

---

---

**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): May 2, 2018

**I.D. SYSTEMS, INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-15087  
(Commission  
File Number)

22-3270799  
(IRS Employer  
Identification No.)

123 Tice Boulevard, Woodcliff Lake, New Jersey  
(Address of Principal Executive Offices)

07677  
(Zip Code)

Registrant's telephone number, including area code (201) 996-9000

---

(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 Instruction 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 Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 May 2, 2018, I.D. Systems, Inc. (the “Registrant”) issued a press release regarding financial results for the fiscal quarter ended March 31, 2018. A copy of the press release is being furnished as Exhibit 99.1 to this report.

The information in this report is being furnished pursuant to Item 2.02 of Form 8-K. In accordance with General Instruction B.2. of Form 8-K, the information in this report, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as may be expressly set forth by specific reference in such a filing.

### Forward-Looking Statements

This report, including Exhibit 99.1 furnished herewith, contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements typically are identified by use of terms such as “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate” and similar words, and the opposites of such words, although some forward-looking statements are expressed differently. Forward-looking statements involve known and unknown risks and uncertainties that exist in the Registrant’s operations and business environment, which may be beyond the Registrant’s control, and which may cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. For example, forward-looking statements include, without limitation: statements regarding prospects for additional customers; market forecasts; projections of earnings, revenues, synergies, potential contract values, accretion or other financial information; emerging new products; and plans, strategies, objectives and initiatives of management for future operations. The risks and uncertainties referred to above include, but are not limited to, future economic and business conditions, the loss of key customers or reduction in the purchase of products by any such customers, the failure of the market for the Registrant’s products to continue to develop, the inability to protect the Registrant’s intellectual property, the inability to manage growth, the effects of competition from a variety of local, regional, national and other providers of wireless solutions, and other risks detailed from time to time in the Registrant’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2017. These risks could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Registrant. Forward-looking statements represent the judgment of management of the Registrant regarding future events. Although the Registrant believes that the expectations reflected in such forward-looking statements are reasonable at the time that they are made, the Registrant can give no assurance that such expectations will prove to be correct. Unless otherwise required by applicable law, the Registrant assumes no obligation to update any forward-looking statements, and expressly disclaims any obligation to do so, whether as a result of new information, future events or otherwise.

## **Item 9.01. Financial Statements and Exhibits.**

- (d) Exhibits

As described above, the following exhibit is furnished as part of this report:

[Exhibit 99.1 – Press release, dated May 2, 2018.](#)

---

**SIGNATURE**

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.

**I.D. SYSTEMS, INC.**

By: /s/ Ned Mavrommatis  
Name: Ned Mavrommatis  
Title: Chief Financial Officer

---

Date: May 2, 2018

---

EXHIBIT INDEX

Exhibit Number

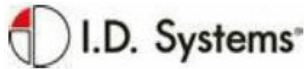
Description

99.1

[Press release, dated May 2, 2018.](#)

---





## I.D. Systems Reports First Quarter 2018 Results

*Quarterly Revenue Up 20% Sequentially and 67% Year-over-Year to \$13.4 Million*

Woodcliff Lake, NJ — May 2, 2018 — **I.D. Systems, Inc.** (NASDAQ: **IDSY**), a leading provider of enterprise asset management technology, reported results for the first quarter ended March 31, 2018.

### Management Commentary

“The first quarter marked a strong start to the fiscal year, highlighted by 20% sequential and 67% year-over-year growth,” said I.D. Systems CEO Chris Wolfe. “Our impressive growth was driven by solid contributions across all three of our businesses. Of particular note, our Connected Vehicle Solutions business shipped 13,000 Universal Telematics Platform (UTP) devices to Avis, demonstrating our ability to rapidly certify new vehicles and scale production. We also realized strong sales in our Industrial Truck Management business in the U.S., as well as continued large-scale roll outs of PowerFleet at several of the world’s largest automotive manufacturers.

