

OXFORD INDUSTRIES INC
Form 10-Q
June 12, 2014

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 3, 2014

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: 1-4365

OXFORD INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Georgia 58-0831862
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

999 Peachtree Street, N.E., Suite 688, Atlanta, Georgia 30309
(Address of principal executive offices) (Zip Code)

(404) 659-2424
(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 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 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
..

(Do not check if a 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.

Title of each class	Number of shares outstanding as of June 6, 2014
Common Stock, \$1 par value	16,452,836

Table of Contents

OXFORD INDUSTRIES, INC.
INDEX TO FORM 10-Q
For the First Quarter of Fiscal 2014

Page

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Balance Sheets (Unaudited)

4

Condensed Consolidated Statements of Earnings (Unaudited)

5

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

6

Condensed Consolidated Statements of Cash Flows (Unaudited)

7

Notes to Condensed Consolidated Financial Statements (Unaudited)

8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

10

Item 3. Quantitative and Qualitative Disclosures About Market Risk

25

Item 4. Controls and Procedures

25

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

25

Item 1A. Risk Factors

25

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

25

Item 3. Defaults Upon Senior Securities

26

Item 4. Mine Safety Disclosures

26

Item 5. Other Information

26

Item 6. Exhibits

26

Signatures

26

Table of Contents

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Our SEC filings and public announcements may include forward-looking statements about future events. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. We intend for all forward-looking statements contained herein, in our press releases or on our website, and all subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf, to be covered by the safe harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Important assumptions relating to these forward-looking statements include, among others, assumptions regarding the impact of economic conditions on consumer demand and spending, particularly in light of general economic uncertainty that continues to prevail, demand for our products, timing of shipments requested by our wholesale customers, expected pricing levels, competitive conditions, retention of and disciplined execution by key management, the timing and cost of store openings and of planned capital expenditures, weather, costs of products as well as the raw materials used in those products, costs of labor, acquisition and disposition activities, expected outcomes of pending or potential litigation and regulatory actions, access to capital and/or credit markets and the impact of foreign losses on our effective tax rate. Forward-looking statements reflect our current expectations, based on currently available information, and are not guarantees of performance. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these expectations could prove inaccurate as such statements involve risks and uncertainties, many of which are beyond our ability to control or predict. Should one or more of these risks or uncertainties, or other risks or uncertainties not currently known to us or that we currently deem to be immaterial, materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Important factors relating to these risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. Risk Factors contained in our Annual Report on Form 10-K for Fiscal 2013, as updated by Part II, Item 1A. Risk Factors in this report and those described from time to time in our future reports filed with the SEC. We caution that one should not place undue reliance on forward-looking statements, which speak only as of the date on which they are made. We disclaim any intention, obligation or duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

DEFINITIONS

As used in this report, unless the context requires otherwise, “our,” “us” or “we” means Oxford Industries, Inc. and its consolidated subsidiaries; “SG&A” means selling, general and administrative expenses; “SEC” means U.S. Securities and Exchange Commission; “FASB” means Financial Accounting Standards Board; “ASC” means the FASB Accounting Standards Codification; and “GAAP” means generally accepted accounting principles in the United States. Additionally, the terms listed below reflect the respective period noted:

Fiscal 2015	52 weeks ending January 30, 2016
Fiscal 2014	52 weeks ending January 31, 2015
Fiscal 2013	52 weeks ended February 1, 2014
Fourth Quarter Fiscal 2014	13 weeks ending January 31, 2015
Third Quarter Fiscal 2014	13 weeks ending November 1, 2014
Second Quarter Fiscal 2014	13 weeks ending August 2, 2014
First Quarter Fiscal 2014	13 weeks ended May 3, 2014
Fourth Quarter Fiscal 2013	13 weeks ended February 1, 2014
Third Quarter Fiscal 2013	13 weeks ended November 2, 2013
Second Quarter Fiscal 2013	13 weeks ended August 3, 2013
First Quarter Fiscal 2013	13 weeks ended May 4, 2013

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

OXFORD INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in thousands, except par amounts)

	May 3, 2014	February 1, 2014	May 4, 2013	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$8,568	\$8,483	\$28,325	
Receivables, net	89,642	75,277	82,196	
Inventories, net	128,259	143,712	95,798	
Prepaid expenses, net	23,206	23,095	21,508	
Deferred tax assets	21,803	20,465	20,686	
Total current assets	271,478	271,032	248,513	
Property and equipment, net	139,779	141,519	135,613	
Intangible assets, net	173,199	173,023	163,813	
Goodwill	17,440	17,399	17,267	
Other non-current assets, net	24,649	24,332	23,209	
Total Assets	\$626,545	\$627,305	\$588,415	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable	\$55,204	\$75,527	\$49,862	
Accrued compensation	17,327	18,412	14,651	
Income tax payable	11,437	6,584	—	
Other accrued expenses and liabilities	31,641	26,030	27,921	
Contingent consideration	12,294	2,500	—	
Short-term debt	3,382	3,993	5,825	
Total current liabilities	131,285	133,046	98,259	
Long-term debt	138,601	137,592	159,294	
Non-current contingent consideration	—	12,225	14,519	
Other non-current liabilities	50,837	51,520	46,340	
Non-current deferred income taxes	33,581	32,759	35,498	
Commitments and contingencies				
Shareholders' Equity:				
Common stock, \$1.00 par value per share	16,455	16,416	16,387	
Additional paid-in capital	114,802	114,021	111,882	
Retained earnings	164,849	153,344	131,120	
Accumulated other comprehensive loss	(23,865) (23,618) (24,884)
Total shareholders' equity	272,241	260,163	234,505	
Total Liabilities and Shareholders' Equity	\$626,545	\$627,305	\$588,415	

See accompanying notes.

Table of Contents

OXFORD INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)
(in thousands, except per share amounts)

	First Quarter Fiscal 2014	First Quarter Fiscal 2013
Net sales	\$257,649	\$234,203