

KORN FERRY INTERNATIONAL
Form 10-Q
September 07, 2018

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 July 31, 2018

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 001-14505

KORN/FERRY INTERNATIONAL

(Exact Name of Registrant as Specified in its Charter)

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Delaware 95-2623879
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067

(Address of principal executive offices) (Zip Code)

(310) 552-1834

(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, a 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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

The number of shares outstanding of our common stock as of September 4, 2018 was 56,940,561 shares.

KORN/FERRY INTERNATIONAL

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Item 1. Consolidated Financial Statements

KORN/FERRY INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

| | July 31, 2018 (unaudited) | April 30, 2018 (unaudited) |
|---|---------------------------------------|----------------------------------|
| | (in thousands, except per share data) | |
| ASSETS | | |
| Cash and cash equivalents | \$ 365,729 | \$ 520,848 |
| Marketable securities | 10,952 | 14,293 |
| Receivables due from clients, net of allowance for doubtful accounts of \$19,201 and \$17,845 at July 31, 2018 and April 30, 2018, respectively | 397,559 | 384,996 |
| Income taxes and other receivables | 36,999 | 29,089 |
| Unearned compensation | 40,713 | 37,333 |
| Prepaid expenses and other assets | 32,056 | 27,700 |
| Total current assets | 884,008 | 1,014,259 |
| Marketable securities, non-current | 123,124 | 122,792 |
| Property and equipment, net | 123,318 | 119,901 |
| Cash surrender value of company owned life insurance policies, net of loans | 121,828 | 120,087 |
| Deferred income taxes | 39,512 | 25,520 |
| Goodwill | 581,858 | 584,222 |
| Intangible assets, net | 93,050 | 203,216 |
| Unearned compensation, non-current | 92,378 | 78,295 |
| Investments and other assets | 20,394 | 19,622 |
| Total assets | \$ 2,079,470 | \$ 2,287,914 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |