

INTUIT INC
Form 8-K
November 15, 2002

Table of Contents

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

November 15, 2002
(Date of report)

November 13, 2002
(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)

77-0034661
(I.R.S. Employer
Identification No.)

2535 Garcia Avenue
Mountain View, CA 94043
(Address of Principal Executive Offices) (Zip Code)

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

TABLE OF CONTENTS

ITEM 5. OTHER EVENTS.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

CONDENSED CONSOLIDATED BALANCE SHEET

SIGNATURES

Table of Contents

ITEM 5. OTHER EVENTS.

Announcement of Fiscal 2003 First Quarter Results

On November 13, 2002, Intuit Inc. announced the results for its first quarter of fiscal 2003, which ended October 31, 2002. Revenue increased 32 percent over the first quarter of fiscal 2002 to \$223.3 million. Intuit narrowed its seasonal net loss to \$54.7 million, or \$0.26 per share. This is down significantly from a net loss of \$92.4 million, or \$0.44 per share in the first quarter of fiscal 2002. Intuit typically reports a loss in its first quarter when revenue from its tax preparation businesses is minimal, but operating expenses to develop new products and services continue at relatively consistent levels. Two factors contributed to the lower loss: lower acquisition-related charges due to the adoption of the Financial Accounting Standards Board's SFAS 142 and the absence of a charge for impairment of long-lived assets.

Table of Contents

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

| | Three Months Ended October 31, | |
|---|-----------------------------------|-------------|
| | 2001 | 2002 |
| Net revenue: | | |
| Products | \$ 114,583 | \$ 146,992 |
| Services | 36,755 | 60,941 |
| Other | 17,389 | 15,349 |
| | 168,727 | 223,282 |
| Costs and expenses: | | |
| Cost of revenue: | | |
| Products, services and other | 61,789 | 71,313 |
| Amortization of purchased software | 1,706 | 2,977 |
| Customer service and technical support | 37,759 | 41,752 |
| Selling and marketing | 59,953 | 78,801 |
| Research and development | 48,857 | 65,682 |
| General and administrative | 26,557 | 40,161 |
| Charge for purchased research and development | | 7,789 |
| Acquisition-related charges | 41,081 | 9,455 |
| Loss on impairment of long-lived asset | 27,000 | |
| | 304,702 | 317,930 |
| Loss from continuing operations | (135,975) | (94,648) |
| Interest and other income | 9,810 | 8,336 |
| Gains (losses) on marketable securities and other investments, net | (12,254) | 253 |
| | (138,419) | (86,059) |
| Income tax benefit(i) | (36,263) | (25,818) |
| | (102,156) | (60,241) |
| Loss from continuing operations | (102,156) | (60,241) |
| Discontinued operations, net of income taxes (vi): | | |
| Net income from Quicken Loans discontinued operations | 9,729 | |
| Gain on disposal of Quicken Loans discontinued operations | | 5,556 |
| | 9,729 | 5,556 |
| Net income from discontinued operations | 9,729 | 5,556 |
| | \$ (92,427) | \$ (54,685) |
| Basic and diluted net loss per share from continuing operations | \$ (0.48) | \$ (0.29) |
| Basic and diluted net income per share from discontinued operations | 0.04 | 0.03 |
| | \$ (0.44) | \$ (0.26) |
| Basic and diluted net loss per share | \$ (0.44) | \$ (0.26) |
| Shares used in basic and diluted per share amounts | 211,039 | 207,965 |

Table of Contents

INTUIT INC.
 CONDENSED CONSOLIDATED BALANCE SHEET
 (In thousands)
 (unaudited)

| | <u>July 31,</u> <u>2002</u> | <u>October 31,</u> <u>2002</u> |
|---|--------------------------------|-----------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 435,087 | \$ 308,176 |
| Short-term investments | 815,342 | 522,980 |
| Marketable securities | 16,791 | 27,462 |
| Customer deposits | 300,409 | 308,149 |
| Accounts receivable, net | 56,467 | 65,353 |
| Deferred income taxes | 67,799 | 66,957 |
| Prepaid income taxes | | 56,915 |
| Prepaid expenses and other current assets | 50,729 | 36,771 |
| Amounts due from discontinued operations entities | 252,869 | 184,538 |
| | <u>1,995,493</u> | <u>1,577,301</u> |
| Property and equipment, net | 181,758 | 189,550 |
| Goodwill and purchased intangibles, net | 554,422 | 707,402 |
| Long-term deferred income taxes | 176,553 | 171,428 |
| Loans to executive officers and other employees | 21,270 | 20,585 |
| Other assets | 33,530 | 13,481 |
| | <u>2,963,026</u> | <u>\$2,679,747</u> |
| Total assets | | |
| | <u>\$2,963,026</u> | <u>\$2,679,747</u> |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 76,669 | \$ 80,847 |
| Accrued compensation and related liabilities | 91,507 | 77,595 |
| Payroll service obligations | 300,381 | 308,117 |
| Deferred revenue | 159,758 | 166,075 |
| Income taxes payable | 442 | |
| Short-term note payable | 17,926 | 18,026 |
| Other current liabilities | 86,094 | 87,092 |
| | <u>732,777</u> | <u>737,752</u> |
| Total current liabilities | 732,777 | 737,752 |
| Long-term obligations | 14,610 | 14,384 |
| Stockholders' equity | 2,215,639 | 1,927,611 |
| | <u>2,215,639</u> | <u>1,927,611</u> |
| Total liabilities and stockholders' equity | | |
| | <u>\$2,963,026</u> | <u>\$2,679,747</u> |

Table of Contents

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: November 15, 2002.

INTUIT INC.

By: /s/ STEPHEN M. BENNETT

Stephen M. Bennett
President and Chief Executive Officer