

JOE'S JEANS INC.
Form 10-Q
July 10, 2015
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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 May 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-18926

JOE S JEANS INC.

(Exact name of registrant as specified in its charter)

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Delaware

(State or other jurisdiction of incorporation or organization)

11-2928178

(I.R.S. Employer Identification No.)

2340 South Eastern Avenue, Commerce, California

(Address of principal executive offices)

90040

(Zip Code)

(323) 837-3700

(Registrant's telephone number, including area code)

NO CHANGE

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See 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

(Do not check if a smaller reporting company)

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

The number of shares of the registrant's common stock outstanding as of July 10, 2015 was 69,968,208.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****JOE S JEANS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except per share data)

	May 31, 2015 (unaudited)	November 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 828	\$ 1,054
Accounts receivable, net	1,408	2,588
Factored accounts receivable, net	20,129	30,421
Inventories, net	48,579	61,319
Deferred income taxes, net	1,509	6,065
Prepaid expenses and other current assets	2,081	1,672
Total current assets	74,534	103,119
Property and equipment, net	4,580	5,040
Goodwill	12,230	12,230
Intangible assets	79,606	80,773
Deferred financing costs	1,400	1,611
Other assets	1,102	1,176
Total assets	\$ 173,452	\$ 203,949
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 16,064	\$ 23,331
Buy-out payable	3,277	3,277
Line of credit	20,820	31,338
Short-term debt	59,123	59,003
Total current liabilities	99,284	116,949
Convertible notes	26,078	24,733
Deferred income taxes, net	27,690	17,765
Deferred rent	3,001	2,862
Other liabilities	643	643
Total liabilities	156,696	162,952
Commitments and contingencies		
Stockholders' equity		
Common stock, \$0.10 par value: 100,000 shares authorized, 70,668 shares issued and 69,834 outstanding (2015) and	7,069	6,984

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69,822 shares issued and 69,298 outstanding (2014)

Additional paid-in capital	111,745	111,010
Accumulated deficit	(98,623)	(73,679)
Treasury stock, 834 shares (2015), 524 shares (2014)	(3,435)	(3,318)
Total stockholders' equity	16,756	40,997
Total liabilities and stockholders' equity	\$ 173,452	\$ 203,949

See accompanying notes to condensed consolidated financial statements.

Table of Contents**JOE S JEANS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS****(in thousands, except per share data)**

	Three months ended		Six months ended	
	May 31, 2015	May 31, 2014	May 31, 2015	May 31, 2014
	(unaudited)		(unaudited)	
Net sales	\$ 47,229	\$ 48,167	\$ 90,246	\$ 95,511
Cost of goods sold	27,835	25,594	52,753	51,453
Gross profit	19,394	22,573	37,493	44,058
Operating expenses				
Selling, general and administrative	17,781	18,125	38,102	37,077
Depreciation and amortization				