

**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 3, 2021

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

Delaware
(State or Other Jurisdiction
of Incorporation)

001-13449
(Commission
File Number)

94-2665054
(I.R.S. Employer
Identification No.)

224 Airport Parkway Suite 550
San Jose, CA
(Address of principal executive offices)

95110
(Zip Code)

(408) 944-4000
(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:

- 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, par value \$0.01 per share	QMCO	Nasdaq Global Market

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 8.01 Other Events.

On February 3, 2021, Quantum Corporation (the “Company”) announced that it has commenced an underwritten public offering of shares of its common stock. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A copy of the investor presentation being used in the connection with the public offering is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

In connection with the public offering, the Company intends to terminate that certain Sales Agreement with B.Riley Securities, Inc., dated November 25, 2020.

Forward Looking Statements

This Current Report on Form 8-K contains “forward-looking” statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Company advises caution in reliance on forward-looking statements. Forward-looking statements include, without limitation, the Company’s intention to terminate the Sales Agreement. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statement. More detailed information about additional risk factors are set forth in the Company’s periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled “Risk Factors,” in the Company’s most recent Annual Report filed with the Securities and Exchange Commission. All forward-looking statements in this Current Report on Form 8-K are based on information available to the Company as of the date of this filing. The Company expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Name
99.1	Press Release dated February 3, 2021
99.2	Investor Presentation dated February 3, 2021
104	Cover Page Interactive Data File (embedded with Inline XBRL document)

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 thereunto duly authorized.

February 3, 2021
(Date)

Quantum Corporation
(Registrant)

/s/ J. Michael Dodson
J. Michael Dodson
Chief Financial Officer
(Principal Financial Officer)

Quantum Announces Proposed Public Offering of Common Stock

San Jose, CA – February 3, 2021 – Quantum Corp. (Nasdaq: QMCO) (“Quantum”) today announced that it intends to offer shares of its common stock for sale in an underwritten public offering. All of the shares in the offering are being offered by Quantum. The offering is subject to market and other conditions, and there can be no assurance as to whether or when the offering may be completed, or as to the actual size or terms of the offering. Quantum intends to use all of the net proceeds of the offering to repay a portion of the indebtedness under its senior secured term loan.

B. Riley Securities, Inc. and Oppenheimer & Co. Inc. are acting as joint book-running managers for the offering. Lake Street Capital Markets, LLC, Craig-Hallum Capital Group LLC and Northland Capital Markets, are acting as co-managers for the offering.

A shelf registration statement (File No. 333-250976) relating to the shares was previously filed with the Securities and Exchange Commission (the “SEC”) and became effective on December 9, 2020. The offering will be made only by means of a written prospectus and prospectus supplement that form a part of the registration statement. Copies of the preliminary prospectus supplement and accompanying prospectus relating to the offering will be filed with the SEC and, when available, may be obtained by contacting: B. Riley Securities, Inc., Attention: Prospectus Department, 1300 North 17th Street, Suite 1300, Arlington, Virginia 22209, or by telephone at 703-312-9580 or by email at prospectuses@brileyfin.com or Oppenheimer & Co. Inc., Attention: Syndicate Prospectus Department, 85 Broad Street, 26th Floor, New York, New York 10004, by telephone at 212-667-8055, or by email at EquityProspectus@opco.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Quantum

Quantum technology and services help customers capture, create and share digital content – and preserve and protect it for decades. With solutions built for every stage of the data lifecycle, Quantum’s platforms provide the fastest performance for high-resolution video, images, and industrial IoT. That’s why the world’s leading entertainment companies, sports franchises, researchers, government agencies, enterprises, and cloud providers are making the world happier, safer, and smarter on Quantum. Quantum is listed on Nasdaq (QMCO) and was added to the Russell 2000® Index in 2020.

Quantum and the Quantum logo are registered trademarks of Quantum Corporation and its affiliates in the United States and/or other countries.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may be identified by use of terms such as “will,” “expect,” “shall,” and similar terms or the negative of such terms, and include, without limitation, statements about the Company’s expectations regarding the completion, terms, size, and timing of the public offering. Actual results or developments may differ materially from those projected or implied in these forward-looking statements. Factors that may cause such a difference include risks and uncertainties related to completion of the public offering on the anticipated terms or at all, market conditions and the satisfaction of customary closing conditions related to the public offering. More information about the risks and uncertainties faced by Quantum is contained in the section captioned “Risk Factors” in the prospectus supplement related to the public offering and from time to time in the Company’s Securities and Exchange Commission filings, including its Annual Report on Form 10-K for the fiscal year ended March 31, 2020, its Quarterly Report on Form 10-Q for the quarter ended December 31, 2020, as well as subsequent SEC filings. The forward-looking statements contained in this release are as of the date of this release, and the Company does not undertake any obligation to update any such statements, whether as a result of new information, future events or otherwise.

