

UNISYS CORP
Form 10-Q
August 02, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2017

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 1-8729

UNISYS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 38-0387840
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

801 Lakeview Drive, Suite 100 19422
Blue Bell, Pennsylvania
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (215) 986-4011

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 (§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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

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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. "

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

Number of shares of Common Stock outstanding as of June 30, 2017: 50,469,877.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

UNISYS CORPORATION

CONSOLIDATED BALANCE SHEETS (Unaudited)

(Millions)

	June 30, 2017	December 31, 2016	
Assets			
Current assets			
Cash and cash equivalents	\$571.1	\$ 370.6	
Accounts and notes receivable, net	573.9	505.8	
Inventories:			
Parts and finished equipment	17.1	14.0	
Work in process and materials	15.3	15.0	
Prepaid expenses and other current assets	135.1	121.9	
Total current assets	1,312.5	1,027.3	
Properties	908.9	886.6	
Less-Accumulated depreciation and amortization	757.5	741.3	
Properties, net	151.4	145.3	
Outsourcing assets, net	178.1	172.5	
Marketable software, net	134.0	137.0	
Prepaid postretirement assets	42.6	33.3	
Deferred income taxes	149.9	146.1	
Goodwill	180.0	178.6	
Restricted cash	19.1	30.5	*
Other long-term assets	151.3	151.0	*
Total assets	\$2,318.9	\$ 2,021.6	
Liabilities and deficit			
Current liabilities			
Current maturities of long-term-debt	\$11.3	\$ 106.0	
Accounts payable	199.0	189.0	
Deferred revenue	346.6	337.4	
Other accrued liabilities	329.1	349.2	
Total current liabilities	886.0	981.6	
Long-term debt	629.8	194.0	
Long-term postretirement liabilities	2,230.3	2,292.6	
Long-term deferred revenue	116.3	117.6	
Other long-term liabilities	86.6	83.2	
Commitments and contingencies			
Deficit			
Common stock, shares issued:			
2017; 53.4, 2016; 52.8	0.5	0.5	
Accumulated deficit	(1,972.5)	(1,893.4)	
Treasury stock, shares at cost:			
2017; 2.9, 2016; 2.7	(102.7)	(100.5)	
Paid-in capital	4,521.5	4,515.2	
Accumulated other comprehensive loss	(4,067.4)	(4,152.8)	
Total Unisys stockholders' deficit	(1,620.6)	(1,631.0)	

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Noncontrolling interests	(9.5)	(16.4)
Total deficit	(1,630.1)	(1,647.4)
Total liabilities and deficit	\$2,318.9	\$ 2,021.6

See notes to consolidated financial statements

* Amounts were changed to conform to the current-year presentation. See Note 11.

2

UNISYS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenue				
Services	\$574.8	\$613.8	\$1,160.1	\$1,208.9
Technology	91.4	135.1	170.6	206.8
	666.2	748.9	1,330.7	1,415.7
Costs and expenses				
Cost of revenue:				
Services	526.7	529.1	1,031.2	1,062.8
Technology	37.0	41.5	76.8	76.1
	563.7	570.6	1,108.0	1,138.9
Selling, general and administrative	114.2	115.7	223.3	225.8
Research and development	13.1	13.1	26.9	29.1
	691.0	699.4	1,358.2	1,393.8
Operating profit (loss)	(24.8)			