

ADT Corp
Form 10-Q
April 30, 2014
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 March 28, 2014

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: 001-35502

The ADT Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction

of Incorporation or Organization)

1501 Yamato Road, Boca Raton, Florida

(Address of Principal Executive Offices)

45-4517261

(IRS Employer

Identification Number)

33431

(Zip Code)

(561) 988-3600

(Registrant's Telephone Number, including Area Code)

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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(Do not check if a smaller reporting company)

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, was 174,245,639 as of April 23, 2014.

TABLE OF CONTENTS

	Page	
<u>Part I.</u>	<u>Financial Information</u>	
<u>Item 1.</u>	<u>Financial Statements</u>	
	<u>Condensed and Consolidated Balance Sheets (Unaudited) as of March 28, 2014 and September 27, 2013</u>	<u>1</u>
	<u>Condensed and Consolidated Statements of Operations (Unaudited) for the quarters and six months ended March 28, 2014 and March 29, 2013</u>	<u>2</u>
	<u>Condensed and Consolidated Statements of Comprehensive Income (Unaudited) for the quarters and six months ended March 28, 2014 and March 29, 2013</u>	<u>3</u>
	<u>Condensed and Consolidated Statement of Stockholders' Equity (Unaudited) for the six months ended March 28, 2014</u>	<u>4</u>
	<u>Condensed and Consolidated Statements of Cash Flows (Unaudited) for the six months ended March 28, 2014 and March 29, 2013</u>	<u>5</u>
	<u>Notes to Condensed and Consolidated Financial Statements (Unaudited)</u>	<u>6</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>14</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>25</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>26</u>
<u>Part II.</u>	<u>Other Information</u>	<u>27</u>
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>27</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>27</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>27</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	<u>27</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	<u>27</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>28</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>28</u>
<u>Signatures</u>		<u>29</u>
<u>Exhibit Index</u>		<u>30</u>

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

THE ADT CORPORATION

CONDENSED AND CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in millions, except share and per share data)

	March 28, 2014	September 27, 2013
Assets		
Current Assets:		
Cash and cash equivalents	\$332	\$138
Accounts receivable trade, less allowance for doubtful accounts of \$25 and \$27, respectively	82	86
Inventories	73	66
Prepaid expenses and other current assets	73	85
Deferred income taxes	204	205
Total current assets	764	580
Property and equipment, net	231	235
Subscriber system assets, net	2,127	2,002
Goodwill	3,456	3,476
Intangible assets, net	2,836	2,922
Deferred subscriber acquisition costs, net	541	520
Other assets	192	178
Total Assets	\$10,147	\$9,913
Liabilities and Stockholders' Equity		
Current Liabilities:		
Current maturities of long-term debt	\$3	\$3
Accounts payable	174	203
Accrued and other current liabilities	269	264
Income taxes payable	39	43
Deferred revenue	247	245
Total current liabilities	732	758
Long-term debt	4,712	3,373
Deferred subscriber acquisition revenue	798	769
Deferred tax liabilities	629	551
Other liabilities	154	140
Total Liabilities	7,025	5,591
Commitments and contingencies (See Note 8)		
Stockholders' Equity:		
Common stock – authorized 1,000,000,000 shares of \$0.01 par value; issued and outstanding shares – 177,110,996 as of March 28, 2014 and 208,980,690 as of September 27, 2013	2	2
Additional paid-in capital	2,708	3,957
Retained earnings	351	283
Accumulated other comprehensive income	61	80
Total Stockholders' Equity	3,122	4,322

Total Liabilities and Stockholders' Equity	\$10,147	\$9,913
See Notes to Condensed and Consolidated Financial Statements		

1

Table of Contents

THE ADT CORPORATION
 CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)
 (in millions, except per share data)

	For the Quarters Ended		For the Six Months Ended	
	March 28, 2014	March 29, 2013	March 28, 2014	March 29, 2013
Revenue	\$837	\$821	\$1,676	\$1,630
Cost of revenue	356	341	718	677
Selling, general and administrative expenses	313	301	620	582
Separation costs (See Note 1)	4	5	9	11
Operating income	164	174	329	360
Inte				