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# PRIM – Actionable Sell Research Brief

**Brief Published on June 08, 2012 (other data from Mar-07)**

## PRIM Primoris Services

Price: $32.29 M. Cap: **$1.7B** Construction & Engineering

### Insider Summary

| | |
|---|---|
| Company Score | **5.7 Neutral** |
| % Held by Insiders | 28.4% |
| 10b5-1 Monitor | Average |
| 10b5-1 Selling % | 2.2% |

### Buyback Summary

| | |
|---|---|
| Amount Remain | $23.0M (1.4% of shares out.) |
| Effective Ratio | -1.60 with 2.3% comp rate |
| Avg Price Paid | $11.16 (+189% overall return) |

### Fundamental Holders

| Fund | Val($M) | Chg($M) | % Out |
|---|---|---|---|
| Brant Point I... | $11.5 | ($2.2) | 0.7% |
| Hodges Capita... | $11.2 | +0.6 | 0.7% |
| Rk Capital Ma... | $10.3 | ($2.1) | 0.6% |

## Sell (Actionable): CEO Resumes Selling Following Buyback and Acquisition Announcements

**Transaction Info:** **The chairman and CEO of the specialty contractor and infrastructure company resumed selling after a six-month hiatus even as shares pulled back from all-time highs on disappointing earnings.**

Chairman, President and CEO Brian Pratt sold $3.2M at $12.04 May 31st-June 7th, reducing his stake -1% to 15.9M shares, or 31% stake. Pratt sold $10M at $14.25 in November and December 2011 in his only other sales at the company since its 2006 IPO. Pratt bought $851K at $3.93 in March 2009-August 2010.

**Insider Background:** Pratt has served as president, CEO and chairman of PRIM and its predecessor since 1983.

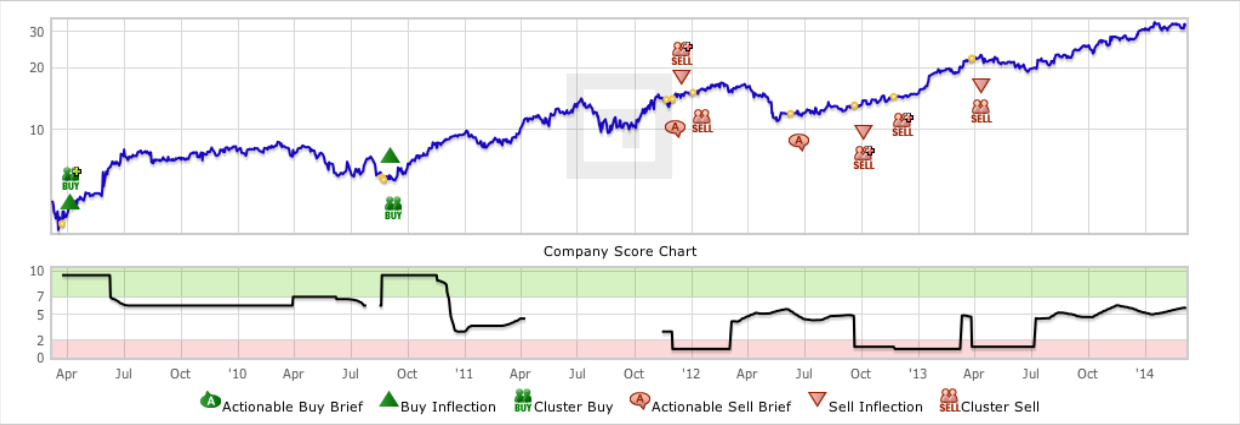
**Recent Company Events:** PRIM shares droped -12% on May 9th after it reported Q1'12 earnings and revenue that missed analysts' estimates. Revenue fell -19% YoY. The company's board also authorized a $20M buyback program. On June 4th, the company announced the $14M purchase of Silva Cos., which provides road maintenance and material sales in the Gulf Coast region.

**Stock Background:** PRIM shares are down -30% from an all-time high hit in February. The stock is up 27% from a September 52-week low.

**Industry Trends:** Sentiment within the Industrial Goods sector was slightly positive, however, sellers narrowly outnumbered buyers, ending a three-week run of dominance for the latter group. The number of buyers fell -26% from a week earlier compared to a -17% drop in the number of sellers.

