

GULF ISLAND FABRICATION INC

Form 10-Q

August 02, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2011

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 001-34279

GULF ISLAND FABRICATION, INC.

(Exact name of registrant as specified in its charter)

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LOUISIANA
(State or other jurisdiction of
incorporation or organization)
567 THOMPSON ROAD,
HOUMA, LOUISIANA
(Address of principal executive offices)

72-1147390
(I.R.S. Employer
Identification No.)
70363
(Zip Code)

(985) 872-2100
(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 or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer 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

The number of shares of the registrant's common stock, no par value per share, outstanding as of August 1, 2011 was 14,352,380.

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	June 30, 2011 (Unaudited)	December 31, 2010 (Note 1)
	(in thousands)	
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 32,073	\$ 88,072
Contracts receivable, net	86,254	13,042
Contract retainage	2,827	11,000
Costs and estimated earnings in excess of billings on uncompleted contracts	16,252	6,513
Prepaid expenses	3,075	3,674
Inventory	5,692	4,265
Deferred tax assets	7,859	1,301
Income tax receivable	1,283	2,755
Total current assets	155,315	130,622
Property, plant and equipment, net	208,132	197,652
Long-term contracts receivable, net	4,218	
Other receivables		5,907
Other assets	673	675
Total assets	\$ 368,338	\$ 334,856
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 20,000	\$ 5,262
Billings in excess of costs and estimated earnings on uncompleted contracts	30,544	7,215
Accrued employee costs	3,936	4,506
Accrued expenses	2,667	1,528
Total current liabilities	57,147	18,511
Deferred tax liabilities	30,431	29,153
Total liabilities	87,578	47,664
Shareholders' equity:		
Preferred stock, no par value, 5,000,000 shares authorized, no shares issued and outstanding		
Common stock, no par value, 20,000,000 shares authorized, 14,348,841 and 14,340,971 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	9,889	9,846
Additional paid-in capital	91,508	91,112
Retained earnings	179,363	186,234
Total shareholders' equity	280,760	287,192
Total liabilities and shareholders' equity	\$ 368,338	\$ 334,856

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

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(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenue	\$ 87,251	\$ 75,290	\$ 133,599	\$ 144,549
Cost of revenue:				
Contract costs	82,405	68,555	130,631	130,376
Asset impairments			7,690	
Total cost of revenue	82,405	68,555	138,321	130,376
Gross profit (loss)	4,846	6,735	(4,722)	14,173
General and administrative expenses	1,958	1,990	3,894	4,087
Operating income (loss)	2,888	4,745	(8,616)	10,086
Other income (expense):				
Interest expense	(32)	(21)	(54)	(38)
Interest income	156	349	171	1,319
Other	228	285	228	1,031
	352	613	345	2,312
Income (loss) before income taxes	3,240	5,358	(8,271)	12,398
Income taxes	1,405	1,926	(3,142)	4,461
Net income (loss)	\$ 1,835	\$ 3,432	\$ (5,129)	\$ 7,937
Per share data:				
Basic earnings (loss) per share - common shareholders	\$ 0.13	\$ 0.24	\$ (0.36)	\$ 0.55
Diluted earnings (loss) per share - common shareholders	\$ 0.13	\$ 0.24	\$ (0.36)	\$ 0.55
Weighted-average shares	14,348	14,317	14,346	14,315
Effect of dilutive securities: employee stock options	31	11		11
Adjusted weighted-average shares	14,379	14,328	14,346	14,326
Cash dividend declared per common share	\$ 0.06	\$ 0.01	\$ 0.12	\$ 0.02

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

Table of Contents**GULF ISLAND FABRICATION, INC.****CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (UNAUDITED)**

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Total Shareholders Equity
	(in thousands, except share data)				
Balance at January 1, 2011	14,340,971	\$ 9,846	\$ 91,112	\$ 186,234	\$ 287,192
Exercise of stock options	1,900	3	34		37
Excess tax benefit from exercise of stock options and vesting of restricted stock			9		9
Net loss				(5,129)	(5,129)
Issuance of common stock restricted stock vesting	8,670				
Retirement of shares upon vesting of restricted stock	(2,700)	(7)	(67)		(74)
Compensation expense restricted stock		47	420		467
Dividends on common stock				(1,742)	(1,742)
Balance at June 30, 2011	14,348,841	\$ 9,889	\$ 91,508	\$ 179,363	\$ 280,760

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

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GULF ISLAND FABRICATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Six Months
Ended
June 30,
2011