

HILL INTERNATIONAL, INC.

FORM 8-K (Current report filing)

Filed 12/22/17 for the Period Ending 12/22/17

Address	ONE COMMERCE SQUARE 2005 MARKET STREET, 17TH FLOOR PHILADELPHIA, PA, 19103
Telephone	(215) 309-7700
CIK	0001287808
Symbol	HIL
SIC Code	8711 - Services-Engineering Services
Industry	IT Services & Consulting
Sector	Technology
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **December 22, 2017**

HILL INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-33961
(Commission
File Number)

20-0953973
(IRS Employer
Identification No.)

One Commerce Square
2005 Market Street, 17th Floor
Philadelphia, PA
(Address of principal executive offices)

19103
(Zip Code)

Registrant's telephone number, including area code: (**215**) **309-7700**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition

On December 22, 2017, Hill International, Inc. (the “Company”) issued a press release announcing, among other things, its backlog as of September 30, 2017 and its expected consulting fee revenue for 2017 and 2018. The press release also disclosed the expected timing of the filing of the Company’s restated financial statements as well as an update on the status of its Profit Improvement Plan. A copy of the release is furnished as Exhibit 99.1 attached hereto.

Item 7.01 Regulation FD Disclosure

The information set forth in Item 2.02 above is incorporated herein by reference.

The information furnished under Items 2.02 and 7.01, including Exhibit 99.1, is being furnished and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Press Release of the Company, dated December 22, 2017.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HILL INTERNATIONAL, INC.

By: /s/ Marco A. Martinez
Name: Marco A. Martinez
Title: Senior Vice President and Interim Chief Financial Officer

Dated: December 22, 2017



Hill International

FOR IMMEDIATE RELEASE

Hill International Restatement and Profit Improvement Plan Update

PHILADELPHIA — DECEMBER 22, 2017 — Hill International (NYSE:HIL), the global leader in managing construction risk, announced today several items related to the Company's restatement and financial outlook. This includes:

Restatement Filing Date

The Company intends to file the restated annual and quarterly financial statements for the Non-Reliance Periods (years ended December 31, 2016, 2015 and 2014 and the quarters ended March 31, June 30, and September 30 in 2015 and 2016 and the quarter ended March 31, 2017) during the first quarter of 2018.

Current Backlog Update

The Company's total estimated backlog at September 30, 2017 was \$890 million compared to \$895 million at June 30, 2017. Twelve-month backlog was \$320 million at September 30, 2017 and at June 30, 2017. Our estimated net bookings for the first nine months of 2017 was \$351 million equating to a book-to-bill ratio of 120%.

2017-2018 Guidance Update

Based on current market conditions and the current backlog amounts described above, the Company expects consulting fee revenue between \$385 million and \$400 million for 2017 and between \$400 million and \$415 million for 2018.

Profit Improvement Plan (PIP) Update

The Company commenced the PIP in May 2017 following the sale of the Construction Claims Group. The Company initially identified gross, annualized pre-tax savings ranging from \$27 million to \$38 million. To date, we have reduced our annual labor cost by approximately \$17 million through targeted and organizational changes, incurring pre-tax restructuring and other charges of approximately \$4 million through October 31, 2017 for employee termination benefits and related costs. As a result of the reductions already implemented, the partial year gross savings through December 31, 2017 will be approximately \$8 million, with expected annual gross savings of approximately \$32 million in 2018 increasing to approximately \$38 million in 2019 and beyond. The Company continues to seek additional cost savings opportunities and expects to substantially complete the PIP during the second quarter of 2018.

As previously disclosed, and in connection with the accounting for the May 2017 sale of its Construction Claims Group, the Company is reviewing the historical accounting for certain foreign currency adjustments related to intercompany balances, revenue recognition, and other matters (collectively, the "Restatement Adjustments"). The Company, with the assistance of outside financial consultants, is continuing to evaluate its historical and current practices with respect to accounting for the Restatement Adjustments in accordance with generally accepted accounting principles in the United States.

Hill International, with more than 3,000 professionals in more than 50 offices worldwide, provides program management, project management, construction management and other consulting services to clients in a variety of market sectors. *Engineering News-Record* magazine recently ranked Hill as the eighth-largest construction management firm in the United States. For more information on Hill, please visit our website at www.hillintl.com.

Certain statements contained herein may be considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, and it is our intent that any such statements be protected by the safe harbor created thereby. Except for historical information, the matters set forth herein including, but not limited to, any projections of revenues, earnings, profit improvement, cost savings or other financial items; any statements concerning our plans, strategies and objectives for future operations; and any statements regarding future economic conditions or performance, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and assumptions and are subject to certain risks and uncertainties. Although we believe that the expectations, estimates and assumptions reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Important factors that could cause our actual results to differ materially from estimates or projections contained in our forward-looking statements are set forth in the Risk Factors section and elsewhere in the reports we have filed with the Securities and Exchange Commission, including that unfavorable global economic conditions may adversely impact our business, our backlog may not be fully realized as revenue, we may incur difficulties in implementing the PIP, our expenses may be higher than anticipated, and the review of the Company’s accounting, accounting policies and internal control over financial reporting, and the preparation of and the audit or review, as applicable, of restated filings may take longer than currently anticipated or additional restatement adjustments may be identified. We do not intend, and undertake no obligation, to update any forward-looking statement.

Hill International, Inc.

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