Investor Relations Contact:

Shelton Group
Leanne K. Sievers, President
P: 949-224-3874
E: sheltonir@sheltongroup.com

Quantum.

Investor Presentation

NASDAQ: QMCO

February 2021

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Safe Harbor Statement

Safe Harbor Statement. This presentation contains forward-looking statements including, without limitation, statements about the Company's plans, strategies, priorities and prospects including the Company's transformation initiatives, capital structure and go to market strategies; the Company's future operating results and financial position; the Company's market growth; and the Company's objectives for future operations. These statements may include words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "potentially," "preliminary," "likely," and similar expressions and are intended to identify forward-looking statements. These forward-looking statements are based on information available to the Company as of the date of this presentation and are based on management's current views and assumptions. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties, and other factors beyond the Company's control that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties may include, but are not limited to changes in market demands and the effects of the competitive markets in which the Company competes; changes in technology; market acceptance of new products; the Company's ability to implement its strategies and plans; the Company's ability to successfully qualify and sell its products and services in increasing volumes on a cost-effective basis; the Company's ability to generate sufficient cash flows from operations to meet its liquidity requirements; the continued impact of the COVID-19 pandemic on the Company's business and the evolving legal, regulatory, and administrative climate in the international markets where the Company operates. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this presentation is contained in the "Risk Factors" sections in the Company's Annual Report on Form 10-K and the Quarterly Report on Form 10-Q, filed on June 24, 2020, October 28, 2020 and January 27, 2021, respectively, with the U.S. Securities and Exchange Commission ("SEC"), and other documents filed with or furnished to the SEC. These forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date. The Company does not intend to update forward-looking statements to reflect events or circumstances after the date they were made, unless required by law or regulation.

A registration statement on Form S-3 has been filed with the Securities and Exchange Commission and declared effective. The offering of these securities will be made only by means of a written prospectus supplement and base prospectus forming part of the effective registration statement relating to the shares. Copies of the prospectus for this offering may be obtained, when available, by contacting B. Riley Securities, Inc., Attention: Prospectus Department, 1300 North 17th Street, Suite 1300, Arlington, Virginia 22209, or by telephone at 703-312-9580 or by email at prospectuses@brileyfin.com or Oppenheimer & Co. Inc., Attention: Syndicate Prospectus Department, 85 Broad Street, 26th Floor, New York, New York 10004, by telephone at 212-667-8055, or by email at EquityProspectus@opco.com.

Use of Non-GAAP Financial Information. In this presentation, the Company will be discussing non-GAAP measures of non-GAAP gross margin, non-GAAP operating expenses, adjusted EBITDA, adjusted EBITDA margin, non-GAAP net income and non-GAAP net income per share, which are adjusted from results based on GAAP. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and the Company's prospects for the future and are not comprehensive of the Company's financial results. Such measures should not be viewed as a substitute for the Company's financial statements prepared in accordance with GAAP.

We have provided in the attached appendix a reconciliation of these metrics to the most directly comparable GAAP financial measures. We have presented Adjusted EBITDA because it is a key measure used by our management and the board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short and long-term operating plans. In particular, we believe that the exclusion of the amounts eliminated in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business performance. We believe non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net income and non-GAAP net income per share serve as appropriate measures to be used in evaluating the performance of our business and help our investors better compare our operating performance over multiple periods. Accordingly, we believe that these metrics provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and our board of directors.



Today's Presenters



Jamie Lerner

Chairman and CEO

Previous Affiliations:
Pivot3, Seagate Technology, Cisco,
CITTIO, Platinum Technology,
Andersen Consulting



Mike Dodson

Chief Financial Officer

Previous Affiliations:
Mattson Technology, ESI,
Novellus, DDi Corp., and
Ernst & Young

About Quantum (NASDAQ: QMCO)

