

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**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 8, 2013**

**WILLDAN GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of other jurisdiction  
of incorporation)

**001-33076**  
(Commission File Number)

**14-1951112**  
(IRS Employer  
Identification No.)

**2401 East Katella Avenue, Suite 300, Anaheim, California 92806**  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(800) 424-9144**

**Not Applicable**  
(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.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Willdan Group, Inc. ("Willdan") issued a press release on August 8, 2013. The press release announced its financial results for the second quarter ended June 28, 2013. The press release is filed as Exhibit 99.1 and is hereby incorporated by reference in its entirety. The information in this Form 8-K and the exhibit attached hereto is being furnished (not filed) under Item 2.02 of Form 8-K.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

99.1 Press Release of Willdan Group, Inc. dated August 8, 2013 (financial results for the second quarter ended June 28, 2013).

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.

Date: August 8, 2013

By: /s/ Kimberly D. Gant  
Kimberly D. Gant  
Chief Financial Officer, Senior Vice President,  
and Treasurer

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Document</u>
99.1	Press Release of Willdan Group, Inc. dated August 8, 2013 (Financial results for the second quarter ended June 28, 2013)

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### Willdan Reports Second Quarter 2013 Financial Results

ANAHEIM, Calif., August 8, 2012 (BUSINESS WIRE) — **Willdan Group, Inc. (“Willdan”)** (NASDAQ:WLDN), today announced financial results for its second quarter ended June 28, 2013.

For the second quarter of 2013, Willdan reported total contract revenue of \$20.5 million and net income of \$0.7 million, or \$0.09 per share.

Tom Brisbin, Willdan’s Chief Executive Officer, stated: *“While our second quarter revenue was lower than last year, I’m pleased to report that we generated positive cash flow and earnings for the quarter. Lower revenue was due to continued declines in our energy segment, offset by gains in all of our other business lines. Our energy projects began to ramp up during the second quarter as planned and we expect revenue growth and higher levels of profitability in the second half of 2013.”*

#### Second Quarter 2013 Results

For the second quarter of fiscal 2013, revenue was \$20.5 million, down \$3.0 million, or 12.7%, from revenue of \$23.5 million for the comparable period last year. On a sequential basis, revenue was down \$0.9 million, or 4.2%, from the first quarter of 2013. Income from operations was \$0.7 million for the second quarter of fiscal 2013, as compared to a loss from operations of \$19.6 million for the comparable period last year. On a sequential basis, income from operations was \$0.7 million as compared to \$0.5 million for the first quarter of 2013.

Net income was \$0.7 million for the second quarter of fiscal 2013, as compared to a net loss of \$17.0 million for the comparable period last year and net income of \$0.4 million for the first quarter of 2013.

Basic and diluted earnings per share for the second quarter of fiscal 2013 were \$0.09 as compared to a basic and diluted loss per share of \$2.33 for the comparable period last year.

Willdan generated \$1.4 million in cash flow from operations in the second quarter of fiscal 2013.

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#### Six Months 2013 Results

For the six months ended June 28, 2013, revenue was \$41.9 million, as compared to \$48.9 million in the comparable period last year. Income from operations was \$1.2 million for the six months ended June 28, 2013 as compared to a loss from operations of \$21.9 million for the comparable period last year. Net income was \$1.1 million for the six months ended June 28, 2013 as compared to a net loss of \$18.4 million for the comparable period last year.

Basic and diluted earnings per share for the six months ended June 28, 2013 were \$0.15 as compared to a basic and diluted loss per share of \$2.52 for the comparable period last year.

Willdan generated \$2.4 million in cash flow from operations in the six months ended June 28, 2013.

