UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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):

November 9, 2016

HC2 Holdings, Inc.

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation) <u>001-35201</u> (Commission File Number) <u>54-1708481</u> (I.R.S. Employer Identification No.)

450 Park Avenue, 30 th Floor New York, NY

(Address of principal executive offices)

Registrant's telephone number, including area code:

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)

D Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

10022

(Zip Code)

(212) 235-2690

10022

Item 2.02 Results of Operations and Financial Condition

The information set forth in (and incorporated by reference into) this Item 2.02 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that Section. The information in this Item 2.02 shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On November 9, 2016, HC2 Holdings, Inc. (the "Company") issued a press release setting forth its third quarter 2016 earnings (the "Earnings Release").

A copy of the Earnings Release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Item 7.01 Regulation FD Disclosure

As previously announced, the Company will conduct a conference call today, Wednesday, November 9, 2016 at 5:30 p.m. The presentation slides to be used during the call will be available on the "Investor Relations" section of the Company's website (<u>http://www.HC2.com</u>) beginning at 5:30 p.m. ET on Wednesday, November 9, 2016. The conference call and the presentation slides will be simultaneously webcast on the "Investor Relations" section of the Company's website beginning at 5:30 p.m. ET on Wednesday, November 9, 2016, and will remain available for future review until December 31, 2016. The information contained in, or that can be accessed through the Company's website, is not a part of this filing.

The information set forth in (and incorporated by reference into) this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that Section. The information in this Item 7.01 shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

| (d) Exhibits | |
|----------------|--|
| Exhibit No. | Description |
| 99.1 | Press Release of HC2 Holdings, Inc., dated November 9, 2016. |

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.

HC2 Holdings, Inc.

November 9, 2016

By: /s/ Michael Sena

Name: Michael Sena Title: Chief Financial Officer

Exhibit Index

| Exhibit | | | |
|---------|-------------|--|--|
| No. | Description | | |
| | | | |
| | | | |

99.1 Press Release of HC2 Holdings, Inc., dated November 9, 2016.



FOR IMMEDIATE RELEASE

HC2 Holdings Reports Third Quarter 2016 Results

New York, November 9, 2016 (GlobeNewswire) - HC2 Holdings, Inc. ("HC2") (NYSE MKT: HCHC), a diversified holding company that focuses on acquiring, operating and growing businesses that it considers to be under or fairly valued, today announced its consolidated results for the third quarter ended on September 30, 2016.

"The performance of all our core operating subsidiaries was again solid in the third quarter, with results up quarter-over-quarter and year-over-year across the board," said Philip Falcone, HC2's Chairman, President and Chief Executive Officer. "We are pleased with the performance of these diverse businesses, each of which continues to execute well. In particular, DBM Global (formerly Schuff International) finished a solid quarter, with a strong pipeline of business and continued expansion of its service offering, most recently through the acquisitions of PDC Global's Detailing and Building Information Modeling business and BDS VirCom."

Mr. Falcone continued, "Our Marine Services, Utilities, Telecom and Insurance segments also performed well, and we believe remain poised for continued growth. In addition, R2 Dermatology and MediBeacon, portfolio companies within our Pansend Life Sciences platform, each achieved significant milestones and recognition, including Food and Drug Administration (FDA) approval for R2's Dermal Cooling System for skin lightening applications and MediBeacon's received grant from the Gates Foundation to study MediBeacon's platform technology in monitoring gut permeability. This quarter demonstrates our confidence in HC2's model, the considerable progress we've made so far and the opportunities we continue to see to build long-term value for our shareholders."

Third Quarter Financial Highlights:

Net Revenue: Consolidated total net revenues were \$413.1 million for the third quarter of 2016, an increase of \$53.8 million or 15.0% compared to the second quarter of 2016, and an increase of \$135.6 million, or 48.9% compared to the year-ago quarter, primarily driven by growth in the Telecom, Marine Services and Manufacturing segments, as well as the contribution from the Company's Continental Insurance business, which was acquired in December 2015.

- Net Income / (Loss): HC2 reported a Net (Loss) attributable to common and participating preferred stockholders of (\$7.5) million or (\$0.20) per fully diluted share for the third quarter of 2016, compared to net income of \$0.9 million or \$0.02 per fully diluted share for the second quarter of 2016, and a Net Loss of (\$9.0) million or (\$0.35) per fully diluted share compared to the year ago quarter. Third quarter Net Income / (Loss) attributable to common and participating preferred stockholders included \$5.7 million of non-cash impairment charges and deemed dividends related to preferred stock conversion occurring in the quarter.
- Adjusted EBITDA: Adjusted EBITDA for "Core Operating Subsidiaries", which includes HC2's Manufacturing, Marine Services, Utilities and Telecommunications segments, was a combined \$31.5 million for the third quarter of 2016 compared to \$27.1 million in the second quarter of 2016 and \$25.6 million in the year-ago quarter. Core Operating Subsidiary results for the third quarter were driven primarily by solid performance in Manufacturing, Marine Services, and Telecom.

Total Adjusted EBITDA (excluding the Insurance segment) for the third quarter, which includes results from Core Operating Subsidiaries, Early-Stage, Other and Non-Operating Corporate segments, was \$18.2 million, compared to \$15.2 million in the second quarter of 2016 and \$14.2 million for the year-ago quarter.

Balance Sheet: As of September 30, 2016, HC2 had consolidated cash, cash equivalents and investments of \$1.6 billion, which includes cash and investments associated with HC2's Insurance segment. Excluding the Insurance segment, consolidated cash and cash equivalents was \$93.0 million, of which \$29.4 million was at the corporate level.

Additional Third Quarter Highlights and Recent Developments

• <u>Manufacturing</u> - HC2's Manufacturing segment (DBM Global, previously Schuff International) reported Net Income of \$7.0 million for the third quarter of 2016, compared to \$9.4 million for the second quarter and \$7.1 million for the year-ago quarter.

