

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 15, 2024

DecisionPoint Systems, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

001-41376
(Commission File Number)

37-1644635
(I.R.S. Employer
Identification No.)

DecisionPoint Systems, Inc.
1615 South Congress Avenue Suite 103
Delray Beach, Florida

(Address of principal executive offices)

33445
(Zip Code)

Registrant's telephone number, including area code: (561) 900-3723

(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))

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

Title of Each Class	Trading Symbol	Name on Each Exchange on Which Registered
Common Stock, \$0.001 par value	DPSI	NYSE American

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 May 15, 2024, DecisionPoint Systems, Inc. issued an earnings release for the quarter ended March 31, 2024. The earnings release is furnished as Exhibit 99.1. Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 of 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 of DecisionPoint Systems, Inc. dated May 15, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

DECISIONPOINT SYSTEMS, INC.

Dated: May 15, 2024

By: /s/ Melinda Wohl

Name: Melinda Wohl

Title: Chief Financial Officer

DecisionPoint Systems Announces First Quarter 2024 Results

DELRAY BEACH, Fla., May 15, 2024 /PRNewswire/ — DecisionPoint Systems, Inc. (NYSE American: DPSI), the leading mobility-first enterprise services and solutions company and a leading provider of retail in-store solutions and services centered on Point-of-Sale systems, today announced first quarter 2024 financial results for the period ended March 31, 2024.

Steve Smith, chief executive officer of DecisionPoint Systems, commented: “Our first quarter results were impacted year over year by not having a large project on the hardware solutions side of the business. However, our gross margin improved with the mix shift towards services and software. We also reduced our debt by over \$1.6 million and increased cash by \$1.5 million.

“With our continued focus on services, our investments in 2023 are already starting to pay off, and we anticipate our Mobile Managed Services strategy will drive sales of our newer offerings throughout this year. During the first quarter, we continued to build out this part of the business by introducing *PointCare* services, which include existing and new services. This offering served as the foundation for an early win, as we secured a large managed services opportunity with a leading C-store chain to provide store-level, on-site services to maintain several in-store technologies and devices. This win was a significant add to our managed services recurring revenue backlog. It also represents an exciting opportunity to expand from providing mobile managed services for devices to delivering managed services for an entire store or site with a much larger TAM versus discrete device-level services. We will formally launch these new service offerings in the second quarter under the *StoreCare* and *SiteCare* brands.

“Given our impending transaction with Graham and Barcoding, which was at a 27% premium to our closing price the night before the announcement, we will not be hosting a conference call this quarter as we focus on running the business and preparing for the shareholder vote, with the goal of closing the transaction in July. We think this deal strikes the right balance of rewarding our public shareholders with positioning DecisionPoint for the next evolution as a Company.”

About DecisionPoint Systems

DecisionPoint Systems Inc. delivers mobility-first enterprise managed services, in-store retail solutions centered around point-of-sale technologies, deployment, integration and support services to retail, supply chain, hospitality, healthcare and other verticals, enabling customers to make better and faster decisions in the moments that matter—the decision points. Our mission is to help businesses consistently deliver on those moments—improving customer service, accelerating growth, improving worker productivity and lowering risks and costs. For more information about DecisionPoint Systems, Inc., visit <https://www.decisionpt.com>.

Forward-Looking Statements

In this press release, all statements that are not purely about historical facts, including, but not limited to, those in which we use the words "believe," "anticipate," "expect," "plan," "intend," "estimate," "target" and similar expressions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. While these forward-looking statements represent our current judgment of what may happen in the future, actual results may differ materially from the results expressed or implied by these statements due to numerous important factors, including, but not limited to, those described in our most recent report on SEC Form 10-K (under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"), which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. We are under no obligation, and expressly disclaim any obligation, to update the forward-looking statements in this press release, whether as a result of new information, future events or otherwise.

