

GENERAC HOLDINGS INC.
Form 10-Q
August 07, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 2018

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 001-34627

GENERAC HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-5654756
(IRS Employer
Identification No.)

S45 W29290 Hwy 59, Waukesha, WI 53189

(Address of principal executive offices) (Zip Code)

(262) 544-4811

(Registrant's telephone number, including area code)

Not Applicable

(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 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

As of July 31, 2018, there were 61,994,486 shares of registrant's common stock outstanding.



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GENERAC HOLDINGS INC.

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Generac
Holdings Inc.
Condensed
Consolidated
Balance
Sheets
*(U.S. Dollars
in Thousands,
Except Share
and Per
Share Data)*
(Unaudited)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 111,714	\$ 138,472
Accounts receivable, less allowance for doubtful accounts	311,668	279,294
Inventories	479,880	387,049
Prepaid expenses and other assets	27,174	19,741
Total current assets	930,436	824,556
Property and equipment, net	233,433	230,380
Customer lists, net	69,772	41,064
Patents, net	34,770	39,617
Other intangible assets, net	3,370	2,401
Tradenames, net	154,495	152,683
Goodwill	758,072	721,523
Deferred income taxes	1,633	3,238
Other assets	23,294	10,502
Total assets	\$ 2,209,275	\$ 2,025,964
Liabilities and stockholders' equity		
Current liabilities:		
Short-term borrowings	\$ 23,995	\$ 20,602

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Accounts payable	274,234	233,639
Accrued wages and employee benefits	32,820	27,992
Other accrued liabilities	147,628	112,618
Current portion of long-term borrowings and capital lease obligations	1,372	1,572
Total current liabilities	480,049	396,423
Long-term borrowings and capital lease obligations	908,066	906,548
Deferred income taxes	57,506	41,852
Other long-term liabilities	93,364	82,893
Total liabilities	1,538,985	1,427,716
Redeemable noncontrolling interests	53,035	43,929
Stockholders' equity:		
Common stock, par value \$0.01, 500,000,000 shares authorized, 71,030,347 and 70,820,173 shares issued at June 30, 2018 and December 31, 2017, respectively	710	708
Additional paid-in capital	468,598	459,816
Treasury stock, at cost	(321,052)	(294,005)
Excess purchase price over predecessor basis	(202,116)	(202,116)
Retained earnings	687,772	610,835
Accumulated other comprehensive loss	(16,900)	(21,198)
Stockholders' equity attributable to Generac Holdings Inc.	617,012	554,040
Noncontrolling interests	243	279
Total stockholders' equity	617,255	554,319
Total liabilities and stockholders' equity	\$2,209,275	\$2,025,964

See notes to condensed consolidated financial statements.

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Generac
Holdings Inc.
Condensed
Consolidated
Statements of
Comprehensive
Income
*(U.S. Dollars in
Thousands,
Except Share
and Per Share
Data)*
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net sales	\$494,949	\$394,875	\$892,583	\$725,360
Costs of goods sold	318,693	261,954	576,338	483,639
Gross profit	176,256	132,921	316,245	241,721
Operating expenses:				
Selling and service	46,052	42,010	88,734	81,477
Research and development	12,616	10,553	24,469	20,840
General and administrative	26,639	21,407	50,114	42,380