

INTUIT INC
Form 8-K
August 24, 2001
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

August 24, 2001
(Date of report)

August 21, 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)

77-0034661
(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

ITEM 5. OTHER EVENTS.

Press Release Announcing Fourth Quarter and Fiscal Year 2001 Results

Fiscal 2001 Results

Table of Contents

Edgar Filing: INTUIT INC - Form 8-K

On August 21, 2001, Intuit announced its financial results for the fourth quarter and fiscal quarter ended July 31, 2001. Intuit reported fiscal 2001 revenue of \$1.26 billion, an increase of 15 percent over fiscal 2000 revenue of \$1.09 billion. Revenue growth was driven by strong performance in three of Intuit's businesses - Quicken Loans, payroll and consumer tax. Intuit reported a net loss for the year of \$82.8 million, or a loss of \$0.40 per share, compared to net income of \$305.7 million, or \$1.45 per share, in fiscal 2000. Year-over-year comparisons are complicated due to significant non-operating events that impacted fiscal 2000 and 2001 differently. Fiscal 2000 results benefited from a net \$481.1 million pre-tax gain (or \$1.37 in after-tax earnings per share) relating to marketable securities and other investments, which did not occur this year. In fiscal 2001, Intuit's results were impacted by the following significant pre-tax charges totaling approximately \$187.3 million (or \$0.69 in after-tax earnings per share): \$98.1 million in combined write-downs and losses related to marketable securities and other investments; and \$89.2 million more in acquisition-related costs in fiscal 2001 compared to fiscal 2000, due primarily to the accelerated write-down of goodwill for prior acquisitions.

Fourth-Quarter Results

Intuit reported revenue of \$191.2 million for the fourth quarter of fiscal 2001, an increase of 18 percent over the \$162.3 million for the year-ago quarter. Growth was driven by very strong results from two of Intuit's businesses - Quicken Loans and payroll. Intuit reported a net loss for the quarter of \$61.3 million, or a loss of \$0.29 per share. Intuit typically reports a loss in its fourth quarter when revenue from tax preparation businesses is minimal, but operating expenses to develop new products and services continue at relatively consistent levels. In the year-ago quarter, Intuit reported net income of \$17.1 million, or \$0.08 per share. Similar to annual results, quarterly comparisons are complicated due to a significant non-operating event. In fiscal 2000, fourth-quarter results benefited from a net \$79 million pre-tax gain (or \$0.22 in after-tax earnings per share) relating to marketable securities and other investments, which did not occur this year.

(Financial statements follow)

2

Table of Contents

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

	Quarter Ended July 31,		Year Ended July 31,	
	2000	2001	2000	2001
Net revenue	\$ 162,259	\$ 191,169	\$ 1,093,825	\$ 1,261,461
Costs and expenses:				
Cost of revenue				
Products and services	57,347	63,814	282,385	312,040
Amortization of purchased software and other	1,762	3,729	8,798	14,949
Customer service and technical support	25,996	33,285	139,550	149,353
Selling and marketing	48,179	55,070	264,367	270,216
Research and development	42,554	51,911	169,083	207,085
General and administrative	18,899	25,304	83,745	102,918
Charge for purchased research and development	1,312	238		

Edgar Filing: INTUIT INC - Form 8-K

Acquisition related costs
36,238 42,874 157,948 248,202
Reorganization costs
3,500

Total costs and expenses
230,975 275,987 1,110,688 1,305,001

Loss from operations
(68,716) (84,818) (16,863) (43,540)
Interest and other income and expense, net
18,462 12,630 48,443 60,366
Gain (loss) on marketable securities and other
investments, net
79,034 (10,746) 481,130 (98,053)
Net loss on divestiture of businesses
(16,954) (15,315)

Income (loss) before income tax, minority interest and
cumulative effect of accounting change
28,780 (99,888) 512,710 (96,542)
Income tax provision (benefit)
11,567 (38,795) 207,184 (229)
Minority interest
68 196 (135) 794

Income (loss) before cumulative effect of accounting change
17,145 (61,289) 305,661 (97,107)
Cumulative effect of accounting change, net of taxes of
\$9,543
14,314

Net income (loss)
\$17,145 \$(61,289) \$305,661 \$(82,793)

Basic net income (loss) per share before cumulative effect of accounting change
\$0.08 \$(0.29) \$1.52 \$(0.47)
Cumulative effect of accounting change
0.07

Basic net income (loss) per share
\$0.08 \$(0.29) \$1.52 \$(0.40)

Shares used in per share amounts
203,721 209,800 200,770 207,959

Diluted net income (loss) per share before cumulative
effect of accounting change
\$0.08 \$(0.29) \$1.45 \$(0.47)
Cumulative effect of accounting change
0.07

Diluted net income (loss) per share
\$0.08 \$(0.29) \$1.45 \$(0.40)

Shares used in per share amounts
211,940 209,800 211,271 207,959

Table of Contents

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

	<u>July 31,</u> <u>2000</u>	<u>July 31,</u> <u>2001</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$416,953	\$450,104
Short-term investments	1,050,220	1,119,305
Marketable securities	225,878	85,307
Customer deposits	181,678	230,410
Accounts receivable, net	67,420	27,990
Mortgage loans	60,330	123,241
Deferred income taxes	41,843	77,948
Prepaid expenses and other current assets	30,538	33,617
<hr style="border: 1px solid black;"/>		
Total current assets		
	2,074,860	2,147,922
Property and equipment, net	167,707	185,969
Goodwill, net	358,890	326,986
Purchased intangibles, net	79,988	88,348
Long-term deferred income taxes	92,985	145,905
Investments	31,160	24,107
Loans due from affiliates	6,464	9,502
Other assets	12,914	32,997

Total assets
 \$2,824,968 \$2,961,736

LIABILITIES AND
 STOCKHOLDERS EQUITY

Current liabilities:

Accounts payable
 \$79,145 \$66,400
 Accrued compensation and related
 liabilities
 49,303 64,325
 Payroll service obligations
 177,002 205,067
 Escrow liabilities
 8,479 23,373
 Drafts payable
 23,598 63,518
 Deferred revenue
 107,578 125,018
 Income tax payable
 110,743 82,661
 Short-term note payable
 34,286 38,672
 Other current liabilities
 162,769 118,928

Total current liabilities
 752,903 787,962

Long-term obligations
 538 12,413

Minority interest
 238 35

Stockholders equity
 2,071,289 2,161,326

Total liabilities and stockholders
 equity
 \$2,824,968 \$2,961,736



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: August 23, 2001

INTUIT INC.

By: /s/ Greg J. Santora

Greg J. Santora
Senior Vice President and
Chief Financial Officer