40

Years as a trusted custodian of digital data

20

Years managing video and unstructured file data

30,000

Active support contracts around the world

44+

Exabytes of data preserved



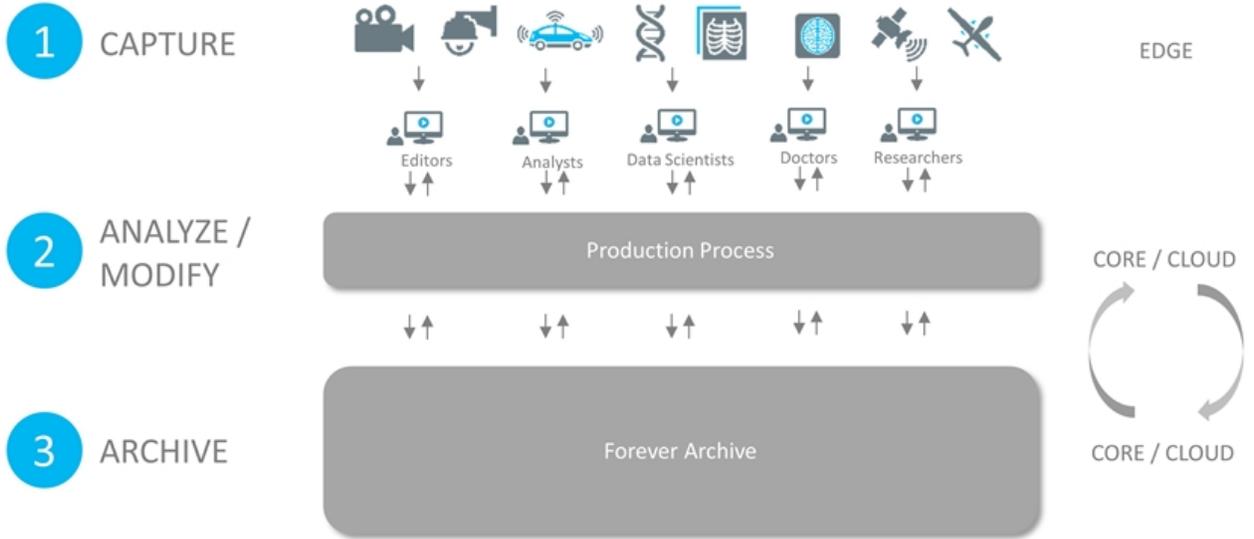
...ON QUANTUM

By 2025 80% of Data is Unstructured; Video and Digital Images

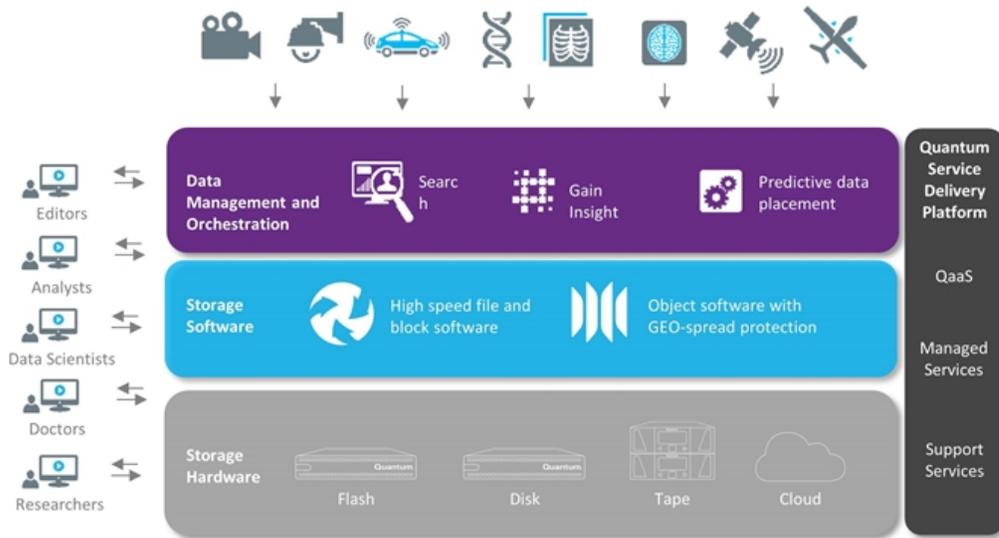


Source: IDC Datasphere reports

The Lifecycle of Video and Unstructured Data



Leader in Video and Unstructured Data Solutions



Leader in Video and Unstructured Data Solutions

Analyze & Enrich

CatDV Asset Management Platform



Store, Classify & Manage

StorNext File System



ATFS NAS Platform



Surveillance, IoT, Edge Appliances



Protect & Preserve

ActiveScale Object Storage



Scalar Tape Storage



DXi Backup Appliances



Primary Storage

Secondary Storage

Quantum Services

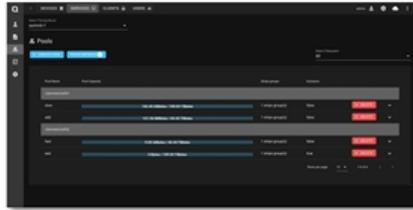
New Products Introduced in Fiscal Q3 2021

New storage software offerings all available on a subscription-basis



INTRODUCED ATFS

Easy to use and deploy, cost-effective NAS platform that offers visibility into data via integrated data classification.



