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EMCOR GROUP INC  
Form 8-K  
July 22, 2004

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) July 22, 2004

EMCOR GROUP, INC.  
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(Exact Name of Registrant as Specified in its Charter)

Delaware	0-2315	11-2125338
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(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

301 Merritt Seven Corporate Park Norwalk, Connecticut	06851
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(Address of Principal Executive Offices)	(Zip Code)

(Registrant's Telephone Number, Including Area Code) 203-849-7800

Item 7. Financial Statements and Exhibits

(c) Exhibits.

Exhibit No.	Description of Exhibit
99.1	Press Release dated July 22, 2004

Item 12. Results of Operations and Financial Condition

On July 22, 2004, EMCOR Group, Inc. issued a press release disclosing the results of operations for the fiscal 2004 second quarter ended June 30, 2004. A copy of this press release is attached as Exhibit 99.1.

EXHIBIT INDEX

Exhibit No.	Description
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99.1

Press release issued by EMCOR Group, Inc.  
on July 22, 2004

SIGNATURE

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.

EMCOR Group, Inc.

By: /s/ Frank T. MacInnis

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Frank T. MacInnis  
Chairman of the Board of Directors,  
Chief Executive Officer and President

Date: July 22, 2004

EMCOR GROUP, INC. REPORTS 2004 SECOND QUARTER RESULTS  
- Reiterates 2004 Full-Year Guidance -

NORWALK, CONNECTICUT, July 22, 2004 - EMCOR Group, Inc. (NYSE: EME) today reported results for the second quarter and six months ended June 30, 2004.

For the 2004 second quarter, net income was \$1.4 million, or \$0.09 per diluted share, versus net income of \$8.3 million, or \$0.53 per diluted share, in the 2003 second quarter. For the second quarter of 2004, the Company reported revenues of \$1.19 billion, compared to \$1.14 billion in the second quarter of last year.

Operating income in the second quarter of 2004 was \$4.2 million, versus operating income of \$16.6 million in the second quarter of last year. In the second quarter of 2004, selling, general and administrative expenses ("SG&A") were \$97.1 million, or 8.1% of revenues, compared to \$106.6 million, or 9.3% of revenues in the same quarter last year.

As of June 30, 2004, the Company's contract backlog was \$3.08 billion, versus \$3.15 billion at the end of the 2003 second quarter. EMCOR's backlog evolution reflects a continuation of its planned reduction in construction projects undertaken as the Company conserves capacity in preparation for private sector market recovery.

For the first six months of 2004, the Company reported net income of \$7.2 million, or \$0.46 per diluted share, versus net income of \$11.5 million, or \$0.74 per diluted share, in the first six months of 2003. Revenues for the first half of 2004 were \$2.30 billion, compared with revenues of \$2.21 billion in the first half of last year.

For the first half of 2004, the Company reported an operating loss of \$0.8 million, compared with operating income of \$24.2 million a year ago.

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Included in the Company's results for the 2004 six-month period are approximately \$5.3 million in restructuring expenses, primarily related to the Company's previously announced management realignment and related initiatives, and a \$9.6 million reversal of income tax reserves no longer required based on a current analysis of probable exposures. Both items were recognized in the Company's 2004 first quarter results, except for \$0.1 million of restructuring expenses in the second quarter.

Frank T. MacInnis, Chairman and CEO of EMCOR Group, stated, "We believe that EMCOR's performance lags broad economic cycles by about two quarters. As the second quarter progressed, we began to see signs of a recovery in some of our markets. Although factors such as continued heightened exposure to the public sector and reduced demand for small-project discretionary work continued to adversely affect profitability, the second quarter brought with it the beginnings of a recovery in private sector work that had not previously been present in the marketplace. Additionally, efforts taken to improve the performance of our UK operations have led to improved results compared to the year ago period."

Mr. MacInnis added, "As market conditions have begun to improve, we're maintaining our focus on controlling our cost structure and managing working capital. Despite the increase in first half revenues, we were able to reduce SG&A costs by 8.9%, year over year, and strong quarterly cash performance contributed to one of the strongest balance sheets in the industry."

Mr. MacInnis concluded, "We stated early this year that the major defining factor in EMCOR's performance would be the overall pace of economic recovery. We are encouraged by the signs of improvement in both our construction and facilities services markets and we believe that this recovery will build momentum as we move into the second half of 2004. Going forward, we will continue to manage our backlog to ensure capacity to take on additional private sector work and will maintain our focus on cost controls and balance sheet strength. Given year-to-date revenue performance, we expect full-year revenue for 2004 to be approximately \$4.6 billion and expect 2004 earnings per share on a diluted basis to be \$2.15 and \$2.75, which includes the tax accrual adjustments reported in the first quarter and 2004 actual and anticipated restructuring charges of approximately \$6.0 million, as previously announced."

