## INTUIT INC

## Form 8-K

May 24, 2001

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K<br>CURRENT REPORT<br>PURSUANT TO SECTION 13 OR $15(\mathrm{~d})$ OF THE SECURITIES EXCHANGE ACT OF 1934

MAY 24, 2001
(Date of report)
MAY 15, 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)

Incorporation)
2535 GARCIA AVENUE
MOUNTAIN VIEW, CA 94043
(Address of Principal Executive Offices)
(Zip Code)

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

ITEM 5. OTHER EVENTS.

SALE OF QUICKEN BILL MANAGER

On May 15, 2001 Intuit Inc. ("Intuit" or the "Company") sold software and other technology assets of its Quicken Bill Manager online bill payment and presentment business to Princeton eCom Corporation ("Princeton eCom") of Princeton, New Jersey. The sale was accomplished through Intuit's direct sale to Princeton eCom of certain assets owned by Intuit and the sale to Princeton eCom of all the outstanding shares of Venture Finance Software Corp., a wholly owned subsidiary of Intuit that developed many Quicken Bill Manager technologies. In

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exchange for these assets, Intuit is entitled to receive, at Princeton eCom's election to be made by February 2002, either shares of Princeton ecom common stock or cash payments, as follows. If Princeton eCom elects to pay with shares of its stock, then in February 2002 Intuit will be entitled to receive shares of Princeton eCom common stock equal to approximately $20 \%$ of Princeton eCom's fully diluted shares measured at a date with approximately a month after the closing of the transaction. If Princeton eCom instead elects to pay in cash, then Intuit will be entitled to receive cash payments in four annual installments, beginning in February 2002, with each cash installment to equal $25 \%$ of the value of the Princeton eCom shares that Intuit would have received if Princeton had elected to pay with shares of its stock. Subject to Intuit's consent, in certain circumstances the purchase price payable by Princeton ecom may be prepaid. Because Princeton eCom is privately held, the method of payment need not be elected by Princeton ecom until shortly prior to February 2002 and because election by Princeton eCom of the cash payment alternative will result in payments whose value may fluctuate over a period of up to four years, Intuit cannot currently calculate a precise dollar value for this component of the transaction.

In connection with this transaction Intuit and Princeton eCom also entered into several commercial agreements related to the bill payment and presentment business. Pursuant to these agreements, among other things:
o Intuit will offer Web-based Quicken Bill Manager-branded services processed by Princeton eCom and will share in revenue derived from the services.
o Intuit will also receive certain payments if Princeton eCom licenses the Web-based user interface technology to third parties.
o Intuit will utilize Princeton eCom as a provider of bill payment and presentment services available through Intuit's Quicken desktop personal finance management software.

- Princeton eCom was granted a license to use the "Powered by Quicken Bill Manager" mark on third party sites.

SHARE REPURCHASE PROGRAM

On May 22, 2001, the Company issued a press release announcing that its board of directors has authorized a three-year stock repurchase program for up to $\$ 500$ million. The purpose of the program is to reduce the dilution impact of the Company's employee stock programs.

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## ANNOUNCEMENT OF THIRD QUARTER RESULTS

On May 22, 2001, Intuit announced its financial results for the fiscal quarter ended April 30, 2001. Intuit reported revenue of $\$ 425.2$ million for the third quarter of fiscal 2001, an increase of 29 percent over the $\$ 329.1$ million for the year-ago quarter. Revenue growth resulted from both increased prices and higher volumes. Intuit reported a net loss for the quarter of $\$ 14.3$ million, or $\$ 0.07$ per share compared to net income of $\$ 297.1$ million, or $\$ 1.39$ per share for the third quarter in the prior year. Year-over-year comparisons were impacted due to two large, unrelated events in the third quarters of both fiscal 2000 and 2001. Last year's third-quarter results benefited from a $\$ 422.2$ million pre-tax gain on the sale of certain marketable securities, which did not occur this year. This year's third quarter was impacted by a charge of approximately $\$ 77$ million (which is included within acquisition-related costs) related to the accelerated write-off of goodwill related to acquisitions made in prior periods.

Intuit's policy is to regularly review goodwill and other longer-term assets to evaluate their current value.