“Our improving financial and operational performance is the result of our innovative and expanding product portfolio. Along that line, during the first quarter we introduced a new class of industrial truck telematics platforms called ‘106’ for small to mid-sized fleets used in manufacturing, distribution, logistics and retail centers. We plan to launch this next-generation platform in the U.S. and Europe this summer, helping us to better address the vast majority of the more than 10 million industrial trucks globally. In addition, we plan to commercially release three new Logistics Visibility Solutions products, which will significantly expand our market opportunity.

“2018 is a year of product innovation, market excitement and large-scale roll outs. To that end, we expect to ship the majority of the remaining 37,000 units ordered by Avis predominately in the second quarter with the balance in the third quarter, depending on Avis’ certification requests and vehicle deliver schedules. Overall, our operational momentum, strong balance sheet and leading technology have established a solid foundation for us to leverage in 2018 and the years ahead.”

### First Quarter 2018 Financial Results

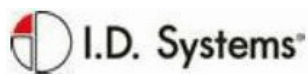
Revenue increased 67% to \$13.4 million from \$8.0 million in same year-ago period. The increase was primarily due to higher Connected Vehicle Solutions revenue and Industrial Truck revenue.

Gross margin decreased to 48.3% from 51.9% in the same period a year ago. The decrease in gross margin was primarily due to the initial deliveries of Connected Vehicle Solutions hardware, which have lower upfront margins, but which grow over time making for high lifecycle profitability over the contract term.

Selling, general and administrative expenses were \$5.7 million, compared to \$4.7 million in the same year-ago period. The increase was primarily due to the inclusion of expenses from Keytroller, which were absent in the same period a year ago, as well as higher marketing expenses.

Research and development expenses were \$1.7 million, compared to \$1.4 million in the same year-ago quarter. The increase in research and development expense was due to investments in new product development as well as the inclusion of expenses from Keytroller, which were absent in the same period a year ago.

---



Excluding stock-based compensation, depreciation and amortization, foreign currency translation losses, and acquisition-related expenses, non-GAAP net loss totaled \$105,000 or \$(0.01) per basic and diluted share (based on 17.0 million weighted average shares outstanding), an improvement from non-GAAP net loss of \$1.1 million or \$(0.08) per basic and diluted share (based on 13.3 million weighted average shares outstanding) in the same year-ago quarter.

Net loss totaled \$990,000 or \$(0.06) per basic and diluted share (based on 17.0 million weighted average shares outstanding), an improvement from a net loss of \$1.9 million or \$(0.14) per basic and diluted share in the same year-ago quarter (based on 13.3 million weighted average shares outstanding).

At quarter-end, the company had \$14.3 million in cash, cash equivalents and marketable securities.

#### **Investor Conference Call**

I.D. Systems management will discuss the results of the company's operations and business outlook on a conference call today (Wednesday, May 2, 2018) at 4:45 p.m. Eastern time (1:45 p.m. Pacific time).

Company CEO Chris Wolfe and CFO Ned Mavrommatis will host the call, followed by a question and answer session where financial analysts and major institutional shareholders can ask questions.

U.S. dial-in: (877) 307-1379  
International dial-in: (443) 877-4066  
Conference ID: 2468678

The conference call will be broadcast simultaneously and available for replay in the investor section of the company's website at [www.id-systems.com](http://www.id-systems.com).

If you have any difficulty connecting with the conference call, please contact I.D. Systems' investor relations team at (949) 574-3860.

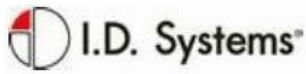
#### **Non-GAAP Measures**

To supplement its financial statements presented in accordance with Generally Accepted Accounting Principles (GAAP), I.D. Systems provides certain non-GAAP measures of financial performance. These non-GAAP measures include non-GAAP net income/loss and non-GAAP net income/loss per basic and diluted share. Reference to these non-GAAP measures should be considered in addition to results prepared under current accounting standards, but are not a substitute for, or superior to, GAAP results. These non-GAAP measures are provided to enhance investors' overall understanding of I.D. Systems' current financial performance. Specifically, I.D. Systems believes the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses that may not be indicative of its core operating results and business outlook. Because I.D. Systems' method for calculating the non-GAAP measures may differ from other companies' methods, the non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Reconciliation of all non-GAAP measures included in this press release to the nearest GAAP measures can be found in the financial tables included in this press release.

