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 ACTOR 1934
FOR THE QUARTERLY PERIOD ENDED JANUARY 31, 2019
or
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACTOR 1934
Commission File Number: 1-16371

#### IDT CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware 22-3415036 (State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification Number)

520 Broad Street, Newark, New Jersey 07102(Address of principal executive offices) (Zip Code)

(973) 438-1000

(Registrant's telephone number, including area 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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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)

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## IDT CORPORATION

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#### 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:	¢74 445	¢ (0,000
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		

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## 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	S	
issued and 24,705 and 22,872 shares outstanding at January 31, 2019 and July 31, 2018,	256	256
respectively		
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,	(51,727)	(85,597)
respectively		
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.

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#### **IDT CORPORATION**

# CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

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