## (Financial statements follow)

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

|  | THREE MONTHS ENDED APRIL 30, |  |  |  | $\begin{aligned} & \text { NINE MO } \\ & 2000 \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 2000 |  | 2001 |  |  |
| Net revenue | \$ | 329,139 | \$ | 425, | \$ | 931,566 |
| Costs and expenses: |  |  |  |  |  |  |
| Cost of revenue |  |  |  |  |  |  |
| Products and services |  | 75,532 |  | 77,513 |  | 225,038 |
| Amortization of purchased software and other |  | 2,115 |  | 4,375 |  | 7,036 |
| Customer service and technical support |  | 31,596 |  | 37,538 |  | 113,554 |
| Selling and marketing |  | 60,173 |  | 68,479 |  | 216,188 |
| Research and development |  | 40,779 |  | 52,697 |  | 126,529 |
| General and administrative |  | 20,027 |  | 23,917 |  | 64,846 |
| Charge for purchased research and development |  | -- |  | 238 |  | 1,312 |
| Acquisition related costs |  | 38,404 |  | 122,575 |  | 121,710 |
| Reorganization costs |  | -- |  | -- |  | 3,500 |
| Total costs and expenses |  | 268,626 |  | 387,332 |  | 879,713 |
| Income from operations |  | 60,513 |  | 37,878 |  | 51,853 |
| Interest and other income and expense, net |  | 14,516 |  | 15,070 |  | 29,981 |
| Gain (loss) on marketable securities and other investments, net |  | 422,206 |  | (11,504) |  | 402,096 |
| Gain on divestiture |  | -- |  | -- |  | -- |
| Income before income tax, minority interest and cumulative effect of accounting change |  | 497,235 |  | 41,444 |  | 483,930 |
| Income tax provision |  | 200,204 |  | 55,294 |  | 195,617 |
| Minority interest (income) |  | (54) |  | 451 |  | (203) |
| Income (loss) before cumulative effect of accounting change |  | 297,085 |  | $(14,301)$ |  | 288,516 |
| Cumulative effect of accounting change, net of taxes of \$9,543 |  | -- |  | -- |  | -- |
| Net income (loss) | \$ | 297,085 | \$ | $(14,301)$ | \$ | 288,516 |
| Basic net income (loss) per share before cumulative effect of accounting change \$ 1.47 (0.07) \$ 1.44 |  |  |  |  |  |  |
| Cumulative effect of accounting change |  | -- |  | -- |  | -- |

Basic net income (loss) per share
Shares used in per share amounts

Diluted net income (loss) per share before cumulative effect of accounting change

Cumulative effect of accounting change

Diluted net income (loss) per share
Shares used in per share amounts

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INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEET (In thousands)

| \$ | 1.47 | \$ | (0.07) | \$ | 1.44 |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | , 342 | 208,715 |  | 199,787 |  |
| \$ | 1.39 | \$ | (0.07) | \$ | 1.37 |
|  | -- | - |  |  |  |
| \$ | 1.39 | \$ | (0.07) | \$ | 1.37 |
| 214,362 |  |  | 8,715 | 211,049 |  |

199,787
$=======$

211, 049

| JULY 31, | APRIL 30, |
| :---: | :---: |
| 2000 | 2001 |
| ---------------------- |  |
|  | (unaudited) |

## ASSETS

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Current assets:
    Cash and cash equivalents
    Short-term investments
    Marketable securities
    Customer deposits
    Accounts receivable, net
    Mortgage loans
    Prepaid expenses and other current assets
        Total current assets
Property and equipment, net
Goodwill and intangibles, net
Investments
Other assets
Total assets
```

\$ 416,953
1,050,220
225,878
181,678
67,420
60, 330
126,315
$2,128,794$
167,707
438,878
31,160
112,363
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\$2,878,902
\$ 437,604
1,129,929
117,494
221,944
103,310
145,964
134,704
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2,290,949
181,635
487,667
21,311
110,354
\$3,091,916
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LIABILITIES AND STOCKHOLDERS' EQUITY
Current liabilities:

Accounts payable
Payroll tax obligations
Escrow liabilities
Deferred revenue
Income tax payable
Deferred income taxes
\$ 79,145 177,002 32,077 107,578 $110,743 \quad 66,374$ $53,934 \quad 36,318$
\$ 74,709
197,700
105,046
82,374

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| Other current liabilities | 246,358 | 323,568 |
| :---: | :---: | :---: |
| Total current liabilities | 806,837 | 886,089 |
| Long-term obligations | 538 | 15,786 |
| Minority interest | 238 | 836 |
| Stockholders' equity | 2,071,289 | 2,189,205 |
| Total liabilities and stockholders' equity | \$2,878,902 | \$3,091,916 |

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## 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: May 24, 2001
INTUIT INC.

By: /s/ Greg J. Santora

Greg J. Santora
Senior Vice President and
Chief Financial Officer

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