

HAVERTY FURNITURE COMPANIES INC  
Form 10-Q  
May 05, 2015  
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, 2015

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: 1-14445

HAVERTY FURNITURE COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

58-0281900

(State of incorporation)

(I.R.S. Employer Identification No.)

780 Johnson Ferry Road, Suite 800

Atlanta, Georgia

30342

(Address of principal executive office) (Zip Code)

(404) 443-2900

(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, or a non-accelerated filer. 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 numbers of shares outstanding of the registrant's two classes of \$1 par value common stock as of April 30, 2015, were: Common Stock – 20,576,570; Class A Common Stock – 2,080,605.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

HAVERTY FURNITURE COMPANIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	March 31, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 74,146	\$65,481
Investments	6,250	7,250
Restricted cash and cash equivalents	8,000	8,017
Accounts receivable	6,393	7,146
Inventories	107,348	107,139
Prepaid expenses	7,271	6,418
Other current assets	4,073	8,010
Total current assets	213,481	209,461
Accounts receivable, long-term	695	731
Property and equipment	228,952	225,162
Deferred income taxes	17,939	17,610
Other assets	8,559	8,023
Total assets	\$ 469,626	\$460,987
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 23,055	\$24,152
Customer deposits	29,583	23,687
Accrued liabilities	35,632	39,960
Deferred income taxes	5,689	5,689
Current portion of lease obligations	2,788	2,387
Total current liabilities	96,747	95,875
Lease obligations, less current portion	48,861	46,678
Other liabilities	26,557	26,351
Commitments	—	—
Total liabilities	172,165	168,904
Stockholders' equity		
Capital Stock, par value \$1 per share		
Preferred Stock, Authorized – 1,000 shares; Issued: None		
Common Stock, Authorized – 50,000 shares; Issued: 2015 – 28,335; 2014 – 28,327;	28,335	28,327
Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2015 and 2014 – 2,603	2,603	2,603
Additional paid-in capital	80,729	79,726
Retained earnings	264,348	260,031
Accumulated other comprehensive loss	(2,118 )	(2,168 )
Less treasury stock at cost – Common Stock (2015 and 2014 – 7,759) and Convertible Class A Common Stock (2015 and 2014 – 522)	(76,436 )	(76,436 )
Total stockholders' equity	297,461	292,083

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Total liabilities and stockholders' equity	\$ 469,626	\$460,987
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See notes to these condensed consolidated financial statements.

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HAVERTY FURNITURE COMPANIES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (In thousands, except per share data – Unaudited)

(In thousands, except per share data)	Three Months Ended, March 31,	
	2015	2014
Net sales	\$ 191,331	\$ 181,737
Cost of goods sold	88,684	83,875
Gross profit	102,647	97,862
Credit service charges	72	81
Gross profit and other revenue	102,719	97,943
Expenses:		
Selling, general and administrative	92,303	87,674
Provision for doubtful accounts	23	48
Other income, net	(27 )	(8 )
Total expenses	92,299	87,714
Income before interest and income taxes	10,420	10,229
Interest expense, net	492	273
Income before income taxes	9,928	9,956
Income tax expense	3,809	3,827
Net income	\$6,119	\$6,129
Other comprehensive income		
Adjustments related to retirement plans; net of tax expense of \$31 and \$50	\$50	\$82
Comprehensive income	\$6,169	\$6,211
Basic earnings per share:		
Common Stock	\$0.27	\$0.27
Class A Common Stock	\$0.26	\$0.26
Diluted earnings per share:		
Common Stock	\$0.27	\$0.27
Class A Common Stock	\$0.25	\$0.26