In thousands (except per share data)	Three Months Ended		Six Months Ended	
	June 28, 2013	June 29, 2012	June 28, 2013	June 29, 2012
Revenue	\$ 20,496	\$ 23,481	\$ 41,881	\$ 48,949
Income (loss) from operations	718	(19,583)	1,175	(21,900)
Interest income	2	1	5	2
Interest expense	(50)	(30)	(77)	(52)
Other, net	10	(21)	25	(21)
Income tax (benefit) expense	(8)	(2,657)	41	(3,584)
Net income (loss)	\$ 688	\$ (16,976)	\$ 1,087	\$ (18,387)
Basic and diluted earnings (loss) per share	\$ 0.09	\$ (2.33)	\$ 0.15	\$ (2.52)
Weighted average shares outstanding:				
Basic	7,353	7,297	7,336	7,294
Diluted	7,401	7,297	7,383	7,294

#### Use of Non-GAAP Financial Measures

Adjusted EBITDA is a supplemental measure used by Willdan’s management to measure its operating performance. Willdan defines Adjusted EBITDA as net income (loss) plus net interest expense, income tax expense (benefit), depreciation and amortization, goodwill impairment, lease abandonment expense, net and other non-recurring income and expense items occurring in such period. Willdan’s definition of Adjusted EBITDA may differ from those of many companies reporting similarly named measures. This measure should be considered in addition to, and not as a substitute for or superior to, other measures of financial performance prepared in accordance with U.S. generally accepted accounting principles, or GAAP, such as net income. Willdan believes Adjusted EBITDA enables management to separate non-recurring income and expense items from its results of operations to provide a more normalized and consistent

view of operating performance on a period-to-period basis. Willdan uses Adjusted EBITDA to evaluate its performance for, among other things, budgeting, forecasting and incentive compensation purposes. Willdan also believes Adjusted EBITDA is useful to investors, research analysts, investment bankers and lenders because it removes the impact of certain non-recurring income and expense items from its operational results, which may facilitate comparison of its results from period to period.

Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to income from operations or net income as an indicator of operating performance or any other GAAP measure.

Adjusted EBITDA increased \$7.8 million to \$1.5 million for the six months ended June 28, 2013 from \$(6.3) million for the comparable period last year.

The following is a reconciliation of net income (loss) to Adjusted EBITDA:

In thousands	Six Months Ended	
	June 28, 2013	June 29, 2012
Net income (loss)	\$ 1,087	\$ (18,387)
Interest income	(5)	(2)
Interest expense	77	52
Income tax expense (benefit)	41	(3,584)
Loss on sale of assets	—	22
Depreciation and amortization	310	387
Impairment of goodwill	—	15,208
Lease abandonment expense, net	13	30
Adjusted EBITDA	\$ 1,523	\$ (6,274)

### Liquidity and Capital Resources

Willdan had \$8.5 million in cash and cash equivalents at June 28, 2013, compared with \$10.0 million at December 28, 2012. Willdan has a \$5.0 million revolving line of credit with Wells Fargo Bank, National Association, with no outstanding borrowings at June 28, 2013.

### Conference Call and Webcast

Chief Executive Officer Thomas Brisbin and Chief Financial Officer Kimberly Gant plan to host a conference call on August 8, 2013 at 5:00 p.m. Eastern/2:00 p.m. Pacific, to discuss Willdan's financial results.

Interested parties may participate in the conference call by dialing 877-941-2332 (480-629-9867 for international callers). When prompted, ask for the "Willdan Group, Inc., Second Quarter 2013 Conference Call." The conference call will be webcast simultaneously on Willdan's website at [www.willdan.com](http://www.willdan.com) under Investors: Events.

The telephonic replay of the conference call may be accessed approximately two hours after the call through August 22, 2013, by dialing 800-406-7325 (303-590-3030 for international callers). The replay access code is 4633799. The webcast replay will be archived for 12 months.

### About Willdan Group, Inc.

Founded in 1964, Willdan is a provider of professional technical and consulting services to public agencies at all levels of government, public and private utilities and commercial and industrial firms. Willdan provides a broad range of services to clients throughout the United States, including engineering and planning, energy efficiency and sustainability, economic and financial consulting, and national preparedness and interoperability. For additional information, visit Willdan's website at [www.willdan.com](http://www.willdan.com).

### Forward-Looking Statements

Safe Harbor Statement: Statements in this press release which are not purely historical, including statements regarding Willdan's intentions, hopes, beliefs, expectations, representations, projections, estimates, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Willdan will not be able to expand its services or meet the needs of customers in markets in which it operates. It is important to note that Willdan's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, a slowdown in the local and regional economies of the states where Willdan conducts business and the loss of or inability to hire additional qualified professionals. Willdan's business could be affected by a number of other factors, including the risk factors listed from time to time in Willdan's SEC reports including, but not limited to, the Annual Report on Form 10-K for the year ended December 28, 2012 filed on March 26, 2013 and the Quarterly Report on Form 10-Q for the quarter ended March 29, 2013 filed on May 9, 2013. Willdan cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Willdan disclaims any obligation to, and does not undertake to, update or revise any forward-looking statements in this press release.

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>June 28, 2013</u> (unaudited)	<u>December 28, 2012</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,475,000	\$ 10,006,000
Accounts receivable, net of allowance for doubtful accounts of \$512,000 and \$303,000 at June 28, 2013 and December 28, 2012, respectively	11,040,000	15,484,000
Costs and estimated earnings in excess of billings on uncompleted contracts	10,241,000	9,860,000
Other receivables	68,000	95,000
Prepaid expenses and other current assets	1,222,000	1,782,000
Total current assets	<u>31,046,000</u>	<u>37,227,000</u>
Equipment and leasehold improvements, net	762,000	979,000
Other intangible assets, net	—	12,000
Other assets	298,000	307,000
Deferred income taxes, net of current portion	3,452,000	3,452,000
Total assets	<u>\$ 35,558,000</u>	<u>\$ 41,977,000</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Excess of outstanding checks over bank balance	\$ 818,000	\$ 1,188,000
Borrowings under line of credit	—	3,000,000
Accounts payable	3,440,000	6,983,000
Accrued liabilities	5,110,000	5,306,000
Billings in excess of costs and estimated earnings on uncompleted contracts	3,559,000	3,419,000
Current portion of notes payable	169,000	628,000
Current portion of capital lease obligations	136,000	152,000
Current portion of deferred income taxes	3,452,000	3,452,000
Total current liabilities	<u>16,684,000</u>	<u>24,128,000</u>
Capital lease obligations, less current portion	74,000	124,000
Deferred lease obligations	237,000	374,000
Total liabilities	<u>16,995,000</u>	<u>24,626,000</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 40,000,000 shares authorized: 7,353,000 and 7,335,000 shares issued and outstanding at June 28, 2013 and December 28, 2012, respectively	74,000	73,000
Additional paid-in capital	34,547,000	34,423,000
Accumulated (deficit) earnings	(16,058,000)	(17,145,000)
Total stockholders' equity	<u>18,563,000</u>	<u>17,351,000</u>
Total liabilities and stockholders' equity	<u>\$ 35,558,000</u>	<u>\$ 41,977,000</u>

**WILLDAN GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 28, 2013</u>	<u>June 29, 2012</u>	<u>June 28, 2013</u>	<u>June 29, 2012</u>
Contract revenue	\$ 20,496,000	\$ 23,481,000	\$ 41,881,000	\$ 48,949,000
Direct costs of contract revenue (exclusive of depreciation and amortization shown separately below):				
Salaries and wages	6,129,000	5,976,000	11,972,000	11,933,000
Subconsultant services and other direct costs	5,309,000	11,140,000	11,500,000	22,377,000
Total direct costs of contract revenue	<u>11,438,000</u>	<u>17,116,000</u>	<u>23,472,000</u>	<u>34,310,000</u>
General and administrative expenses:				
Salaries and wages, payroll taxes and employee benefits	4,948,000	5,839,000	10,486,000	12,267,000
Facilities and facilities related	1,149,000	1,240,000	2,337,000	2,435,000
Stock-based compensation	38,000	77,000	88,000	131,000
Depreciation and amortization	127,000	181,000	276,000	355,000
Lease abandonment, net	—	26,000	13,000	30,000
Impairment of goodwill	—	15,208,000	—	15,208,000
Other	2,078,000	3,377,000	4,034,000	6,113,000
Total general and administrative expenses	<u>8,340,000</u>	<u>25,948,000</u>	<u>17,234,000</u>	<u>36,539,000</u>

