

Edgar Filing: INTER PARFUMS INC - Form 10-Q

(212) 983-2640

(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 November 7, 2014, there were 30,942,868 shares of common stock, par value \$.001 per share, outstanding.

INTER PARFUMS, INC. AND SUBSIDIARIES

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Signatures

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, 2013 included in our annual report filed on Form 10-K.

The results of operations for the nine months ended September 30, 2014 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)

	September 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 50,185	\$ 125,650
Short-term investments	196,619	181,677
Accounts receivable, net	122,217	79,932
Inventories	112,863	117,347
Receivables, other	1,663	2,418
Other current assets	6,194	4,775
Income tax receivable	437	6,435
Deferred tax assets	7,375	7,257
Total current assets	497,553	525,491
Equipment and leasehold improvements, net	9,624	10,444
Trademarks, licenses and other intangible assets, net	103,148	116,243
Other assets	10,106	11,880
Total assets	\$ 620,431	\$ 664,058
LIABILITIES AND EQUITY		
Current liabilities:		
Loans payable – banks	\$ 239	\$ 6,104
Accounts payable, trade	51,020	56,736
Accrued expenses	42,269	58,333
Income taxes payable	7,889	1,270
Dividends payable	3,713	3,704
Total current liabilities	105,130	126,147
Deferred tax liability	2,319	2,555
Equity:		
Inter Parfums, Inc. shareholders' equity:		
Preferred stock, \$.001 par; authorized 1,000,000 shares; none issued		
Common stock, \$.001 par; authorized 100,000,000 shares; outstanding 30,942,868 and 30,863,421 shares at September 30, 2014 and December 31, 2013, respectively	31	31
Additional paid-in capital	59,123	57,877

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Retained earnings	374,516		359,459
Accumulated other comprehensive income (loss)	(4,464)	25,860
Treasury stock, at cost, 9,924,500 and 9,940,977 common shares at September 30, 2014 and December 31, 2013, respectively	(36,266)	(36,016)
Total Inter Parfums, Inc. shareholders' equity	392,940		407,211
Noncontrolling interest	120,042		128,145
Total equity	512,982		535,356
Total liabilities and equity	\$ 620,431		\$ 664,058

See notes to consolidated financial statements.

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

(In thousands except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net sales	\$ 134,206	\$ 126,753	\$ 374,129	\$ 458,048
Cost of sales	58,878	56,746	161,455	189,791
Gross margin	75,328	70,007	212,674	268,257
Selling, general and administrative expenses	56,647	55,360	163,720	178,735
Income from operations	18,681	14,647	48,954	89,522
Other expenses (income):				
Interest expense	554	354	1,402	1,228
(Gain) loss on foreign currency	(1,129)	176	(1,057)	1,158
Interest income	(915)	(1,218)	(2,974)	(3,472)
	(1,490)	(688)	(2,629)	(1,086)
Income before income taxes	20,171	15,335	51,583	90,608
Income taxes	6,407	5,432	18,003	33,242
Net income	13,764	9,903	33,580	57,366
Less: Net income attributable to the noncontrolling interest	2,651	2,049	7,465	14,001
Net income attributable to Inter Parfums, Inc.	\$ 11,113	\$ 7,854		