

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): **November 13, 2018**

ASTRONICS CORPORATION

(Exact name of registrant as specified in its charter)

New York

(State of Other Jurisdiction of Incorporation)

0-7087

(Commission File Number)

16-0959303

(I.R.S. Employer Identification No.)

130 Commerce Way

East Aurora, New York

(Address of principal executive offices)

14052

(Zip Code)

Registrant's telephone number, including area code: **(716) 805-1599**

N/A

(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))

Item 1.01 Entry into a Material Definitive Agreement.

On November 13, 2018, Astronics Corporation (the “Company”) entered into an agreement to sell intellectual property and certain assets associated with its semiconductor test business to Advantest Test Solutions, Inc., pursuant to the terms of an Asset Purchase Agreement (the “Agreement”), dated November 13, 2018, by and among Astronics Test Systems Inc., the Company and Advantest Test Solutions, Inc. (“Advantest”). Under the terms of the Agreement, the total consideration for the transaction will be \$185 million in cash, with the potential for a \$30 million earn-out. The closing of the sale is subject to the satisfaction of customary closing conditions, including, without limitation, the expiration of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act.

The Agreement contains representations, warranties and covenants that were made only for purposes of such agreement and as of specific dates, were made solely for the benefit of the parties to the Agreement and may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. If any of the representations and warranties prove to be inaccurate, the Company could be obligated to indemnify Advantest, subject to certain limitation. In addition, such representations, warranties and covenants may have been qualified by certain disclosures not reflected in the text of the Agreement, and may apply standards of materiality in a way that is different from what may be viewed as material by shareholders of, or other investors in, the Company. Such shareholders and investors are not third-party beneficiaries under the Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company, Astronics Test Systems Inc. or Advantest.

On November 14, 2018, the Company issued a press release announcing entry into the Agreement. A copy of the press release is included as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition.

On November 14, 2018, the Company issued a press release announcing that the Company affirms its 2018 Aerospace segment revenue guidance of \$670 to \$675 million and its 2018 Test segment revenue guidance of \$120 million to \$125 million. The Company also issued initial Aerospace segment revenue guidance for 2019 of \$710 to \$745 million. The Company did not issue guidance for its Test segment revenue for 2019 and indicated that it anticipates doing so by the end of the year.

The information contained herein and in the accompanying exhibits shall not be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The information in this report including the exhibit hereto, shall not be deemed to be “filed” for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

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.

Dated: November 14, 2018

Astronics Corporation
By: /s/ David C. Burney
Name: David C. Burney
Executive Vice President and Chief
Financial Officer

EXHIBIT INDEX

| <u>Exhibit</u> | <u>Description</u> |
|----------------------|--|
| 99.1 | Press Release of Astronics Corporation dated November 14, 2018 |
| 99.2 | Press Release of Astronics Corporation dated November 14, 2018 |



NEWS RELEASE

For Immediate Release

Astronics Corporation Sells Semiconductor System Level Test Technology for \$185 Million

EAST AURORA, NY, November 14, 2018 – Astronics Corporation (Nasdaq: ATRO), a leading supplier of advanced technologies and products to the global aerospace, defense, and semiconductor industries, today announced it has entered into an agreement for the sale of the intellectual property and certain assets associated with its semiconductor test business to Advantest Corporation (TSE: 6857) for \$185 million in cash. The sale additionally includes a \$30 million earn-out opportunity based on achieving certain levels of revenue in 2019.

Astronics will enter into an agreement with Advantest to continue to manufacture the semiconductor test solutions for Advantest upon closing of the transaction.

Peter J. Gundermann, President and CEO of Astronics, commented, "We acquired this product line in January of 2014 and it has since generated about \$365 million in revenue through the third quarter this year. We have invested heavily in the technology and believe it has an exciting future. We came to the conclusion that this future will be better realized with a company that is focused on the semiconductor space. We will continue to be involved as a manufacturing partner with Advantest, which will provide continuity for our customers and employees. We look forward to continued success in the market."

Approximately 45 personnel from Astronics, primarily in engineering, sales, and program management, will be offered positions with Advantest. The remainder of the Astronics workforce will be unaffected by the transaction. This transaction is subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions. It is expected to close by the end of the year.

Astronics' will continue to operate its aerospace and defense test business and report in two segments.

About Astronics Corporation

Astronics Corporation (Nasdaq: ATRO) is a leading supplier of advanced technologies and products to the global aerospace, defense and semiconductor industries. Astronics' products and services include advanced, high-performance electrical power generation and distribution systems, seat motion solutions, lighting and safety systems, avionics products, aircraft structures, systems certification and automated test systems. Astronics' strategy is to increase its value by developing technologies and capabilities, either internally or through acquisition,

and using those capabilities to provide innovative solutions to its targeted markets and other markets where its technology can be beneficial. Through its wholly owned subsidiaries, Astronics has a reputation for high-quality designs, exceptional responsiveness, strong brand recognition and best-in-class manufacturing practices. The Company routinely posts news and other important information on its website at www.astronics.com.

Safe Harbor Statement

This news release contains forward-looking statements as defined by the Securities Exchange Act of 1934. One can identify these forward-looking statements by the use of the words “expect,” “anticipate,” “plan,” “may,” “will,” “estimate” or other similar expressions. Because such statements apply to future events, they are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by the statements. Important factors that could cause actual results to differ materially from what may be stated here include the state of the aerospace, defense, consumer electronics and semiconductor industries, the market acceptance of newly developed products, internal production capabilities, the timing of orders received, the status of customer certification processes and delivery schedules, the demand for and market acceptance of new or existing aircraft which contain the Company’s products, the need for new and advanced test and simulation equipment, customer preferences and other factors which are described in filings by Astronics with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this news release whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

For more information, contact:

Company

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Investors

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NEWS RELEASE

For Immediate Release

Astronics Corporation Provides Initial 2019 Revenue Guidance for Aerospace Segment

Expects 2019 Aerospace revenue of \$710 million to \$745 million

EAST AURORA, NY, November 14, 2018 – Astronics Corporation (Nasdaq: ATRO), a leading supplier of advanced technologies and products to the global aerospace, defense, and semiconductor industries, today provided initial 2019 revenue guidance for its Aerospace segment and affirmed recent Aerospace 2018 revenue guidance.

“In our third quarter press release, we revised our Aerospace segment revenue guidance for 2018 to \$670 to \$675 million, which we are affirming today. The midpoint of this range would show 26% growth over 2017,” commented Peter J. Gundermann, President and CEO.

He continued, “We are also issuing initial Aerospace segment revenue guidance for 2019 of \$710 to \$745 million, which suggests organic growth next year of approximately 6% to 11%. We are encouraged by our strong booking performance of \$617 million in the first nine months of 2018, and the continued strength of our aerospace markets.”

The Company also announced today the sale of assets related to its Semiconductor Test business, which is subject to usual closing conditions including a Hart-Scott-Rodino review.

Mr. Gundermann stated, “We are not issuing 2019 guidance today for our Test segment, given the pending sale and other developments in the business. We anticipate doing so by the end of the year. We have a backlog of \$72 million, most of which is Aerospace and Defense, and are in negotiations for a large program expected to be worth \$30 to \$50 million, as previously announced. We expect the next 45 days will bring clarity about our Test segment in 2019.”

The Company also affirmed its Test segment revenue guidance of \$120 million to \$125 million for 2018. The Company expects to release its fourth quarter and full year 2018 financial results in late February 2019.

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