INTRODUCED STORNEXT 7

Introduced file system pools to automate data movement between NVMe and HDD storage, and simplified user interface.



EXPANDED ACTIVESCALE PORTFOLIO

With software enhancements to protect against ransomware, improve system performance.

CatDV Asset Management and AI Analytics Platform

- Adds AI analytics for data enrichment, to unlock business value in unstructured data.
- Adds growing, profitable software business unit.
- Will expand market reach with integrated product offerings, drive scale with Quantum sales, marketing, and development engine.



Industry Leaders Driving Next Phase of Growth



Brian Pawlowski
Chief Development Officer
Came from Sun, NetApp, and Pure Storage



Rick Valentine
Sr. VP & Chief Customer Officer
Came from Silver Peak and Symantec/Veritas



Dave Clack
Gen Mgr, Cloud Software & Analytics
Came from Square Box, McAfee, Rolls Royce



Edwin Yeo
Area VP, Sales, APAC & Japan
Came from Symantec, Oracle, and Sun

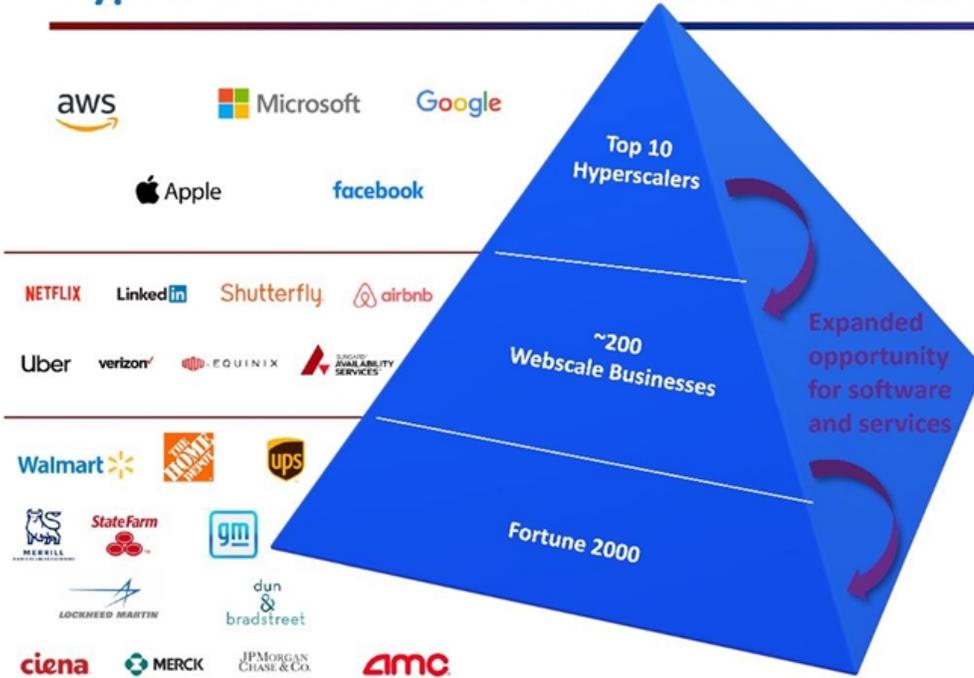


Henk Jan Spanjaard
Area VP, Sales, EMEA
Came from NetApp, Imperva, and DriveScale



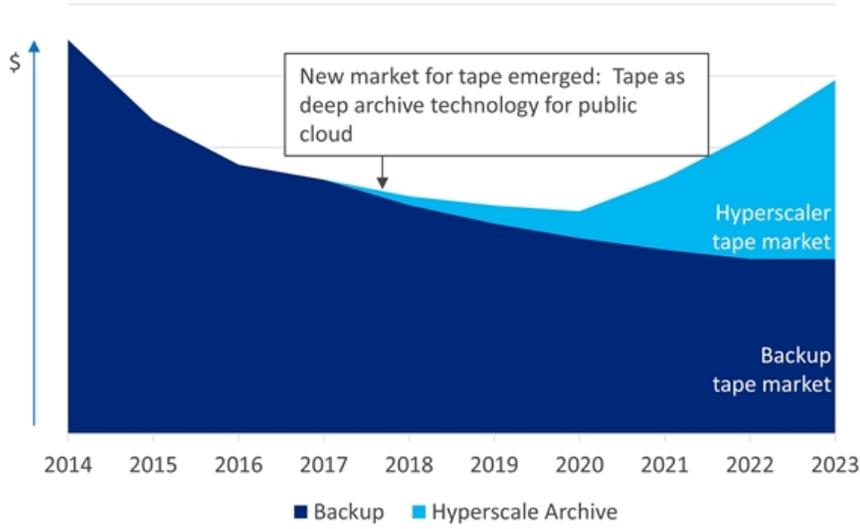
James Mundle
Global Channel Chief
Came from Veeam, Seagate, and HPE

