

Edgar Filing: Fidelity National Information Services, Inc. - Form 10-Q

Fidelity National Information Services, Inc.
Form 10-Q
August 07, 2014
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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 June 30, 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 No. 001-16427

Fidelity National Information Services, Inc.
(Exact name of registrant as specified in its charter)
Georgia
(State or other jurisdiction
of incorporation or organization)

37-1490331
(I.R.S. Employer Identification No.)

601 Riverside Avenue
Jacksonville, Florida
(Address of principal executive offices)
(904) 438-6000
(Registrant’s telephone number, including area code)

32204
(Zip 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 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 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
(Do not check if a smaller reporting company) 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

As of July 31, 2014, 285,418,355 shares of the Registrant’s Common Stock were outstanding.

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AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In millions, except per share amounts)

(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$793.7	\$547.5
Settlement deposits	439.5	327.4
Trade receivables, net of allowance for doubtful accounts of \$22.5 and \$16.2 as of June 30, 2014 and December 31, 2013, respectively	1,018.2	987.9
Settlement receivables	262.4	178.2
Other receivables	41.2	62.1
Due from related parties	38.2	35.8
Prepaid expenses and other current assets	167.7	154.1
Deferred income taxes	65.7	58.9
Assets held for sale	8.3	—
Total current assets	2,834.9	2,351.9
Property and equipment, net	459.0	439.0
Goodwill	8,517.7	8,500.0
Intangible assets, net	1,246.5	1,339.3
Computer software, net	869.7	856.5
Deferred contract costs, net	212.2	206.8
Other noncurrent assets	300.8	266.6
Total assets	\$14,440.8	\$13,960.1
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$648.5	\$768.0
Settlement payables	730.7	518.6
Deferred revenues	276.0	243.6
Current portion of long-term debt	23.0	128.8
Due to Brazilian venture partner	20.1	13.7
Liabilities held for sale	3.0	—
Total current liabilities	1,701.3	1,672.7
Long-term debt, excluding current portion	4,900.5	4,339.8
Deferred income taxes	816.4	823.6
Due to Brazilian venture partner	32.7	34.5
Deferred revenues	28.2	27.2
Other long-term liabilities	261.6	325.0
Total liabilities	7,740.7	7,222.8
Equity:		
FIS stockholders' equity:		
Preferred stock, \$0.01 par value, 200 shares authorized, none issued and outstanding as of June 30, 2014 and December 31, 2013	—	—

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Common stock, \$0.01 par value, 600 shares authorized, 387.2 and 387.0 shares issued as of June 30, 2014 and December 31, 2013, respectively	3.9	3.9	
Additional paid in capital	7,286.5	7,247.6	
Retained earnings	2,538.0	2,341.9	
Accumulated other comprehensive earnings (loss)	12.9	(9.9)
Treasury stock, \$0.01 par value, 101.9 and 96.4 shares as of June 30, 2014 and December 31, 2013, respectively, at cost	(3,319.2) (3,003.0)
Total FIS stockholders' equity	6,522.1	6,580.5	
Noncontrolling interest	178.0	156.8	
Total equity	6,700.1	6,737.3	
Total liabilities and equity	\$14,440.8	\$13,960.1	

See accompanying notes to unaudited condensed consolidated financial statements.

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FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES

Condensed Consolidated Statements of Earnings

(In millions, except per share data)

(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Processing and services revenues (for related party activity, see note 2)	\$1,599.1	\$1,512.8	\$3,119.4	\$2,990.1
Cost of revenues	1,092.8	1,031.5	2,140.4	2,040.9
Gross profit	506.3	481.3	979.0	949.2
Selling, general, and administrative expenses	196.6	232.6	383.2	424.7
Operating income	309.7	248.7	595.8	524.5
Other income (expense):				
Interest expense, net	(41.9)	(49.4)	(83.0)	(101.1)
Other income (expense), net	(1.2)	(61.9)	(1.7)	(56.8)
Total other income (expense), net	(43.1)			