

GENERAC HOLDINGS INC.  
Form 10-Q  
November 04, 2016  
**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 September 30, 2016**

**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)

<b>Delaware</b>	<b>20-5654756</b>
(State or other jurisdiction of incorporation or organization)	(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, 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  
(Do not check if a 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

As of October 31, 2016, there were 63,837,342 shares of registrant’s common stock outstanding.

**GENERAC HOLDINGS INC.**

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

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

	<b>September 30, 2016</b> (Unaudited)	<b>December 31, 2015</b> (Audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 54,163	\$ 115,857
Accounts receivable, less allowance for doubtful accounts	244,722	182,185
Inventories	359,363	325,375
Prepaid expenses and other assets	13,185	8,600
Total current assets	671,433	632,017
Property and equipment, net	207,504	184,213
Customer lists, net	49,776	39,313
Patents, net	50,640	53,772
Other intangible assets, net	3,111	2,768
Tradenames, net	161,451	161,057
Goodwill	711,794	669,719
Deferred income taxes	9,298	34,812
Other assets	3,506	964
Total assets	\$ 1,868,513	\$ 1,778,635
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Short-term borrowings	\$ 35,517	\$ 8,594
Accounts payable	145,894	108,332

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Accrued wages and employee benefits	21,041	13,101
Other accrued liabilities	92,415	82,540
Current portion of long-term borrowings and capital lease obligations	38,712	657
Total current liabilities	333,579	213,224
Long-term borrowings and capital lease obligations	1,013,671	1,037,132
Deferred income taxes	8,806	4,950
Other long-term liabilities	62,330	57,458
Total liabilities	1,418,386	1,312,764
Redeemable noncontrolling interests	36,269	–
Stockholders' equity:		
Common stock, par value \$0.01, 500,000,000 shares authorized, 70,144,760 and 69,582,669 shares issued at September 30, 2016 and December 31, 2015, respectively	701	696
Additional paid-in capital	446,267	443,109
Treasury stock, at cost	(212,358 )	(111,516 )
Excess purchase price over predecessor basis	(202,116 )	(202,116 )
Retained earnings	415,452	358,173
Accumulated other comprehensive loss	(34,031 )	(22,475 )
Stockholders' equity attributable to Generac Holdings, Inc.	413,915	465,871
Noncontrolling interests	(57 )	–
Total stockholders' equity	413,858	465,871
Total liabilities and stockholders' equity	\$1,868,513	\$1,778,635

*See notes to condensed consolidated financial statements.*

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

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net sales	\$373,121	\$359,291	\$1,027,032	\$959,469
Costs of goods sold	235,349	228,965	667,053	630,643
Gross profit	137,772	130,326	359,979	328,826
Operating expenses:				
Selling and service	44,429	34,715	124,064	93,317
Research and development	9,426	8,332	27,512	24,907
General and administrative	18,066	13,127	55,492	40,897
Amortization of intangibles	9,511	6,285	25,525	17,460