

EMCOR GROUP INC  
Form 10-Q  
April 30, 2015  
Table of Contents

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 March 31, 2015

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

(State or Other Jurisdiction of  
Incorporation or Organization)

11-2125338

(I.R.S. Employer  
Identification Number)

301 Merritt Seven  
Norwalk, Connecticut

(Address of Principal Executive Offices)  
(203) 849-7800

06851-1092

(Zip Code)

(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 April 27, 2015: 62,688,874 shares.

Table of Contents

EMCOR Group, Inc.  
INDEX

|   | Page No.  |
|---|-----------|
| <u>PART I. - Financial Information.</u>   |           |
| Item 1. <u>Financial Statements.</u>  |           |
| <u>Condensed Consolidated Balance Sheets - as of March 31, 2015 and December 31, 2014</u>                     | <u>1</u>  |
| <u>Condensed Consolidated Statements of Operations - three months ended March 31, 2015 and 2014</u>           | <u>2</u>  |
| <u>Condensed Consolidated Statements of Comprehensive Income - three months ended March 31, 2015 and 2014</u> | <u>3</u>  |
| <u>Condensed Consolidated Statements of Cash Flows - three months ended March 31, 2015 and 2014</u>           | <u>4</u>  |
| <u>Condensed Consolidated Statements of Equity - three months ended March 31, 2015 and 2014</u>               | <u>5</u>  |
| <u>Notes to Condensed Consolidated Financial Statements</u>   | <u>6</u>  |
| Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>         | <u>16</u> |
| Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk.</u>                                    | <u>27</u> |
| Item 4. <u>Controls and Procedures.</u>   | <u>28</u> |
| <u>PART II. - Other Information.</u>  |           |
| Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>                                   | <u>28</u> |
| Item 6. <u>Exhibits.</u>  | <u>28</u> |

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Table of Contents

## 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)

|  | March 31,<br>2015<br>(Unaudited) | December 31,<br>2014 |
|--|----------------------------------|----------------------|
| <b>ASSETS</b>  |                                  |                      |
| Current assets:  |                                  |                      |
| Cash and cash equivalents  | \$368,894                        | \$ 432,056           |
| Accounts receivable, net   | 1,230,581                        | 1,234,187            |
| Costs and estimated earnings in excess of billings on uncompleted contracts  | 119,139                          | 103,201              |
| Inventories  | 46,346                           | 46,854               |
| Prepaid expenses and other   | 62,333                           | 70,305               |
| Total current assets   | 1,827,293                        | 1,886,603            |
| Investments, notes and other long-term receivables   | 6,029                            | 9,122                |
| Property, plant and equipment, net   | 118,274                          | 122,178              |
| Goodwill   | 834,102                          | 834,102              |
| Identifiable intangible assets, net  | 492,599                          | 502,060              |
| Other assets   | 37,285                           | 34,902               |
| Total assets   | \$3,315,582                      | \$ 3,388,967         |
| <b>LIABILITIES AND EQUITY</b>  |                                  |                      |
| Current liabilities:   |                                  |                      |
| Borrowings under revolving credit facility   | \$—                              | \$ —                 |
| Current maturities of long-term debt and capital lease obligations   | 18,680                           | 19,041               |
| Accounts payable   | 410,566                          | 460,478              |
| Billings in excess of costs and estimated earnings on uncompleted contracts  | 368,766                          | 368,555              |
| Accrued payroll and benefits   | 217,454                          | 245,854              |
| Other accrued expenses and liabilities   | 197,412                          | 189,489              |
| Total current liabilities  | 1,212,878                        | 1,283,417            |
| Long-term debt and capital lease obligations   | 311,302                          | 316,399              |
| Other long-term obligations  | 357,928                          | 359,764              |
| Total liabilities  | 1,882,108                        | 1,959,580            |
| 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, 63,341,728 and 63,641,070 shares issued, respectively | 633                              | 636                  |
| Capital surplus  | 211,140                          | 227,885              |
| Accumulated other comprehensive loss   | (82,474)                         | (83,197)             |
| Retained earnings  | 1,308,742                        | 1,280,991            |
| Treasury stock, at cost 659,841 and 659,841 shares, respectively   | (10,302)                         | (10,302)             |
| Total EMCOR Group, Inc. stockholders' equity   | 1,427,739                        | 1,416,013            |
| Noncontrolling interests   | 5,735                            | 13,374               |
| Total equity   | 1,433,474                        | 1,429,387            |
| Total liabilities and equity   | \$3,315,582                      | \$ 3,388,967         |

See Notes to Condensed Consolidated Financial Statements.



Table of Contents

EMCOR Group, Inc. and Subsidiaries  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (In thousands, except per share data)(Unaudited)

|  | Three months ended March 31, |             |
|--|------------------------------|-------------|
|  | 2015                         | 2014        |
| Revenues   | \$1,589,187                  | \$1,590,539 |
| Cost of sales  | 1,372,258                    | 1,374,336   |
| Gross profit   | 216,929                      | 216,203     |
| Selling, general and administrative expenses                                     | 161,591                      | 143,854     |
| Restructuring expenses   | 8                            | 225         |
| Operating income   | 55,330                       | 72,124      |
| Interest expense   | (2,216)                      | (2,248)     |
| Interest income  | 176                          | 234         |
| Income from continuing operations before income taxes                            | 53,290                       | 70,110      |
| Income tax provision   | 20,225                       | 26,227      |
| Income from continuing operations  | 33,065                       | 43,883      |
| Loss from discontinued operation, net of income taxes                            | (355)                        | (2,041)     |
| Net income including noncontrolling interests                                    | 32,710                       | 41,842      |
| Less: Net loss (income) attributable to noncontrolling interests                 | 139                          | (581)       |
| Net income attributable to EMCOR Group, Inc.                                     | \$32,849                     | \$41,261    |
| Basic earnings (loss) per common share:  |                              |             |
| From continuing operations attributable to EMCOR Group, Inc. common stockholders | \$0.53                       | \$0.64      |
| From discontinued operation  | (0.01)                       | (0.03)      |
| Net income attributable to EMCOR Group, Inc. common stockholders                 | \$0.52                       | \$0.61      |
| Diluted earnings (loss) per common share:  |                              |             |
| From continuing operations attributable to EMCOR Group, Inc. common stockholders | \$0.52                       | \$0.64      |
| From discontinued operation  | (0.00)                       | (0.03)      |
| Net income attributable to EMCOR Group, Inc. common stockholders                 | \$0.52                       | \$0.61      |