Adjusted EBITDA was \$14.5 million for the third quarter of 2016, driven by strong growth in the Pacific Region, compared to \$13.2 million for the second quarter and \$14.4 million for the year-ago quarter. Backlog at the end of the third quarter was approximately \$320 million. Taking into consideration awarded, but unsigned contracts, backlog would have again been over \$500 million. The Company said it continues to see a number of large opportunities in the commercial sector totaling over \$400 million in potential new projects that could be awarded over the next two quarters, which are not reflected in the greater than \$500 million backlog noted above. These projects include a number of new sporting arenas or stadiums, as well as new healthcare facilities and commercial office buildings.

Subsequent to quarter end, DBM Global completed the acquisition of the Detailing and Building Information Modeling business of PDC Global and the acquisition of BDS VirCon, a leading global steel and rebar detailing and BIM firm.

DBM Global is assembling a set of complementary businesses that offer more diverse, value-added services to assist clients on complex and sophisticated projects. These initiatives are part of a plan to build the business to what the Company believes could be \$1.0 billion in annual revenue over the next three to five years.

- Marine Services Global Marine reported Net Income of \$8.7 million for the third quarter of 2016, compared to \$6.0 million for the second quarter and \$7.4 million for the year-ago quarter. Adjusted EBITDA was \$14.1 million for the third quarter of 2016, compared to \$11.8 million for the second quarter and \$10.1 million for the year-ago quarter. The strong performance in the quarter was driven in part by increased telecom and offshore power installation revenues, continued strong performance from the maintenance business driven by higher utilization of vessels in the quarter, including incremental maintenance revenues from our CWind acquisition, as well as continued solid performance from the Company's Joint Ventures.
- **Utilities** American Natural Gas (ANG) reported Net Income of \$0.03 million for the third quarter of 2016, compared to \$0.07 million for the second quarter and a Net Loss of \$(0.08) million for the year-ago quarter. Adjusted EBITDA was \$0.73 million for the third quarter of 2016, compared to \$0.54 million for the second quarter and \$0.27 million for the year-ago quarter. ANG currently owns and/or operates 17 natural gas fueling stations and is focused on expanding the station footprint through both internal / organic transactions, as well as various M&A opportunities. During the third quarter, ANG commissioned two fueling stations in Saratoga Springs and Rochester New York. In addition, ANG acquired a natural gas fueling station in Searcy, Arkansas. ANG continues to expect to own/operate approximately 20 fueling stations by the end of 2016 / first quarter 2017.
- <u>Telecommunications</u> Net Income for PTGI-ICS was \$1.8 million for the third quarter of 2016, compared to \$1.0 million for the second quarter and a Net Loss of \$(0.4) million for the year-ago quarter. Adjusted EBITDA was \$2.2 million for the third quarter of 2016, compared to \$1.5 million for the second quarter and \$0.8 million in year-ago quarter. The third quarter of 2016 marked the sixth consecutive quarter of positive Adjusted EBITDA for PTGI-ICS, driven primarily by growth in wholesale traffic volumes, in part delivered by the changing regulatory environment throughout the European market combined with the religious holidays in the Middle East region.
- Insurance As of September 30, 2016, the Insurance companies had approximately \$75.5 million of statutory surplus and \$2.1 billion in total GAAP assets.
- Pansend Life Sciences MediBeacon[™] Inc., a portfolio company within HC2's Pansend Life Sciences platform and maker of proprietary, non-invasive, real-time monitoring systems for kidney function, gastrointestinal permeability and other light-activated diagnostics, received a \$1.1 million Grant from the Gates Foundation in collaboration with Washington University School of Medicine to study MediBeacon's platform technology in monitoring gut permeability in gastrointestinal diseases including Crohn's Disease and Ulcerative Colitis. MediBeacon also received a National Institutes of Health (NIH) supported grant to research visualization of vasculature in the eye.

Pansend portfolio company R2 Dermatology achieved several milestones during the quarter, including receiving Food and Drug Administration (FDA) approval for the R2 Dermal Cooling System. The R2 device, which is used to lighten and brighten the skin, has successfully treated and been studied on over 100 patients and over 1,500 areas of the skin. The system is now scheduled for release to nearly 50 Key Opinion Leader Dermatologists (KOL's) beginning in January 2017, with commercial availability expected beginning in the third quarter next year.

• <u>HC2 Corporate</u> - During the third quarter, the company reduced the cumulative outstanding accreted value of the Company's Series A, A-1 and A-2 Convertible Participating Preferred Stock (the "Preferred Stock") to approximately \$42.7 million from \$52.7 million at the beginning of the third quarter. Subsequent to quarter end, the Company further reduced the cumulative outstanding accreted value of the Preferred Stock to approximately \$30.0 million. Since the end of September 30, 2014, on a gross basis, the Company has reduced nearly \$85 million in preferred obligations, debt and pension liabilities at the corporate and subsidiary level.

Non-GAAP Financial Measures

In this release, HC2 refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including Core Operating Subsidiary Adjusted EBITDA, Total Adjusted EBITDA (excluding the Insurance segment) and Adjusted EBITDA for its operating segments. Management believes that Adjusted EBITDA measures provide investors with meaningful information for gaining an understanding of the Company's results as it is frequently used by the financial community to provide insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation, amortization and the other items for which adjustments are made as noted in the definition of Adjusted EBITDA measures in evaluating certain of the Company's segments performance because they eliminate the effects of considerable amounts of non-cash depreciation and amortization and items not within the control of the Company's operations managers. While management believes that these non-US GAAP measurements are useful as supplemental information, such adjusted results are not intended to replace our US GAAP financial results and should be read together with HC2's results reported under GAAP.

