

TUTOR PERINI Corp
Form 10-Q
November 16, 2015

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, 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: 1-6314

Tutor Perini Corporation

(Exact name of registrant as specified in its charter)

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MASSACHUSETTS 04-1717070
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

15901 OLDEN STREET, SYLMAR, CALIFORNIA 91342-1093

(Address of principal executive offices)

(Zip code)

(818) 362-8391

(Registrant's telephone number, including area code)

(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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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

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

The number of shares of common stock, \$1.00 par value per share, of the registrant outstanding at November 12, 2015 was 49,072,710.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Part I. - Financial Information

TUTOR PERINI CORPORATION AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

(Unaudited-in thousands, except share data)

	September 30, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 96,894	\$ 135,583
Restricted cash	38,572	44,370
Accounts receivable, including retainage	1,550,865	1,479,504
Costs and estimated earnings in excess of billings	883,809	726,402
Deferred income taxes	18,873	17,962
Other current assets	86,734	68,735
Total current assets	2,675,747	2,472,556
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$245,091 in 2015 and \$220,028 in 2014)	531,438	527,602
OTHER ASSETS:		
Goodwill	585,006	585,006
Intangible assets, net	97,425	100,254
Other	80,639	87,897
Total assets	\$ 3,970,255	\$ 3,773,315

The accompanying notes are an integral part of these consolidated condensed financial statements.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (continued)
SEPTEMBER 30, 2015 AND DECEMBER 31, 2014
(Unaudited-in thousands, except share data)

	September 30, 2015	December 31, 2014
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 85,897	\$ 81,292
Accounts payable, including retainage	985,217	798,174
Billings in excess of costs and estimated earnings	286,565	319,296
Accrued expenses and other current liabilities	185,764	159,814
Total current liabilities	1,543,443	1,358,576
LONG-TERM DEBT, less current maturities	746,283	784,067
DEFERRED INCOME TAXES	149,021	150,371
OTHER LONG-TERM LIABILITIES	114,902	114,796
Total liabilities	2,553,649	2,407,810
CONTINGENCIES AND COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$1 par value:		
Authorized – 1,000,000 shares		
Issued and outstanding – none	—	—
Common stock - \$1 par value: 75,000,000 shares authorized; Shares issued and outstanding: 49,072,710 shares and 48,671,492 shares	49,073	48,671
Additional paid-in capital	1,043,103	1,025,941
Retained earnings	369,091	332,511
Accumulated other comprehensive loss	(44,661)	(41,618)
Total stockholders' equity	1,416,606	1,365,505
Total liabilities and stockholders' equity	\$ 3,970,255	\$ 3,773,315

The accompanying notes are an integral part of these consolidated condensed financial statements.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(Unaudited-in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	\$ 1,340,739	\$ 1,250,689	\$ 3,719,642	\$ 3,290,432
Cost of operations	1,240,538	1,109,848	3,430,062	2,914,713
Gross profit	100,201	140,841	289,580	375,719
General and administrative expenses	61,227	70,487	199,641	198,425
INCOME FROM CONSTRUCTION OPERATIONS	38,974	70,354	89,939	177,294
Other income (expense), net	5,916	(441)	5,261	(10,788)
Interest expense	(10,935)	(11,297)	(33,048)	(32,985)
Income before income taxes	33,955	58,616	62,152	133,521
Provision for income taxes	(14,278)	(22,886)	(25,572)	(53,307)
NET INCOME	\$ 19,677	\$ 35,730	\$ 36,580	\$ 80,214
BASIC EARNINGS PER COMMON SHARE	\$ 0.40	\$ 0.74	\$ 0.75	\$ 1.65
DILUTED EARNINGS PER COMMON SHARE	\$ 0.40	\$ 0.73	\$ 0.74	\$ 1.64
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	49,070	48,588	48,951	48,525
Effect of dilutive stock options and restricted stock units	705	487	767	495
DILUTED	49,775	49,075	49,718	49,020

The accompanying notes are an integral part of these consolidated condensed financial statements.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited-in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
NET INCOME	\$ 19,677	\$ 35,730	\$ 36,580	\$ 80,214
OTHER COMPREHENSIVE INCOME (LOSS):				
Foreign currency translation	(1,792)	(828)	(4,633)	(728)
Change in fair value of investments	(2)	75	(140)	362
Change in fair value of interest rate swap	77	215	250	473
Other comprehensive income (loss) before taxes	(1,717)	(538)	(4,523)	107
INCOME TAX EXPENSE (BENEFIT):				
Foreign currency translation	(417)	(327)	(1,524)	(288)
Change in fair value of investments	—	30	(54)	143
Change in fair value of interest rate swap	30	86	98	187
Income tax expense (benefit)	(387)	(211)	(1,480)	42
NET OTHER COMPREHENSIVE INCOME (LOSS)	(1,330)	(327)	(3,043)	65
TOTAL COMPREHENSIVE INCOME	\$ 18,347	\$ 35,403	\$ 33,537	\$ 80,279

The accompanying notes are an integral part of these consolidated condensed financial statements.

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TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(Unaudited-in thousands)

Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive
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