Hyperscale and Web Scale Unstructured Data Archives



- Significant growth opportunity to provide cold storage infrastructure to world's largest hyperscalers.
- Quantum is #1 in this market today, with footprint at 3 of the largest hyperscalers.
- Webscale businesses and Fortune 2000 will have same need as unstructured data grows.

Tape Has Emerged as Deep Archive Technology for Public Cloud



20+

Exabytes
deployed

3.7

Miles of
hardware

3

Hyperscaler
customers

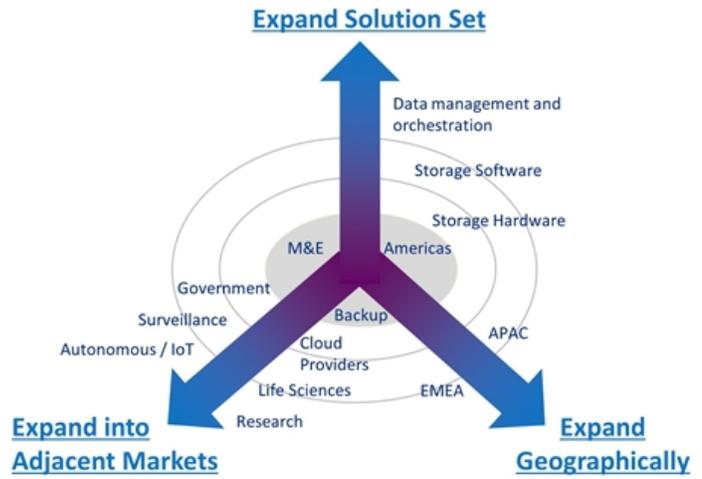
#1

In this
market

Notes:
Source: IDC for historical data. Forward-looking market estimate is for illustrative purposes only.

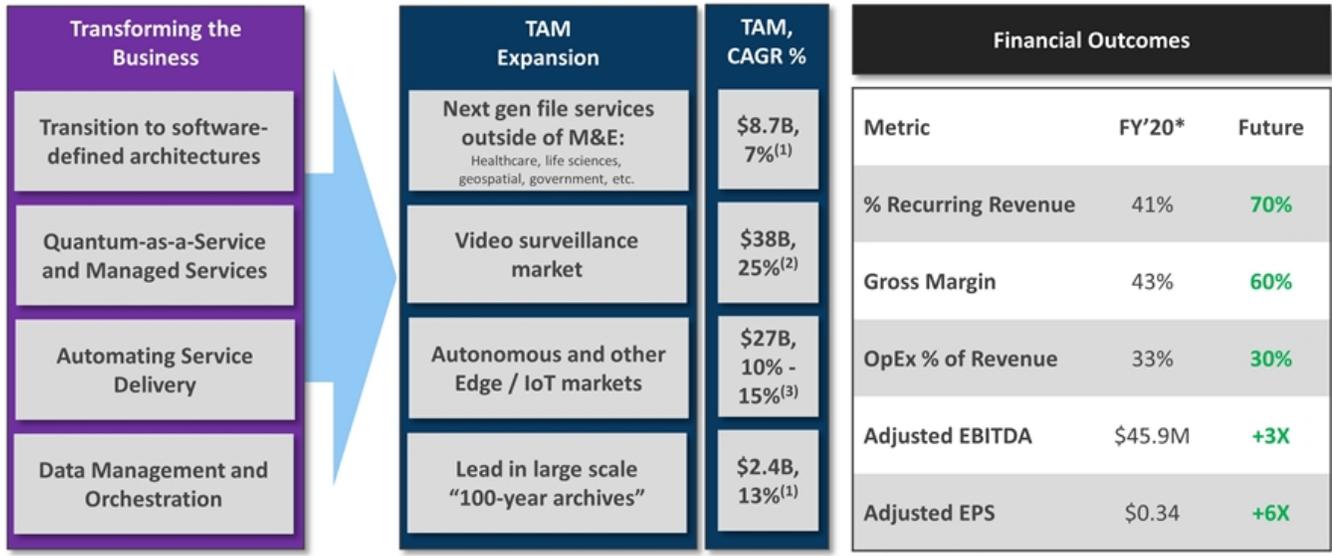
Go-To-Market Transformation

-  Solutions Based Selling
-  Market & Geographical Expansion
-  Sales Engine Transformation