Management defines Adjusted EBITDA as Net income (loss) adjusted to exclude the impact of depreciation and amortization; asset impairment expense; gain (loss) on sale or disposal of assets; lease termination costs; loss on early extinguishment or restructuring of debt; interest expense; other income (expense), net; foreign currency transaction gain (loss); income tax (benefit) expense; gain (loss) from discontinued operations; non-controlling interest; share-based compensation expense and acquisition related and other non-recurring items. A reconciliation of Adjusted EBITDA to Net income (loss) is included in the financial tables at the end of this release.

Management recognizes that using Adjusted EBITDA as a performance measure has inherent limitations as an analytical tool as compared to net income (loss) or other U.S. GAAP financial measures, as these non-GAAP measures exclude certain items, including items that are recurring in nature, which may be meaningful to investors.

As a result of the exclusions, Adjusted EBITDA should not be considered in isolation and do not purport to be alternatives to net income (loss) or other U.S. GAAP financial measures as a measure of our operating performance.

Conference Call

HC2 Holdings, Inc. will host a live conference call to discuss its third quarter 2016 financial results and operations today, Wednesday, November 9, 2016 at 5:30 p.m. ET. Dial-in instructions for the conference call and the replay are as follows:

Live Call

Dial-In (Toll Free): 1-866-395-3893

International Dial-In: 1-678-509-7540

Participant Entry Number: 4088236

Alternatively, a live webcast of the conference call can be accessed by interested parties through the Investor Relations section of the HC2 Website,

www.HC2.com.

Conference Replay*

Domestic Dial-In (Toll Free): 1-855-859-2056

International Dial-In: 1-404-537-3406

Conference Number: 4088236

*Available approximately two hours after the end of the conference call through December 31, 2016.

Cautionary Statement Regarding Forward-Looking Statements

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: This release contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. The forward-looking statements in this press release include without limitation statements regarding our expectation regarding building shareholder value. Such statements are based on the beliefs and assumptions of HC2's management and the management of HC2's subsidiaries. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company's actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K. Such important factors include, without limitation, issues related to the restatement of our financial statements; the fact that we have historically identified material weaknesses in our internal control over financial reporting, and any inability to remediate future material weaknesses; capital market conditions; the ability of HC2's subsidiaries to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries to identify any suitable future acquisition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries of HC2. These risks and other important factors discussed under the caption "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

For information on HC2 Holdings, Inc., please contact Andrew G. Backman - Managing Director - Investor Relations & Public Relations abackman@hc2.com - 212-339-5836

HC2 HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(Unaudited)

| | Th | ree Months End | led S | eptember 30, | Nine Months Ended September 30, | | | | | | | |
|--|----|----------------|-------|--------------|---------------------------------|-----------|----|----------|--|--|--|--|
| | | 2016 | | 2015 | | 2016 | | 2015 | | | | |
| Services revenue | \$ | 245,064 | \$ | 151,933 | \$ | 624,545 | \$ | 373,492 | | | | |
| Sales revenue | | 133,474 | | 125,534 | | 379,729 | | 386,765 | | | | |
| Life, accident and health earned premiums, net | | 19,967 | | — | | 59,939 | | _ | | | | |
| Net investment income | | 14,799 | | _ | | 42,585 | | _ | | | | |
| Net realized losses on investments | | (220) | | _ | | (2,677) | | _ | | | | |
| Net revenue | | 413,084 | | 277,467 | | 1,104,121 | | 760,257 | | | | |
| Operating expenses | | | | | | | | | | | | |
| Cost of revenue - services | | 225,876 | | 138,099 | | 583,942 | | 334,608 | | | | |
| Cost of revenue - sales | | 107,984 | | 102,395 | | 308,951 | | 324,820 | | | | |
| Policy benefits, changes in reserves, and commissions | | 29,689 | | — | | 92,784 | | _ | | | | |
| Selling, general and administrative | | 36,902 | | 28,810 | | 107,493 | | 77,818 | | | | |
| Depreciation and amortization | | 5,961 | | 6,267 | | 18,163 | | 17,768 | | | | |
| Gain on sale or disposal of assets | | (23) | | (1,106) | | (973) | | (135) | | | | |
| Lease termination costs | | (159) | | 1,124 | | 179 | | 1,124 | | | | |
| Total operating expenses | | 406,230 | | 275,589 | | 1,110,539 | | 756,003 | | | | |
| Income (loss) from operations | | 6,854 | | 1,878 | | (6,418) | | 4,254 | | | | |
| Interest expense | | (10,719) | | (10,383) | | (31,614) | | (29,208) | | | | |
| Other income (expense), net | | (3,203) | | 1,193 | | (4,220) | | (1,378) | | | | |
| Income from equity investees | | 335 | | 918 | | 3,153 | | 427 | | | | |
| Loss from continuing operations before income taxes | | (6,733) | | (6,394) | | (39,099) | | (25,905) | | | | |
| Income tax benefit (expense) | | 1,334 | | (1,504) | | 3,649 | | 1,832 | | | | |
| Loss from continuing operations | | (5,399) | | (7,898) | | (35,450) | | (24,073) | | | | |
| Loss from discontinued operations | | _ | | (24) | | _ | | (44) | | | | |
| Net loss | | (5,399) | | (7,922) | | (35,450) | | (24,117) | | | | |
| Less: Net (income) loss attributable to noncontrolling interest and redeemable noncontrolling interest | | 841 | | (65) | | 2,365 | | (8) | | | | |
| Net loss attributable to HC2 Holdings, Inc. | | (4,558) | | (7,987) | | (33,085) | | (24,125) | | | | |
| Less: Preferred stock and deemed dividends | | 2,948 | | 1,035 | | 5,061 | | 3,212 | | | | |
| Net loss attributable to common stock and participating preferred stockholders | \$ | (7,506) | \$ | (9,022) | \$ | (38,146) | \$ | (27,337) | | | | |
| Basic loss per common share: | | | | | | | | | | | | |
| Loss from continuing operations | \$ | (0.20) | \$ | (0.35) | \$ | (1.07) | \$ | (1.09) | | | | |
| Loss from discontinued operations | | _ | | _ | | _ | | _ | | | | |
| Basic and diluted loss per common share | \$ | (0.20) | \$ | (0.35) | \$ | (1.07) | \$ | (1.09) | | | | |
| Diluted loss per common share: | | | | | | | | | | | | |
| Loss from continuing operations | \$ | (0.20) | \$ | (0.35) | \$ | (1.07) | \$ | (1.09) | | | | |
| Loss from discontinued operations | • | | • | _ | · | _ | • | | | | | |
| Net loss attributable to common stock and participating preferred stockholders | \$ | (0.20) | \$ | (0.35) | \$ | (1.07) | \$ | (1.09) | | | | |
| Weighted average common shares outstanding: | | | | . / | | <u> </u> | | | | | | |
| Basic | | 36,627 | | 25,592 | | 35,808 | | 25,093 | | | | |
| Diluted | | | _ | | | | | | | | | |
| Diluca | | 36,627 | _ | 25,592 | _ | 35,808 | | 25,093 | | | | |
| | | | | | | | | | | | | |

