

ARGAN INC
Form 10-Q
June 08, 2016
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UNITED STATES
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 April 30, 2016

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT**

For the Transition Period from to

Commission File Number 001-31756

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(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

13-1947195
(I.R.S. Employer Identification No.)

One Church Street, Suite 201, Rockville, Maryland 20850

(Address of Principal Executive Offices) (Zip Code)

(301) 315-0027

(Registrant's Telephone Number, Including Area Code)

(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 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 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 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

Accelerated filer

Non-accelerated filer

Smaller reporting company

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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 Registrant's classes of common stock, as of the latest practicable date.

Common stock, \$0.15 par value: 14,858,469 shares as of June 6, 2016.

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ARGAN, INC. AND SUBSIDIARIES

FORM 10-Q QUARTERLY REPORT

APRIL 30, 2016

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ARGAN, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended April 30,	
	2016	2015
REVENUES		
Power industry services	\$ 108,099	\$ 82,884
Industrial fabrication and field services	20,410	
Telecommunications infrastructure services	1,839	2,604
Revenues	130,348	85,488
COST OF REVENUES		
Power industry services	83,698	62,379
Industrial fabrication and field services	16,988	
Telecommunications infrastructure services	1,360	1,942
Cost of revenues	102,046	64,321
GROSS PROFIT		
	28,302	21,167
Selling, general and administrative expenses	7,047	5,540
INCOME FROM OPERATIONS		
	21,255	15,627
Other income, net	37	85
INCOME BEFORE INCOME TAXES		
	21,292	15,712
Income tax expense	7,172	4,861
NET INCOME		
	14,120	10,851
Net income attributable to noncontrolling interests (Note 3)	1,890	3,348
NET INCOME ATTRIBUTABLE TO THE STOCKHOLDERS OF ARGAN, INC.		
	12,230	7,503
OTHER COMPREHENSIVE INCOME, NET OF TAX		
Foreign currency translation adjustments, net of income tax	645	
COMPREHENSIVE INCOME ATTRIBUTABLE TO THE STOCKHOLDERS OF ARGAN, INC.		
	\$ 12,875	\$ 7,503
EARNINGS PER SHARE ATTRIBUTABLE TO THE STOCKHOLDERS OF ARGAN, INC.		
Basic	\$ 0.82	\$ 0.51
Diluted	\$ 0.81	\$ 0.50
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		
Basic	14,842	14,637
Diluted	15,055	14,864

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

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ARGAN, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	April 30, 2016 (Unaudited)	January 31, 2016 (Note 1)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 191,430	\$ 160,909
Short-term investments	128,225	114,098
Accounts receivable, net	70,903	64,185
Costs and estimated earnings in excess of billings	4,077	4,078
Deferred income taxes	1,018	1,111
Prepaid expenses and other current assets	5,481	7,342
TOTAL CURRENT ASSETS	401,134	351,723
Property, plant and equipment, net	12,184	12,308
Goodwill	36,813	37,405
Intangible assets, net	9,023	9,344
Other assets	112	122
TOTAL ASSETS	\$ 459,266	\$ 410,902
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 50,804	\$ 46,395
Accrued expenses		