**InsiderScore Commentary:** **Pratt's sales represents a small percentage of his holdings, however, coming on the heels of a buyback announcement and opportunistic acquisition (PRIM paid $14M, or the market value of the company's hard assets, for Silva Cos.) we're confused as to where the CEO feels the stock should be headed. Additionally, the sales came on relative weakness, going off at about -6% below the stock's 50-day moving average.**

### 5-Year Insider Sentiment Chart with Stock Price




### Insider Trading Values

| Timeframe | Buys | Ex-Sells | Sells | Net 10B5-1 | Total Net |
|---|---|---|---|---|---|
| Past 1 Month | - | - | ($62.1K) | - | ($62.1K) |
| Months 2-6 | - | - | ($1.6M) | - | ($1.6M) |
| **Total 12 Months** | **-** | **-** | **($51.9M)** | **-** | **($51.9M)** |
| Months 13-24 | $54.2K | - | ($39.7M) | ($1.9M) | ($41.5M) |

### Average Insider Prices

| Timeframe | Avg. Buy Price | Avg. Ex-Sell Price | Avg. Sell Price |
|---|---|---|---|
| Past 1 Month | - | - | $31.07 |
| Months 2-6 | - | - | $27.94 |
| **Total 12 Months** | **-** | **-** | **$20.48** |
| Months 13-24 | $11.09 | - | $13.61 |

### Sector-Related Research Briefs

| Symbol | Company | Date | Details |
|---|---|---|---|
| PSMI | Peregrine Se... | Feb-28 14 | Insiders, Including CFO, Add to Recent Burst of Buying |
| GBX | Greenbrier C... | Feb-14 14 | Two Directors Reverse Sentiment and Two Executives Accelerate Selli... |
| ADT | The ADT | Feb-05 14 | Seven Insiders Buy after Shares Plummet on Earnings Miss |
| TGI | Triumph Group | Feb-03 14 | CEO and a Director Buy Following Earnings/Guidance Miss That Sent S... |
| FAST | Fastenal | Jan-29 14 | EVP and a Director Add to Buying in Wake of Earnings Miss; Activity... |
| CBZ | CBIZ | Dec-18 13 | SVP Transacts Large Sale Mirroring Large Recent Sale by CEO at Same... |
| KFY | Korn/Ferry I... | Dec-18 13 | CEO Transacts Rare Sale; Transaction Comes at Prices Similar to Pri... |
| HEES | H&E Equipmen... | Dec-06 13 | CEO Accelerates Selling Outside of 10b5-1 Plan Following Earnings R... |
| SREV | ServiceSource | Dec-05 13 | CEO Buys After Shares Slide Following Management Change Announcemen... |
| KTOS | Kratos Defen... | Dec-03 13 | CEO Leads Cluster Buy with Stock Down -30% from September, Two-Year... |

### Sector Sentiment

| Week | Industry Score | Weekly Net B/S |
|---|---|---|
| Mar 04 | **-2.9** | -100 |
| Feb 25 | **-1.4** | -82 |
| Feb 18 | **+0.2** | -38 |
| Feb 11 | **+1.4** | -23 |
| Feb 04 | **+1.6** | -10 |

**Updated Mar-05:** Sentiment within the Industrial Goods sector has moved into Strong Sell Bias territory. This past week, there was a record number of Weekly Net Cluster Sales. The Electrical Equipment & Components, Machinery, Aerospace & Defense and Transportation industries are displaying the w... read more

Based on **Actionable** buy / sell research briefs in the **Industrial Goods Sector**. To the right find the weekly insider sentiment within the sector. Above +1.0 is generally a positive indicator.

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# PRIM Primoris Services

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## 2-Year 10b5-1 (Pre-Planned) Selling History and Events

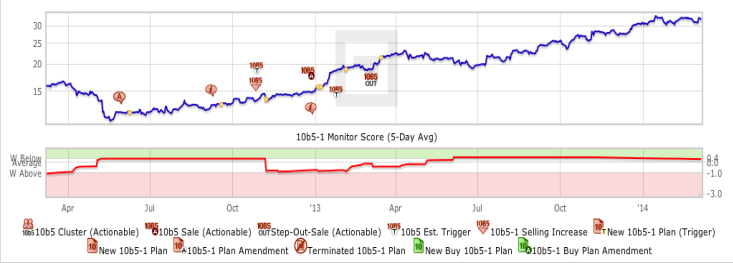



Chart is based on InsiderScore's 10b5-1 selling algorithm. We compared current selling levels to past trends. Increases in 10b5-1 selling are denoted by the red line appearing in the pink band. We also track all 10b5-1 plan disclosures including when insiders initiate new plans - see the table to the right.