HC2 HOLDINGS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands, except share amounts)

(Unaudited)

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| issuriced cash 791 723 issue consume constant of admonance for dombriful accounts of \$3,333 and \$794 at \$eptember 30, 2016 and December 31, 7091 727,738 721,038 issue and ecceptized teamings in access of bilings on uncompleted contracts 17,091 39,310 issue and ecceptized teamings in access of bilings on uncompleted contracts 15,553 15,500 issue and ecceptized teamings in access of bilings on uncompleted contracts 15,553 15,500 issue and ecciptized teamings in access of bilings on uncompleted contracts 15,553 15,500 issue and ecciptized tax asset 10,93 10,944 9,404 issue and ecciptized tax asset 10,93 6,665 10,93 6,665 Total assets 10,93 6,665 11,850 6,665 Total asset 10,93 6,665 12,42,500 22,42,500 22,42,500 22,42,500 22,42,500 22,52,991 22,52,991 22,52,991 22,52,991 22,52,991 22,52,991 22,52,992 22,52,924 22,52,924 22,52,924 22,52,924 22,52,924 22,52,924 22,52,924 22,52,924 22,56,924 22 | | 1,476,220 | 1,354,370 |
| vacuum received bit (net of allowance for doubtit) accounts of \$3,033 and \$794 at September 30, 2016 and December 31, 277,788 270,058 Dist, sergetively 277,788 270,058 270,058 Dist, sergetively 8,073 11,202 Exervandle from reinsurans 552,599 552,559 552,559 Secoverable from reinsurans 43,555 522,511 Secoverable from reinsurans 43,555 522,520 Secoverable from reinsurans 28,025 61,178 Secoverable from reinsurans 28,025 61,178 Secoverable from reinsurans 52,2509 52,260 Secoverable from reinsurans 52,2509 52,260 Secoverable from reinsurans 29,274,215 270,252,150 Secoverable from reinsurans 52,270 65,260 Secoverable from reinsurans 52,270 65,260 Secoverable from reinsurans 52,270 270,252,150 Secoverable from reinsurans 52,270,252,150 270,252,150 Secoverable from reinsurans 52,270,252,120 220,602,552 Secoverable from reinsurans 52,242,90 | | 121,321 | 158,624 |
| 0015, respectively)272,7382210,8530015, respectively)17,00103,910newnory8.97312,120Recoverable resume income525,509522,560Recoverable resume income15,75115,100Kerred investment income143,55552,511Yoperty, Johnt and equipment, net36,00261,173Koread investment income51,42104,466Sodewill55,25065,006Start assets51,52065,006Start assets1,0036,665Total asset1,0036,665Total asset1,657,501\$ 1,591,937Jahlifets, temporary equity and stochholders' equity225,149225,389Vance of basines acquired in dealth reserves244,12620,6453Aute or busines acquired in econycle dearings on uncompleted contracts11,631,637,501\$ 1,591,937Vance of basines acquired in econycle dearings on uncompleted contracts212,149225,389Jahling temes of coals and recognized earnings on uncompleted contracts346,658371,876Retioned basini20,74422,515025,503,477Vanitiones acquired in econycle dearings on uncompleted contracts20,6432,665,934Charler as tability21,02427,659,347Charler as tability20,0402,665,9342,665,934Charler as tability21,0102,665,9342,669,347Charler as tability21,0102,665,9342,669,347Charler as tability21,0102,665,9342,6 | | 791 | 538 |
| nucnicy 8,973 12,20 lecoverable instances 525,509 522,60 lecoverable instances insome 11,571 15,300 Deferred tax asset 43,555 525,11 inopenty, plant and equipment, net 244,176 214,466 condwill 86,025 61,173 intangibles, net 39,144 93,900 Aber assets 1003 6,065 Total asset 1,003 6,065 Total assets 1,003 6,065 Total assets 2,487,997 \$ 2,287,201 Life, accident and heath reserve 2,45,20 20,04,833 Vatue of busines acquired 45,122 60,064 Vatue of busines acquired 21,241 21,210 Vatue of busines acquired 21,241 22,55,083 Vatue of busines acquired acmings on uncompleted contracts 11,241 21,201 Vatue of busines acquired acmings on uncompleted contracts 11,241 21,210 Vatue of busines acquired acmings on uncompleted contracts 21,641 22,269,247 Domi | Accounts receivable (net of allowance for doubtful accounts of \$3,033 and \$794 at September 30, 2016 and December 31, 2015, respectively) | 272,738 | 210,853 |
| keeverable from reinsurers 525,599 522,529 keerued investment income 115,751 15,500 beered as asel 34,555 552,510 roperty, plant and equipment, net 244,176 214,466 coodwill 86,025 61,173 thangibbs, net 39,144 29,400 Dher asets 30,144 29,400 tasks 2,288,797 5 2,742,512 Labilities, temporary equity and stockholders' equity 5 2,887,907 5 2,742,512 Labilities, temporary equity and stockholders' equity 248,250 2,606,53 2,606,53 2,606,53 2,606,53 2,51,260 2,606,53 2,606,24 7,7393 7,7393 7,7393 7,7393 < | Costs and recognized earnings in excess of billings on uncompleted contracts | 17,091 | 39,310 |
| terr 15,751 15,000 betred in vestment income 15,751 15,000 betred in x asset 43,555 52,511 income 244,176 214,466 condwill 56,000 66,005 order assets 1,000 6,065 Total assets 1,000 6,065 Total assets 5,200 65,000 ibilities, temporary quily and tockholders' quily 1,003 6,065 Total assets 5 1,637,501 \$ 1,501,907 haming reserves 2 1,637,501 \$ 1,501,907 haming reserves 2 2,64,250 2,60,853 vanuely reserves 2 2,21,412 2,22,142 could assets and orce quired 48,512 2,07,44 2,51,56 vanuely reserves 5 1,2,007 4,281 2,06,933 2,269,247 come and built insitis 2 2,07,44 2,51,56 2,51,56 2,51,56 2,51,56 2,51,56 2,569,247 2,569,247 2,569,247 </td <td>Inventory</td> <td>8,973</td> <td>12,120</td> | Inventory | 8,973 | 12,120 |
| beferred tax asset 41,55 52,511 typerty, plant and equipment, net 244,176 124,446 codwill 86,025 61,173 nangibles, net 33,144 29,409 Scher 35,520 65,500 Total assets 5 2,887,997 \$ 2,2742,512 Libbilities, temporary equity and stockholders' equity 5 1,637,501 \$ 1,591,937 Add counts payable and other current liabilities 2524,2512 50,605 264,853 26,853 Alue of business acquired 44,8512 50,605 226,42512 226,5189 Vaccounts payable and other current liabilities 212,42,512 226,5189 21,201 Scher of business acquired 44,851 2,569,247 225,5189 Vaccounts payable and other current liabilities 22,60,247 22,569,247 22,569,247 Total liabilities 2,264,242 2,7793 2,569,247 2,569,247 Total liabilities 2,00,0000 shares suborized; Series A, 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively, Series A, 2, 1,4000 shares issued and | Recoverable from reinsurers | 525,599 | 522,562 |
| Arroperty, plant and equipment, net 244,175 244,175 Goodwill 86.025 61,175 Binagibles, net 39,144 629,409 Marganes, net 39,144 629,409 Marganes, net 35,200 65,206 Stasts 1,033 6,065 Total assets \$2,887,997 \$2,742,512 Jiblitis, temporary equity and stockholders' equity 1,591,937 1,591,937 Jancuity reserves \$1,637,501 \$1,591,937 Jancuity reserves 232,149 225,389 Jalle of buinses acquired 48,512 26,063 Vaccounts payable and other current liabilities 312,807 4,281 cong-term obligations 12,807 4,281 cong-term obligations 12,807 4,281 cong-term obligations 12,042 17,376 Total liabilities 12,042 17,376 Total liabilities 12,042 17,376 Total iabilities 12,042 17,376 Total assets equired 1,043 1,550,5741 | Accrued investment income | 15,751 | 15,300 |
