

**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): February 25, 2021

VELODYNE LIDAR, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

5521 Hellyer Avenue
San Jose, California
(Address of principal executive offices)

001-38703
(Commission
File Number)

83-1138508
(IRS Employer
Identification No.)

95138
(Zip Code)

(669) 275-2251
(Registrant's telephone number, including area code)

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))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|--|-------------------|--|
| Common stock, \$0.0001 par value | VLDR | The Nasdaq Stock Market LLC (Nasdaq Global Select Market) |
| Warrants, each exercisable for three-quarters of one share of common stock | VLDRW | The Nasdaq Stock Market LLC (Nasdaq Global Select Market) |

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 February 25, 2021, Velodyne Lidar, Inc. (the “Company” or “Velodyne”) issued a press release reporting its financial results for the quarter ended December 31, 2020. The press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

As provided in General Instruction B.2 of Form 8-K, the information in this Item 2.02 and the exhibit hereto are “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of such section nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|----------------------|--|
| 99.1 | Press Release Issued by the Company on February 25, 2021 |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL). |

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.

VELOCITY LIDAR, INC.

DATE: February 25, 2021

By: /s/ Andrew Hamer
Andrew Hamer
Chief Financial Officer

Velodyne Lidar Reports Fourth Quarter and Full Year 2020 Financial Results

- 2020 annual revenue of \$95.4 million
- Fourth quarter shipments were a record 4,237 units, including 718 solid state units
- \$350.3 million of cash and short-term investments on the balance sheet at December 31, 2020
- Strong future outlook supported by pipeline of 194 projects at February 19, 2021

SAN JOSE – February 25, 2021 – Velodyne Lidar, Inc. (NASDAQ: VLDR, VLDRW), the first pure-play public lidar company, today announced financial results for its fourth quarter and year ended December 31, 2020.

Dr. Anand Gopalan, CEO of Velodyne Lidar, commented, “Velodyne has continued to demonstrate its market leadership with a strong track record of consistent execution. Our fourth quarter and full year 2020 results demonstrate that we continue to innovate, expand our market opportunity, and show our leadership in broadly diversified end markets for lidar. In 2020, we achieved an industry first with the award winning Velabit lidar, our smallest sensor, which we believe will democratize lidar and lidar-based safety.

“We believe our pipeline is the most robust in the industry, as demonstrated by a 46% increase in projects across more than 25 industries from the end of 2019. We are leading the industry in providing lidar units to customers, manufacturing and shipping 11,710 units in 2020, and 4,237 units in the fourth quarter. Lidar’s status as a critical sensor in many applications gives us the opportunity to add higher value to customers by providing comprehensive solutions. There is increasing adoption of lidar across a wide variety of industries, some of which are accelerating in a post-COVID world. Our pipeline in industries such as Robotics grew 220% from 873,000 units in February of 2020 to 1.9 million units as of December 31, 2020. Agreements signed in 2020 include: Emesent for drones, Motional (a joint Hyundai-Aptiv venture) for autonomous vehicles, ThorDrive for industrial applications, and a Smart City partnership with Qualcomm.

“In summary, it is an incredibly exciting time for lidar and for Velodyne. We believe we have hit an inflection point in the lidar industry, which is evidencing itself by our record unit shipments in the fourth quarter and in our expanding pipeline. With a significantly enhanced balance sheet supporting this robust pipeline, our long-term outlook for growth remains strong.”

Business Metrics

- **Units and ASPs:** Velodyne shipped a record 4,237 sensor units in the fourth quarter of 2020. The company continues to build out its portfolio of sensor products at different price points designed to meet many industries’ needs, including those with lower-price application entry points.
- **Agreements:** 26 total active multi-year agreements as of February 19, 2021, up from 25 as of December 31, 2020.
- **Pipeline Strength:** Velodyne’s pipeline of projects grew to 194 projects at February 19, 2021, up from 183 projects reported at December 31, 2020, and 131 projects reported at January 1, 2020.

