

Primoris Services CORP
Form 10-Q
August 09, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 2010

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 0001-34145

Primoris Services Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

20-4743916

(I.R.S. Employer
Identification No.)

**26000 Commercentre Drive, Lake Forest,
California**

(Address of Principal Executive Offices)

92630

(Zip Code)

Registrant's telephone number, including area code: **(949) 598-9242**

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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Do not check if a smaller reporting company.

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

As of August 5, 2010, 44,909,619 shares of the registrant's common stock were outstanding.

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PRIMORIS SERVICES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share Amounts)

(Unaudited)

| | June 30, 2010 | December 31, 2009 |
|---|------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 87,283 | \$ 90,004 |
| Short term investments | 33,000 | 30,058 |
| Restricted cash | 9,310 | 6,845 |
| Accounts receivable, net | 121,928 | 108,492 |
| Costs and estimated earnings in excess of billings | 22,091 | 11,378 |
| Inventory | 19,922 | 22,275 |
| Deferred tax assets | 5,630 | 5,630 |
| Prepaid expenses and other current assets | 12,375 | 5,501 |
| Current assets from discontinued operations | | 5,304 |
| Total current assets | 311,539 | 285,487 |
| Property and equipment, net | 97,269 | 92,568 |
| Investment in non-consolidated entities | 3,133 | 5,599 |
| Intangible assets, net | 29,818 | 32,695 |
| Goodwill | 59,678 | 59,678 |
| Total assets | \$ 501,437 | \$ 476,027 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 64,392 | \$ 62,568 |
| Billings in excess of costs and estimated earnings | 117,572 | 114,035 |
| Accrued expenses and other current liabilities | 37,819 | 34,992 |
| Distributions and dividends payable | 1,107 | 2,987 |
| Current portion of long-term debt | 9,694 | 6,482 |
| Current portion of capital leases | 3,537 | 4,220 |
| Current portion of subordinated debt | 10,575 | 10,397 |
| Current liabilities of discontinued operations | 733 | 6,511 |
| Total current liabilities | 245,429 | 242,192 |
| Long-term debt, net of current portion | 39,922 | 26,368 |
| Long-term capital leases, net of current portion | 6,512 | 7,734 |
| Long-term subordinated debt, net of current portion | 35,758 | 43,853 |
| Deferred tax liabilities | 2,643 | 2,643 |
| Contingent earnout liabilities | 9,910 | 9,278 |
| Other long-term liabilities | 1,354 | |

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| | | |
|---|------------|------------|
| Total liabilities | 341,528 | 332,068 |
| Commitments and contingencies | | |
| Stockholders' equity | | |
| Preferred stock \$.0001 par value, 1,000,000 shares authorized, 0 issued and outstanding at June 30, 2010 and 81,852.78 at December 31, 2009 | | |
| Common stock \$.0001 par value, 90,000,000 shares authorized, 44,238,611 and 32,704,903 issued and outstanding at June 30, 2010 and December 31, 2009 | 4 | 3 |
| Additional paid-in capital | 105,348 | 100,644 |
| Retained earnings | 54,557 | 42,982 |
| Accumulated other comprehensive income | | 330 |
| Total stockholders' equity | 159,909 | 143,959 |
| Total liabilities and stockholders' equity | \$ 501,437 | \$ 476,027 |

See Accompanying Notes to Condensed Consolidated Financial Statements

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PRIMORIS SERVICES CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Amounts)

(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------|--|-------------|--------------------------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| Revenues | \$ | | | |