| Boodwill 86,025 61,178 nang/bls, nd 39,144 29,409 Mher assets 35,520 65,206 Seets helf for sile 1,033 6,065 Total assets \$ 2,887,997 \$ 2,742,512 Läbilties, temporary equity and stockholder,' equity - - Ide, accident and health reserves \$ 1,637,501 \$ 1,509,307 Yatury reserves 244,250 260,855 Jalue of other current liabilities 232,149 225,389 Billings in excess of costs and recognized earnings on uncompleted contracts 51,241 21,207 Deriver data liability 12,807 4,281 2,669,341 Corrent acting in an excess of costs and recognized earnings on uncompleted contracts 51,241 21,207 Deriver data liability 20,74 225,389 31,876 Preferred tack liability 20,744 21,807 4,281 Const and recognized earnings on uncompleted contracts 51,241 21,042 17,793 Total liability 20,07,44 25,155 2,669 32,241 2,669,341 2,6 | Deferred tax asset | 43,555 | 52,511 |
| Integrables, net 13,144 20,400 bher assis 33,520 65,206 Nasets held for sale 1,093 6,665 Total assets \$2,87,907 \$2,72,72,107 Jabilitis, temporary equity and stockholders' equity 2 22,72,22,107 Labilitis, temporary equity and stockholders' equity 2 22,82,907 \$2,72,72,107 Labilitis, temporary equity and stockholders' equity 2,22,149 22,22,200 22,60,803 Value of business acquired 48,512 50,761 \$2,12,401 21,200 Accountal temporary equity and stockholders' equite contracts 51,241 21,201 22,648 Sullings in access of costs and recognized earnings on uncompleted contracts 51,241 21,201 2,665,934 2,669,247 Common excess of costs and recognized earnings on uncompleted contracts 2,665,934 2,669,247 2,665,934 2,569,247 Total liabilities 2,000,000 shares authorized; Series A - 1,0000 and logon shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 1,0000 and logon shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 1,0000 and logon shares issued and outstanding at September 30, 2016 and D | Property, plant and equipment, net | 244,176 | 214,466 |
| Ather assets 1,903 6,5,06 Sacets Atid for sale 1,093 6,065 Total assets \$ 2,887,997 \$ 2,742,512 Libilities, temporary equity and stockholders' equity | Goodwill | 86,025 | 61,178 |
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| Total assets \$ 2,887,97 \$ 2,742,512 Labilities, temporary equity and stockholders' equity | Other assets | 35,520 | 65,206 |
| Liabilities, temporary equity and stockholders' equity S 1,637,501 S 1,591,937 Annuity reserves 254,250 260,853 260,853 260,853 Alue of business acquired 48,512 50,761 50,761 Accounts payable and other current liabilities 232,149 222,589 212,819 212,819 Billings in excess of costs and recognized earnings on uncompleted contracts 51,241 21,201 24,813 Accounts payable and other current liabilities 20,744 25,156 20,744 25,156 Acage transition liabilities 12,042 17,793 7042 21,509 2,665,934 2,569,247 Commitments and contingencies Importance Importance Importance Importance 2,665,934 2,569,247 Commitments and contingencies Importance | Assets held for sale | 1,093 | 6,065 |
| ife, accident and health reserves \$ 1,637,501 \$ 1,591,937 Nunuity reserves 254,250 260,853 Zalue of business acquired 44,512 50,761 Accounts payable and other current liabilities 232,149 225,389 Billings in excess of costs and recognized earnings on uncompleted contracts 51,241 21,201 Deferred tax liability 12,007 4,281 306,688 371,876 Orner obligations 396,688 371,876 20,744 25,156 Other liabilities 20,744 25,156 2,665,934 2,569,294 Commitments and contingencies 12,002 17,793 2,569,294 Commitments and contingencies 11,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively: Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively: Series A - 2,14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively: Series A - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively: Series A - 2,14,000 shares issued and 38,031,325 31 41,659 52,619 Redeemable noncontrolling interest 1,993 3,1222 55,741 </td <td>Total assets</td> <td>\$ 2,887,997</td> <td>\$ 2,742,512</td> | Total assets | \$ 2,887,997 | \$ 2,742,512 |
| Intility reserves 1254,250 260,853 /alue of business acquired 48,512 50,761 /accounts payable and other current liabilities 232,149 225,389 julings in excess of costs and recognized earnings on uncompleted contracts 51,241 21,201 perfered tax liability 12,807 4,283 20,868 cong-term obligations 366,688 371,876 20,744 25,156 Perfered tax liability 20,744 25,156 22,569,247 Total liabilities 12,042 17,793 2,569,247 Commitments and contingencies 2,665,934 2,569,247 Prefered tax liability outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 1,4000 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 2,14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 1,4000 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively 33,652 52,619 Redeemable noncontrolling interest 1,993 3,122 31,222 33,652 55,741 Sockholders' equity: <t< td=""><td>Liabilities, temporary equity and stockholders' equity</td><td></td><td></td></t<> | Liabilities, temporary equity and stockholders' equity | | |
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| Value of business acquired 48,512 50,761 Accounts payable and other current liabilities 232,149 225,389 Billings in excess of costs and recognized carnings on uncompleted contracts 51,241 21,201 Deferred tax liability 12,807 4,281 ong-term obligations 396,688 371,876 Persion liability 20,744 25,515 Other liabilities 12,042 17,793 Total liabilities 2,665,934 2,569,247 Commitments and contingencies 2 2 Preferred tax, 300,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and 38,031,352 41,659 52,619 Redeenable noncontrolling interest 1,993 3,122 55,741 55,741 Stockholders' equity: Common stock 5,001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 38 35 Additional paid-in capital 2016 and December 31, 2015, respectively 38 35 Common stock 5,001 | Annuity reserves | | |
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| beferred tax liability 12,807 4,281 .ong-term obligations 396,688 371,876 Pension liability 20,744 25,156 Other liabilities 12,042 17,793 Total liabilities 2,665,934 2,569,247 Commitments and contingencies 2,665,934 2,569,247 Preferred stock, \$.001 par value - 20,000,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at 3,522 3,362 55,741 Stockholders' equity: 2018 43,652 55,741 Common stock, \$.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 38 35 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively 38 35 <t< td=""><td>Billings in excess of costs and recognized earnings on uncompleted contracts</td><td></td><td></td></t<> | Billings in excess of costs and recognized earnings on uncompleted contracts | | |
