

Edgar Filing: INTER PARFUMS INC - Form 10-Q

(Registrants 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 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 definition 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 (Do not check if a smaller reporting company) 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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

At May 7, 2018, there were 31,282,633 shares of common stock, par value \$.001 per share, outstanding.

INTER PARFUMS, INC. AND SUBSIDIARIES

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INTER PARFUMS, INC. AND SUBSIDIARIES

Part I. Financial Information

Item 1. Financial Statements

In our opinion, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to present fairly our financial position, results of operations and cash flows for the interim periods presented. We have condensed such financial statements in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). Therefore, such financial statements do not include all disclosures required by accounting principles generally accepted in the United States of America. In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date the consolidated financial statements were issued by filing with the SEC. These financial statements should be read in conjunction with our audited financial statements for the year ended December 31, 2017 included in our annual report filed on Form 10-K.

The results of operations for the three months ended March 31, 2018 are not necessarily indicative of the results to be expected for the entire fiscal year.

INTER PARFUMS, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS**

(In thousands except share and per share data)

(Unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 168,929	\$ 208,343
Short-term investments	81,813	69,899
Accounts receivable, net	166,077	120,749
Inventories	141,253	137,058
Receivables, other	2,672	2,405
Other current assets	8,347	7,356
Income taxes receivable	2,114	3,468
Total current assets	571,205	549,278
Equipment and leasehold improvements, net	10,160	10,330
Trademarks, licenses and other intangible assets, net	205,489	200,495
Deferred tax assets	10,113	9,658
Other assets	8,139	8,011
Total assets	\$ 805,106	\$ 777,772
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 24,991	\$ 24,372
Accounts payable – trade	58,740	52,609
Accrued expenses	72,876	81,843
Income taxes payable	6,762	1,722
Dividends payable	6,569	6,561
Total current liabilities	169,938	167,107
Long-term debt, less current portion	31,011	36,207
Deferred tax liability	3,881	3,821
Equity:		
Inter Parfums, Inc. shareholders' equity:		

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Preferred stock, \$.001 par; authorized 1,000,000 shares; none issued	—	—
Common stock, \$.001 par; authorized 100,000,000 shares; outstanding 31,282,333 and 31,241,548 shares at March 31, 2018 and December 31, 2017, respectively	31	31
Additional paid-in capital	67,288	66,004
Retained earnings	432,065	422,570
Accumulated other comprehensive loss	(8,426)	(17,832)
Treasury stock, at cost, 9,864,805 shares at March 31, 2018 and December 31, 2017	(37,475)	(37,475)
Total Inter Parfums, Inc. shareholders' equity	453,483	433,298
Noncontrolling interest	146,793	137,339
Total equity	600,276	570,637
Total liabilities and equity	\$ 805,106	\$ 777,772

See notes to consolidated financial statements.

INTER PARFUMS, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

(In thousands except per share data)

(Unaudited)

	Three months ended March 31,	
	2018	2017
Net sales	\$171,767	\$143,058
Cost of sales	66,138	52,988
Gross margin	105,629	90,070
Selling, general and administrative expenses	75,231	63,899
Income from operations	30,398	26,171
Other expenses (income):		
Interest expense	462	271
Loss on foreign currency	206	156
Interest income	(1,745)	(1,272)
	(1,077)	(845)
Income before income taxes	31,475	27,016
Income taxes	9,613	8,849
Net income	21,862	18,167
Less: Net income attributable to the noncontrolling interest	5,953	4,794