

0000950170-24-1037186-K UTSTARCOM HOLDINGS CORP. 2024090520240905062128062129062129 0 0000950170-24-103718 6-K 2 20240905 20240905 20240905 UTSTARCOM HOLDINGS CORP. 0001030471 3669 521782500 E9 1231 6-K 34 001-35216 241279778 4TH FLOOR, SOUTH WING, 368 LIUHE ROAD BINJIANG DISTRICT HANGZHOU, P.R. F4 NA 86 571 8192 8888 4TH FLOOR, SOUTH WING, 368 LIUHE ROAD BINJIANG DISTRICT HANGZHOU, P.R. F4 NA UTSTARCOM INC 19970110 6-K 1 2024 q2-1h earnings rele.htm 6-K 6-K A UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 A FORM 6-K A A REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934 For the month of September 2024 Commission File Number: 001-35216 A UTSTARCOM HOLDINGS CORP. A A 4th Floor, South Wing, 368 Liuhe Road, Binjiang District, Hangzhou, P.R. China (Address of principal executive office) A A Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-Fi i, Form 40-Fi i i Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):i i i Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):i i i Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes i i No i, A A EXHIBIT INDEX Exhibit No. Description 99.1 Press Release regarding UTStarcom Reports Unaudited Financial Results for First Half of 2024 A A A 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, thereunto duly authorized. UTSTARCOM HOLDINGS CORP. Date: September 5, 2024 By: /s/ Dan Xie Name: Dan Xie Title: Chief Financial Officer A A EX-99.1 2 utsi-ex99_1.htm EX-99.1 EX-99.1 Exhibit 99.1 UTStarcom Reports Unaudited Financial Results for First Half of 2024 A Hangzhou, September 5, 2024â€” UTStarcom (â€œUT,â€” â€œUTStarcomâ€” or the â€œCompanyâ€”) (NASDAQ: UTSI), a global telecommunications infrastructure provider, today reported its unaudited financial results and a business update for the six months ended June 30, 2024 (â€œthe first halfâ€”). A Business Highlights: A â€¢Expansion order for the mobile transport network of a Mobile Operator in Europe. In 1H 2024, UTStarcom received a new order for an updated NetRing PTN product that includes certain new features required by the customer to address its network expansion plans. UT also works with the customer on SDN solution integration and testing to enable the customerâ€™s network evolution. â€¢Expansion order for the Broadband Core solution in India. Further expansion order for IMS solution deployed with one of our key Indian customers, including software, spare parts, and services. â€¢Maintenance and support services orders. In 1H 2024, UTStarcom received multiple maintenance and support orders in our key markets related to the deployed UTâ€™s solutions such as PTN, NMS, SyncRing, and IMS. â€¢India Receivable. The Company collected a portion of the amount due from its major customer in India. During the first half of 2024, the Company collected a total of \$3.39 million from BSNL, leaving \$4.57 million still outstanding. A UTStarcomâ€™s Chief Executive Officer Mr. Hua Li commented, â€œWe kept working on the direction we aimed to and have made progresses on the marketing side of our new products. We expect to see some results of our continuous efforts and extend our products to more application fields. Meanwhile we are continuously supporting our current products and customers for the products deployed.â€” A A A First Half 2024 Financial Results A Summary of 1H 2024 Key Financials A 1H 2024 1H 2023 Y/Y Change Revenue \$5.7 \$6.5 -12.3% Gross Profit \$1.7 \$1.8 -5.6% Operating Expenses \$5.3 \$5.8 -8.6% Operating Loss (\$3.6) (\$4.0) \$0.4 Net Loss (\$2.0) (\$2.0) -\$0.0 Basic EPS (\$0.22) (\$0.22) -\$0.00 Cash Balance (including Restricted Cash) \$56.0 \$60.6 -7.6% A * Dollar comparisons are used where percentage comparisons are not meaningful. * All amounts are in U.S. Dollars millions except for Earnings Per Share (EPS) A A A Total Revenues A Total revenues for the first half of 2024 were \$5.7 million, compared to \$6.5 million in the corresponding period in 2023. A â€¢Net equipment sales were \$0.8 million, a decrease of 20.4% from \$1.0 million in the corresponding period in 2023, driven by lower sales to major customers in Japan. A â€¢Net services sales were \$4.9 million, a decrease of 10.7% from \$5.5 million in the corresponding period in 2023. The decrease was mainly due to the completion of current projects and no new major projects in India. A Gross Profit A Gross profit was \$1.7 million, or 30.0% of net sales, for the first half of 2024, compared to \$1.8 million, or 28.0% of net sales, in the corresponding period in 2023. A â€¢Gross margin on equipment sales was \$0.1 million, compared to \$0.5 million in the corresponding period in 2023. Equipment gross margin for the first half of 2024 was 10.6%, compared to 49.2% for the corresponding period in 2023. The decrease in gross margin was due to a decline in revenue from a mobile operator in Europe. A â€¢Service gross margin was \$1.6 million, compared to \$1.3 million in the corresponding period in 2023. Service gross margin was 33.1%, compared to 24.1% for the corresponding period in 2023, due to decreased personnel cost as a result of the reduction of personnel. A Operating Expenses A Operating expenses for the first half of 2024 were \$5.3 million, compared to \$5.8 million in the corresponding period in 2023. A â€¢Selling, general and administrative (â€œSG&Aâ€”) expenses for the first half of 2024 were \$2.7 million, compared to \$2.9 million in the corresponding period in 2023. The decrease was mainly due to decreased personnel cost as a result of the reduction of personnel. A â€¢Research and development (â€œR&Dâ€”) expenses were \$2.6 million, compared to \$2.9 million in the corresponding period in 2023. The decrease was mainly attributable to decreased personnel cost as a result of the reduction of personnel. Operating Loss A Operating loss for the first half of 2024 was \$3.6 million, compared to \$4.0 million in the corresponding period in 2023. A Interest Income, Net A Net interest income for the first half of 2024 was \$1.3 million, compared to \$0.9 million in the corresponding period in 2023. A Other Income (Expenses), Net 2 A A Net other income for the first half of 2024 was \$0.8 million, compared to \$1.9 million in the corresponding period in 2023. Other income mainly reflects a foreign exchange gain resulting from the appreciation of the U.S. dollar against the Renminbi and U.S. dollar against the Japanese Yen. A Net Loss A Net loss attributable to shareholders for the first half of 2024 was \$2.0 million, compared to \$2.0 million in the corresponding period in 2023. Basic net loss per share for the first half of 2024 was \$0.22, compared to \$0.22 for the corresponding period in 2023. A Cash Flow A Cash used in operating activities in the first half of 2024 was \$2.5 million, cash used in investing activities was \$0.1 million, and cash provided by financing activities was nil. As of June 30, 2024, UTStarcom had cash, cash equivalents and restricted cash of \$56.0 million. A A About UTStarcom Holdings Corp. A UTStarcom is committed to helping network operators offer their customers the most innovative, reliable and cost-effective communication services. UTStarcom offers high performance advanced equipment optimized for the most rapidly growing network functions, such as mobile backhaul, metro aggregation and broadband access. UTStarcom has operations and customers around the world, with a special focus on Japan, India and China. UTStarcom was founded in 1991 and listed its shares on the Nasdaq Market in 2000 (symbol: UTSI). For more information about UTStarcom, please visit <http://www.utstar.com>. A A Forward-Looking Statements A This press release includes forward-looking statements, including statements regarding the Companyâ€™s strategic initiatives and