| cong-tern obligations396,688371,876Pension liability20,74425,156Other liabilities12,04217,793Total liabilities2,665,9342,569,247Commitments and contingencies22Prefored stock, \$001 par value - 20,000,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015; respectively; Series A-1 - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and 30,013,02541,65952,619Redeemable noncontrolling interest1,9933,122Total temporary equity43,65255,741Stockholders' equity:28,842209,477Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729Treasury stock, at cost(1,262)(378Accumulated other comprehensive gain (loss)37,221(35,375Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | Deferred tax liability | | |
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| Dther liabilities12,04217,793Total liabilities2,665,9342,569,247Commitments and contingencies22Cemporary equity:Preferred stock, S, 001 par value - 20,000,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A-1 - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and 38,031,32535Common stock, S.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015; respectively3835Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729Treasury stock, at cost(1,262)(37,88Accumulated other comprehensive gain (loss)37,221(35,375Total HC2 Holdings, Inc. stockholders' | Pension liability | · · · | · · · · |
| Total liabilities2,665,9342,569,247Commitments and contingenciesCommitments and contingenciesPrefered stock, \$.001 par value - 20,000,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A-1 - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and 31,9933,122Total temporary equity43,65255,741Stockholders' equity:3835Common stock, \$.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively3835Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729)Treasury stock, at cost(1,262)(378)Accumulated other comprehensive gain (loss)37,221(35,375)Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | Other liabilities | · · · · · · · · · · · · · · · · · · · | |
| Commitments and contingencies 1 1 Temporary equity: Preferred stock, \$.001 par value - 20,000,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A - 1 - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A - 2 - 14,000 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively 38 35 Additional paid-in capital 228,842 209,477 Accumulated deficit (112,814) (79,729) Treasury stock, at cost (1,262) (378 Accumulated other comprehensive gain (loss) 37,221 (35,375) Total HC2 Holdings, Inc. stockholders' equity before noncontrolling inter | Total liabilities | - | |
| Temporary equity:Preferred stock, \$.001 par value - 20,000,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A-1 - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at Adjesseries at the preferred at the preferre | Commitments and contingencies | 2,000,001 | |
| Preferred stock, \$.001 par value - 20,000,000 shares authorized; Series A - 27,308 and 29,172 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively; Series A-1 - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and 30,000 shares outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively3835Additional paid-in capital228,842 (112,814)209,477 (12,814)209,477 (12,814)209,477 (12,814)209,477 | | | |
| Redeemable noncontrolling interest1,9933,122Total temporary equity43,65255,741Stockholders' equity:43,65255,741Common stock, \$.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively3835Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729)Treasury stock, at cost(1,262)(378)Accumulated other comprehensive gain (loss)37,221(35,375)Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | outstanding at September 30, 2016 and December 31, 2015, respectively; Series A-1 - 1,000 and 10,000 shares issued and outstanding at September 30, 2016 and December 31, 2015; Series A-2 - 14,000 shares issued and outstanding at | 41.659 | 52 619 |
| Total temporary equity43,65255,741Stockholders' equity:43,65255,741Common stock, \$.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively3835Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729)Treasury stock, at cost(1,262)(378)Accumulated other comprehensive gain (loss)37,221(35,375)Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | | | |
| Stockholders' equity:Stockholders' equity:Common stock, \$.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively3835Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729)Treasury stock, at cost(1,262)(378)Accumulated other comprehensive gain (loss)37,221(35,375)Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | - | | · |
| Common stock, \$.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 and 35,249,749 shares outstanding at September 30, 2016 and December 31, 2015, respectively3835Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729)Treasury stock, at cost(1,262)(378)Accumulated other comprehensive gain (loss)37,221(35,375)Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | | 43,032 | 55,741 |
| Additional paid-in capital228,842209,477Accumulated deficit(112,814)(79,729Treasury stock, at cost(1,262)(378Accumulated other comprehensive gain (loss)37,221(35,375Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | Common stock, \$.001 par value - 80,000,000 shares authorized; 38,263,606 and 35,281,375 shares issued and 38,031,325 | | |
| Accumulated deficit(112,814)(79,729Treasury stock, at cost(1,262)(378Accumulated other comprehensive gain (loss)37,221(35,375Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | | | 35 |
| Treasury stock, at cost(1,262)(378Accumulated other comprehensive gain (loss)37,221(35,375Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | | | 209,477 |
| Accumulated other comprehensive gain (loss)37,221(35,375)Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | | (112,814) | (79,729) |
| Total HC2 Holdings, Inc. stockholders' equity before noncontrolling interest152,02594,030Noncontrolling interest26,38623,494 | · · | (1,262) | (378) |
| Noncontrolling interest 26,386 23,494 | | 37,221 | (35,375) |
| | | 152,025 | 94,030 |
| Total stockholders' equity 178,411 117,524 | Noncontrolling interest | 26,386 | 23,494 |
| | Total stockholders' equity | 178,411 | 117,524 |

