

HALF ROBERT INTERNATIONAL INC /DE/
Form 10-Q
August 03, 2017

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, 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 1-10427

ROBERT HALF INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware 94-1648752
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

2884 Sand Hill Road
Suite 200 94025
Menlo Park, California
(Address of principal executive offices) (zip-code)
Registrant's telephone number, including area code: (650) 234-6000

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 the 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of July 31, 2017:
126,184,289 shares of \$.001 par value Common Stock

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in thousands, except share amounts)

June 30,
2017

December 31, 2016

ASSETS

Cash and cash equivalents	\$297,798	\$260,201
Accounts receivable, less allowances of \$33,651 and \$33,133	708,493	703,228
Other current assets	340,815	320,805
Total current assets	1,347,106	1,284,234
Goodwill	210,393	209,793
Other intangible assets, net	6,255	3,671
Property and equipment, net	153,563	161,509
Deferred income taxes	118,821	118,764
Total assets	\$1,836,138	\$1,777,971

LIABILITIES

Accounts payable and accrued expenses	\$127,664	\$135,540
Accrued payroll and benefit costs	551,632	539,048
Income taxes payable	39,972	5,141
Current portion of notes payable and other indebtedness	175	167
Total current liabilities	719,443	679,896
Notes payable and other indebtedness, less current portion	750	840
Other liabilities	11,561	10,636
Total liabilities	731,754	691,372

Commitments and Contingencies (Note G)

STOCKHOLDERS' EQUITY

Preferred stock, \$.001 par value authorized 5,000,000 shares; issued and outstanding zero shares	—	—
Common stock, \$.001 par value authorized 260,000,000 shares; issued and outstanding 126,184,290 shares and 127,796,558 shares	126	128
Capital surplus	1,043,137	1,022,411
Accumulated other comprehensive loss	(5,506)	(20,502)
Retained earnings	66,627	84,562
Total stockholders' equity	1,104,384	1,086,599
Total liabilities and stockholders' equity	\$1,836,138	\$1,777,971

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
 (in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net service revenues	\$1,308,428	\$1,344,160	\$2,595,798	\$2,646,785
Direct costs of services, consisting of payroll, payroll taxes, benefit costs and reimbursable expenses	769,990	787,167	1,531,532	1,557,820
Gross margin	538,438	556,993	1,064,266	1,088,965
Selling, general and administrative expenses	407,721	407,496	807,970	805,570
Amortization of intangible assets	365	314	666	602
Interest income, net	(355)	(231)	(578)	(412)
Income before income taxes	130,707	149,414	256,208	283,205
Provision for income taxes	50,391	57,798	97,371	108,173
Net income	\$80,316	\$91,616	\$158,837	\$175,032
Net income per share:				
Basic	\$.64	\$.71	\$1.27	\$1.36
Diluted	\$.64	\$.71	\$1.26	\$1.35
Shares:				
Basic	124,617	128,586	125,074	128,933
Diluted	125,104	129,329	125,758	129,733
Cash dividends declared per share	\$.24	\$.22	\$.48	\$.44

The accompanying Notes to Condensed Consolidated Financial Statements (Unaudited) are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(in thousands)

	Three Months Ended June 30, 2017	2016	Six Months Ended June 30, 2017	2016
COMPREHENSIVE INCOME:				