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): **August 2, 2018**

Control4 Corporation
(Exact name of registrant as specified in its charter)

Delaware	**001-36017**	**42-1583209**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

11734 S. Election Road
Salt Lake City, Utah 84020
(Address of principal executive offices) (Zip Code)

(801) 523-3100
(Registrant's telephone number, including area code)

Not applicable
(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:

☐ 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 (§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. ☒

Item 2.02 Results of Operations and Financial Condition.

On August 2, 2018, Control4 Corporation (the "Company") issued a press release announcing unaudited financial results for its quarter ended June 30, 2018. A copy of the press release is attached as Exhibit 99.1.

In accordance with General Instruction B.2 on Form 8-K, certain of the information in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished under Item 2.02 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to the liability of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of the general incorporation language of such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibits
99.1	Press release dated August 2, 2018

EXHIBIT INDEX

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99.1	Press release dated August 2, 2018

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 hereunto duly authorized.

Date: August 2, 2018

CONTROL4 CORPORATION

By: /s/ Mark Novakovich
Mark Novakovich
Chief Financial Officer

Exhibit 99.1

Control4 Reports Record Revenues and Net Income for Q2 2018

Continued Growth in Connected-Home Opportunities and Operational Execution Drive Record Results

SALT LAKE CITY — August 2, 2018 4:05 PM EST — Control4 Corporation (NASDAQ: CTRL), a leading global provider of smart-home and networking solutions, today announced financial results for its second quarter ended June 30, 2018.

Revenue for the second quarter of 2018 was $69.2 million, compared to revenue of $61.3 million for the second quarter of 2017, representing quarterly year-over-year growth of 13%.

Net Income on a GAAP basis for the second quarter of 2018 was $6.6 million, or $0.24 per diluted share, compared to Net Income in the second quarter of 2017 of $3.7 million, or $0.14 per diluted share.

Non-GAAP Net Income for the second quarter of 2018 was $11.4 million, or $0.42 per diluted share, compared to Non-GAAP Net Income in the second quarter of 2017 of $8.3 million, or $0.31 per diluted share. A reconciliation of GAAP to non-GAAP financial information is contained in the attached tables.

Unrestricted cash and net investments increased to $83.1 million as of June 30, 2018, compared to $76.6 million as of March 31, 2018. The net increase includes the repurchase of 150,000 shares of Control4 stock on the open market for $3.6 million. In addition, during the second quarter of 2018, the company generated cash flows from operations of $11.6 million and paid $1.0 million for taxes in lieu of issuing an additional 41,274 shares of stock related to the net settlement of restricted stock units that vested during the quarter.

“We are pleased with this quarters’ performance and we are well positioned for the second half of the year,” said Martin Plaehn, chairman and chief executive officer of Control4. “We continue to strengthen our product offerings via new capabilities including Intercom Anywhere and enhanced When>>Then Personalization — both part of our growing 4Sight consumer cloud service. Additionally, our recently introduced Certified Showroom Program and Production Builder Program are gaining visibility and operational momentum which we expect to contribute positively to our market presence and future revenue growth.”

Commenting on the company’s financial results, Mark Novakovich, chief financial officer of Control4, added: “We delivered solid revenue growth and strong profitability and we intend to continue driving growth, investing in innovative products and programs, as well as continuing to improve our operations to collectively enhance long-term shareholder value.”

Q3 and 2018 Guidance

Control4 expects revenue in the third quarter of 2018 to be between $70.5 million and $72.5 million. Control4 expects non-GAAP Net Income for the third quarter of 2018 to be between $9.5 million and $10.5 million or, based on an expected 27.6 million weighted average shares outstanding, to be between $0.34 and $0.38 per diluted share. Control4 expects revenue for the full year 2018 to be between $273 million and $276 million. Control4 expects Non-GAAP Net Income to be between $38.0 million and $40.0 million or, based on an expected 27.6 million weighted average shares outstanding, to be between $1.38 and $1.45 per diluted share.

Control4 does not provide forward guidance on GAAP Net Income because certain non-GAAP adjustments are inherently difficult to forecast, whereas others relate to the amortization or expensing of items tied to historical events. The following table highlights our estimates of non-GAAP stock-based compensation and the amortization of intangible assets reflected in our non-GAAP net income guidance for the third quarter of 2018:

Expense ($ mm)	3Q 2018
Stock-based compensation expense	3.5
Amortization of intangible assets	1.4
Total	4.9

Additional Financial and Operational Metrics

Revenue ($ mm)	2Q 2018	1Q 2018	2Q 2017
North America Core Revenue	52.4	45.7	47.3
International Core Revenue	15.1	12.8	12.8
Other Revenue(1)	1.7	0.6	1.2
Total Revenue	69.2	59.1	61.3

(1) Primarily consists of Hospitality Revenue

	2Q 2018	1Q 2018	2Q 2017
Dealer Adds(2)			
North America	81	83	61
International	72	52	49
Total Dealer Adds	153	135	110
Active Dealers(2), (3)			
North America	3,150	3,108	2,985
International	1,232	1,195	1,120
Total Active Dealers	4,382	4,303	4,105
Total Dealers(2)			
North America	3,280	3,215	3,085
International	1,410	1,358	1,242
Total Dealers	4,690	4,573	4,327
Controller Shipments	28,871	23,413	26,142

(2) These dealer figures only include dealers authorized to sell and install the full Control4 line of products and exclude approximately 1,030 active dealers that are currently authorized to sell only the Pakedge and or Triad brand of products.

