

AVG Technologies N.V.
Form 6-K
November 15, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

November 15, 2012

Commission File Number: 001-35408

AVG TECHNOLOGIES N.V.

Gatwickstraat 9-39

1043 GL Amsterdam

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The Netherlands

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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1. AVG Technologies N.V. Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2012

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(Expressed in thousands of U.S. Dollars)

	December 31, 2011	September 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 60,740	\$ 86,703
Trade accounts receivable, net	25,363	34,993
Inventories	883	932
Deferred income taxes	18,394	18,394
Prepaid expenses	3,975	4,841
Prepaid share issuance cost	6,820	
Other current assets	6,363	7,153
Total current assets	122,538	153,016
Property and equipment, net	12,436	12,303
Deferred income taxes	59,750	56,770
Intangible assets, net	35,035	36,850
Goodwill	71,367	72,277
Investment in equity affiliate	511	333
Investments	9,750	9,750
Other assets	248	2,510
Total assets	\$ 311,635	\$ 343,809
LIABILITIES, PREFERRED SHARES AND SHAREHOLDERS DEFICIT		
Current liabilities:		
Accounts payable	\$ 11,035	\$ 9,983
Accrued compensation and benefits	15,941	18,876
Accrued expenses and other current liabilities	30,878	27,298
Current portion of long-term debt	41,125	18,700
Income taxes payable	4,161	3,361
Deferred revenue	120,269	131,361
Total current liabilities	223,409	209,579
Long-term debt, less current portion	184,315	134,202
Deferred revenue, less current portion	30,839	30,844
Other non-current liabilities	3,397	3,646
Total liabilities	441,960	378,271
Commitments and contingencies (Note 11)		
Class D preferred shares	191,954	
Shareholders deficit:		
Ordinary shares	476	722
Additional paid-in capital (Distributions in excess of capital)	(388,225)	(136,341)
Treasury shares		(3,869)
Accumulated other comprehensive loss	(6,324)	(5,129)

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Retained earnings	71,794	110,155
Total shareholders deficit	(322,279)	(34,462)
Total liabilities, preferred shares and shareholders deficit	\$ 311,635	\$ 343,809

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

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Table of Contents**AVG TECHNOLOGIES N.V.****UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

(Expressed in thousands of U.S. Dollars except for share data and per share data)

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	30,	30,	30,	30,
	2011	2012	2011	2012
Revenue:				
Subscription	\$ 43,942	\$ 49,226	\$ 130,071	\$ 143,210
Platform-derived	27,228	46,027	68,022	117,551
Total revenue	71,170	95,253	198,093	260,761
Cost of revenue:				
Subscription	5,832	5,794	17,287	19,597
Platform-derived	3,352	9,548	6,517	20,214
Total cost of revenue	9,184	15,342	23,804	39,811
Gross profit	61,986	79,911	174,289	220,950
Operating expenses:				
Sales and marketing	19,190	22,298	53,904	63,710
Research and development	8,835	11,833	24,478	38,981
General and administrative	18,332	16,784	35,984	48,588
Total operating expenses	46,357	50,915	114,366	151,279
Operating income	15,629	28,996	59,923	69,671
Other income (expense):				
Interest income	19	26	38	91
Interest and finance costs	(5,211)	(5,914)	(11,319)	(15,842)
Other, net	(343)	(495)	(997)	(1,981)
Other expense, net	(5,535)	(6,383)	(12,278)	(17,732)
Income before income taxes and loss from investment in equity affiliate				
	10,094	22,613	47,645	51,939
Benefit (provision) for income taxes	(3,373)	(3,581)	52,212	(10,845)
Loss from investment in equity affiliate	(61)	(69)	(180)	(178)
Net income	\$ 6,660	\$ 18,963	\$ 99,677	\$ 40,916
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	\$ (2,242)	\$ 723	\$ (2,910)	\$ 1,195
Other comprehensive income (loss)	(2,242)	723	(2,910)	1,195
Comprehensive income	\$ 4,418	\$ 19,686	\$ 96,767	\$ 42,111
Net income	\$ 6,660	\$ 18,963	\$ 99,677	\$ 40,916

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Preferred share dividends		(1,802)		(5,406)	(753)
Distributed and undistributed earnings to participating securities		(1,214)		(27,513)	
Net income available to ordinary shareholders	basic	\$ 3,644	\$ 18,963	\$ 66,758	\$ 40,163
Net income available to ordinary shareholders	basic	\$ 3,644	\$ 18,963	\$ 66,758	\$ 40,163
Net income available to ordinary shareholders	diluted	\$ 3,644	\$ 18,963	\$ 66,758	\$ 40,916
Earnings per ordinary share	basic	\$ 0.10	\$ 0.35	\$ 1.85	\$ 0.77
Earnings per ordinary share	diluted	\$ 0.09	\$ 0.35	\$ 1.72	\$ 0.75
Weighted-average shares outstanding	basic	36,000,000	54,232,743	36,000,000	51,850,912
Weighted-average shares outstanding	diluted	39,137,695	54,710,323	38,837,773	54,231,072
Cash dividends declared per ordinary share		\$	\$	\$ 4.53	\$
Cash dividends declared per preferred share		\$ 0.15	\$	\$ 4.98	\$ 0.21

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

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AVG TECHNOLOGIES N.V.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF SHAREHOLDERS DEFICIT

(Expressed in thousands of U.S. Dollars except for share data)

**Class D
Preferred Shares**

Ordinary Shares