

ETHAN ALLEN INTERIORS INC
Form 10-Q
May 03, 2012

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, 2012

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: 1-11692

Ethan Allen Interiors Inc.
(Exact name of registrant as specified in its charter)

Delaware 06-1275288
(State or other (I.R.S. Employer
jurisdiction of Identification No.)
incorporation or
organization)

Ethan Allen Drive, Danbury, 06811
Connecticut
(Address of principal executive (Zip Code)
offices)

(203) 743-8000
(Registrant's telephone number, including area code)

N/A
(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

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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 during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). [X] 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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

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

At April 24, 2012, there were 28,863,319 shares of Class A Common Stock, par value \$.01, outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(In thousands, except share data)

	March 31, 2012 (Unaudited)	June 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$73,130	\$78,519
Marketable securities (note 5)	11,259	12,909
Accounts receivable, less allowance for doubtful accounts of \$1,261 at March 31, 2012 and \$1,171 at June 30, 2011	17,571	15,036
Inventories (note 6)	142,262	141,692
Prepaid expenses and other current assets	24,209	20,372
Total current assets	268,431	268,528
Property, plant and equipment, net	297,211	294,853
Goodwill and other intangible assets	45,128	45,128
Restricted cash and investments (note 4)	15,410	16,391
Other assets	7,251	3,425
Total assets	\$633,431	\$628,325
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt (note 9)	\$192	\$19
Customer deposits	61,512	62,649
Accounts payable	26,655	26,958
Accrued compensation and benefits	26,458	28,359
Accrued expenses and other current liabilities (note 7)	29,117	36,631
Total current liabilities	143,934	154,616
Long-term debt (note 9)	154,058	165,013
Other long-term liabilities	17,719	18,975
Deferred income taxes	-	8,034
Total liabilities	315,711	346,638
Shareholders' equity:		
Class A common stock, par value \$0.01; 150,000,000 shares authorized; 48,486,704 shares issued at March 31, 2012 and 48,350,065 shares issued at June 30, 2011	485	484
Class B common stock, par value \$0.01; 600,000 shares authorized; no shares issued and outstanding at March 31, 2012 and June 30, 2011	-	-
Preferred stock, par value \$0.01; 1,055,000 shares authorized; no shares issued and outstanding at March 31, 2012 and June 30, 2011	-	-
Additional paid-in-capital	360,518	359,728
Less: Treasury stock (at cost), 19,623,385 shares at March 31, 2012 and 19,571,092 shares at June 30, 2011	(583,538)	(582,691)
Retained earnings	538,224	501,908
Accumulated other comprehensive income (note 13)	1,825	2,258

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Total Ethan Allen Interiors Inc. shareholders' equity	317,514	281,687
Noncontrolling interests (note 1)	206	-
Total shareholders equity	317,720	281,687
Total liabilities and shareholders' equity	\$633,431	\$628,325

See accompanying notes to consolidated financial statements.

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ETHAN ALLEN INTERIORS INC. AND SUBSIDIARIES

Consolidated Statements of Operations (Unaudited)

(In thousands, except per share data)

	Three months ended March 31,		Nine months ended March 31,	
	2012	2011	2012	2011
Net sales	\$ 175,861	\$ 162,822	\$ 544,057	\$ 501,008
Cost of sales	81,586	79,753	253,678	245,697
Gross profit	94,275	83,069	290,379	255,311