

HALF ROBERT INTERNATIONAL INC /DE/  
Form 10-Q  
August 03, 2015

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(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, 2015

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

(State or other jurisdiction of  
incorporation or organization)

94-1648752

(I.R.S. Employer  
Identification No.)

2884 Sand Hill Road

Suite 200

Menlo Park, California

(Address of principal executive offices)

94025

(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, or a smaller reporting company. (Check one):

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of June 30, 2015:

134,499,736 shares of \$.001 par value Common Stock

## 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, 2015	December 31, 2014
<b>ASSETS</b>		
Cash and cash equivalents	\$313,131	\$287,119
Accounts receivable, less allowances of \$31,267 and \$30,544	687,029	657,676
Current deferred income taxes	137,039	133,151
Other current assets	260,235	245,337
Total current assets	1,397,434	1,323,283
Goodwill	198,713	199,488
Property and equipment, net	124,649	121,754
Other assets	2,404	2,742
Total assets	\$1,723,200	\$1,647,267
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$152,900	\$175,107
Accrued payroll and benefit costs	481,658	448,115
Income taxes payable	29,095	—
Current portion of notes payable and other indebtedness	146	140
Total current liabilities	663,799	623,362
Notes payable and other indebtedness, less current portion	1,085	1,159
Other liabilities	43,641	42,888
Total liabilities	708,525	667,409
Commitments and Contingencies (Note G)		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$.001 par value authorized 5,000,000 shares; issued and outstanding zero shares	—	—
Common stock, \$.001 par value authorized 260,000,000 shares; issued and outstanding 134,199,907 shares and 135,134,064 shares	134	135
Capital surplus	953,802	928,157
Accumulated other comprehensive income	1,151	14,730
Retained earnings	59,588	36,836
Total stockholders' equity	1,014,675	979,858
Total liabilities and stockholders' equity	\$1,723,200	\$1,647,267

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,	
	2015	2014	2015	2014
Net service revenues	\$1,272,058	\$1,164,914	\$2,477,621	\$2,249,256
Direct costs of services, consisting of payroll, payroll taxes, benefit costs and reimbursable expenses	741,556	686,470	1,453,032	1,332,317
Gross margin	530,502	478,444	1,024,589	916,939
Selling, general and administrative expenses	381,355	354,791	747,340	691,177
Amortization of intangible assets	—	224	—	557
Interest income, net	(88 )	(224 )	(160 )	(462 )
Income before income taxes	149,235	123,653	277,409	225,667
Provision for income taxes	59,529	48,513	109,781	88,976
Net income	\$89,706	\$75,140	\$167,628	\$136,691
Net income per share:				
Basic	\$.68	\$.56	\$1.26	\$1.01
Diluted	\$.67	\$.55	\$1.25	\$1.01
Shares:				
Basic	132,499	134,699	132,786	135,014
Diluted	133,553	135,708	133,918	135,932
Cash dividends declared per share	\$.20	\$.18	\$.40	\$.36

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,		Six Months Ended June 30,	
	2015	2014	2015	2014
COMPREHENSIVE INCOME:				
Net income	\$89,706	\$75,140	\$167,628	\$136,691
Foreign currency translation adjustments, net of tax	6,383	1,881		