Expanded TAM, Increased Margins, Recurring Profitable Revenue

Driving the Next Phase of Transformation



*Year ending March 31, 2020

Notes:
 (1) IDC WW File and Object Based Forecast, December 2019.
 (2) IHS Markit Surveillance storage forecast.
 (3) Markets and Markets research.

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Financials

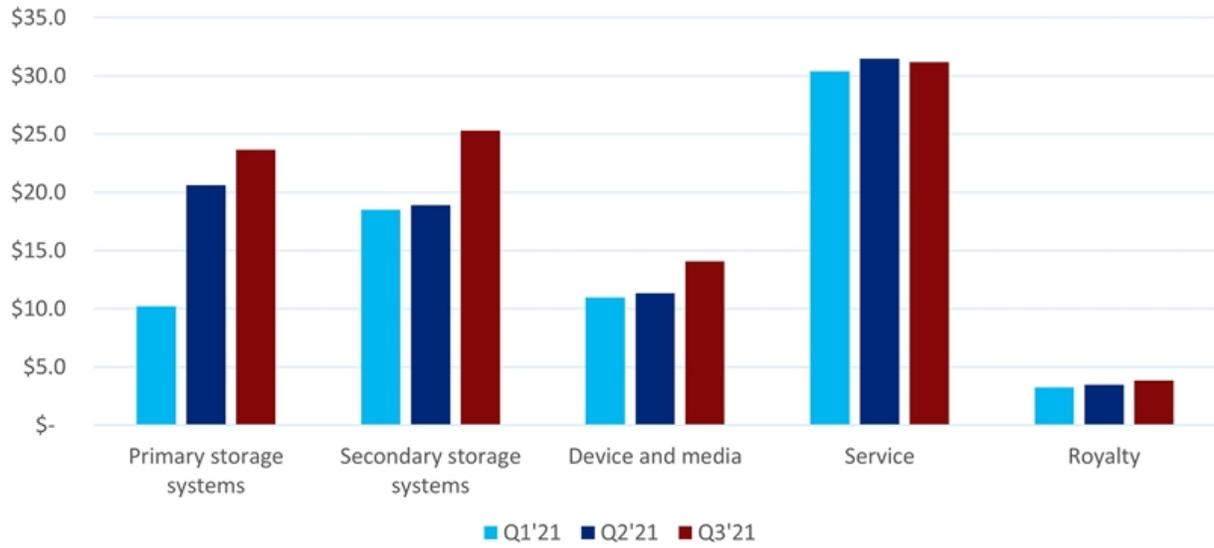
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Fiscal Q3 2021 Financial Results

<i>(\$ in millions, except per share amounts)</i>	<u>Q3'20</u>	<u>Q4'20</u>	<u>Q1'21</u>	<u>Q2'21</u>	<u>Q3'21</u>	<u>Sequential Change</u>
Revenue	\$103.3	\$88.2	\$73.3	\$85.8	\$98.0	14.2%
Gross margin	46.6%	40.9%	42.2%	45.1%	43.2%	(200) bps
Net income (loss)	\$4.7	(\$3.8)	(\$10.7)	(\$4.6)	(\$2.7)	\$1.9
Basic net income (loss) per share	\$0.12	(\$0.10)	(\$0.27)	(\$0.11)	(\$0.07)	\$0.04
Adjusted net income (loss)	\$7.3	(\$2.4)	(\$6.8)	(\$0.2)	\$0.0	\$0.02
Basic adjusted net income (loss) per share	\$0.19	(\$0.06)	(\$0.17)	(\$0.01)	\$0.00	\$0.01
Adjusted EBITDA	\$14.7	\$5.4	\$1.4	\$8.8	\$9.4	6.8%

Notes:
For further information, refer to reconciliation of GAAP and non-GAAP results in appendix.