Income (loss) from operations	718,000	(19,583,000)	1,175,000	(21,900,000)
Other income (expense), net:				
Interest income	2,000	1,000	5,000	2,000
Interest expense	(50,000)	(30,000)	(77,000)	(52,000)
Other, net	10,000	(21,000)	25,000	(21,000)
Total other expense, net	(38,000)	(50,000)	(47,000)	(71,000)
Income (loss) before income taxes	680,000	(19,633,000)	1,128,000	(21,971,000)
Income tax (benefit) expense				
	(8,000)	(2,657,000)	41,000	(3,584,000)
Net income (loss)	<u>\$ 688,000</u>	<u>\$ (16,976,000)</u>	<u>\$ 1,087,000</u>	<u>\$ (18,387,000)</u>
Earnings per share:				
Basic and diluted	<u>\$ 0.09</u>	<u>\$ (2.33)</u>	<u>\$ 0.15</u>	<u>\$ (2.52)</u>
Weighted-average shares outstanding:				
Basic	7,353,000	7,297,000	7,336,000	7,294,000
Diluted	7,401,000	7,297,000	7,383,000	7,294,000

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**WILLDAN GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Six Months Ended	
	June 28, 2013	June 29, 2012
Cash flows from operating activities:		
Net income (loss)	\$ 1,087,000	\$ (18,387,000)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	310,000	387,000
Deferred income taxes	—	(3,584,000)
Impairment of goodwill	—	15,208,000
Lease abandonment expense, net	13,000	30,000
Loss on sale of equipment	(6,000)	22,000
Provision for doubtful accounts	162,000	432,000
Stock-based compensation	88,000	131,000
Changes in operating assets and liabilities:		
Accounts receivable	4,282,000	(5,498,000)
Costs and estimated earnings in excess of billings on uncompleted contracts	(381,000)	10,066,000
Other receivables	27,000	89,000
Prepaid expenses and other current assets	560,000	231,000
Other assets	9,000	34,000
Accounts payable	(3,543,000)	2,826,000
Accrued liabilities	(196,000)	(2,045,000)
Billings in excess of costs and estimated earnings on uncompleted contracts	140,000	1,063,000
Deferred lease obligations	(150,000)	(86,000)
Net cash provided by operating activities	<u>2,402,000</u>	<u>919,000</u>
Cash flows from investing activities:		
Purchase of equipment and leasehold improvements	(86,000)	(220,000)
Proceeds from sale of equipment	11,000	8,000
Net cash used in investing activities	<u>(75,000)</u>	<u>(212,000)</u>
Cash flows from financing activities:		
Changes in excess of outstanding checks over bank balance	(370,000)	(448,000)
Payments on notes payable	(459,000)	(489,000)
Borrowings under line of credit	266,000	11,663,000
Repayments on line of credit	(3,266,000)	(8,919,000)
Principal payments on capital lease obligations	(66,000)	(88,000)
Proceeds from sales of common stock under employee stock purchase plan	37,000	75,000
Net cash (used in) provided by financing activities	<u>(3,858,000)</u>	<u>1,794,000</u>
Net increase in cash and cash equivalents	(1,531,000)	2,501,000
Cash and cash equivalents at beginning of the period	10,006,000	3,001,000
Cash and cash equivalents at end of the period	<u>\$ 8,475,000</u>	<u>\$ 5,502,000</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 81,000	\$ 51,000
Income taxes	155,000	45,000
Supplemental disclosures of noncash investing and financing activities:		
Equipment acquired under capital lease obligations	\$ 7,000	\$ 10,000

SOURCE: Willdan Group, Inc.

**Contact:**

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