

# ADT Inc

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## One-time tax gain can't paper over cracks as ADT succumbs to surprise fourth quarter loss

A huge one-time boost from the recent raft of US tax changes helped ADT Inc (NYSE:ADT) swing back to a profit in the final quarter of 2017, but the home security giant's underlying performance left investors uneasy.

Including the US\$690m gain from the tax reforms brought in by President Trump and his administration at the end of last year, ADT earned US\$638m, or 99 US cents a share, in the quarter ended December 31.

### Reduced customer attrition

Stripping out that hefty one-off gain though, ADT posted a surprise adjusted loss of US\$37m, or 10 US cents a share, in its first earnings report since going public in January (Q4 2016: US\$47m, 7 US cents). Analysts had been expecting earnings of 14 US cents a share.

At US\$1.11bn (Q4 2016: US\$1.05bn), revenue was slightly better than the US\$1.09bn Wall Street number crunchers had initially penciled in.

"Our fourth quarter results reflect a very strong finish to 2017," said chief executive Tim Whall.

"We grew revenue, EBITDA, and cash flow year-over-year, and we also meaningfully reduced customer attrition while improving customer acquisition efficiency.

He added: "Following our initial public offering, we are excited about the future of ADT and our ability to drive significant cash flow growth as we continue to execute against our strategic objectives."

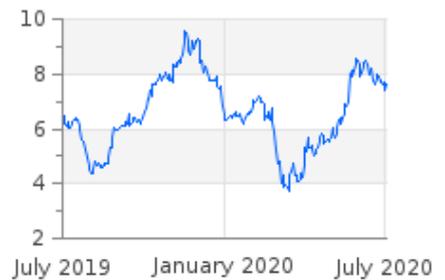
For the year ahead, ADT is guiding for revenue of between US\$4.45bn to US\$4.55bn, in line with analysts' forecasts of US\$4.47bn.

Shares popped 5% higher at the opening bell, but quickly reversed and are down 8.8% to US\$9.31 in late-morning trade.

**Price:** 7.6

**Market Cap:** \$5.85 billion

### 1 Year Share Price Graph



### Share Information

**Code:** ADT

**Listing:** NYSE

52 week	High	Low
	9.69	3.41

**Sector:** Business & education services

**Website:** www.adt.com

### Company Synopsis:

ADT has one of the most trusted and well-known brands in the security industry today. ADT currently serves more than six million residential and small business customers, making us the largest company of our kind in both the United States and Canada.

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