(3) We define an active, authorized dealer ("active dealer") as one that has placed an order with us in the trailing 12-month period.

Conference Call

On August 2, 2018, Control4 Corporation (NASDAQ: CTRL) will host an investor conference call and will webcast the event beginning at 3:00 p.m. Mountain Time (5:00 p.m. Eastern Time). To access the conference call, dial 323-994-2132 or 800-949-2175 (toll free) and enter passcode 2615702.

The webcast and replay will be accessible on Control4's investor relations website at http://investor.control4.com/. A replay of the conference call will be available within two hours of the conclusion of the conference through August 16, 2018. To access the replay, please dial 719-457-0820 or 888-203-1112 and enter passcode 2615702.

About Control4 Corporation:

Control4 [NASDAQ: CTRL] is a leading global provider of automation and networking systems for homes and businesses, offering personalized control of lighting, music, video, comfort, security, communications, and more into a unified smart home system that enhances the daily lives of its consumers. Control4 unlocks the potential of connected devices, making networks more robust, entertainment systems easier to use, homes more comfortable and energy efficient, and provides families more peace of mind. Today, every home and business needs automation horsepower and a high-performance network to manage the increasing number of connected devices. The Control4 platform interoperates with more than 12,000 third-party consumer electronics products, ensuring an ever-expanding ecosystem of devices will work together. Control4 is now available in approximately 100 countries. Leveraging a professional channel that includes over 5,700 custom integrators, retailers, and distributors authorized to sell Control4 products, Pakedge branded networking solutions and Triad branded speakers. Control4 is delivering intelligent solutions for consumers, major consumer electronics companies, hotels, and businesses around the world.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding Control4's financial outlook. All statements other than statements of historical fact contained in this press release are forward-looking statements. These forward-looking statements are made as of the date they were first issued, and were based on the then-current expectations, estimates, forecasts, and projections, as well as the beliefs and assumptions of management. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Control4's control. Control4's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, risks detailed in Control4's most recent Annual Report on Form 10-K, as well as subsequent reports and documents filed with the Securities and Exchange Commission. Past performance is not necessarily indicative of future results. The forward-looking statements included in this press release represent Control4's views as of the date of this press release. The company anticipates that subsequent events and developments may cause its views to change. Control4 has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These forward-looking statements should not be relied upon as representing Control4's views as of any date subsequent to the date of this press release.

Non-GAAP Financial Measures

Control4's stated results include certain non-GAAP financial measures, including non-GAAP gross margin, non-GAAP gross margin percentage, non-GAAP income (loss) from operations, non-GAAP operating income percentage, non-GAAP net income (loss), and non-GAAP net income (loss) per diluted share. Non-GAAP gross margin excludes non-cash expenses related to stock-based compensation, amortization of intangible assets, and acquisition-related costs. We further exclude expenses related to executive severance and litigation settlements from non-GAAP income from operations and non-GAAP net income.

Management believes that it is useful to exclude stock-based compensation expense because the amount of such expense in any specific period may not directly correlate to the underlying performance of the business operations.

The company has recently completed acquisitions that resulted in operating expenses that would not have otherwise been incurred. Management has provided supplementary non-GAAP financial measures, which exclude acquisition-related expense items, to allow more accurate comparisons of the financial results to historical operations, forward-looking guidance and the financial results of less acquisitive peer companies. Management considers these types of costs and adjustments, to a great extent, to be unpredictable and dependent on a significant number of factors that are outside of the company's control. Furthermore, the company does not consider these acquisition-related costs and adjustments to be related to the organic continuing operations of the acquired businesses and are generally not relevant to assessing or estimating the long-term performance of the acquired assets. In addition, the size, complexity and/or volume of past acquisitions, which often drives the magnitude of acquisition-related costs, may not be indicative of the size, complexity and/or volume of future acquisitions. By excluding acquisition-related costs and adjustments from the non-GAAP measures, management is better able to evaluate the ability to utilize its existing assets and estimate the long-term value that acquired assets will generate. The company believes that providing a supplemental non-GAAP measure which excludes these items allows management and investors to consider the ongoing operations of the business both with, and without, such expenses.

