

BROADRIDGE FINANCIAL SOLUTIONS, INC.

Form 10-Q

February 08, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2010

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 001-33220

BROADRIDGE FINANCIAL SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

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Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

33-1151291
(I.R.S. Employer
Identification No.)

1981 Marcus Avenue

Lake Success, NY
(Address of principal executive offices)

11042
(Zip Code)

Registrant's telephone number, including area code (516) 472-5400

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 (Section 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.

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

The number of shares outstanding of the registrant's common stock, \$0.01 par value, as of January 31, 2011 was 125,305,862.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****Broadridge Financial Solutions, Inc.****Condensed Consolidated Statements of Earnings****(In millions, except per share amounts)****(Unaudited)**

	Three Months		Six Months Ended	
	Ended		December 31,	
	December 31,	2009	2010	2009
	2010	2009	2010	2009
Revenues	\$ 442.3	\$ 529.7	\$ 863.7	\$ 967.9
Cost of revenues	356.6	399.7	693.2	738.2
Selling, general and administrative expenses	66.9	58.4	128.4	111.8
Other expenses, net	2.3	3.1	4.7	6.9
Total expenses	425.8	461.2	826.3	856.9
Earnings from continuing operations before income taxes	16.5	68.5	37.4	111.0
Provision for income taxes	5.9	17.0	13.5	32.9
Net earnings from continuing operations	10.6	51.5	23.9	78.1
Loss from discontinued operations, net of tax benefit	(0.2)	(17.9)	(0.2)	(18.1)
Net earnings	\$ 10.4	\$ 33.6	\$ 23.7	\$ 60.0
Earnings per share:				
Basic earnings per share from continuing operations	\$ 0.08	\$ 0.38	\$ 0.19	\$ 0.57
Basic loss per share from discontinued operations		(0.13)		(0.13)
Basic earnings per share	\$ 0.08	\$ 0.25	\$ 0.19	\$ 0.44
Diluted earnings per share from continuing operations	\$ 0.08	\$ 0.37	\$ 0.18	\$ 0.56
Diluted loss per share from discontinued operations		(0.13)		(0.13)
Diluted earnings per share	\$ 0.08	\$ 0.24	\$ 0.18	\$ 0.43
Weighted-average shares outstanding:				
Basic	125.0	135.7	125.8	136.9
Diluted	128.5	139.5	129.0	140.0
Dividends declared per common share	\$ 0.15	\$ 0.14	\$ 0.30	\$ 0.28

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**Broadridge Financial Solutions, Inc.****Condensed Consolidated Balance Sheets****(In millions, except per share amounts)****(Unaudited)**

	December 31, 2010	June 30, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 187.8	\$ 412.6
Accounts receivable, net of allowance for doubtful accounts of \$1.8 and \$2.0, respectively	291.3	354.3
Other current assets	93.4	101.7
Assets of discontinued operations	35.5	123.8
Total current assets	608.0	992.4
Property, plant and equipment, net	84.6	87.4
Other non-current assets	169.6	159.0
Goodwill	578.8	509.5
Intangible assets, net	74.0	46.1
Total assets	\$ 1,515.0	\$ 1,794.4
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 76.5	\$ 91.3
Accrued expenses and other current liabilities	170.4	261.2
Deferred revenues	24.4	34.8
Liabilities of discontinued operations	16.3	99.1
Total current liabilities	287.6	486.4
Long-term debt	324.2	324.1
Deferred taxes	44.6	56.2
Other non-current liabilities	75.3	72.8
Deferred revenues	54.6	47.8
Total liabilities	786.3	987.3
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock: Authorized, 25.0 shares; issued and outstanding, none		
Common stock, \$0.01 par value: Authorized, 650.0 shares; issued, 146.3 shares and 145.9 shares, respectively; outstanding, 124.9 shares and 129.2 shares, respectively		
	1.5	1.5
Additional paid-in capital	611.0	587.8
Retained earnings	533.2	546.9
Treasury stock at cost, 21.4 shares and 16.7 shares, respectively	(427.2)	(327.7)
Accumulated other comprehensive income (loss)	10.2	(1.4)
Total stockholders' equity	728.7	807.1
Total liabilities and stockholders' equity	\$ 1,515.0	\$ 1,794.4

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**Broadridge Financial Solutions, Inc.****Condensed Consolidated Statements of Cash Flows****(In millions)****(Unaudited)**

	Six Months Ended December 31,	
	2010	2009
Cash Flows From Operating Activities		
Net earnings	\$ 23.7	\$ 60.0
Adjustments to reconcile Net earnings to net cash flows provided by (used in) operating activities:		
Loss from discontinued operations	0.2	18.1
Depreciation and amortization	24.9	20.0
Amortization of other assets	7.2	8.2
Deferred income taxes	(1.9)	(20.8)
Stock-based compensation expense	14.9	13.3
Excess tax benefits from the issuance of stock-based compensation awards	(0.2)	(0.7)
Other	1.6	2.8
Changes in operating assets and liabilities:		
Current assets and liabilities:		
Decrease in Accounts receivable	67.0	65.9
Decrease in Other current assets	9.5	9.6
Decrease in Accounts payable	(20.6)	(5.7)
Decrease in Accrued expenses and other current liabilities	(73.6)	(46.3)
Decrease in Deferred revenues	(16.0)	(10.7)
Non-current assets and liabilities:		
Increase in Other non-current assets	(21.7)	(2.1)
Increase in Other non-current liabilities	11.9	7.2
Net cash flows provided by operating activities of continuing operations	26.9	118.8
Cash Flows From Investing Activities		
Capital expenditures	(13.6)	(13.0)
Purchases of intangibles	(2.7)	(1.2)
Acquisitions	(95.7)	(5.8)
Net cash flows used in investing activities of continuing operations	(112.0)	(20.0)
Cash Flows From Financing Activities		
Net proceeds from Short-term borrowings		0.6
Other financing transactions	0.4	
Dividends paid	(37.7)	(28.8)
Proceeds from exercise of stock options	8.3	27.9
Purchases of Treasury stock	(120.8)	(131.9)
Excess tax benefits from the issuance of stock-based compensation awards	0.2	0.7