Revenue Growth Across All Product Categories



Balance Sheet as of December 31st, 2020

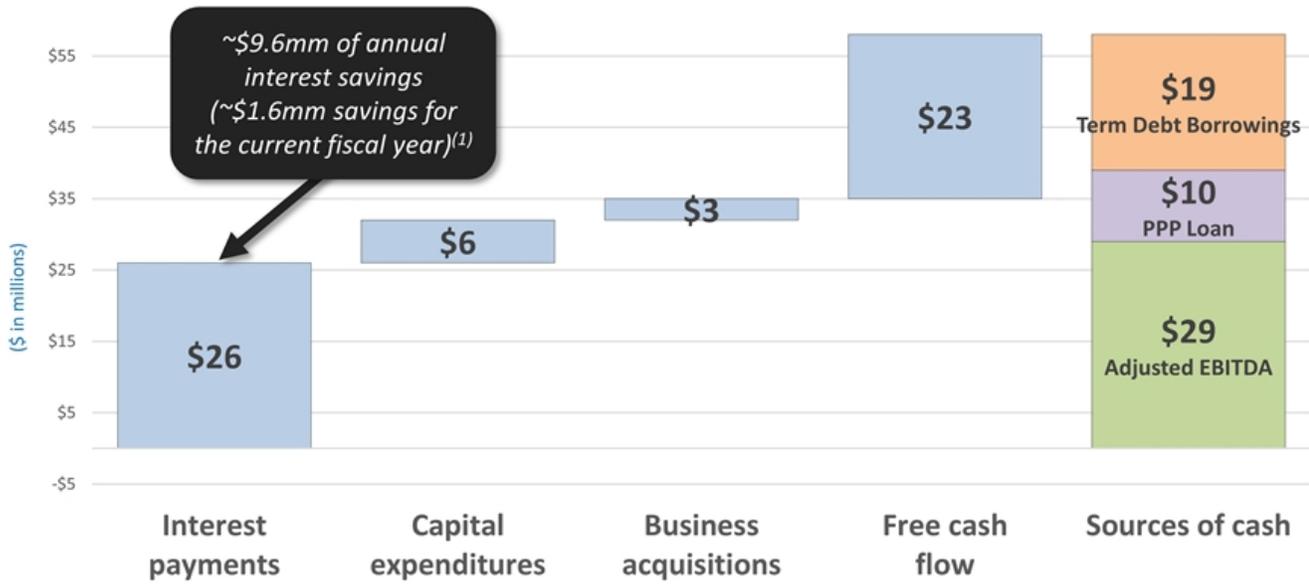
	As Reported Q3'21	Adjustments (+ / -)	Pro Forma Q3'21
Cash and Cash Equivalents	\$17.4	-	\$17.4
Accounts Receivable	\$69.4	-	\$69.4
Net Inventory	\$56.9	-	\$56.9
Accounts Payable	\$30.0	-	\$30.0
Deferred Revenue	\$110.0	-	\$110.0
Long-Term Debt ⁽¹⁾	\$180.1	(\$80.2)	\$99.9
Adjusted Working Capital	\$66.7	-	\$66.7

Credit Ratios:			
Debt / LQA Adjusted EBITDA ⁽²⁾	4.8X		2.7X
Adj. EBITDA / Interest Expense	1.2X		1.7X

Notes:

- (1) Assumes \$90.0 million offering with net proceeds of \$84.2 million to partially payoff the Senior Secured Term Loan. Quantum can payoff up to 50% of the outstanding Senior Secured Term Loan balance with a 5% call premium.
- (2) LQA stands for "last quarter annualized." Quantum's LQA Adjusted EBITDA was \$37.7 million.

Forecasted Fiscal Year 2021 Cash Flow



Notes:

(1) Assumes \$90.0 million offering with net proceeds of \$84.2 million to partially payoff the Senior Secured Term Loan. Quantum can payoff up to 50% of the outstanding Senior Secured Term Loan balance with a 5% call premium.

Three to Five Year Financial Model

Metric	Past ⁽¹⁾	Current ⁽¹⁾	Future
Revenue Mix			
Product Sales	63%	59%	30%
Recurring Revenue	37%	41%	70%
Gross Margin	42%	43%	60%
Total Opex as % of Revenue	40%	33%	30%
Research and Development	9%	9%	9%
Sales and Marketing	20%	15%	13%
General and Administrative	11%	9%	8%
Adjusted Operating Income	2%	10%	30%
Adjusted EBITDA	\$21.7M	\$45.9M	+3X
Adjusted EPS	(\$0.01)	\$0.34	+6X

Business Model Transformation

- Software defined, subscription models
- Quantum-as-a-Service
- Automating service delivery
- Data management and orchestration

TAM Expansion

- Next-gen file services outside of M&E
- Expand into adjacent video and Edge / IoT markets: Surveillance, autonomous, life sciences, government, and more
- Lead in large scale '100-year' archives

Notes:

(1) Past and Current reflect FY'17 actuals and FY'20 actuals.