These acquisition-related costs are included in the following categories: (i) professional service fees, recorded in operating expenses, which include third-party costs related to the acquisition, and legal and other professional service fees associated with diligence, entity formation and corporate structuring, disputes and regulatory matters related to acquired entities; (ii) transition and integration costs, recorded in operating expenses, which include retention payments, transitional employee costs, earn-out payments treated as compensation expense, as well as the costs of integration-related services provided by third parties; and (iii) acquisition-related adjustments which include adjustments to acquisition-related items such as being required to record acquired inventory at its fair value, resulting in a step-up in the inventory value, and having to reverse part of our valuation allowance in order to offset the deferred tax liability that was recorded based on differences between the book and tax basis of assets acquired and liabilities assumed. The step-up in inventory is recorded through cost of goods sold when the inventory is sold, resulting in a negative impact to our gross margin. Although these expenses are not recurring with respect to past acquisitions, the company will generally incur these expenses in connection with any future acquisitions.

The company excludes the amortization of acquired intangible assets from non-GAAP measures. These amounts are inconsistent in amount and frequency and are significantly impacted by the timing and size of acquisitions. Providing a supplemental measure which excludes these charges allows management and investors to evaluate results “as-if” the acquired intangible assets had been developed internally rather than acquired. Although the company excludes amortization of acquired intangible assets from non-GAAP measures, management believes that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Future acquisitions may result in the amortization of additional intangible assets.

Furthermore, we believe it is useful to exclude expenses related to litigation settlements and executive severance because of the variable and unpredictable nature of these expenses which are not indicative of past or future operating performance. We believe that past and future periods are more comparable if we exclude those expenses.

Management believes these adjustments provide useful comparative information to investors. Non-GAAP results are presented for supplemental informational purposes only for understanding the operating results. The non-GAAP results should not be considered a substitute for financial information presented in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies. The non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in the industry, as other companies in the industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. Management urges investors to review the reconciliation of non-GAAP financial measures to the comparable GAAP financial measures included below, and not to rely on any single financial measure to evaluate the business.

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Source: Control4

CONTROL4 CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2018	December 31, 2017
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 27,229	$ 29,761
Restricted cash	267	273
Short-term investments	53,317	44,057
Accounts receivable, net	29,806	29,925
Inventories	41,713	37,171
Prepaid expenses and other current assets	5,445	4,369
Total current assets	157,777	145,556
Property and equipment, net	7,872	7,337
Long-term investments	2,557	12,038
Intangible assets, net	23,315	26,081
Goodwill	21,672	21,867
Other assets	1,491	1,618
Total assets	$ 214,684	$ 214,497
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 26,141	$ 25,654
Accrued liabilities	8,296	10,835
Current portion of deferred revenue	4,990	4,538
Total current liabilities	39,427	41,027
Other long-term liabilities	4,164	3,942
Total liabilities	43,591	44,969
Commitments and contingencies	—	—
Stockholders' equity:		
Common stock, $0.0001 par value; 500,000,000 shares authorized; 26,086,642 and 25,832,895 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	3	3
Additional paid-in capital	236,434	242,281
Accumulated deficit	(64,620)	(72,225)
Accumulated other comprehensive loss	(724)	(531)
Total stockholders' equity	171,093	169,528
Total liabilities and stockholders' equity	$ 214,684	$ 214,497

CONTROL4 CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Revenue	$ 69,228	$ 61,252	$ 128,377	$ 111,460
Cost of revenue	32,866	29,993	61,276	55,052
Gross margin	36,362	31,259	67,101	56,408
Operating expenses:				
Research and development	10,511	10,055	21,451	19,899
Sales and marketing	12,553	11,943	25,088	23,390
General and administrative	6,328	5,587	12,621	11,304
Total operating expenses	29,392	27,585	59,160	54,593
Income from operations	6,970	3,674	7,941	1,815
Other income (expense), net:				
Interest, net	256	61	492	99
Other income (expense), net	(425)	248	(782)	104
Total other income (expense), net	(169)	309	(290)	203
Income before income taxes	6,801	3,983	7,651	2,018
Income tax expense (benefit)	161	242	45	(2,544)
Net income	$ 6,640	$ 3,741	$ 7,606	$ 4,562
Net income per common share:				
Basic	$ 0.25	$ 0.15	$ 0.29	$ 0.19
Diluted	$ 0.24	$ 0.14	$ 0.28	$ 0.18
Weighted-average number of shares:				
Basic	26,041	24,587	25,973	24,298
Diluted	27,267	26,388	27,396	26,024

Stock-based compensation included in the consolidated statement of operations data (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cost of revenue	$ 55	$ 61	$ 123	$ 119
Research and development	1,034	1,050	2,118	2,179
Sales and marketing	977	884	1,936	1,948
General and administrative	1,255	914	2,479	1,917
Total stock-based compensation expense	$ 3,321	$ 2,909	$ 6,656	$ 6,163