| Total liabilities, temporary equity and stockholders' equity | \$ 2,887,997 | \$ 2,742,512 |
|--|-----------------|-----------------|
| | | |

HC2 HOLDINGS, INC. RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA (in thousands)

(Unaudited)

| | | | | | | Thre | e M | onths Ended | l Sep | tember 30, | 2016 | | | | | |
|--|---------------|--------|----|--------------------|----|---------|-----|-------------|-------|---------------|------|---------------------------|----|----------------------------|----|---------|
| | Manufacturing | | | Marine Services | | Telecom | | Utilities | | Life Sciences | | Other and Eliminations | | Non-operating Corporate | | HC2** |
| Net loss attributable to HC2 Holdings, Inc. | \$ | 6,962 | \$ | 8,696 | \$ | 1,796 | \$ | 27 | \$ | (2,285) | \$ | (8,160) | \$ | (9,404) | \$ | (2,368) |
| Adjustments to reconcile net income (loss) to Adjusted EBITDA: | | | | | | | | | | | | | | | | |
| Depreciation and amortization * | | 431 | | 5,225 | | 144 | | 582 | | 32 | | 380 | | 4 | | 6,798 |
| Depreciation and amortization (included in cost of revenue) | | 1,321 | | _ | | _ | | _ | | _ | | _ | | _ | | 1,321 |
| Gain on sale or disposal of assets | | (23) | | _ | | _ | | _ | | _ | | _ | | _ | | (23) |
| Lease termination costs | | — | | — | | (159) | | _ | | _ | | _ | | _ | | (159) |
| Interest expense | | 304 | | 1,328 | | _ | | 119 | | _ | | _ | | 8,969 | | 10,720 |
| Other (income) expense, net | | (12) | | (2,013) | | 422 | | (24) | | (2) | | 3,892 | | 835 | | 3,098 |
| Foreign currency (gain) loss (included in cost of revenue) | | _ | | (283) | | _ | | _ | | _ | | _ | | _ | | (283) |
| Income tax (benefit) expense | | 4,672 | | 96 | | — | | _ | | _ | | _ | | (7,851) | | (3,083) |
| Noncontrolling interest | | 411 | | 465 | | _ | | 27 | | (770) | | (974) | | _ | | (841) |
| Share-based compensation expense | | _ | | 546 | | | | 3 | | 128 | | 37 | | 1,088 | | 1,802 |
| Acquisition and nonrecurring items | | 429 | | _ | | — | | — | | — | | — | | 821 | | 1,250 |
| Adjusted EBITDA | \$ | 14,495 | \$ | 14,060 | \$ | 2,203 | \$ | 734 | \$ | (2,897) | \$ | (4,825) | \$ | (5,538) | \$ | 18,232 |

