

# HILL INTERNATIONAL, INC.

## **FORM 8-K** (Current report filing)

Filed 08/21/17 for the Period Ending 08/21/17

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

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

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**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): **August 21, 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, 17<sup>th</sup> 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.

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**Item 2.02. Results of Operations and Financial Condition.**

On August 21, 2017, Hill International, Inc. (the “Company”) issued a press release announcing, among other things, its backlog as of June 30, 2017. The press release is attached as an Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 2.02.

The information contained above and the related exhibit is furnished and not filed under Item 2.02 — “Results of Operations and Financial Condition.” Such information, including the related exhibit attached hereto, shall not be deemed to be “filed” for any purpose, including 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. Such information shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated August 21, 2017.

**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/ John Fanelli, III

Name: John Fanelli, III

Title: Executive Vice President and Chief Financial Officer

Dated: August 21, 2017



# Hill International

## FOR IMMEDIATE RELEASE

### Hill International Announces Profit Improvement Plan and Reiterates Full Year 2017 Revenue Guidance

**Philadelphia, PA — August 21, 2017** — Hill International (NYSE:HIL), the global leader in managing construction risk, today announced that the Company and its Board of Directors have undertaken several initiatives to improve performance. With the assistance of outside consultants, Alvarez & Marsal, the Company is taking steps to reduce its cost structure and identify and implement revenue enhancements. The Company identified estimated annualized pre-tax savings ranging from \$27.0 million to \$38.0 million. The Company expects the actions necessary to obtain these savings will be substantially completed by June 30, 2018.

The Company began reductions in mid-May 2017 following the sale of the Company's Construction Claims Group. At this point, the Company has reduced its back office workforce by more than 70 employees, incurring pre-tax restructuring and other charges of approximately \$1.2 million for employee termination benefits and related costs as well as \$1.4 million in other pre-tax restructuring charges. As a result of the reductions which have already been implemented, the partial year savings through December 31, 2017 will be approximately \$3.5 million (excluding restructuring related costs), with expected annual net savings of approximately \$8.0 million in 2018 and beyond.

The Company expects to incur additional future charges of approximately \$6.0 million, primarily representing costs relating to additional employee related terminations, facilities closures, consolidations and relocations, and vendor rationalization.

#### **Current Backlog**

The Company's total backlog at June 30, 2017 was \$895 million, up 1.3% from \$883 million at March 31, 2017. Twelve-month backlog at June 30, 2017 was \$320 million, down 1.2% from \$324 million at March 31, 2017. Our net bookings during the second quarter of 2017 of \$113 million equates to a book-to-bill ratio of 112%. Our net bookings during the first half of 2017 of \$261 million equates to a book-to-bill ratio of 133%.

#### **2017 Guidance**

Based on current market conditions and the backlog amounts described above, the Company reiterates its previously issued guidance that consulting fee revenue in 2017 will be between \$400 million and \$425 million. This guidance reflects an approximate 2% to 8% decrease in consulting fee revenue for the year compared to 2016.

#### **About Hill International**

Hill International, with 3,300 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](http://www.hillintl.com).

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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 realizable as revenue, we may incur difficulties in implementing our initiatives to improve performance, and our expenses may be higher than anticipated. We do not intend, and undertake no obligation, to update any forward-looking statement.

**Hill International, Inc.**

John Fanelli III

Executive Vice President and Chief Financial Officer

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**The Equity Group Inc.**

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