Fourth Quarter 2020 Financial Highlights

- **Revenue:** Total revenue of \$17.8 million compared to \$19.0 million in the fourth quarter of 2019. Product revenue was \$14.4 million compared to \$18.2 million in the fourth quarter of 2019. The company reduced production capabilities at its manufacturing sites late in the fourth quarter of 2020 due to COVID-19, which impaired the company’s ability to fulfill certain customers’ orders in December, impacting product revenue. Velodyne continues to focus on accelerating the adoption of sensors by lowering ASPs and driving higher volumes. As such, product units sold was higher year-over-year while revenue was impacted. License and services revenue was \$3.4 million, up from \$0.8 million in the fourth quarter of 2019.

- **Gross Profit:** GAAP gross loss was \$5.3 million and non-GAAP gross profit was \$2.1 million compared to a fourth quarter 2019 GAAP and non-GAAP gross profit of \$0.2 million.
- **Net Loss and EPS:** GAAP net loss was \$111.5 million and included \$91.3 million of stock-based compensation. Non-GAAP net loss was \$20.1 million. GAAP net loss per share was \$0.64 and non-GAAP net loss per share was \$0.12. This compared to a fourth quarter of 2019 GAAP net loss of \$28.7 million and non-GAAP net loss of \$26.2 million. Fourth quarter of 2019 GAAP net loss per share was \$0.21 and non-GAAP net loss per share was \$0.19.
- **Shares Outstanding:** EPS for the fourth quarter of 2020 is calculated using weighted average shares outstanding of 173.9 million. As of December 31, 2020, actual shares outstanding were 175.9 million.
- **Liquidity:** Velodyne had \$350.3 million in cash and short-term investments on its balance sheet at December 31, 2020, which included \$73.7 million of proceeds from the exercise of publicly-traded warrants. Subsequent to December 31, 2020, the company received additional \$89.3 million in proceeds as of February 19, 2021.

Full Year 2020 Financial Highlights

- **Revenue:** Total revenue of \$95.4 million compared to \$101.4 million in full year 2019. Product revenue was \$68.4 million compared to \$81.4 million in full year 2019. While for the year 2020, Velodyne sold roughly the same number of units as 2019, as part of the company's strategy to drive widespread adoption of lidar, the ASP was lower in 2020 and this negatively impacted revenue. License and services revenue was \$27.0 million, up from \$20.0 million in full year 2019.
- **Gross Profit:** GAAP gross profit of \$25.1 million and non-GAAP gross profit of \$32.5 million compared to full year 2019 GAAP and non-GAAP gross profit of \$29.8 million. The decrease in GAAP gross margin was primarily due to \$7.4 million stock-based compensation expense.
- **Net Loss and EPS:** GAAP net loss was \$149.9 million and included \$91.5 million of stock-based compensation expense and non-GAAP net loss was \$65.1 million. Accordingly, GAAP net loss per share was \$1.01 and non-GAAP net loss per share was \$0.44. This compared to 2019 GAAP net loss of \$67.2 million and non-GAAP net loss of \$64.5 million. Accordingly, 2019 GAAP net loss per share was \$0.50 and non-GAAP net loss per share was \$0.48.

A reconciliation between historical GAAP and non-GAAP information is provided in the tables below.

Business Outlook

As of February 19, 2021, Velodyne estimates that it could have the opportunity for over \$1.0 billion of revenue from signed and awarded projects from 2021 through 2025 plus a pipeline of projects for 2021 through 2025 that are not yet signed and awarded of \$4.4 billion. In addition, it continues to be Velodyne's top priority to invest in scalable lidar architectures, advanced manufacturing technology and software solutions. This underpins the company's long-term business outlook of total gross margin percentage ranging in the mid to high 50s and EBITDA margin of more than 20%.

Conference Call Information

Velodyne will host a conference call and live webcast for analysts and investors at 4:30 p.m. Eastern Time on February 25, 2021. Parties in the United States and Canada can access the call by dialing (800) 289-0462, using conference code 240957. The webcast will be accessible on Velodyne's investor relations website at <https://investors.velodynelidar.com/>. A telephonic replay of the conference call will be available through March 4, 2021. To access the replay, parties in the United States and Canada should call (888) 203-1112 and enter conference code 5101026.

