

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):

April 2, 2018

Digi International Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-34033

(Commission
File Number)

41-1532464

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

11001 Bren Road East, Minnetonka, Minnesota

(Address of principal executive offices)

55343

(Zip Code)

Registrant's telephone number, including area code:

952-912-3444

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))

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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 2.05 Costs Associated with Exit or Disposal Activities.

On April 2, 2018, we notified impacted employees of a restructuring plan. The restructuring relates to our manufacturing operations as we move to build products primarily through third party partners in order to focus our resources more heavily on strategic software and design components. The restructuring plan was approved by our Board of Directors on January 23, 2018.

Under the plan, we expect to eliminate approximately 60 employment positions spanning both the current fiscal quarter that ends June 30, 2018 as well as the subsequent fiscal quarter that ends September 30, 2018. These position eliminations are expected to impact primarily jobs associated with the manufacture and assembly of our products at our Eden Prairie, Minnesota operating facility.

In connection with the plan, we expect to incur total restructuring charges of approximately \$700,000 to \$800,000 during the remainder of our current fiscal year that ends September 30, 2018. The charges consist almost entirely of cash severance expense.

The restructuring plan described above is expected to result in total annualized savings of approximately \$3,000,000 to \$5,000,000.

Item 7.01 Regulation FD Disclosure.

A press release regarding the restructuring plan is furnished as Exhibit 99.1 to this report.

This filing contains forward-looking statements that are based on management's current expectations and assumptions. These statements often can be identified by the use of forward-looking terminology such as "expects" or variations thereon or similar terminology. Among other items, these statements relate to expectations of the business environment in which the company operates and projections of when certain actions will occur as well as the costs associated with such actions. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, including risks related to the actual timing to complete and the actual costs and associated accounting impact. These and other risks, uncertainties and assumptions identified from time to time in our filings with the United States Securities and Exchange Commission, including without limitation, our annual report on Form 10-K for the year ended September 30, 2017 and subsequent quarterly reports on Form 10-Q and other filings, could cause our company's future results to differ materially from those expressed in any forward-looking statements made by us or on our behalf. Many such factors are beyond our ability to control or predict. These forward-looking statements speak only as of the date for which they are made. We disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated April 3, 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.

Digi International Inc.

April 4, 2018

By: *Michael C. Goergen*

Name: Michael C. Goergen

Title: Senior Vice President, Chief Financial Officer and Treasurer

Digi International to Streamline Manufacturing Operations

Eden Prairie Team to Focus on Manufacturing Strategy and Quality

MINNETONKA, Minn., April 3, 2018 – Digi International®, (NASDAQ: DGII, www.digi.com), a leading global provider of Internet of Things (IoT) connectivity products and services, today announced it will transfer the manufacturing functions of its Eden Prairie operations facility to existing contract manufacture suppliers. The move further leverages the manufacturing strength of its vendors and further focuses Digi on new product introduction.

The move to outsource falls in line with industry practices. The current facility will continue to house the operations team, which will support contract manufacturers as well as oversee the planning and procurement of finished goods and product fulfillment, logistics and quality.

“Digi manufactures approximately 85 percent of its products through contract manufacturers,” said Ron Konezny, president and CEO of Digi International. “Moving the remaining portion to existing providers minimizes disruption. Unfortunately, there will be a number of Digi employees affected. We are working hard to ensure a smooth transition and we’re confident that this decision will benefit Digi’s customers and partners.”

As a result of the shift in manufacturing operations, approximately 60 positions in the Eden Prairie facility will be eliminated in a staged fashion over the next 120 days. Wherever possible, Digi will seek to find new positions within the company for the affected employees. Digi currently employs approximately 600 people globally.

About Digi International

Digi International (NASDAQ: DGII) is a leading global provider of business and mission-critical Internet of Things (IoT) and M2M connectivity products and services. We help our customers create next-generation connected products and deploy and manage critical communications infrastructures in demanding environments with high levels of security, relentless reliability and bulletproof performance. Founded in 1985, we’ve helped our customers connect over 100 million things, and growing. For more information, visit Digi’s website at www.digi.com, or call 877-912-3444 (U.S.) or 952-912-3444 (International).

Forward-Looking Statement

This press release contains forward-looking statements that are based on management’s current expectations and assumptions. These statements often can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “looking forward,” “may,” “will,” “expect,” “plan,” “project,” “should,” or “continue” or the negative thereof or other variations thereon or similar terminology. Among other items, these statements relate to expectations of the business environment in which the company operates, projections of future performance, perceived marketplace opportunities and statements regarding our mission and vision. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions. Among others, these include risks related to the highly competitive market in which our company operates, rapid changes in technologies that may displace products sold by us, declining prices of networking products, our reliance on distributors and other third parties to sell our products, delays in product development efforts, uncertainty in user acceptance of our products, the ability to integrate our products and services with those of other parties in a commercially accepted manner, potential liabilities that can arise if any of our products have design or manufacturing defects, our ability to defend or settle satisfactorily any litigation, uncertainty in global economic conditions and economic conditions within particular regions of the world which could negatively affect product demand and the financial solvency of customers and suppliers, the impact of natural disasters and other events beyond our control that could negatively impact our supply chain and customers, potential unintended consequences associated with restructuring or other similar business initiatives that may impact our ability to retain important employees, the ability to achieve the anticipated benefits and synergies associated with acquisitions or divestitures, and changes in our level of revenue or profitability which can fluctuate for many reasons beyond our control. These and other risks, uncertainties and assumptions identified from time to time in our filings with the United States Securities and Exchange Commission, including without limitation, our annual report on Form 10-K for the year ended September 30, 2017 and subsequent quarterly reports on Form 10-Q and other filings, could cause the company’s future results to differ materially from those expressed in any forward-looking statements made by us or on our behalf. Many of such factors are beyond our ability to control or predict. These forward-looking statements speak only as of the date for which they are made. We disclaim any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Investor Contact:

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