#### **About I.D. Systems**

Headquartered in Woodcliff Lake, New Jersey, with subsidiaries in Texas, Florida, Germany, and the United Kingdom, I.D. Systems is a leading global provider of wireless M2M solutions for securing, controlling, tracking, and managing high-value enterprise assets such as industrial vehicles, rental cars, trailers, containers, and cargo. The Company's patented technologies address the needs of organizations to monitor and analyze their assets to increase efficiency and productivity, reduce costs, and improve profitability. For more information, please visit [www.id-systems.com](http://www.id-systems.com).

---



### **Cautionary Note Regarding Forward-Looking Statements**

This press release contains forward looking statements within the meaning of federal securities laws. Forward-looking statements include statements with respect to I.D. Systems' beliefs, plans, goals, objectives, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond I.D. Systems' control, and which may cause its actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. For example, forward-looking statements include statements regarding: prospects for additional customers; potential contract values; market forecasts; projections of earnings, revenues, synergies, accretion or other financial information; emerging new products; and plans, strategies and objectives of management for future operations, including growing revenue, controlling operating costs, increasing production volumes, and expanding business with core customers. The risks and uncertainties referred to above include, but are not limited to, future economic and business conditions, the loss of key customers or reduction in the purchase of products by any such customers, the failure of the market for I.D. Systems' products to continue to develop, the possibility that I.D. Systems may not be able to integrate successfully the business, operations and employees of acquired businesses, the inability to protect I.D. Systems' intellectual property, the inability to manage growth, the effects of competition from a variety of local, regional, national and other providers of wireless solutions, and other risks detailed from time to time in I.D. Systems' filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2017. These risks could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, I.D. Systems. Unless otherwise required by applicable law, I.D. Systems assumes no obligation to update the information contained in this press release, and expressly disclaims any obligation to do so, whether as a result of new information, future events or otherwise.

### **I.D. Systems Contact**

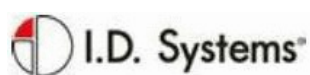
Ned Mavrommatis, CFO  
[ned@id-systems.com](mailto:ned@id-systems.com)  
(201) 996-9000

### **Investor Contact**

Matt Glover  
Liolios Group, Inc.  
[IDSY@liolios.com](mailto:IDSY@liolios.com)  
(949) 574-3860

---

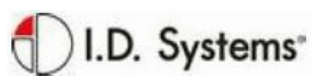




**I.D. Systems, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations Data**  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2017</b>	<b>2018</b>
Revenue:		
Products	\$ 4,334,000	\$ 9,898,000
Services	3,665,000	3,481,000
	<u>7,999,000</u>	<u>13,379,000</u>
Cost of revenue:		
Cost of products	2,815,000	5,842,000
Cost of services	1,034,000	1,075,000
	<u>3,849,000</u>	<u>6,917,000</u>
Gross profit	<u>4,150,000</u>	<u>6,462,000</u>
Operating expenses:		
Selling, general and administrative expenses	4,653,000	5,696,000
Research and development expenses	1,367,000	1,743,000
	<u>6,020,000</u>	<u>7,439,000</u>
Loss from operations	(1,870,000)	(977,000)
Interest income	56,000	77,000
Interest expense	(73,000)	(57,000)
Other income (loss), net	1,000	(33,000)
<b>Net loss</b>	<u>\$ (1,886,000)</u>	<u>\$ (990,000)</u>
<b>Net loss per share - basic and diluted</b>	<u>\$ (0.14)</u>	<u>\$ (0.06)</u>
<b>Weighted average common shares outstanding - basic and diluted</b>	<u>13,261,000</u>	<u>16,981,000</u>

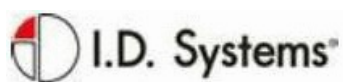
---



**I.D. Systems, Inc. and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Financial Measures**  
(Unaudited)

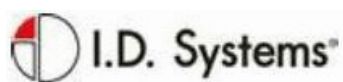
	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<u>2017</u>	<u>2018</u>
Net loss attributable to common stockholders	\$ (1,886,000)	\$ (990,000)
Depreciation and amortization	159,000	393,000
Stock-based compensation	713,000	494,000
Foreign currency translation gains	(62,000)	(181,000)
Acquisition-related fees	<u>179,000</u>	<u>179,000</u>
<b>Non-GAAP net loss</b>	<u>\$ (1,076,000)</u>	<u>\$ (105,000)</u>
<b>Non-GAAP net loss per share - basic and diluted</b>	<u>\$ (0.08)</u>	<u>\$ (0.01)</u>