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 our financial outlook and market positioning. Forward-looking statements give our current expectations and projections relating

to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate", "estimate", "expect", "project", "plan", "intend", "believe", "may", "will", "should", "can have", "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including: the impact on our operations and financial condition from the effects of the current COVID-19 pandemic both on Velodyne's business and those of its customers and suppliers; Velodyne's ability to execute its business plan; the timing of revenue from existing customers, including uncertainties related to the ability of Velodyne's customers to commercialize their products and the ultimate market acceptance of these products; uncertainties related to Velodyne Lidar's estimates of the size of the markets for its products and future revenue opportunities; the rate and degree of market acceptance of Velodyne Lidar's products; the success of other competing lidar and sensor-related products and services that exist or may become available; rising costs adversely affecting Velodyne's profitability; uncertainties related to Velodyne Lidar's current litigation and potential litigation involving Velodyne Lidar or the validity or enforceability of Velodyne Lidar's intellectual property; Velodyne Lidar's ability to partner with and rely on third party manufacturers; general economic and market conditions impacting demand for Velodyne Lidar's products and services; and changes in applicable laws or regulations.

Given these factors, as well as other variables that may affect Velodyne Lidar's operating results, you should not rely on forward-looking statements, assume that past financial performance will be a reliable indicator of future performance, or use historical trends to anticipate results or trends in future periods. The forward-looking statements included in this press release relate only to events as of the date hereof. Velodyne Lidar undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Non-GAAP Financial Measures

In addition to our results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), we believe the non-GAAP measures of non-GAAP gross profit (loss), non-GAAP gross margin, Non-GAAP operating loss, non-GAAP net loss, and non-GAAP net loss per share are useful in evaluating our operating performance. Certain of these non-GAAP measures exclude stock-based compensation, litigation settlements, gain from asset sales, one-time IPO-related costs, amortization of acquisition-related intangibles assets, restructuring, and discrete tax items. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures are used in this press release. The impact of these items in future periods is uncertain and, depends on various factors. Accordingly, a reconciliation for forward-looking non-GAAP operating income is not available without unreasonable effort.

About Velodyne Lidar, Inc.

Velodyne Lidar (NASDAQ: VLDR, VLDRW) ushered in a new era of autonomous technology with the invention of real-time surround view lidar sensors. Velodyne is the first public pure-play lidar company and is known worldwide for its broad portfolio of breakthrough lidar technologies. Velodyne's revolutionary sensor and software solutions provide flexibility, quality and performance to meet the needs of a wide range of industries, including autonomous vehicles, advanced driver assistance systems (ADAS), robotics, unmanned aerial vehicles (UAV), smart cities, and security. Through continuous innovation, Velodyne strives to transform lives and communities by advancing safer mobility for all. For more information, please visit: ir.velodynelidar.com and follow us on Twitter: @VelodyneLidar.

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VELOCITY LIDAR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

| | December 31, | |
|---|---------------------|------------|
| | 2020 (Unaudited) | 2019 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 204,648 | \$ 60,004 |
| Short-term investments | 145,636 | 2,199 |
| Accounts receivable, net | 13,979 | 11,863 |
| Inventories, net | 18,132 | 14,987 |
| Prepaid and other current assets | 22,319 | 12,918 |
| Total current assets | 404,714 | 101,971 |
| Property, plant and equipment, net | 16,805 | 26,278 |
| Goodwill | 1,189 | 1,189 |
| Intangible assets, net | 627 | 982 |
| Contract assets | 8,440 | — |
| Other assets | 937 | 5,755 |
| Total assets | \$ 432,712 | \$ 136,175 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 7,721 | \$ 6,923 |
| Accrued expense and other current liabilities | 50,349 | 31,160 |
| Contract liabilities | 7,323 | 18,261 |
| Total current liabilities | 65,393 | 56,344 |
| Long-term tax liabilities | 569 | 1,360 |
| Other long-term liabilities | 25,927 | 2,225 |
| Total liabilities | 91,889 | 59,929 |
| Commitments and contingencies | | |
| Stockholders' equity (as adjusted for December 31, 2019): | | |
| Preferred stock | — | — |
| Common stock | 18 | 14 |
| Additional paid-in capital | 656,717 | 240,464 |
| Accumulated other comprehensive loss | (230) | (216) |
| Accumulated deficit | (315,682) | (164,016) |
| Total stockholders' equity | 340,823 | 76,246 |
| Total liabilities and stockholders' equity | \$ 432,712 | \$ 136,175 |

