

WESTWOOD HOLDINGS GROUP INC  
Form 10-Q  
July 25, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended June 30, 2018

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 1-31234

WESTWOOD HOLDINGS GROUP, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE 75-2969997  
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

200 CRESCENT COURT, SUITE 1200 75201  
DALLAS, TEXAS (Address of principal executive office) (Zip Code)  
(214) 756-6900  
(Registrant's telephone number, including area code)

(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, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

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 accounting standards provided

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pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Shares of common stock, par value \$0.01 per share, outstanding as of July 20, 2018: 9,026,806.

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WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands, except par value and share amounts)  
(Unaudited)

	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$47,301	\$54,249
Accounts receivable	22,903	21,660
Investments, at fair value	61,513	51,324
Prepaid income taxes	—	4,269
Other current assets	1,853	6,612
Total current assets	133,570	138,114
Investments	5,000	—
Goodwill	19,804	27,144
Deferred income taxes	5,007	3,407
Intangible assets, net	16,798	19,804
Property and equipment, net of accumulated depreciation of \$6,055 and \$5,673	4,088	4,190
Total assets	\$184,267	\$192,659
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$2,724	\$3,501
Dividends payable	7,144	7,357
Compensation and benefits payable	9,000	19,075
Income taxes payable	1,232	1,598
Total current liabilities	20,100	31,531
Accrued dividends	1,116	1,717
Noncurrent income taxes payable	—	1,017
Deferred rent	1,910	1,998
Total liabilities	23,126	36,263
Commitments and contingencies (Note 13)		
Stockholders' Equity:		
Common stock, \$0.01 par value, authorized 25,000,000 shares, issued 10,204,887 and outstanding 9,026,806 shares at June 30, 2018; issued 9,980,827 and outstanding 8,899,587 shares at December 31, 2017	102	100
Additional paid-in capital	187,367	179,241
Treasury stock, at cost - 1,178,081 shares at June 30, 2018; 1,081,240 shares at December 31, 2017	(55,201 )	(49,788 )
Accumulated other comprehensive loss	(3,442 )	(1,764 )
Retained earnings	32,315	28,607
Total stockholders' equity	161,141	156,396
Total liabilities and stockholders' equity	\$184,267	\$192,659

See Notes to Condensed Consolidated Financial Statements.



WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands, except per share data and share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
REVENUES:				
Advisory fees:				
Asset-based	\$23,473	\$24,496	\$47,956	