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24.4

85.7

Direct Checks

10.4

42.0

10.4

42.0

Total

\$89.1

\$362.7

\$97.6

\$371.2

The segment information reported here was calculated utilizing the methodology outlined in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

(1) Management believes that adjusted diluted earnings per share (EPS) provides useful additional information for investors because it provides better comparability of ongoing performance to prior periods given that it excludes the impact of certain items (i.e., restructuring and integration costs, transaction costs, CEO transition costs, asset impairment charges, loss on debt retirement, and one-time impacts of accounting for federal tax reform) that impact the comparability of reported net income and which management believes to be non-indicative of ongoing operations. It is reasonable to expect that one or more of these excluded items will occur in future periods, but the amounts recognized can vary significantly from period to period and may not directly relate to the Company's ongoing

operations. The presentation below is not intended as an alternative to results reported in accordance with generally accepted accounting principles (GAAP) in the United States of America. Instead, the Company believes that this information is a useful financial measure to be considered in addition to GAAP performance measures.

Reported EPS reconciles to adjusted EPS as follows:

	Amended Results		Previously reported results	
	Quarter Ended December 31, 2018	Year Ended December 31, 2018	Quarter Ended December 31, 2018	Year Ended December 31, 2018
Reported Diluted EPS	\$1.25	\$3.16	\$1.39	\$3.29
Asset impairment charges	—	1.96	—	1.96
Restructuring and integration costs	0.11	0.34	0.11	0.34
CEO transition costs	0.04	0.11	0.04	0.11
Transaction costs	0.01	0.02	0.01	0.02
Loss on debt retirement	—	0.01	—	0.01
Impact of federal tax reform	(0.01 )	(0.04 )	(0.01 )	(0.04 )
Adjusted Diluted EPS	\$1.40	\$5.56	\$1.54	\$5.69

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(2) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA are not GAAP measures of financial performance. We disclose EBITDA and Adjusted EBITDA because we believe they are useful in evaluating our operating performance compared to that of other companies in our industry, as the calculation eliminates the effects of long-term financing (i.e., interest expense), income taxes, the accounting effects of capital investments (i.e., depreciation and amortization) and in the case of Adjusted EBITDA, certain items (i.e., restructuring and integration costs, transaction costs, CEO transition costs, asset impairment charges and loss on debt retirement) that may vary for companies for reasons unrelated to overall operating performance. In our case, depreciation and amortization of intangibles and interest expense in the current year and in previous years have been impacted by acquisitions. Certain transactions in 2018 also impacted the comparability of reported net income. We believe that measures of operating performance that exclude these impacts are helpful in analyzing our results. We also believe that an increasing EBITDA and Adjusted EBITDA depict increased ability to attract financing and an increase in the value of our business. We do not consider EBITDA and Adjusted EBITDA to be measures of cash flow, as they do not consider certain cash requirements such as interest, income taxes or debt service payments. We do not consider EBITDA or Adjusted EBITDA to be substitutes for operating income or net income. Instead, we believe that EBITDA and Adjusted EBITDA are useful performance measures that should be considered in addition to GAAP performance measures. EBITDA and Adjusted EBITDA are derived from net income as follows:

	Amended Results		Previously reported results	
	Quarter Ended December 31, 2018	Year Ended December 31, 2018	Quarter Ended December 31, 2018	Year Ended December 31, 2018
Net income	\$57.2	\$149.6	\$63.5	\$155.9
Interest expense	8.2	27.1	8.2	27.1
Income tax provision	15.1	63.0	17.3	65.3
Depreciation and amortization expense	34.2	131.1	34.2	131.1
EBITDA	114.7	370.8	123.2	379.4
Restructuring and integration costs	7.4	21.2	7.4	21.2
Transaction costs	0.6	1.8	0.6	1.8
CEO transition costs	3.1	7.2	3.1	7.2
Asset impairment charges	—	101.3	—	101.3
Loss on debt retirement	—	0.5	—	0.5
Adjusted EBITDA	\$125.8	\$502.8	\$134.3	\$511.4

(3) Management believes that operating income by segment, excluding restructuring and integration, transaction and CEO transition costs, as well as asset impairment charges, provides useful additional information for investors because it provides better comparability of ongoing performance to prior periods given that it excludes the impact of items that affect the comparability of reported operating results and which management believes to be non-indicative of ongoing operations. It is reasonable to expect that one or more of these excluded items will occur in future periods, but the amounts recognized can vary significantly from period to period and may not directly relate to the Company's ongoing operations. The presentation below is not intended as an alternative to results reported in accordance with GAAP. Instead, Management believes that this information is a useful financial measure to be considered in addition to GAAP performance measures.

Reported operating income reconciles to adjusted operating income as follows:

	Amended Results		Previously reported results	
	Quarter Ended	Year Ended	Quarter Ended	Year Ended

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	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018
Reported operating income	\$78.0	\$231.2	\$86.5	\$239.7
Non-GAAP adjustments:				
Small Business Services	6.8	115.2	6.8	115.2
Financial Services	4.0	15.8	4.0	15.8
Direct Checks	0.3	0.5	0.3	0.5
Total	11.1	131.5	11.1	131.5
Adjusted operating income	\$89.1	\$362.7	\$97.6	\$371.2

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 26, 2019

DELUXE CORPORATION

/s/ Jeffrey L. Cotter

Jeffrey L. Cotter  
Chief Administrative Officer,  
Senior Vice President and  
General Counsel