## Additional 10b5-1 Information

Current activity is **Average**
($0.0) in 10b5-1 sales in the past 30 days
**New 10b5-1 Initiations**

| Insider | Position | Type | Adoption Date | Disclosure Date |
|---|---|---|---|---|
| Michael D. K... | Officer | Initiation | Dec-24-12 | Jan-04-13 |
| Michael D. K... | Officer | Initiation | Dec-27-11 | Jan-05-12 |

## Buyback Key Statistics

| | |
|---|---|
| Amount Remain | $23.0M (1.4% of shares out.) |
| Effective Ratio | -1.60 with 2.3% comp rate |
| Avg Price Paid | $11.16 (+189% overall return) |

## Buyback Performance Returns

| Period | Avg Return | Sector Avg | Delta |
|---|---|---|---|
| 1-Year | +66% | +8% | +58% |
| 3-Year | - | +11% | -11% |
| **Overall** | +189% | +66% | +123% |

## Annual Buyback Values

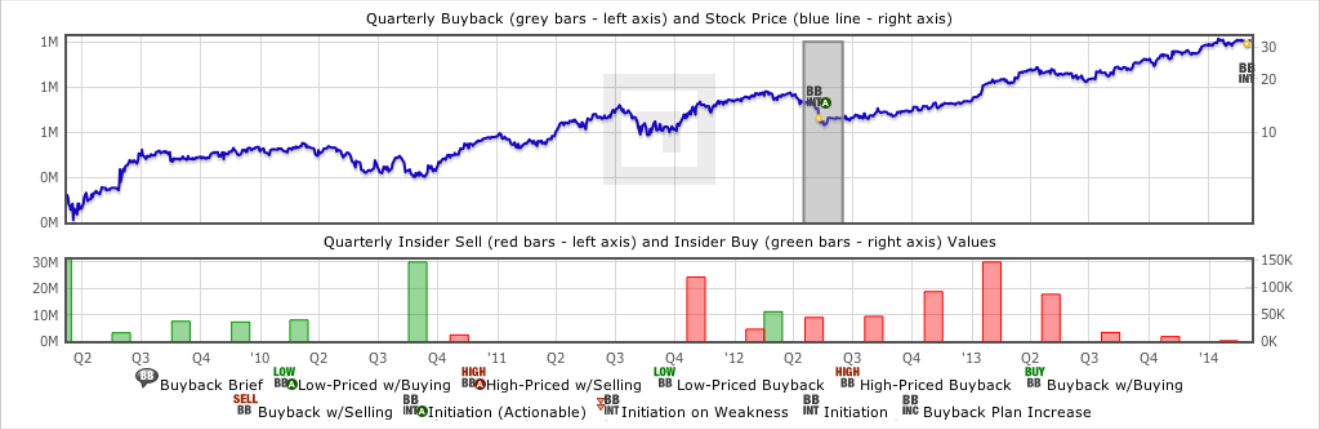
| Period | $ Bought | % Out | Avg Price |
|---|---|---|---|
| 2014 | - | - | - |
| 2013 | - | - | - |
| **2004+** | $1.0M | 0.2% | $11.16 |

## Recent Buyback Activity and Commentary

**PRIM has not repurchased shares since Q2'12 when it bought back $1.0M at $11.17. PRIM has $23.0M or 1.4% of shares outstanding remaining in its program. Quarterly activity includes buyback repurchases through at least Q3'12.**

| Buyback Event | Date | Details |
|---|---|---|
| **Buyback Initiation** | Feb-28 14 | Initiation: $23.0M (1.4% of out.) plan - expires Dec-31-14. Previous Plan has expired. Reason(s) for plan: increase shareholder value, confidence in outlook. |
| **Buyback Expiration** | Dec-31 12 | Buyback expired with $19.0M (95.0% of total) remaining on the plan. |

## 5-Year Stock Buyback History Versus Insider Levels




The insider selling value includes open market selling as well as exercise and sell transactions (including 10b5-1), by officers and directors. We display both the stock buyback and insider selling activity based on calendar quarters. If a company is on a non-standard fiscal year-end (for example, year ending in June) we've done our best to estimate the information in the respective calendar quarter. This means that the overlap with insiders could be off.

