a substitute for the Company's GAAP results.

Adjusted EBITDA is defined as net income before interest, income taxes, depreciation and amortization. The adjustments on this schedule consist of depreciation, amortization of intangible assets, and stock compensation expenses.