

SKECHERS USA INC
Form 10-Q
May 06, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2016

OR

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

For the transition period from _____ to _____

Commission File Number 001-14429

SKECHERS U.S.A., INC.

(Exact name of registrant as specified in its charter)

Delaware 95-4376145
(State or Other Jurisdiction of (I.R.S. Employer

Incorporation or Organization) Identification No.)

Edgar Filing: SKECHERS USA INC - Form 10-Q

228 Manhattan Beach Blvd.

Manhattan Beach, California 90266
(Address of Principal Executive Office) (Zip Code)

(310) 318-3100

(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

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 OF CLASS A COMMON STOCK OUTSTANDING AS OF MAY 2, 2016:
132,904,086.

THE NUMBER OF SHARES OF CLASS B COMMON STOCK OUTSTANDING AS OF MAY 2, 2016:
24,845,188.

SKECHERS U.S.A., INC. AND SUBSIDIARIES

FORM 10-Q

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1.	<u>Condensed Consolidated Financial Statements (Unaudited):</u>	
	<u>Condensed Consolidated Balance Sheets</u>	3
	<u>Condensed Consolidated Statements of Earnings</u>	4
	<u>Condensed Consolidated Statements of Comprehensive Income</u>	5
	<u>Condensed Consolidated Statements of Cash Flows</u>	6
	<u>Notes to Condensed Consolidated Financial Statements</u>	7

Item 2.	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	19
---------	--	----

Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	28
---------	---	----

Item 4.	<u>Controls and Procedures</u>	29
---------	--------------------------------	----

PART II – OTHER INFORMATION

Item 1.	<u>Legal Proceedings</u>	30
---------	--------------------------	----

Item 1A.	<u>Risk Factors</u>	32
----------	---------------------	----

Item 6.	<u>Exhibits</u>	34
---------	-----------------	----

	<u>Signatures</u>	35
--	-------------------	----

PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SKECHERS U.S.A., INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except par values)

	March 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 443,828	\$ 507,991
Trade accounts receivable, less allowances of \$29,381 in 2016 and \$24,260 in 2015	542,396	343,930
Other receivables	21,600	18,661
Total receivables	563,996	362,591
Inventories	501,855	620,247
Prepaid expenses and other current assets	44,080	57,363
Total current assets	1,553,759	1,548,192
Property, plant and equipment, net	456,971	435,907
Deferred tax assets	16,164	17,825
Other assets	41,516	37,954
Total non-current assets	514,651	491,686
TOTAL ASSETS	\$ 2,068,410	\$ 2,039,878
LIABILITIES AND EQUITY		
Current Liabilities:		
Current installments of long-term borrowings	\$ 14,420	\$ 15,653
Short-term borrowings	58	59
Accounts payable	405,324	473,983
Accrued expenses	62,103	87,318
Total current liabilities	481,905	577,013
Long-term borrowings, excluding current installments	68,498	68,942
Deferred tax liabilities	8,760	8,507
Other long-term liabilities	10,424	