

BROADRIDGE FINANCIAL SOLUTIONS, INC.

Form 10-Q

May 07, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2013

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 001-33220

BROADRIDGE FINANCIAL SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

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Delaware (State or Other Jurisdiction of Incorporation or Organization)	33-1151291 (I.R.S. Employer Identification No.)
1981 Marcus Avenue Lake Success, NY (Address of principal executive offices)	11042 (Zip Code)
Registrant's telephone number, including area code (516) 472-5400	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock, \$0.01 par value, as of April 30, 2013 was 121,224,636.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****Broadridge Financial Solutions, Inc.****Condensed Consolidated Statements of Earnings****(In millions, except per share amounts)****(Unaudited)**

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Revenues	\$ 576.7	\$ 547.0	\$ 1,565.7	\$ 1,503.2
Cost of revenues	426.2	420.8	1,203.8	1,186.2
Selling, general and administrative expenses	79.0	70.6	229.1	208.8
Impairment charge		22.5		32.2
Other expenses, net	3.8	4.3	11.8	10.4
Total expenses	509.0	518.2	1,444.7	1,437.6
Earnings from continuing operations before income taxes	67.7	28.8	121.0	65.6
Provision for income taxes	24.3	10.7	43.5	24.0
Net earnings from continuing operations	43.4	18.1	77.5	41.6
Loss from discontinued operations, net of tax benefit		(1.4)		(1.4)
Net earnings	\$ 43.4	\$ 16.7	\$ 77.5	\$ 40.2
Basic earnings per share:				
Basic earnings per share from continuing operations	\$ 0.36	\$ 0.15	\$ 0.63	\$ 0.34
Basic loss per share from discontinued operations		(0.01)		(0.01)
Basic earnings per share	\$ 0.36	\$ 0.14	\$ 0.63	\$ 0.33
Diluted earnings per share:				
Diluted earnings per share from continuing operations	\$ 0.35	\$ 0.14	\$ 0.62	\$ 0.33
Diluted loss per share from discontinued operations		(0.01)		(0.01)
Diluted earnings per share	\$ 0.35	\$ 0.13	\$ 0.62	\$ 0.32
Weighted-average shares outstanding:				
Basic	121.2	124.0	122.4	123.8
Diluted	125.0	128.4	125.9	127.4
Dividends declared per common share	\$ 0.18	\$ 0.16	\$ 0.54	\$ 0.48

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**Broadridge Financial Solutions, Inc.****Condensed Consolidated Statements of Comprehensive Income****(In millions)****(Unaudited)**

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
	(\$ in millions)			
Net earnings	\$ 43.4	\$ 16.7	\$ 77.5	\$ 40.2
Other comprehensive (loss) income, net:				
Foreign currency translation adjustments	(6.6)	4.8	(0.7)	(7.0)
Net unrealized gains (losses) on available-for-sale securities, net of taxes of (\$0.1) and \$0.1 for the three months ended March 31, 2013 and 2012, respectively; and (\$0.4) and \$2.5 for the nine months ended March 31, 2013 and 2012, respectively	0.1	(0.1)	0.5	(4.3)
Reclassification adjustment for other-than-temporary impairment included in net income, net of taxes of (\$0.5) and (\$4.0) for the three and nine months ended March 31, 2012		0.6		6.8
Pension and post-retirement liability adjustment, net of taxes of (\$0.1) and \$0.3 for the three and nine month periods ended March 31, 2013, respectively	0.1		(0.5)	
Total other comprehensive (loss) income, net	(6.4)	5.3	(0.7)	(4.5)
Comprehensive income	\$ 37.0	\$ 22.0	\$ 76.8	\$ 35.7

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**Broadridge Financial Solutions, Inc.****Condensed Consolidated Balance Sheets****(In millions, except per share amounts)****(Unaudited)**

	March 31, 2013	June 30, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 182.2	\$ 320.5
Accounts receivable, net of allowance for doubtful accounts of \$1.9 and \$6.5, respectively	412.2	370.7
Other current assets	116.9	86.2
Total current assets	711.3	777.4
Property, plant and equipment, net	80.9	79.0
Goodwill	777.8	780.0
Intangible assets, net	121.9	143.3
Other non-current assets	230.0	207.9
Total assets	\$ 1,921.9	\$ 1,987.6
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 130.2	\$ 102.2
Accrued expenses and other current liabilities	191.3	260.6
Deferred revenues	127.7	47.5
Total current liabilities	449.2	410.3
Long-term debt	524.5	524.4
Deferred taxes	53.5	63.2
Deferred revenues	42.8	38.3
Other non-current liabilities	80.9	100.9
Total liabilities	1,150.9	1,137.1
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock: Authorized, 25.0 shares; issued and outstanding, none		
Common stock, \$0.01 par value: Authorized, 650.0 shares; issued, 154.4 and 152.9 shares, respectively; outstanding, 120.4 and 124.8 shares, respectively	1.5	1.5
Additional paid-in capital	787.3	739.4
Retained earnings	698.1	686.1
Treasury stock: at cost, 34.0 and 28.1 shares, respectively	(718.7)	(580.0)
Accumulated other comprehensive income	2.8	3.5
Total stockholders' equity	771.0	850.5
Total liabilities and stockholders' equity	\$ 1,921.9	\$ 1,987.6

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**Broadridge Financial Solutions, Inc.****Condensed Consolidated Statements of Cash Flows****(In millions)****(Unaudited)**

	Nine Months Ended March 31,	
	2013	2012
Cash Flows From Operating Activities		
Net earnings	\$ 77.5	\$ 40.2
Adjustments to reconcile Net earnings to Net cash flows provided by operating activities of continuing operations:		
Loss from discontinued operations		1.4
Depreciation and amortization	36.9	37.3
Amortization of acquired intangibles	16.4	17.7
Amortization of other assets	17.6	13.5
Deferred income taxes	(1.3)	(17.0)
Stock-based compensation expense	21.1	21.6