

NV5 Global, Inc.  
Form 10-Q  
August 03, 2017  
**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 July 1, 2017**

**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 001-35849**

**NV5 Global, Inc.**

**(Exact name of registrant as specified in its charter)**

**Delaware 45-3458017**  
**(State or other(I.R.S.**  
**jurisdiction of Employer**  
**incorporation**  
**or Identification**  
**organization) No.)**

**33021**

**200 South  
Park Road,  
Suite 350  
Hollywood, Florida (Zip Code)  
(Address of  
principal  
executive  
offices)**

**(954) 495-2112**

**(Registrant's telephone number, including area code)**

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 (§ 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, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 1, 2017, there were 10,755,185 shares outstanding of the registrant's common stock, \$0.01 par value.



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**PART I – FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.**

NV5 Global, Inc. and Subsidiaries

**CONSOLIDATED BALANCE SHEETS**

(UNAUDITED)

(in thousands, except share data)

|   | <b>July 1,<br/>2017</b> | <b>December<br/>31, 2016</b> |
|---|-------------------------|------------------------------|
| <b>Assets</b>   |                         |                              |
| Current assets:   |                         |                              |
| Cash and cash equivalents   | \$ 19,492               | \$ 35,666                    |
| Accounts receivable, net of allowance for doubtful accounts of \$2,694 and \$1,992 as of July 1, 2017 and December 31, 2016, respectively | 104,474                 | 75,511                       |
| Prepaid expenses and other current assets   | 3,876                   | 1,874                        |
| Total current assets  | 127,842                 | 113,051                      |
| Property and equipment, net   | 7,888                   | 6,683                        |
| Intangible assets, net  | 71,094                  | 40,861                       |
| Goodwill  | 98,536                  | 59,380                       |
| Other assets  | 1,163                   | 1,511                        |
| Total Assets  | \$ 306,523              | \$ 221,486                   |
| <b>Liabilities and Stockholders' Equity</b>   |                         |                              |
| Current liabilities:  |                         |                              |
| Accounts payable  | \$ 18,945               | \$ 13,509                    |
| Accrued liabilities   | 19,453                  | 17,316                       |
| Income taxes payable  | 781                     | 1,134                        |
| Billings in excess of costs and estimated earnings on uncompleted contracts   | 1,620                   | 228                          |
| Client deposits   | 106                     | 106                          |
| Current portion of contingent consideration   | 2,549                   | 564                          |
| Current portion of notes payable and other obligations  | 11,010                  | 10,764                       |
| Total current liabilities   | 54,464                  | 43,621                       |
| Contingent consideration, less current portion  | 125                     | 1,875                        |
| Notes payable and other obligations, less current portion   | 71,817                  | 21,632                       |
| Deferred income tax liabilities, net  | 22,049                  | 6,197                        |
| Total liabilities   | 148,455                 | 73,325                       |
| Commitments and contingencies   |                         |                              |

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Stockholders' equity:

|  |           |           |
|--|-----------|-----------|
| Preferred stock, \$0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding   | -         | -         |
| Common stock, \$0.01 par value; 45,000,000 shares authorized, 10,744,736 and 10,566,528 shares issued and outstanding as of July 1, 2017 and December 31, 2016, respectively | 107       | 106       |
| Additional paid-in capital   | 121,343   | 118,026   |
| Retained earnings  | 36,618    | 30,029    |
| Total stockholders' equity   | 158,068   | 148,161   |
| Total liabilities and stockholders' equity   | \$306,523 | \$221,486 |

*See accompanying notes to consolidated financial statements (unaudited).*

NV5 Global, Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

(UNAUDITED)

(in thousands, except share data)

|  | <b>Three Months Ended</b> |                          | <b>Six Months Ended</b> |                          |
|--|---------------------------|--------------------------|-------------------------|--------------------------|
|  | <b>July 1,<br/>2017</b>   | <b>June 30,<br/>2016</b> | <b>July 1,<br/>2017</b> | <b>June 30,<br/>2016</b> |
| <b>Gross revenues</b>  | \$83,736                  | \$55,892                 | \$147,795               | \$100,797                |
| <b>Direct costs (excluding depreciation and amortization):</b> |                           |                          |                         |                          |
| Salaries and wages   | 25,663                    | 18,216                   | 47,016                  | 33,470                   |
| Sub-consultant services  | 13,106                    | 8,809                    | 21,056                  | 13,392                   |
| Other direct costs   | 3,607                     | 2,658                    | 6,641                   | 4,902                    |
| Total direct costs   | 42,376                    | 29,683                   | 74,713                  | 51,764                   |
| <b>Gross Profit</b>  | 41,360                    | 26,209                   | 73,082                  | 49,033                   |
| <b>Operating Expenses:</b>                                     |                           |                          |                         |                          |
| Salaries and wages, payroll taxes and benefits                 | 21,110                    | 14,038                   | 39,757                  | 26,479                   |
| General and administrative                                     | 7,140                     | 4,127                    | 12,569                  | 8,225                    |
| Facilities and facilities related                              | 2,991                     | 2,016                    | 5,615                   | 3,737                    |
| Depreciation and amortization                                  | 3,253                     | 1,439                    | 5,754                   | 2,681                    |
| Total operating expenses                                       | 34,494                    | 21,620                   | 63,695                  | 41,122                   |
| <b>Income from operations</b>                                  | 6,866                     | 4,589                    | 9,387                   | 7,911                    |
| <b>Other expense:</b>  |                           |                          |                         |                          |
| Interest expense   | (279                      | ) (71                    | ) (518                  | ) (140                   |
| Total other expense  | (279                      | ) (71                    | ) (518                  | ) (140                   |
| Income before income tax expense                               | 6,587                     | 4,518                    | 8,869                   | 7,771                    |
| Income tax expense   | (2,268                    | ) (1,659                 | ) (2,280                | ) (2,857                 |
| <b>Net Income and Comprehensive Income</b>                     | \$4,319                   | \$2,859                  | \$6,589                 | \$4,914                  |
| <b>Earnings per share:</b>                                     |                           |                          |                         |                          |
| Basic  | \$0.42                    | \$0.33                   | \$0.65                  | \$0.59                   |
| Diluted  | \$0.40                    | \$0.31                   | \$0.61                  | \$0.57                   |
| <b>Weighted average common shares outstanding:</b>             |                           |                          |                         |                          |
| Basic  | 10,171,969                | 8,793,471                | 10,127,610              | 8,262,248                |
| Diluted  | 10,723,804                | 9,172,944                | 10,721,744              | 8,640,022                |

*See accompanying notes to consolidated financial statements (unaudited).*



NV5 Global, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(UNAUDITED)

(in thousands, except share data)

|   | Common Stock      |               | Additional         | Retained         | Total            |
|---|-------------------|---------------|--------------------|------------------|------------------|
|   | Shares            | Amount        | Paid-In<br>Capital | Earnings         |                  |
| <b>Balance, December 31, 2016</b>                     | <b>10,566,528</b> | <b>\$ 106</b> | <b>\$ 118,026</b>  | <b>\$ 30,029</b> | <b>\$148,161</b> |
| Stock compensation                                    | -                 | -             | 1,582              | -                | 1,582            |
| Restricted stock issuance, net                        | 130,016           | 1             | (1 )               | -                | -                |
| Stock issuance for acquisitions                       | 46,472            | -             | 1,674              | -                | 1,674            |
| Payment of contingent consideration with common stock | 1,720             | -             | 62                 | -                | 62               |
| Net income  | -                 | -             | -                  | -                | -                |