VELODYNE LIDAR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

| | | Three Months Ended December 31, | | Year Ended December 31, | |
|---|----------------|---------------------------------|-------------|----------------------------|------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | (Unaudited) | | (Unaudited) | |
| | Revenue: | | | | |
| | Product | \$ 14,407 | \$ 18,190 | \$ 68,355 | \$ |
| services | License and | | | | |
| | | 3,439 | 782 | 27,007 | |
| | Total | | | | |
| revenue | | 17,846 | 18,972 | 95,362 | |
| | Cost of | | | | |
| revenue: | Product | 23,088 | 18,519 | 69,115 | |
| | License and | | | | |
| services | | 99 | 229 | 1,131 | |
| | Total cost | | | | |
| of revenue | | 23,187 | 18,748 | 70,246 | |
| (loss) | Gross profit | | | | |
| | | (5,341) | 224 | 25,116 | |
| | Operating | | | | |
| expenses: | Research and | | | | |
| development | | 48,427 | 14,639 | 88,080 | |
| | Sales and | | | | |
| marketing | | 18,955 | 5,928 | 31,753 | |
| | General and | | | | |
| administrative | | 38,790 | 9,421 | 65,732 | |
| | Gain on sale | | | | |
| of assets held-for-sale | | — | — | (7,529) | |
| | Restructuring | | | | |
| | | (59) | — | 984 | |
| | Total | | | | |
| operating expenses | | 106,113 | 29,988 | 179,020 | |
| | Operating loss | | | | |
| | | (111,454) | (29,764) | (153,904) | |
| income | Interest | | | | |
| | | 33 | 200 | 152 | |
| expense | Interest | | | | |
| | | (37) | (32) | (106) | |
| (expense), net | Other income | | | | |
| | | 15 | 50 | (90) | |
| income taxes | Loss before | | | | |
| (benefit from) income taxes | | (111,443) | (29,546) | (153,948) | |
| | Provision for | | | | |
| | | 14 | (805) | (4,084) | |
| | Net loss | \$ (111,457) | \$ (28,741) | \$ (149,864) | \$ |
| | Net loss per | | | | |
| share: | | | | | |
| diluted | Basic and | \$ (0.64) | \$ (0.21) | \$ (1.01) | \$ |
| Weighted-average shares used in computing net loss per share: | | | | | |
| diluted | Basic and | 173,888,792 | 136,639,441 | 148,088,589 | |

