

ORION ENERGY SYSTEMS, INC.

Form 10-Q

August 09, 2013

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

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FORM 10-Q

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QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-33887

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Orion Energy Systems, Inc.  
(Exact name of Registrant as specified in its charter)

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Wisconsin (State or other jurisdiction of incorporation or organization)	39-1847269 (I.R.S. Employer Identification number)
2210 Woodland Drive, Manitowoc, Wisconsin (Address of principal executive offices)	54220 (Zip code)
Registrant's telephone number, including area code: (920) 892-9340	

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Indicate by check mark 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) during the preceding 12 months (or for 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 "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

There were 21,081,680 shares of the Registrant's common stock outstanding on August 5, 2013.

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For The Quarter Ended June 30, 2013  
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## PART I – FINANCIAL INFORMATION

## Item 1: Financial Statements

## ORION ENERGY SYSTEMS, INC. AND SUBSIDIARIES

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

	March 31, 2013	June 30, 2013
Assets		
Cash and cash equivalents	\$14,376	\$15,464
Short-term investments	1,021	1,022
Accounts receivable, net of allowances of \$900 and \$610	18,397	23,695
Inventories, net	15,230	15,376
Deferred contract costs	2,118	3,011
Prepaid expenses and other current assets	2,465	2,032
Total current assets	53,607	60,600
Property and equipment, net	27,947	27,012
Long-term inventory	11,491	9,887
Patents and licenses, net	1,709	1,695
Long-term accounts receivable	5,069	4,078
Other long-term assets	2,274	2,261
Total assets	\$102,097	\$105,533
Liabilities and Shareholders' Equity		
Accounts payable	\$7,773	\$10,643
Accrued expenses and other	5,457	5,963
Deferred revenue, current	2,946	4,022
Current maturities of long-term debt	2,597	2,451
Total current liabilities	18,773	23,079
Long-term debt, less current maturities	4,109	3,405
Deferred revenue, long-term	1,258	1,372
Other long-term liabilities	188	250
Total liabilities	24,328	28,106
Commitments and contingencies (See Note F)		
Shareholders' equity:		
Common stock, no par value: Shares authorized: 200,000,000 at March 31, 2013 and June 30, 2013; shares issued: 30,498,900 and 30,543,863 at March 31, 2013 and June 30, 2013; shares outstanding: 20,162,397 and 20,208,351 at March 31, 2013 and June 30, 2013	—	—
Additional paid-in capital	128,104	128,540
Treasury stock: 10,336,503 and 10,335,512 common shares at March 31, 2013 and June 30, 2013	(38,378	) (38,376
Shareholder notes receivable	(265	) (264
Retained deficit	(11,692	) (12,473
Total shareholders' equity	77,769	77,427
Total liabilities and shareholders' equity	\$102,097	\$105,533

The accompanying notes are an integral part of these condensed consolidated statements.



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ORION ENERGY SYSTEMS, INC. AND SUBSIDIARIES  
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (in thousands, except share and per share amounts)

	Three Months Ended June 30,	
	2012	2013
Product revenue	\$13,580	\$17,523
Service revenue	1,730	3,329
Total revenue	15,310	20,852
Cost of product revenue	9,597	12,884
Cost of service revenue	1,340	2,245
Total cost of revenue	10,937	15,129
Gross profit	4,373	5,723
Operating expenses:		
General and administrative	3,302	2,759
Sales and marketing	3,952	3,303
Research and development	697	490
Total operating expenses	7,951	6,552
Loss from operations	(3,578)	(829)
Other income (expense):		
Interest expense	(161)	(113)
Interest income	225	174
Total other income	64	61
Loss before income tax	(3,514)	(768)
Income tax (benefit) expense	(1,574)	13
Net loss	\$(1,940)	\$(781)
Basic net loss per share attributable to common shareholders	\$(0.09)	\$(0.04)
Weighted-average common shares outstanding	22,561,135	20,173,743
Diluted net loss per share	\$(0.09)	\$(0.04)
Weighted-average common shares and share equivalents outstanding	22,561,135	20,173,743

The accompanying notes are an integral part of these condensed consolidated statements.

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ORION ENERGY SYSTEMS, INC. AND SUBSIDIARIES  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

Three Months Ended June 30,  
2012                      2013

Operating activities