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INTUIT INC
Form 8-K
May 24, 2001

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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

MAY 24, 2001
(Date of report)

MAY 15, 2001
(Date of earliest event reported)

INTUIT INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or other
Jurisdiction of
Incorporation)

000-21180
(Commission File Number)

77-003
(I.R.S. E
Identificat

2535 GARCIA AVENUE
MOUNTAIN VIEW, CA 94043
(Address of Principal Executive Offices)
(Zip Code)

Registrant's telephone number, including area code: (650) 944-6000

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ITEM 5. OTHER EVENTS.

SALE OF QUICKEN BILL MANAGER

On May 15, 2001 Intuit Inc. ("Intuit" or the "Company") sold software and other technology assets of its Quicken Bill Manager online bill payment and presentment business to Princeton eCom Corporation ("Princeton eCom") of Princeton, New Jersey. The sale was accomplished through Intuit's direct sale to Princeton eCom of certain assets owned by Intuit and the sale to Princeton eCom of all the outstanding shares of Venture Finance Software Corp., a wholly owned subsidiary of Intuit that developed many Quicken Bill Manager technologies. In

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exchange for these assets, Intuit is entitled to receive, at Princeton eCom's election to be made by February 2002, either shares of Princeton eCom common stock or cash payments, as follows. If Princeton eCom elects to pay with shares of its stock, then in February 2002 Intuit will be entitled to receive shares of Princeton eCom common stock equal to approximately 20% of Princeton eCom's fully diluted shares measured at a date with approximately a month after the closing of the transaction. If Princeton eCom instead elects to pay in cash, then Intuit will be entitled to receive cash payments in four annual installments, beginning in February 2002, with each cash installment to equal 25% of the value of the Princeton eCom shares that Intuit would have received if Princeton had elected to pay with shares of its stock. Subject to Intuit's consent, in certain circumstances the purchase price payable by Princeton eCom may be prepaid. Because Princeton eCom is privately held, the method of payment need not be elected by Princeton eCom until shortly prior to February 2002 and because election by Princeton eCom of the cash payment alternative will result in payments whose value may fluctuate over a period of up to four years, Intuit cannot currently calculate a precise dollar value for this component of the transaction.

In connection with this transaction Intuit and Princeton eCom also entered into several commercial agreements related to the bill payment and presentment business. Pursuant to these agreements, among other things:

- o Intuit will offer Web-based Quicken Bill Manager-branded services processed by Princeton eCom and will share in revenue derived from the services.
- o Intuit will also receive certain payments if Princeton eCom licenses the Web-based user interface technology to third parties.
- o Intuit will utilize Princeton eCom as a provider of bill payment and presentment services available through Intuit's Quicken desktop personal finance management software.
- o Princeton eCom was granted a license to use the "Powered by Quicken Bill Manager" mark on third party sites.

SHARE REPURCHASE PROGRAM

On May 22, 2001, the Company issued a press release announcing that its board of directors has authorized a three-year stock repurchase program for up to \$500 million. The purpose of the program is to reduce the dilution impact of the Company's employee stock programs.

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ANNOUNCEMENT OF THIRD QUARTER RESULTS

On May 22, 2001, Intuit announced its financial results for the fiscal quarter ended April 30, 2001. Intuit reported revenue of \$425.2 million for the third quarter of fiscal 2001, an increase of 29 percent over the \$329.1 million for the year-ago quarter. Revenue growth resulted from both increased prices and higher volumes. Intuit reported a net loss for the quarter of \$14.3 million, or \$0.07 per share compared to net income of \$297.1 million, or \$1.39 per share for the third quarter in the prior year. Year-over-year comparisons were impacted due to two large, unrelated events in the third quarters of both fiscal 2000 and 2001. Last year's third-quarter results benefited from a \$422.2 million pre-tax gain on the sale of certain marketable securities, which did not occur this year. This year's third quarter was impacted by a charge of approximately \$77 million (which is included within acquisition-related costs) related to the accelerated write-off of goodwill related to acquisitions made in prior periods.

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Intuit's policy is to regularly review goodwill and other longer-term assets to evaluate their current value.

(Financial statements follow)

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INTUIT INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	THREE MONTHS ENDED APRIL 30,		NINE MONTHS ENDED APRIL 30,
	2000	2001	2000
Net revenue	\$ 329,139	\$ 425,000	\$ 931,566
Costs and expenses:			
Cost of revenue			
Products and services	75,532	77,513	225,038
Amortization of purchased software and other	2,115	4,375	7,036
Customer service and technical support	31,596	37,538	113,554
Selling and marketing	60,173	68,479	216,188
Research and development	40,779	52,697	126,529
General and administrative	20,027	23,917	64,846
Charge for purchased research and development	--	238	1,312
Acquisition related costs	38,404	122,575	121,710
Reorganization costs	--	--	3,500
Total costs and expenses	268,626	387,332	879,713
Income from operations	60,513	37,878	51,853
Interest and other income and expense, net	14,516	15,070	29,981
Gain (loss) on marketable securities and other investments, net	422,206	(11,504)	402,096
Gain on divestiture	--	--	--
Income before income tax, minority interest and cumulative effect of accounting change	497,235	41,444	483,930
Income tax provision	200,204	55,294	195,617
Minority interest (income)	(54)	451	(203)
Income (loss) before cumulative effect of accounting change	297,085	(14,301)	288,516
Cumulative effect of accounting change, net of taxes of \$9,543	--	--	--
Net income (loss)	\$ 297,085	\$ (14,301)	\$ 288,516
Basic net income (loss) per share before cumulative effect of accounting change	\$ 1.47	\$ (0.07)	\$ 1.44
Cumulative effect of accounting change	--	--	--

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Basic net income (loss) per share	\$ 1.47	\$ (0.07)	\$ 1.44
	=====	=====	=====
Shares used in per share amounts	202,342	208,715	199,787
	=====	=====	=====
Diluted net income (loss) per share before cumulative effect of accounting change	\$ 1.39	\$ (0.07)	\$ 1.37
Cumulative effect of accounting change	--	--	--
	-----	-----	-----
Diluted net income (loss) per share	\$ 1.39	\$ (0.07)	\$ 1.37
	=====	=====	=====
Shares used in per share amounts	214,362	208,715	211,049
	=====	=====	=====

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INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(In thousands)

	JULY 31, 2000	APRIL 30, 2001
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		(unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 416,953	\$ 437,604
Short-term investments	1,050,220	1,129,929
Marketable securities	225,878	117,494
Customer deposits	181,678	221,944
Accounts receivable, net	67,420	103,310
Mortgage loans	60,330	145,964
Prepaid expenses and other current assets	126,315	134,704
	-----	-----
Total current assets	2,128,794	2,290,949
Property and equipment, net	167,707	181,635
Goodwill and intangibles, net	438,878	487,667
Investments	31,160	21,311
Other assets	112,363	110,354
	-----	-----
Total assets	\$2,878,902	\$3,091,916
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 79,145	\$ 74,709
Payroll tax obligations	177,002	197,700
Escrow liabilities	32,077	105,046
Deferred revenue	107,578	82,374
Income tax payable	110,743	66,374
Deferred income taxes	53,934	36,318

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Other current liabilities	246,358	323,568
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Total current liabilities	806,837	886,089
Long-term obligations	538	15,786
Minority interest	238	836
Stockholders' equity	2,071,289	2,189,205
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Total liabilities and stockholders' equity	\$2,878,902	\$3,091,916
	=====	=====

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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: May 24, 2001

INTUIT INC.

By: /s/ Greg J. Santora

Greg J. Santora
Senior Vice President and
Chief Financial Officer

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