## PRIM Buyback Plan Detail

- See the details of PRIM's buyback plans below.
- **Since 2004 PRIM has bought back $1.0M or 0.2% of shares outstanding at an average price of $11.16.**

| Plan Name | Plan Type | Status | Total Authorized ($) | Completion Rate | Amount Bought ($) | Shares Bought | Shares As % of Shares Out. | Average Price | % Plan Bought +2-Qtr | Price Change 90 Day Prior to Init |
|---|---|---|---|---|---|---|---|---|---|---|
| Feb 2014 | Open Market | **Open** | $23.0M | 0.0% | - | - | 0.0% | - | 0.0% | +8.3% |
| May 2012 | Open Market | Expired | $20.0M | 5.0% | $1.0M | 89.6K | 0.2% | $11.16 | 5.0% | -27.5% |
| **TOTAL/AVG.** | | | **$43.0M** | **2.3%** | **$1.0M** | **89.6K** | **0.2%** | **$11.16** | **2.5%** | **-9.6%** |

## Top Hedge Funds

| Fund | Value ($M) | Change ($M) | % of Out | Quarterly Trend |
|---|---|---|---|---|
| Brant Point Inves... | $11.5 | ($2.2) | 0.7% | -+++ |
| Rk Capital Manage... | $10.3 | ($2.1) | 0.6% | -++- |
| Gruber & McBaine ... | $6.2 | - | 0.4% | --++ |
| Wagonhound Invest... | $4.2 | +$0.3 | 0.3% | ++-- |
| Absolute Return C... | $2.1 | ($0.5) | 0.1% | --++ |
| Two Sigma Investm... | $2.0 | +$0.0 | 0.1% | +--+ |

## Top Mutual Funds & Advisors

| Fund | Value ($M) | Change ($M) | % of Out | Quarterly Trend |
|---|---|---|---|---|
| Vanguard Group | $64.6 | +$2.8 | 4.0% | ++++ |
| BlackRock, Inc. | $61.9 | +$0.2 | 3.9% | +-++ |
| Frontier Capital ... | $58.3 | ($1.5) | 3.6% | -+++ |
| Munder Capital Ma... | $48.5 | +$4.9 | 3.0% | ++++ |
| Waddell & Reed In... | $39.4 | +$1.3 | 2.5% | ++++ |
| Wells Fargo & Co | $37.2 | ($19.4) | 2.3% | ---- |

*(Continued on next page)*

# PRIM Primoris Services

Price: $32.29 M. Cap: **$1.7B** Construction & Engineering

| Fund | Value ($M) | Change ($M) | % of Out | Quarterly Trend |
|---|---|---|---|---|
| AQR Capital Manag... | $1.9 | ($0.1) | 0.1% | --+- |
| Millennium Manage... | $1.3 | +$0.8 | 0.1% | +-++ |
| Peconic Partners | $1.3 | ($0.2) | 0.1% | -+-- |
| 1492 Capital Mana... | $0.9 | +$0.8 | 0.1% | +--- |
| D.E. Shaw & Co | $0.6 | +$0.5 | 0.0% | +--- |
| **TOTAL:** | **$42.3** | **($2.6)** | **2.6%** | |

| Fund | Value ($M) | Change ($M) | % of Out | Quarterly Trend |
|---|---|---|---|---|
| Dimensional Fund ... | $33.7 | +$1.0 | 2.1% | ++++ |
| Neuberger Berman | $33.3 | +$18.5 | 2.1% | +-++ |
| Victory Capital M... | $30.6 | ($2.1) | 1.9% | -+-- |
| Fred Alger Manage... | $25.5 | +$0.0 | 1.6% | ++-+ |
| Lord Abbett | $24.5 | ($1.7) | 1.5% | -+-- |
| **TOTAL:** | **$457.5** | **+$4.1** | **28.5%** | |

The above information is based on **Q4'13 13F filing and pricing data**. We've manually categorized filers as hedge, mutual, advisors. Click the links to see the fund's entire holdings. Build **your own SuperFund** on InsiderScore.com - tracking institutional activity has never been easier.

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