---



I.D. Systems, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheet Data

	<u>December 31, 2017</u>	<u>March 31, 2018</u> (Unaudited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 5,097,000	\$ 4,545,000
Restricted cash	306,000	306,000
Investments - short term	1,201,000	761,000
Accounts receivable, net	8,746,000	9,505,000
Financing receivables - current, net	1,295,000	943,000
Inventory, net	4,586,000	4,737,000
Deferred costs - current	4,296,000	4,312,000
Prepaid expenses and other current assets	3,627,000	5,618,000
Total current assets	29,154,000	30,727,000
Investments - long term	10,278,000	8,674,000
Financing receivables - less current portion	1,557,000	1,742,000
Deferred costs - less current portion	4,302,000	3,896,000
Fixed assets, net	2,747,000	2,613,000
Goodwill	7,318,000	7,318,000
Intangible assets, net	5,417,000	5,239,000
Other assets	159,000	159,000
	<u>\$ 60,932,000</u>	<u>\$ 60,368,000</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,440,000	\$ 8,596,000
Deferred revenue - current	9,711,000	8,654,000
Acquisition related contingent consideration - current	1,923,000	1,956,000
Total current liabilities	19,074,000	19,206,000
Deferred revenue - less current portion	7,738,000	7,954,000
Acquisition related contingent consideration - less current portion	854,000	877,000
Deferred rent	295,000	274,000
	<u>27,961,000</u>	<u>28,311,000</u>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock	-	-
Common stock	183,000	186,000
Additional paid-in capital	133,569,000	134,485,000
Accumulated deficit	(95,368,000)	(96,358,000)
Accumulated other comprehensive loss	(578,000)	(775,000)
Treasury stock	(4,835,000)	(5,481,000)
Total stockholders' equity	32,971,000	32,057,000
Total liabilities and stockholders' equity	<u>\$ 60,932,000</u>	<u>\$ 60,368,000</u>



**I.D. Systems, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flow Data**  
**(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2017</b>	<b>2018</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (1,886,000)	\$ (990,000)
Adjustments to reconcile net loss to cash used in operating activities:		
Bad debt expense	93,000	48,000
Stock-based compensation expense	713,000	494,000
Depreciation and amortization	159,000	393,000
Inventory reserve	90,000	60,000
Change in contingent consideration	-	56,000
Other non-cash items	(15,000)	13,000
Changes in:		
Accounts receivable	47,000	(796,000)
Financing receivables	357,000	167,000
Inventory	734,000	(211,000)
Prepaid expenses and other assets	377,000	(1,991,000)
Deferred costs	153,000	390,000
Deferred revenue	2,905,000	(841,000)
Accounts payable and accrued expenses	(1,386,000)	747,000
Net cash provided by (used in) operating activities	<u>2,341,000</u>	<u>(2,461,000)</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(72,000)	(81,000)
Purchase of investments	(204,000)	(709,000)
Proceeds from the sale and maturities of investments	217,000	2,659,000
Net cash (used in) provided by investing activities	<u>(59,000)</u>	<u>1,869,000</u>
<b>Cash flows from financing activities:</b>		
Borrowings under revolving credit facility	9,855,000	-
Repayments under revolving credit facility	(11,581,000)	-
Proceeds from exercise of stock options	1,165,000	187,000
Net cash (used in) provided by financing activities	<u>(561,000)</u>	<u>187,000</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(26,000)	(147,000)
<b>Net (decrease) increase in cash, cash equivalents and restricted cash</b>	<u>1,695,000</u>	<u>(552,000)</u>
Cash, cash equivalents and restricted cash - beginning of period	5,277,000	5,403,000
<b>Cash, cash equivalents and restricted cash - end of period</b>	<u>\$ 6,972,000</u>	<u>\$ 4,851,000</u>

