

IDT CORP
Form 10-Q
March 12, 2019

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 JANUARY 31, 2019

or

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

Commission File Number: 1-16371

Edgar Filing: IDT CORP - Form 10-Q

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

As of March 7, 2019, the registrant had the following shares outstanding:

Class A common stock, \$.01 par value: 1,574,326 shares outstanding (excluding 1,698,000 treasury shares)
Class B common stock, \$.01 par value: 24,708,627 shares outstanding (excluding 905,947 treasury shares)

IDT CORPORATION

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION	1
Item 1. Financial Statements (Unaudited)	1
Consolidated Balance Sheets	1
Consolidated Statements of Operations	2
Consolidated Statements of Comprehensive Income (Loss)	3
Consolidated Statements of Equity	4
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3. Quantitative and Qualitative Disclosures About Market Risks	35
Item 4. Controls and Procedures	35
PART II. OTHER INFORMATION	36
Item 1. Legal Proceedings	36
Item 1A. Risk Factors	36
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	37
Item 3. Defaults Upon Senior Securities	37
Item 4. Mine Safety Disclosures	37
Item 5. Other Information	37
Item 6. Exhibits	38
SIGNATURES	39

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements (Unaudited)**IDT CORPORATION
CONSOLIDATED BALANCE SHEETS

	January 31, July 31, 2019 2018 (Unaudited) (Note 1) (in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$74,445	\$68,089
Debt securities	1,051	5,612
Trade accounts receivable, net of allowance for doubtful accounts of \$3,037 at January 31, 2019 and \$3,166 at July 31, 2018	50,164	69,481
Prepaid expenses	20,432	19,550
Other current assets	28,078	28,877
Assets held for sale	167,083	137,272
Total current assets	341,253	328,881
Property, plant and equipment, net	36,186	36,068
Goodwill	11,273	11,315
Other intangibles, net	4,150	306
Equity investments	7,754	6,633
Deferred income tax assets, net	2,882	5,668
Other assets	6,680	5,020
Assets held for sale	5,962	5,706
Total assets	\$416,140	\$399,597
Liabilities and equity		
Current liabilities:		
Trade accounts payable	\$35,288	\$45,124
Accrued expenses	119,206	129,818
Deferred revenue	41,352	55,003
Other current liabilities	6,557	8,269
Liabilities held for sale	159,248	128,770
Total current liabilities	361,651	366,984
Other liabilities	853	768
Liabilities held for sale	433	542
Total liabilities	362,937	368,294
Commitments and contingencies		

Edgar Filing: IDT CORP - Form 10-Q

Equity:

IDT Corporation stockholders' equity:

Preferred stock, \$.01 par value; authorized shares—10,000; no shares issued	—	—
Class A common stock, \$.01 par value; authorized shares—35,000; 3,272 shares issued and 1,574 shares outstanding at January 31, 2019 and July 31, 2018	33	33
Class B common stock, \$.01 par value; authorized shares—200,000; 25,611 and 25,594 shares issued and 24,705 and 22,872 shares outstanding at January 31, 2019 and July 31, 2018, respectively	256	256
Additional paid-in capital	271,959	294,047
Treasury stock, at cost, consisting of 1,698 and 1,698 shares of Class A common stock and 906 and 2,722 shares of Class B common stock at January 31, 2019 and July 31, 2018, respectively	(51,727)	(85,597)
Accumulated other comprehensive loss	(4,455)	(4,972)
Accumulated deficit	(163,366)	(173,103)
Total IDT Corporation stockholders' equity	52,700	30,664
Noncontrolling interests	503	639
Total equity	53,203	31,303
Total liabilities and equity	\$416,140	\$399,597

See accompanying notes to consolidated financial statements.

IDT CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

Three	Six
Months	Months
Ended	Ended
January	January
31,	31,
2019	