Capital Structure: Current Arrangements and Next Steps

Current Financing Arrangements

- **\$45M** revolving credit line
- **\$185M** Term Debt
 - Senior secured term loan due December 27, 2023
 - **12%** interest rate
 - **\$5.6M** payment per quarter
 - Covenant waiver through March 31, 2021
 - Defers annualized amortization payments through December 2020
- **\$10M** Paycheck Protection Program (“PPP”) Loan

Prepayment Terms

Until June 27, 2021: Prepayment triggers 7% call premium plus “make whole” interest payments through June 27th, 2021

Equity Clawback: Not subject to the “Make Whole Terms” and company can issue shares to payoff up to 50% of outstanding balance with a 5% call premium

Call Premiums:

- June 28, 2021–December 27, 2021 = 7%
- December 28, 2021–December 27, 2022 = 4%
- December 28, 2022–December 27, 2023 = no call premium

Next Steps

- Already applied for forgiveness of PPP loan
- Refinance outstanding term debt at competitive market terms upon termination of “make whole” provision in effect through June 27, 2021
- Target maximum leverage ratio of 2X-3X

Fiscal Q4 Outlook and Guidance

Revenue:

\$98M

+/- \$3M

Non-GAAP
Adjusted Net
Income/Loss:

Breakeven

+/- \$1M

Adjusted
Earnings/Net Loss
per Share:

Breakeven

+/- \$0.02
per share

Adjusted
EBITDA:

\$9M

+/- \$1M



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NASDAQ: QMCO

Appendix

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Reconciliation of GAAP and non-GAAP Results

The following is a reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP financial measure

<i>(\$ in 000s, except per share amounts)</i>	<u>Q3'20</u>	<u>Q4'20</u>	<u>Q1'21</u>	<u>Q2'21</u>	<u>Q3'21</u>
Net income (loss)	\$4,749	(\$3,837)	(\$10,736)	(\$4,592)	(\$2,669)
Interest Expense	\$6,425	\$6,272	\$6,437	\$7,578	\$7,808
Provision (benefit) for income taxes	(\$110)	\$332	\$419	\$202	\$256
Depreciation and amortization expense	\$1,081	\$1,168	\$1,286	\$1,295	\$1,347
Stock-based compensation expense	\$2,056	\$1,341	\$1,958	\$2,591	\$1,878
Long-term debt related costs	-	-	\$965	\$203	\$208
Acquisition related costs	-	-	-	-	\$393
Restructuring charges	(\$64)	\$2	\$1,052	\$1,585	\$200
Cost related to financial restatement and related activities	\$564	\$125	-	-	-
Adjusted EBITDA	\$14,701	\$5,403	\$1,382	\$8,862	\$9,420

Reconciliation of GAAP and non-GAAP Results

The following is a reconciliation of Adjusted Net Income (Loss) to the most comparable U.S. GAAP financial measure

<i>(\$ in 000s, except per share amounts)</i>	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Net income (loss)	\$4,749	(\$3,837)	(\$10,736)	(\$4,592)	(\$2,669)
Restructuring charges	(\$64)	\$2	\$1,052	\$1,585	\$200
Loss on debt extinguishment	-	-	-	-	-
Stock-based compensation expense	\$2,056	\$1,341	\$1,958	\$2,591	\$1,878
Long-term debt related costs	-	-	\$965	\$203	\$208
Acquisition related costs	-	-	-	-	\$393
Cost related to financial restatement and related activities	\$564	\$125	-	-	-
Adjusted net income (loss)	\$7,305	(\$2,369)	(\$6,761)	(\$213)	\$10
Adjusted net income (loss) per share:					
Basic	\$0.19	(\$0.06)	(\$0.17)	(\$0.01)	\$0.00
Diluted	\$0.16	(\$0.06)	(\$0.17)	(\$0.01)	\$0.00
Weighted average shares outstanding:					
Basic	38,134	39,904	39,905	40,285	40,927
Diluted	46,567	39,904	39,905	40,285	49,238

The logo features the word "Quantum" in a large, white, sans-serif font. Below it, the tagline "CREATE. INNOVATE. PROTECT. ON QUANTUM." is written in a smaller, white, all-caps, sans-serif font. The background is a dark blue gradient with decorative squares in shades of blue, grey, and maroon in the corners.

Quantum[®]

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