

MOVADO GROUP INC
Form 10-Q
August 27, 2013

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 July 31, 2013

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: 1-16497

MOVADO GROUP, INC.

(Exact Name of Registrant as Specified in its Charter)

New York
(State or Other Jurisdiction

13-2595932
(IRS Employer

of Incorporation or Organization)

Identification No.)

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650 From Road, Ste. 375

Paramus, New Jersey 07652-3556
(Address of Principal Executive Offices) (Zip Code)
(201) 267-8000

(Registrant's telephone number, including area code)

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 that past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's Common Stock and Class A Common Stock as of August 20, 2013 were 18,826,486 and 6,638,223, respectively.

July 31, 2013

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

MOVADO GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

(Unaudited)

	July 31, 2013	January 31, 2013	July 31, 2012
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 151,516	\$ 167,889	\$ 156,338
Trade receivables	77,346	64,300	59,714
Inventories	179,939	164,354	170,414
Other current assets	38,426	37,556	22,634
Total current assets	447,227	434,099	409,100
Property, plant and equipment, net	47,296	44,501	32,333
Deferred income taxes	21,667	22,749	14,529
Other non-current assets	27,451	25,013	23,512
Total assets	\$ 543,641	\$ 526,362	\$ 479,474
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$ 31,169	\$ 22,075	\$ 24,364
Accrued liabilities	40,902	51,136	41,302
Deferred and current income taxes payable	5,150	275	3,438
Total current liabilities	77,221	73,486	69,104
Deferred and non-current income taxes payable	3,880	5,637	7,438
Other non-current liabilities	24,542	21,547	19,447
Total liabilities	105,643	100,670	95,989
Commitments and contingencies (Note 7)			
Equity:			
Preferred Stock, \$0.01 par value, 5,000,000 shares authorized; no shares issued			
Common Stock, \$ 0.01 par value, 100,000,000 shares authorized; 26,616,145, 26,440,975 and 26,196,176 shares issued, respectively	266	264	262
	66	66	66

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Class A Common Stock, \$ 0.01 par value, 30,000,000 shares authorized; 6,638,223, 6,632,967 and 6,632,967 shares issued and outstanding, respectively

Capital in excess of par value	162,367	159,696	155,960
Retained earnings	290,209	272,094	251,303
Accumulated other comprehensive income	98,113	102,271	83,751
Treasury Stock, 7,770,281, 7,634,649 and 7,676,407 shares, respectively, at cost	(115,172)	(110,701)	(110,471)
Total Movado Group, Inc. shareholders equity	435,849	423,690	380,871
Noncontrolling interests	2,149	2,002	2,614
Total equity	437,998	425,692	383,485
Total liabilities and equity	\$ 543,641	\$ 526,362	\$ 479,474

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2013	2012	2013	2012
Net sales	\$ 138,301	\$ 118,027	\$ 248,311	\$ 221,682
Cost of sales	63,483	52,269	113,574	96,899
Gross profit	74,818	65,758	134,737	124,783
Selling, general and administrative	57,778	55,009	107,692	105,546
Operating income	17,040	10,749	27,045	19,237
Other income (Note 11)			1,526	
Interest expense	(115)	(73)	(180)	(218)
Interest income	16	2	39	18
Income before income taxes	16,941	10,678	28,430	19,037
Provision for income taxes (Note 8)	4,287	2,524	7,597	4,122
Net Income	12,654	8,154	20,833	14,915
Less: Net income attributed to noncontrolling interests	200	96	169	224
Net income attributed to Movado Group, Inc.	\$ 12,454	\$ 8,058	\$ 20,664	\$ 14,691