

HALF ROBERT INTERNATIONAL INC /DE/  
Form 10-Q  
August 02, 2018

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, 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 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, 2018:  
122,445,184 shares of \$.001 par value Common Stock

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## 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, 2018	December 31, 2017		
<b>ASSETS</b>			
Cash and cash equivalents	\$ 308,656	\$ 294,753	
Accounts receivable, less allowances of \$22,583 and \$33,181	801,875	732,405	
Other current assets	393,598	404,711	
Total current assets	1,504,129	1,431,869	
Goodwill	210,387	210,885	
Other intangible assets, net	3,990	4,946	
Property and equipment, net	130,010	144,887	
Deferred income taxes	85,067	74,867	
Total assets	\$ 1,933,583	\$ 1,867,454	
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 160,864	\$ 126,937	
Accrued payroll and benefit costs	630,485	612,899	
Income taxes payable	17,336	7,877	
Current portion of notes payable and other indebtedness	191	183	
Total current liabilities	808,876	747,896	
Notes payable and other indebtedness, less current portion	559	657	
Other liabilities	14,650	13,636	
Total liabilities	824,085	762,189	
Commitments and Contingencies (Note H)			
<b>STOCKHOLDERS' EQUITY</b>			
Preferred stock, \$.001 par value authorized 5,000,000 shares; issued and outstanding	—	—	
Common stock, \$.001 par value authorized 260,000,000 shares; issued	122	124	

and  
 outstanding 122,445,185  
 shares and 124,261,458  
 shares

Capital surplus	1,086,545		1,064,601
Accumulated other comprehensive (loss) income	(6,409	)	3,507
Retained earnings	29,240		37,033
Total stockholders' equity	1,109,498		1,105,265
Total liabilities and stockholders' equity	\$	1,933,583	\$ 1,867,454

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,	
	2018	2017	2018	2017
Net service revenues	\$1,457,054	\$1,308,428	\$2,852,387	\$2,595,798
Direct costs of services, consisting of payroll, payroll taxes, benefit costs and reimbursable expenses	849,936	769,990	1,672,903	1,531,532
Gross margin	607,118	538,438	1,179,484	1,064,266
Selling, general and administrative expenses	457,607	407,721	895,606	807,970
Amortization of intangible assets	442	365	905	666
Interest income, net	(1,006)	(355)	(1,741)	(578)
Income before income taxes	150,075	130,707	284,714	256,208
Provision for income taxes	40,760	50,391	79,232	97,371
Net income	\$109,315	\$80,316	\$205,482	\$158,837
Net income per share:				
Basic	\$.90	\$.64	\$1.69	\$1.27
Diluted	\$.89	\$.64	\$1.68	\$1.26
Shares:				
Basic	121,307	124,617	121,619	125,074
Diluted	122,268	125,104	122,576	125,758
Cash dividends declared per share	\$.28	\$.24	\$.56	\$.48

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, 2018	2017	Six Months Ended June 30, 2018	2017
COMPREHENSIVE INCOME:				