

ON ASSIGNMENT INC
Form 10-Q
August 02, 2013

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 June 30, 2013

OR

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

Commission file number: 000-20540

ON ASSIGNMENT, INC.
(Exact name of registrant as specified in its charter)

Delaware 95-4023433
(State of Incorporation) (I.R.S. Employer Identification No.)

26745 Malibu Hills Road, Calabasas, CA 91301
(Address of principal executive offices) (Zip Code)

(818) 878-7900
(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

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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.

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

At July 26, 2013, the total number of outstanding shares of the Company’s Common Stock (\$0.01 par value) was 53,593,129.

ON ASSIGNMENT, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1 — Condensed Consolidated Financial Statements (Unaudited)

ON ASSIGNMENT, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
 (Dollars in thousands, except share amounts)

	June 30, 2013	December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$14,111	\$27,479
Accounts receivable, net of allowance of \$2,979 and \$3,970, respectively	266,567	245,201
Prepaid expenses	7,469	8,839
Deferred income tax assets	10,071	10,147
Other	3,703	4,289
Total current assets	301,921	295,955
Property and equipment, net	30,552	26,862
Goodwill	495,638	496,158
Identifiable intangible assets, net	253,106	263,840
Other long-term assets	7,816	15,206
Total Assets	\$1,089,033	\$1,098,021
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$10,250	\$10,000
Accounts payable	5,599	6,810
Accrued payroll and contract professional pay	67,405	59,962
Deferred compensation	5,150	10,000
Workers' compensation and medical malpractice loss reserves	11,131	10,327
Income taxes payable	8,057	191
Current portion of accrued earn-outs	3,171	6,563
Other	16,314	14,874
Total current liabilities	127,077	118,727
Deferred income tax liabilities	22,913	23,009
Long-term debt	359,063	416,588
Other long-term liabilities	5,781	6,974
Total liabilities	514,834	565,298
Commitments and Contingencies		
Stockholders' Equity:		
Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued	—	—
Common Stock, \$0.01 par value, 75,000,000 shares authorized, 53,548,176 and 52,960,570 issued and outstanding, respectively	535	530
Paid-in capital	481,943	471,711

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Retained earnings	93,639		61,687	
Accumulated other comprehensive loss	(1,918)	(1,205)
Total stockholders' equity	574,199		532,723	
Total Liabilities and Stockholders' Equity	\$1,089,033		\$1,098,021	

See Notes to Condensed Consolidated Financial Statements.

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ON ASSIGNMENT, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
 (UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Revenues	\$417,923	\$265,863	\$807,116	\$422,623
Cost of services	293,356	181,326	569,275	285,337
Gross profit	124,567	84,537	237,841	137,286
Selling, general and administrative expenses	86,454	65,173	170,615	107,918
Amortization of intangible assets	5,275	3,884	10,654	4,518
Operating income	32,838	15,480	56,572	24,850
Interest expense, net	(4,198)	(3,957)	(9,529)	(4,658)
Write-off of loan costs				