

MEREDITH CORP

Form 10-Q

February 08, 2018

[Click here for Table of Contents](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2017 Commission file number 1-5128

MEREDITH CORPORATION

(Exact name of registrant as specified in its charter)

Iowa 42-0410230
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1716 Locust Street, Des Moines, Iowa 50309-3023
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (515) 284-3000

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 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, a smaller reporting company, or an emerging growth company. See 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
Smaller reporting company Emerging growth company

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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Shares of stock outstanding at January 31, 2018

Common shares	39,626,226
Class B shares	5,108,980
Total common and Class B shares	44,735,206

TABLE OF CONTENTS

	Page
Part I - Financial Information	
Item 1. Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets as of December 31, 2017 and June 30, 2017	<u>1</u>
Condensed Consolidated Statements of Earnings for the Three and Six Months Ended December 31, 2017 and 2016	<u>2</u>
Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended December 31, 2017 and 2016	<u>3</u>
Condensed Consolidated Statement of Shareholders' Equity for the Six Months Ended December 31, 2017	<u>4</u>
Condensed Consolidated Statements of Cash Flows for the Six Months Ended December 31, 2017 and 2016	<u>5</u>
Notes to Condensed Consolidated Financial Statements	<u>6</u>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>17</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>30</u>
Item 4. Controls and Procedures	<u>31</u>
Part II - Other Information	
Item 1A. Risk Factors	<u>31</u>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	<u>39</u>
Item 6. Exhibits	<u>40</u>
Signature	<u>42</u>
Index to Attached Exhibits	<u>E-1</u>

Meredith Corporation and its consolidated subsidiaries are referred to in this Quarterly Report on Form 10-Q (Form 10-Q) as Meredith, the Company, we, our, and us. Except where context otherwise suggests,

references to Meredith, the Company, we, our, or us do not include Time Inc. (Time) or its subsidiaries.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Meredith Corporation and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

Assets	December 31, 2017	June 30, 2017
(In thousands)		
Current assets		
Cash and cash equivalents	\$ 34,976	\$ 22,287
Accounts receivable, net	297,388	289,052
Inventories	21,410	21,890
Current portion of subscription acquisition costs	141,155	144,896
Current portion of broadcast rights	16,453	7,853
Other current assets	31,531	19,275
Total current assets	542,913	505,253
Property, plant, and equipment	555,265	549,536
Less accumulated depreciation	(354,395)	(359,670)
Net property, plant, and equipment	200,870	189,866
Subscription acquisition costs	77,384	79,740
Broadcast rights	23,397	21,807
Other assets	69,056	69,616
Intangible assets, net	926,809	955,883
Goodwill	907,558	907,458
Total assets	\$ 2,747,987	\$ 2,729,623
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 65,625	\$ 62,500
Current portion of long-term broadcast rights payable	16,847	9,206
Accounts payable	83,919	66,598
Accrued expenses and other liabilities	105,087	116,907
Current portion of unearned subscription revenues	202,249	204,459
Total current liabilities	473,727	459,670
Long-term debt	631,552	635,737
Long-term broadcast rights payable	24,623	22,454
Unearned subscription revenues	107,901	106,506
Deferred income taxes	263,242	384,726
Other noncurrent liabilities	100,104	124,558
Total liabilities	1,601,149	1,733,651
Shareholders' equity		
Series preferred stock	—	—
Common stock	39,625	39,433
Class B stock	5,109	5,119
Additional paid-in capital	58,926	54,726
Retained earnings	1,060,614	915,703
Accumulated other comprehensive loss	(17,436)	