VELODYNE LIDAR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|---------------------------------|------------------|----------------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | (Unaudited) | | (Unaudited) | |
| Cash flows from operating activities: | | | | |
| Net loss | \$ (111,457) | \$ (28,741) | \$ (149,864) | \$ (67,226) |
| Adjustments to reconcile net loss to cash used in operating activities: | | | | |
| Depreciation and amortization | 2,053 | 2,189 | 8,394 | 7,993 |
| Write-off of deferred IPO costs | — | — | 3,548 | — |
| Stock-based compensation | 91,259 | 24 | 91,500 | 135 |
| Gain on sale of assets held-for-sale | — | — | (7,529) | — |
| Provision for doubtful accounts | (14) | (308) | 511 | 110 |
| Deferred income taxes | (4) | (1,941) | (4) | (1,941) |
| Other | 63 | 60 | 137 | (358) |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable, net | 5,440 | 1,804 | (2,627) | 9,573 |
| Inventories, net | (1,710) | 1,224 | 1,619 | (850) |
| Prepaid and other current assets | (2,339) | 1,630 | 172 | (3,602) |
| Contract assets | (2,814) | — | (11,253) | 38 |
| Other assets | (305) | 309 | 53 | 1,080 |
| Accounts payable | (2,501) | (4,676) | 687 | (45) |
| Accrued expenses and other liabilities | 3,140 | 5,677 | (6,672) | 13,609 |
| Contract liabilities | 379 | (471) | 2,891 | (1,746) |
| Net cash used in operating activities | (18,810) | (23,220) | (68,437) | (43,230) |
| Cash flows from investing activities: | | | | |
| Purchase of property, plant and equipment | (1,080) | (420) | (3,277) | (5,225) |
| Proceeds from sale of assets held-for-sale | — | — | 12,275 | — |
| Proceeds from sales of short-term investments | — | — | — | 8,903 |
| Proceeds from maturities of short-term investments | — | 5,400 | 2,200 | 53,650 |
| Purchase of short-term investments | (145,725) | — | (145,725) | (28,823) |
| Considerations paid for acquisition | — | — | — | (2,473) |
| Proceeds from repayment of stockholder notes | — | 3,512 | — | 3,512 |
| Net cash provided by (used in) investing activities | (146,805) | 8,492 | (134,527) | 29,544 |
| Cash flows from financing activities: | | | | |
| Proceeds from issuance of preferred stock, net of issuance costs | — | 49,790 | 19,919 | 49,790 |
| Proceeds from Business Combination and PIPE offering, net of transaction costs | (1,264) | — | 247,039 | — |
| Proceeds from warrant exercises, net of transaction costs | 73,713 | — | 73,713 | — |
| Repurchase of common stock | — | — | (1,802) | — |
| Cash paid for IPO costs | — | — | (1,143) | — |
| Proceeds from notes payable | — | — | 10,000 | — |
| Net cash provided by financing activities | 72,449 | 49,790 | 347,726 | 49,790 |
| Effect of exchange rate fluctuations on cash and cash equivalent | (39) | 63 | (118) | (4) |
| Net increase (decrease) in cash and cash equivalents | (93,205) | 35,125 | 144,644 | 36,100 |
| Beginning cash and cash equivalents | 297,853 | 24,879 | 60,004 | 23,904 |
| Ending cash and cash equivalents | \$ 204,648 | \$ 60,004 | \$ 204,648 | \$ 60,004 |

VELOCITY LIDAR, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except share and per share data)
(Unaudited)

| | | 2020 | Dece |
|---|----------------------|--------------|------|
| (loss) on GAAP basis | Gross profit | \$ (5,341) | |
| on GAAP basis | Gross margin | (30) | |
| compensation | Stock-based | 7,415 | |
| (loss) on non-GAAP basis | Gross profit | \$ 2,074 | |
| on non-GAAP basis | Gross margin | 12 | |
| loss on GAAP basis | Operation | \$ (111,454) | |
| compensation | Stock-based | 91,259 | |
| settlements | Legal | 105 | |
| of assets held-for-sale | Gain on Sale | — | |
| deferred IPO costs | Write-off of | — | |
| of acquisition-related intangible assets | Amortization | 97 | |
| charges | Restructuring | (59) | |
| loss on non-GAAP basis | Operation | \$ (20,052) | |
| (benefit from) income taxes on GAAP basis | Provision for | \$ 14 | |
| tax reconciling adjustments | Non-GAAP | — | |
| Provision for income taxes on non-GAAP basis | | \$ 14 | |
| GAAP basis | Net loss on | \$ (111,457) | |
| compensation | Stock-based | 91,259 | |
| settlements | Legal | 105 | |
| of assets held-for-sale | Gain on Sale | — | |
| deferred IPO costs | Write-off of | — | |
| of acquisition-related intangible assets | Amortization | 97 | |
| charges | Restructuring | (59) | |
| tax reconciling adjustments | Non-GAAP | — | |
| non-GAAP basis | Net loss on | \$ (20,055) | |
| share on GAAP basis | Net loss per | | |
| diluted | Basic and | \$ (0.64) | |
| average shares on GAAP basis | Weighted- | | |
| diluted | Basic and | 173,888,792 | |
| share on non-GAAP basis | Net loss per | | |
| diluted | Basic and | \$ (0.12) | |
| average shares on non-GAAP basis | Weighted- | | |
| diluted | Basic and | 173,888,792 | |