

Subcontractor Trends

Presented During AGC's 2013 Conference
on
Surety Bonding and Construction Risk Management

Electrical Contractors - 2011 vs. 2009

In the sample group:

- Revenue increased slightly.
- Operating Margin decreased more than half, from 6.31% to 2.59%.
- Net Margin deteriorated by more than two thirds, from 1.04% to 0.33%.
- Operating Cash Flow decreased \$257 million, or 62%.
- Bank Debt Increased over \$100 million, or 35%
- Indications are that profit and liquidity trends will continue to be negative for 2012.

	2011	2010	2009
Revenue	6,464,918,560	5,936,093,588	5,873,737,559
Operating Profit	167,758,979	262,723,082	370,601,574
Operating Margin	2.59%	4.43%	6.31%
Net Profit	21,281,597	88,068,864	61,049,017
Net Margin	0.33%	1.48%	1.04%
Operating Cash Flow	158,559,740	170,367,521	415,046,983
Cash & Mkt Sec	495,978,359	558,572,457	553,964,228
Net Cash	370,455,307	368,490,384	318,943,288
Bank Debt	396,154,590	340,135,037	294,422,948
Working Capital	738,999,095	720,191,052	712,316,838
Net Worth	1,113,343,927	1,085,117,008	1,011,394,949

Financial Aggregation of a sample of 85 Bondable Electrical Contractors

Mechanical Contractors - 2011 vs. 2009

In the sample group:

- Revenue increased by \$3.5 billion.
- Operating Margin decreased nearly by half, from 5.04% to 2.65%.
- Net Margin decreased nearly by half, from 1.1% to 0.61%.
- Operating Cash Flow decreased by \$213 million, or 45%.
- Bank Debt increased by \$305 million, or 147%.
- Cash decreased \$114 million, or 18%.
- Indications are that profit and liquidity trends will continue to be negative for 2012.

	2011	2010	2009
Revenue	10,589,270,124	6,549,008,192	7,037,176,277
Operating Profit	281,135,227	229,571,733	354,758,346
Operating Margin	2.65%	3.51%	5.04%
Net Profit	64,738,957	38,092,154	77,224,477
Net Margin	0.61%	0.58%	1.10%
Operating Cash Flow	257,286,173	135,131,849	470,580,176
Cash & Mkt Sec	533,468,747	554,326,556	647,650,939
Net Cash	597,759,183	492,083,798	471,207,160
Bank Debt	512,388,557	224,221,474	207,094,232
Working Capital	816,816,729	749,152,554	699,289,849
Net Worth	1,225,102,890	961,794,453	903,387,076

Financial Aggregation of a sample of 119 Bondable Mechanical Contractors

Subcontractors (Excl. MEP) - 2011 vs. 2009

In the sample group:

- Revenue decreased by \$2 billion, or 24%.
- Operating Margin decreased from 4.56% to 0.30%.
- The group continued to be unprofitable.
- Cash decreased by \$263 million (32%), while Bank Debt increased \$122 million (12%).
- Net Cash decreased from \$18 million to (\$357) million.
- Indications are that trends will continue to be negative for 2012.

	2011	2010	2009
Revenue	6,517,442,176	8,018,412,997	8,542,110,602
Operating Profit	19,743,998	190,401,687	389,238,610
Operating Margin	0.30%	2.37%	4.56%
Net Profit	(137,644,972)	(57,227,989)	(163,647,523)
Net Margin	-2.11%	-0.71%	-1.92%
Operating Cash Flow	90,698,289	183,669,690	656,123,273
Cash & Mkt Sec	549,091,814	761,986,550	812,714,361
Net Cash	(357,405,702)	(268,138,153)	18,694,755
Bank Debt	1,116,722,596	1,299,227,114	994,755,589
Working Capital	750,922,202	748,481,678	1,015,298,021
Net Worth	754,862,512	859,416,971	984,798,265

Financial Aggregation of a sample of 122 Bondable Subcontractors (Other than Mechanical, Electrical or Plumbing)