the Company's business outlook. These statements are forward-looking in nature and subject to risks and uncertainties that may cause actual results to differ materially and adversely from the Company's current expectations. These include risks and uncertainties related to, among other things, changes in the financial condition and cash position of the Company, changes in the composition of the Company's management and their effect on the Company, the Company's ability to realize anticipated results of operational improvements and benefits of the divestiture transaction, the ability to successfully identify and acquire appropriate technologies and businesses for inorganic growth and to integrate such acquisitions, the ability to internally innovate and develop new products, assumptions the Company makes regarding the growth of the market and the success of the Company's offerings in the market and the Company's ability to execute its business plan and manage regulatory matters. The risks and uncertainties also include the risk factors identified in the Company's latest annual report on Form 20-F and current reports on Form 6-K as filed with the Securities and Exchange Commission. The Company is in a period of strategic transition and the conduct of its business is exposed to additional risks as a result. All forward-looking statements included in this press release are based upon information available to the Company as of the date of this press release, which may change and the Company assumes no obligation to update any such forward-looking statements.

For investor and media inquiries, please contact: UTStarcom Holdings Corp. 3 Tel: +86 (571) 8192 8888 Ms. Shelley Jiang, Investor Relations Email: utsi-ir@utstar.com/ Shelleyjiang@utstar.com / 4 UTStarcom Holdings Corp. Unaudited Condensed Consolidated Balance Sheets June 30, December 31, 2024 2023 (In thousands)

ASSETS

Current assets:

Cash and cash equivalents \$ 46,533 \$ 49,968

Accounts and notes receivable, net 6,916 8,870

Short-term investments 369

Inventories and deferred costs 783 886

Short-term restricted cash 6,991 7,117

Prepaid and other current assets 4,071 3,755

Total current assets 65,663 70,596

Long-term assets:

Property, plant and equipment, net 531 610

Operating lease right-of-use assets, net 2,029 2,649

Long-term restricted cash 2,514 2,562

Other long-term assets 1,024 1,063

Total long-term assets 6,098 6,884

Total assets \$ 71,761 \$ 77,480

LIABILITIES AND EQUITY

Current liabilities:

Accounts payable \$ 6,998 \$ 7,959

Customer advances 237 226

Deferred revenue 61 72

Income tax payable 8,574 8,509

Operating lease liabilities, current 1,163 1,184

Other current liabilities 4,253 5,438

Total current liabilities 21,286 23,388

Long-term liabilities:

Operating lease liabilities, non-current 1,067 1,660

Long-term deferred revenue and other liabilities 1,043 1,049

Total liabilities 23,396 26,097

Total equity 48,365 51,383

Total liabilities and equity \$ 71,761 \$ 77,480

UTStarcom Holdings Corp. Unaudited Condensed Consolidated Statements of Operations Six months ended June 30, 2024 2023 (In thousands, except per share data)

Net sales \$ 5,719 \$ 6,514

Cost of net sales 4,004 4,693

Gross profit 1,715 1,821

30.0 % 28.0 %

Operating expenses:

Selling, general and administrative 2,740 2,892

Research and development 2,575 2,874

Total operating expenses 5,315 5,766

Operating loss (3,600) (3,945)

Interest income, net 1,332 866

Other income, net 806 1,912

Loss before income taxes (1,462) (1,167)

Income tax expense (554) (844)

Net loss attributable to UTStarcom Holdings Corp. \$ (2,016) \$ (2,011)

Net loss per share attributable to UTStarcom Holdings Corp. Basic \$ (0.22) \$ (0.22)

Weighted average shares outstanding Basic 9,141 9,098

6 UTStarcom Holdings Corp. Unaudited Condensed Consolidated Statements of Cash Flows Six months ended June 30, 2024 2023 (In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss \$ (2,016) \$ (2,011)

Depreciation 137 116

Recovery of credit losses (2) (998)

Stock-based compensation expense 61 183

Net gain on disposal of assets

Gain on release of tax liability due to expiration of the statute of limitations (11) (11)

Right-of-use assets amortization 579 616

Changes in fair value of equity securities investment (369)

Changes in operating assets and liabilities (866) (1,687)

Net cash used in operating activities (2,487) (3,817)

CASH FLOWS FROM INVESTING ACTIVITIES:

Additions to property, plant and equipment (106) (182)

Net cash used in investing activities (106) (182)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from exercise of stock options

Net cash provided by financing activities

Effect of exchange rate changes on cash and cash equivalents (1,016) (2,303)

Net decrease in cash and cash equivalents (3,609) (6,298)

Cash, cash equivalents and restricted cash at beginning of period 59,647 66,859

Cash, cash equivalents and restricted cash at end of period \$ 56,038 \$ 60,561

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