

ENGLOBAL CORP
Form 10-Q
May 08, 2014

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 29, 2014

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

Commission File No. 001-14217

ENGlobal Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

88-0322261
(I.R.S Employer Identification No.)

654 N. Sam Houston Parkway E., Suite 400,
Houston, TX
(Address of principal executive offices)

77060-5914
(Zip code)

(281) 878-1000
(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 shortened 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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Yes x No o

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	<input type="radio"/>	Accelerated Filer	<input type="radio"/>
Non-Accelerated Filer	<input type="radio"/>	Smaller Reporting Company	<input type="radio"/>
(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 o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the close of business on May 8, 2014.

\$0.001 Par Value Common Stock	27,082,861 shares
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QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED MARCH 29, 2014

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ENGlobal Corporation
Condensed Consolidated Statements of Operations
(Unaudited)
(amounts in thousands, except per share data)

	For the Three Months Ended	
	March 29, 2014	March 30, 2013
Operating revenues	\$ 26,898	\$ 49,763
Operating costs	20,814	43,964
Gross profit	6,084	5,799
Selling, general and administrative expenses	4,119	6,212
Operating income (loss)	1,965	(413)
Other income (expense):		
Other income (expense), net	(41)	122
Interest expense, net	(32)	(614)
Income (loss) from continuing operations before income taxes	1,892	(905)
Provision for federal and state income taxes	75	93
Income (loss) from continuing operations	1,817	(998)
Income from discontinued operations, net of taxes	—	2,935
Net income and comprehensive income	\$ 1,817	\$ 1,937
Basic and diluted Income (loss) per common share:		
Income (loss) from continuing operations	\$ 0.07	\$ (0.04)
Income from discontinued operations	\$ —	\$ 0.11
Net income (loss)	\$ 0.07	\$ 0.07
Weighted average shares used in computing earnings per share:		
Basic	27,083	27,041
Diluted	27,177	27,151

See accompanying notes to unaudited interim condensed consolidated financial statements.

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ENGlobal Corporation
Condensed Consolidated Balance Sheets
(Unaudited)
(amounts in thousands, except share amounts)

ASSETS	March 29, 2014	December 28, 2013
Current Assets:		
Cash and cash equivalents	\$ 5,530	\$ 3,955
Trade receivables, net of allowances of \$1,068 and \$1,738	27,411	26,846
Prepaid expenses and other current assets	723	1,049
Notes receivable	2,774	1,241
Costs and estimated earnings in excess of billings on uncompleted contracts	2,103	1,206
Total Current Assets	\$ 38,541	34,297
Property and equipment, net	2,260	2,655
Goodwill	2,806	2,806
Other intangible assets, net	835	970
Long-term trade and notes receivable, net of current portion and allowances	2,663	4,682
Other assets	360	391
Total Assets	\$ 47,465	45,801
LIABILITIES AND STOCKHOLDERS' EQUITY		