| | | | | | Thre | e Moi | nths Ended | Sept | tember 30, | 2015 | | | |
|--|------|------------|--------------------|----|---------|-------|------------|------|-------------|------|----------------------|---------------------------|---------------|
| | Manu | ıfacturing | Marine Services | 1 | Telecom | τ | Jtilities | Lit | fe Sciences | | Other and iminations | on-operating Corporate | HC2** |
| Net loss attributable to HC2 Holdings, Inc. | \$ | 7,116 | \$ 7,356 | \$ | (362) | \$ | (82) | \$ | (1,575) | \$ | 1,525 | \$ (21,804) | \$ (7,826) |
| Adjustments to reconcile net income (loss) to Adjusted EBITDA: | | | | | | | | | | | | | |
| Depreciation and amortization * | | 513 | 4,376 | | 98 | | 411 | | 6 | | 480 | — | 5,884 |
| Depreciation and amortization (included in cost of revenue) | | 1,928 | _ | | _ | | _ | | _ | | _ | _ | 1,928 |
| Gain on sale or disposal of assets | | (990) | (117) | | _ | | — | | — | | _ | _ | (1,107) |
| Lease termination costs | | — | — | | 1,124 | | — | | — | | — | — | 1,124 |
| Interest expense | | 354 | 929 | | — | | 10 | | _ | | (1) | 9,090 | 10,382 |
| Other (income) expense, net | | (141) | (1,149) | | (162) | | (19) | | _ | | 280 | _ | (1,191) |
| Foreign currency (gain) loss (included in cost of revenue) | | _ | (1,739) | | _ | | _ | | _ | | _ | _ | (1,739) |
| Income tax (benefit) expense | | 5,284 | 260 | | _ | | _ | | _ | | (6,359) | 2,318 | 1,503 |
| Loss from discontinued operations | | _ | _ | | _ | | _ | | _ | | 24 | _ | 24 |
| Noncontrolling interest | | 383 | 204 | | _ | | (73) | | (449) | | _ | _ | 65 |
| Share-based compensation expense | | _ | _ | | _ | | 20 | | _ | | 1 | 2,323 | 2,344 |
| Acquisition and nonrecurring items | | _ | _ | | _ | | _ | | _ | | _ | 2,733 | 2,733 |
| Other costs | | _ | — | | 109 | | _ | | — | | — | _ | 109 |
| Adjusted EBITDA | \$ | 14,447 | \$ 10,120 | \$ | 807 | \$ | 267 | \$ | (2,018) | \$ | (4,050) | \$ (5,340) | \$ 14,233 |

(*) Includes depreciation adjustments from purchase accounting. (**) Excludes net loss from Insurance segment in the amount of \$2.2 million and \$0.2 million for the three months ended September 30, 2016 and 2015, respectively.

HC2 HOLDINGS, INC. RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA (in thousands)

(Unaudited)

| | | | | | Т | hree | e Months End | ded J | une 30, 20 | 6 | | | | | |
|--|----|-------------|--------------------|---------|-------------|------|--------------|-------|---------------|----|---------------------------|----|----------------------------|----|---------|
| | Ma | nufacturing | Marine Services | | Telecom | | Utilities | | Life Sciences | | Other and Eliminations | | Non-operating Corporate | | HC2** |
| Net income (loss) | \$ | 9,364 | \$ | 6,002 | \$ 1,009 | \$ | 68 | \$ | (2,004) | \$ | (2,608) | \$ | (7,603) | \$ | 4,228 |
| Adjustments to reconcile net income (loss) to Adjusted EBITDA: | | | | | | | | | | | | | | | |
| Depreciation and amortization | | 303 | | 5,725 | 140 | | 468 | | 36 | | 336 | | — | | 7,008 |
| Depreciation and amortization (included in cost of revenue)* | | (206) | | _ | _ | | _ | | _ | | _ | | _ | | (206) |
| (Gain) loss on sale or disposal of assets | | (1,845) | | 7 | _ | | — | | _ | | 1 | | — | | (1,837) |
| Lease termination costs | | _ | | — | 338 | | _ | | — | | _ | | _ | | 338 |
| Interest expense | | 303 | | 1,285 | _ | | 14 | | _ | | 1 | | 8,966 | | 10,569 |
| Other (income) expense, net | | (32) | | 211 | 29 | | (344) | | — | | (10) | | 465 | | 319 |
| Foreign currency (gain) loss (included in cost of revenue) | | _ | | (1,540) | _ | | _ | | _ | | _ | | _ | | (1,540) |
| Income tax (benefit) expense | | 4,524 | | (212) | _ | | _ | | — | | 1 | | (9,404) | | (5,091) |
| Noncontrolling interest | | 768 | | 200 | — | | 244 | | (812) | | (1,044) | | — | | (644) |
| Share-based payment expense | | _ | | 152 | — | | 90 | | 34 | | 40 | | 1,359 | | 1,675 |
| Acquisition and nonrecurring items | | — | | — | 18 | | — | | — | | | | 313 | | 331 |
| Adjusted EBITDA | \$ | 13,179 | \$ | 11,830 | \$ 1,534 | \$ | 540 | \$ | (2,746) | \$ | (3,283) | \$ | (5,904) | \$ | 15,150 |

(**) Excludes net loss from Insurance segment in the amount of \$2.3 million for the three months ended June 30, 2016.