

ADT Inc

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ADT's Q4 profits up 1.1% on stronger revenue

Home-security monitoring company ADT Corp. (NYSE:ADT) Tuesday reported fiscal fourth-quarter earnings edged up 1.1 per cent on higher revenue and a stronger gross margins.

ADT, which listed October 1, was created when industrial conglomerate Tyco International Ltd. (NYSE:TYC) spun off its North American security business.

For the quarter ended September 28, ADT posted a profit of \$94 million, or 40 cents per share, better than the year-ago profit of \$93 million, or 39 cents per share. Stripping out one-time items, profit was 43 cents versus 41 cents last year.

Revenue rose 2.3 per cent to \$812 million. Analysts polled by Thomson Reuters recently expected per-share earnings of 43 cents on revenue of \$818 million.

"We delivered solid recurring revenue growth fueled by the continued success of Pulse in the residential and small business security markets," ADT CEO Naren Gursahaney said.

"Our focus for 2013 is to deliver meaningful shareholder value by leveraging our competitive strengths to accelerate growth and through the efficient deployment of capital."

North America's largest home-security monitoring company supply homes with sensors capable of detecting intruders, fires, basement floods or accumulations of carbon monoxide. The sensors are connected to a network of monitoring centers.

ADT, headquartered in Florida, has said it will accelerate its marketing and advertising efforts in the coming months to raise awareness about its expanded suite of services.

The company said that recurring revenue, which made up more than 90 per cent of total revenue in the quarter, was up 5.2 per cent. This was driven by 4.4 per cent growth in average revenue per customer, which rose to \$38.87, and 1.1 per cent growth in customer accounts.

Non-recurring revenue declined 21 per cent as ADT said its mix continues to shift toward more company-owned systems, increasing deferred revenue and reducing current period installation revenue.

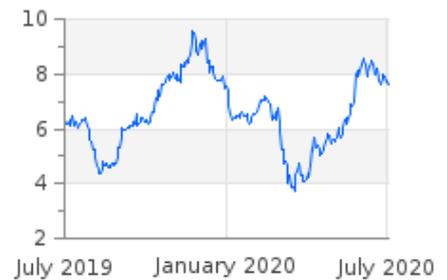
Gross margin widened to 58.6 per cent from 55.9 per cent as input costs fell 4 per cent to \$336 million. However, selling, general and administrative expenses climbed 14 per cent to \$302 million.

ADT declared a quarterly dividend of 12.5 cents per share and also approved a \$2 billion buyback program. The

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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company also added 284,000 new customers and ended the quarter with 6.4 million customer accounts.

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