CONTROL4 CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
	(unaudited)	
Operating activities		
Net income	$ 7,606	$ 4,562
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	1,853	1,762
Amortization of intangible assets	2,885	2,551
Loss on disposal of fixed assets	10	—
Provision for doubtful accounts	286	264
Investment discount and premium amortization	(192)	(23)
Stock-based compensation	6,656	6,163
Tax benefit from business acquisition	—	(2,415)
Changes in assets and liabilities:		
Accounts receivable, net	(374)	(1,186)
Inventories	(4,942)	(3,369)
Prepaid expenses and other current assets	(1,081)	1,198
Other assets	161	(601)
Accounts payable	550	875
Accrued liabilities	(2,090)	(1,653)
Deferred revenue	421	412
Other long-term liabilities	295	252
Net cash provided by operating activities	12,044	8,792
Investing activities		
Purchases of available-for-sale investments	(32,372)	(28,933)
Proceeds from sales of available-for-sale investments	1,000	950
Proceeds from maturities of available-for-sale investments	31,750	20,268
Purchases of property and equipment	(1,851)	(1,618)
Business acquisitions, net of cash acquired	(343)	(7,881)
Net cash used in investing activities	(1,816)	(17,214)
Financing activities		
Proceeds from exercise of options for common stock	3,155	7,775
Payments for taxes related to net share settlement of equity awards	(4,608)	(2,596)
Repurchase of common stock	(11,050)	(1,821)
Payment of debt issuance costs	(113)	—
Net cash (used in) provided by financing activities	(12,616)	3,358
Effect of exchange rate changes on cash and cash equivalents	(150)	330
Net change in cash and cash equivalents	(2,538)	(4,734)
Unrestricted and restricted cash and cash equivalents at beginning of period	30,034	35,060
Unrestricted and restricted cash and cash equivalents at end of period	$ 27,496	$ 30,326
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 66	$ 63
Cash paid for taxes	685	834
Supplemental schedule of non-cash investing and financing activities		
Business acquisitions holdback liability	—	1,068
Purchases of property and equipment financed by accounts payable	584	178
Net unrealized losses on available-for-sale investments	(35)	(3)

CONTROL4 CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(unaudited)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
	(in thousands, except percentages and per share data)			
Reconciliation of Gross Margin to Non-GAAP Gross Margin:				
Gross margin	$ 36,362	$ 31,259	$ 67,101	$ 56,408
Stock-based compensation expense in cost of revenue	55	61	123	119
Amortization of intangible assets in cost of revenue	924	791	1,845	1,565
Acquisition-related costs in cost of revenue	—	101	—	128
Non-GAAP gross margin	$ 37,341	$ 32,212	$ 69,069	$ 58,220
Revenue	$ 69,228	$ 61,252	$ 128,377	$ 111,460
Gross margin percentage	52.5%	51.0%	52.3%	50.6%
Non-GAAP gross margin percentage	53.9%	52.6%	53.8%	52.2%
Reconciliation of Income (Loss) from Operations to Non-GAAP Income (Loss) from Operations:				
Income (loss) from operations	$ 6,970	$ 3,674	$ 7,941	$ 1,815
Stock-based compensation expense	3,321	2,909	6,656	6,163
Amortization of intangible assets	1,439	1,321	2,885	2,551
Acquisition-related costs	—	299	16	429
Non-GAAP income (loss) from operations	$ 11,730	$ 8,203	$ 17,498	$ 10,958
Revenue	$ 69,228	$ 61,252	$ 128,377	$ 111,460
Operating margin percentage	10.1%	6.0%	6.2%	1.6%
Non-GAAP operating margin percentage	16.9%	13.4%	13.6%	9.8%
Reconciliation of Net Income (Loss) to Non-GAAP Net Income:				
Net income (loss)	$ 6,640	$ 3,741	$ 7,606	$ 4,562
Stock-based compensation expense	3,321	2,909	6,656	6,163
Amortization of intangible assets	1,439	1,321	2,885	2,551
Acquisition-related costs	—	299	16	(1,986)
Non-GAAP net income (loss) (1)	$ 11,400	$ 8,270	$ 17,163	$ 11,290
Non-GAAP net income (loss) (1) per common share:				
Basic	$ 0.44	$ 0.34	$ 0.66	$ 0.46
Diluted	$ 0.42	$ 0.31	$ 0.63	$ 0.43
Weighted-average number of shares:				
Basic	26,041	24,587	25,973	24,298
Diluted	27,267	26,388	27,396	26,024

(1) Excludes the calculated effect of non-GAAP adjustments on income tax expense of $0.2 million and $0.5 million for the three and six months ended June 30, 2018, respectively.