

EMCOR GROUP INC
Form 10-Q
October 28, 2014
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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 September 30, 2014

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 1-8267

EMCOR GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

11-2125338

(State or Other Jurisdiction of

(I.R.S. Employer

Incorporation or Organization)

Identification Number)

301 Merritt Seven

06851-1092

Norwalk, Connecticut

(Address of Principal Executive Offices)

(Zip Code)

(203) 849-7800

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last

Report)

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 (Section 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

Applicable Only To Corporate Issuers

Number of shares of Common Stock outstanding as of the close of business on October 23, 2014: 64,747,535 shares.

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PART I. – FINANCIAL INFORMATION.

ITEM 1. FINANCIAL STATEMENTS.

EMCOR Group, Inc. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$437,446	\$ 439,813
Accounts receivable, net	1,233,916	1,268,226
Costs and estimated earnings in excess of billings on uncompleted contracts	121,577	90,727
Inventories	67,173	52,123
Prepaid expenses and other	66,558	79,216
Total current assets	1,926,670	1,930,105
Investments, notes and other long-term receivables	7,634	6,799
Property, plant and equipment, net	122,240	123,414
Goodwill	834,102	834,825
Identifiable intangible assets, net	513,001	541,497
Other assets	31,020	29,275
Total assets	\$3,434,667	\$ 3,465,915
LIABILITIES AND EQUITY		
Current liabilities:		
Borrowings under revolving credit facility	\$—	\$ —
Current maturities of long-term debt and capital lease obligations	19,138	19,332
Accounts payable	404,094	487,738
Billings in excess of costs and estimated earnings on uncompleted contracts	384,782	381,295
Accrued payroll and benefits	247,151	237,779
Other accrued expenses and liabilities	191,965	172,599
Total current liabilities	1,247,130	1,298,743
Borrowings under revolving credit facility	—	—
Long-term debt and capital lease obligations	321,222	335,331
Other long-term obligations	340,592	352,215
Total liabilities	1,908,944	1,986,289
Equity:		
EMCOR Group, Inc. stockholders' equity:		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, zero issued and outstanding	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized, 66,230,165 and 67,627,359 shares issued, respectively	662	676
Capital surplus	342,247	408,083
Accumulated other comprehensive loss	(64,678)	(65,777)
Retained earnings	1,243,762	1,133,873
Treasury stock, at cost 659,841 and 730,841 shares, respectively	(10,302)	(10,590)
Total EMCOR Group, Inc. stockholders' equity	1,511,691	1,466,265
Noncontrolling interests	14,032	13,361
Total equity	1,525,723	1,479,626
Total liabilities and equity	\$3,434,667	\$ 3,465,915

See Notes to Condensed Consolidated Financial Statements.

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EMCOR Group, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Revenues	\$1,566,711	\$1,605,315	\$4,710,169	\$4,684,248
Cost of sales	1,344,482	1,398,753	4,051,496	4,099,473
Gross profit	222,229	206,562	658,673	584,775
Selling, general and administrative expenses	159,983	147,917	454,243	419,679
Restructuring expenses	398	601	799	652
Gain on sale of building	11,749	—	11,749	—
Operating income	73,597	58,044	215,380	164,444
Interest expense	(2,397) (2,351) (6,887) (5,978
Interest income	186	234	641	862
Income from continuing operations before income taxes	71,386	55,927	209,134	159,328
Income tax provision	23,998	24,024	75,428	60,622
Income from continuing operations	47,388	31,903	133,706	98,706
Loss from discontinued operation, net of income taxes	(611) (3,010) (4,087) (17,621
Net income including noncontrolling interests	46,777	28,893		