EMCOR Group, Inc. is a worldwide leader in mechanical and electrical construction services and facilities services. This press release and other press releases may be viewed at the Company's Web site at [www.emcorgroup.com](http://www.emcorgroup.com).

EMCOR Group's second quarter conference call will be available live via Internet broadcast today, Thursday, July 22, at 10:30 AM Eastern Time. You can access the live call through the Home Page of the Company's Web site at [www.emcorgroup.com](http://www.emcorgroup.com).

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This release may contain certain forward-looking statements within the meaning of the Private Securities Reform Act of 1995. Any such comments are based upon information available to EMCOR management's perception thereof, as of this date, and EMCOR assumes no obligation to update any such forward-looking

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statements. These forward-looking statements may include statements regarding market opportunities, market share growth, gross profit, project mix, projects with varying profit margins, and selling, general and administrative expenses. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Accordingly these statements are no guarantee of future performance. Such risk and uncertainties include, but are not limited to, adverse effects of general economic conditions, changes in the political environment, changes in the specific markets for EMCOR's services, adverse business conditions, increased competition, unfavorable labor productivity, mix of business, and risks associated with foreign operations. Certain of the risks and factors associated with EMCOR's business are also discussed in the Company's 2003 Form 10-K, its Form 10-Q for the second quarter ended June 30, 2004, and in other reports filed from time to time with the Securities and Exchange Commission. All these risks and factors should be taken into account in evaluating any forward-looking statements.

-FINANCIAL TABLES FOLLOW-

EMCOR GROUP, INC.  
FINANCIAL HIGHLIGHTS  
(In thousands, except share and per share information)  
(Unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended June 30,		For the S
	2004 ----	2003 ----	2004 ----
Revenues	\$1,193,213	\$1,144,378	\$2,302,299
Cost of sales	1,091,701	1,021,103	2,099,624
	101,512	123,275	202,675
Gross profit			
Selling, general and administrative expenses	97,141	106,638	198,142
Restructuring expenses	140	0	5,319
	4,231	16,637	(786)
Operating income (loss)			
Interest expense, net	1,740	1,842	3,418
	2,491	14,795	(4,204)
Income (loss) before taxes			
Income tax provision (benefit)	1,046	6,522	(11,366)
	\$ 1,445	\$ 8,273	\$ 7,162
Net income	\$ 1,445	\$ 8,273	\$ 7,162
Basic earnings per share	\$ 0.10	\$ 0.55	\$ 0.47

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Diluted earnings per share	\$ 0.09 =====	\$ 0.53 =====	\$ 0.46 =====
Weighted average shares of Common Stock outstanding:			
Basic	15,139,887	14,988,836	15,098,268
Diluted	15,560,982	15,506,799	15,545,759

EMCOR GROUP, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)

	June 30, 2004 (Unaudited) -----	Dec. 31, 2003 -----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 50,219	\$ 78,260
Accounts receivable, net	1,066,924	1,009,170
Costs and estimated earnings in excess of billings on uncompleted contracts	235,093	249,393
Inventories	10,030	9,863
	-----	-----
Prepaid expenses and other	41,023	42,470
Total current assets	1,403,289	1,389,156
Investments, notes, and other long-term receivables	28,404	26,452
Property, plant & equipment, net	62,693	66,156
Goodwill	279,500	277,994
Identifiable intangible assets, net	20,504	22,226
Other assets	13,514	13,263
	-----	-----
Total assets	\$1,807,904 =====	\$1,795,247 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Borrowings under working capital credit line	\$ 119,300	\$ 139,400
Current maturities of long-term debt and capital lease obligations	314	367
Accounts payable	434,576	451,713
Billings in excess of costs and estimated earnings on uncompleted contracts	408,914	345,207
Accrued payroll and benefits	123,644	131,623
Other accrued expenses and liabilities	94,928	110,147
	-----	-----
Total current liabilities	1,181,676	1,178,457
Long-term debt and capital lease obligations	577	561

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Other long-term obligations	98,875	94,873
Total stockholders' equity	526,776	521,356
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Total liabilities and stockholders' equity	\$1,807,904	\$1,795,247
	=====	=====

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