

SPRINT Corp
Form 10-Q
February 06, 2018
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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 December 31, 2017

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 1-04721

SPRINT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 46-1170005
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

6200 Sprint Parkway, Overland Park, Kansas 66251
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (855) 848-3280

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

COMMON SHARES OUTSTANDING AT JANUARY 31, 2018:

Sprint Corporation Common Stock 4,003,046,276

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

SPRINT CORPORATION
CONSOLIDATED BALANCE SHEETS

	December 31, 2017	March 31, 2017
	(in millions, except share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,440	\$ 2,870
Short-term investments	173	5,444
Accounts and notes receivable, net of allowance for doubtful accounts and deferred interest of \$344 and \$354, respectively	3,917	4,138
Device and accessory inventory	1,009	1,064
Prepaid expenses and other current assets	626	601
Total current assets	10,165	14,117
Property, plant and equipment, net	19,712	19,209
Intangible assets		
Goodwill	6,586	6,579
FCC licenses and other	41,222	40,585
Definite-lived intangible assets, net	2,667	3,320
Other assets	1,067	1,313
Total assets	\$ 81,419	\$ 85,123
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 3,176	\$ 3,281
Accrued expenses and other current liabilities	3,859	4,141
Current portion of long-term debt, financing and capital lease obligations	4,036	5,036
Total current liabilities	11,071	12,458
Long-term debt, financing and capital lease obligations	32,825	35,878
Deferred tax liabilities	7,709	14,416
Other liabilities	3,509	3,563
Total liabilities	55,114	66,315
Commitments and contingencies		
Stockholders' equity:		
Common stock, voting, par value \$0.01 per share, 9.0 billion authorized, 4.002 billion and 3.989 billion issued, respectively	40	40
Paid-in capital	27,825	27,756
Accumulated deficit	(1,264)	(8,584)
Accumulated other comprehensive loss	(366)	(404)
Total stockholders' equity	26,235	18,808
Noncontrolling interests	70	—
Total equity	26,305	18,808
Total liabilities and equity	\$ 81,419	\$ 85,123
See Notes to the Consolidated Financial Statements		

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SPRINT CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended December 31, 2017		Nine Months Ended December 31, 2017	
	2016	2016	2016	2016
	(in millions, except per share amounts)			
Net operating revenues:				
Service	\$5,930	\$6,323	\$17,968	\$19,252
Equipment	2,309	2,226	6,355	5,556
	8,239	8,549	24,323	24,808
Net operating expenses:				
Cost of services (exclusive of depreciation and amortization included below)	1,733	1,925	5,140	6,125
Cost of products (exclusive of depreciation and amortization included below)	1,673	1,985	4,622	5,097
Selling, general and administrative	2,108	2,080	6,059	5,992
Severance and exit costs	13	19	13	30
Depreciation	1,977	1,837	5,693	5,227
Amortization	196	255	628	813
Other, net	(188)	137	(323)	230
	7,512	8,238		