

HAVERTY FURNITURE COMPANIES INC  
Form 10-Q  
November 02, 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 September 30, 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 October 31, 2015, were: Common Stock – 20,099,961; Class A Common Stock – 2,052,049.

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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)

	September 30, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 73,287	\$ 65,481
Investments	6,750	7,250
Restricted cash and cash equivalents	8,003	8,017
Accounts receivable	6,113	7,146
Inventories	105,165	107,139
Prepaid expenses	6,991	6,418
Other current assets	7,459	8,010
Total current assets	213,768	209,461
Accounts receivable, long-term	714	731
Property and equipment	231,699	225,162
Deferred income taxes	19,964	17,610
Other assets	6,336	8,023
Total assets	\$ 472,481	\$ 460,987
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 25,486	\$ 24,152
Customer deposits	30,265	23,687
Accrued liabilities	37,759	39,960
Deferred income taxes	5,701	5,689
Current portion of lease obligations	3,007	2,387
Total current liabilities	102,218	95,875
Lease obligations, less current portion	50,909	46,678
Other liabilities	25,741	26,351
Commitments	—	—
Total liabilities	178,868	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 – 28,460; 2014 – 28,327;	28,460	28,327
Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2015 – 2,576; 2014 – 2,603	2,576	2,603
Additional paid-in capital	82,088	79,726
Retained earnings	272,783	260,031
Accumulated other comprehensive loss	(1,993 )	(2,168 )
Less treasury stock at cost – Common Stock (2015 – 8,362; 2014 – 7,759 ) and Convertible Class A Common Stock (2015 and 2014 – 522)	(90,301 )	(76,436 )

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Total stockholders' equity	293,613	292,083
Total liabilities and stockholders' equity	\$ 472,481	\$460,987

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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net sales	\$209,921	\$198,541	\$588,984	\$555,411
Cost of goods sold	98,179	92,338	274,413	257,201
Gross profit	111,742	106,203	314,571	298,210
Credit service charges	71	72	213	223
Gross profit and other revenue	111,813	106,275	314,784	298,433
Expenses:				
Selling, general and administrative	98,720	93,575	283,767	267,515
Provision for doubtful accounts	83	69	167	203
Other income, net	2	(12 )	(945 )	(186 )
Total expenses	98,805	93,632	282,989	267,532
Income before interest and income taxes	13,008	12,643	31,795	30,901
Interest expense, net	594	175	1,614	666
Income before income taxes	12,414	12,468	30,181	30,235