Investor Relations Contact:

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DecisionPoint Systems, Inc.
Consolidated Balance Sheets
(in thousands, except par value)

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash	\$ 5,834	\$ 4,300
Accounts receivable, net of allowance of \$324 and \$267 as of March 31, 2024 and December 31, 2023, respectively	19,292	23,768
Inventory, net	1,193	2,133
Deferred costs	4,158	3,826
Prepaid expenses and other current assets	598	630
Total current assets	31,075	34,657
Operating lease assets	3,208	3,392
Property and equipment, net	2,889	2,973
Deferred costs, net of current portion	3,744	3,689
Deferred tax assets, net	1,475	1,161
Intangible assets, net	7,317	7,815
Goodwill	22,204	22,081
Other assets	172	172
Total assets	<u>\$ 72,084</u>	<u>\$ 75,940</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 14,575	\$ 16,857
Accrued expenses and other current liabilities	5,607	6,566
Deferred revenue	9,222	8,066
Current portion of earnout consideration	5,550	5,370
Current portion of long-term debt	1,003	1,003
Current portion of operating lease liabilities	888	874
Total current liabilities	<u>36,845</u>	<u>38,736</u>

Deferred revenue, net of current portion	5,298	5,307
Revolving line of credit	-	1,300
Long-term debt, net of current portion	3,388	3,639
Noncurrent portion of operating lease liabilities	2,862	3,093
Long-term portion of earnout consideration	4,692	4,316
Other liabilities	6	6
Total liabilities	<u>53,091</u>	<u>56,397</u>
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000 shares authorized; no shares issued or outstanding	-	-
Common stock, \$0.001 par value; 50,000 shares authorized; 7,681 and 7,680 shares issued and outstanding, respectively	8	8
Additional paid-in capital	39,184	38,902
Accumulated deficit	(20,199)	(19,367)
Total stockholders' equity	<u>18,993</u>	<u>19,543</u>
Total liabilities and stockholders' equity	<u>\$ 72,084</u>	<u>\$ 75,940</u>

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DecisionPoint Systems, Inc.
Consolidated Statements of Income and Comprehensive Income
(in thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
Net sales:		
Product	\$ 15,317	\$ 22,166
Service	10,301	4,873
Net sales	<u>25,618</u>	<u>27,039</u>
Cost of sales:		
Product	12,488	17,885
Service	7,119	3,104
Cost of sales	<u>19,607</u>	<u>20,989</u>
Gross profit	6,011	6,050
Operating expenses:		
Sales and marketing expense	2,813	2,368
General and administrative expenses	4,096	2,494
Total operating expenses	<u>6,909</u>	<u>4,862</u>
Operating (loss) income	(898)	1,188
Interest expense, net	(248)	(13)
(Loss) income before income taxes	(1,146)	1,175
Income tax benefit (expense)	314	(309)
Net (loss) income and comprehensive (loss) income attributable to common stockholders	<u>\$ (832)</u>	<u>\$ 866</u>
Net (loss) income per share attributable to stockholders:		
Basic	\$ (0.11)	\$ 0.12
Diluted	\$ (0.11)	\$ 0.11
Weighted average common shares outstanding		
Basic	7,681	7,417
Diluted	7,889	7,789

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DecisionPoint Systems, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities		
Net (loss) income	\$ (832)	\$ 866
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	743	564
Share-based compensation expense	279	196
Deferred income taxes, net	(314)	10
Provision for credit losses	57	68
Provision for inventory obsolescence	(6)	45
Changes in operating assets and liabilities:		
Accounts receivable	4,419	(9,413)
Inventory, net	946	(1,551)
Deferred costs	(387)	(212)
Prepaid expenses and other current assets	32	(75)

Accrued expenses and other current liabilities	(526)	(1,871)
Operating lease liabilities	(33)	(24)
Deferred revenue	1,147	6,394
Net cash provided by (used in) operating activities	<u>3,243</u>	<u>(1,496)</u>
Cash flows from investing activities		
Purchases of property and equipment	(161)	(176)
Net cash used in investing activities	<u>(161)</u>	<u>(176)</u>
Cash flows from financing activities		
Proceeds from term loan	-	5,000
Repayment of term debt	(251)	(1)
Line of credit, net	(1,300)	7,000
Proceeds from exercise of stock options	3	6
Net cash (used in) provided by financing activities	<u>(1,548)</u>	<u>12,005</u>
Change in cash	1,534	10,333
Cash, beginning of period	4,300	7,642
Cash, end of period	<u>\$ 5,834</u>	<u>\$ 17,975</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 147	\$ 7
Cash paid for income taxes	\$ 6	\$ -