

STEVEN MADDEN, LTD.
Form 10-Q
August 08, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended June 30, 2008

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 **0-23702**

STEVEN MADDEN, LTD.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-3588231
(I.R.S. Employer Identification No.)

52-16 Barnett Avenue, Long Island City, New York

11104

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **(718) 446-1800**

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 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, non accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

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

As of August 5, 2008, the latest practicable date, there were 17,694,245 shares of common stock, \$.0001 par value, outstanding.

STEVEN MADDEN, LTD.
FORM 10-Q
QUARTERLY REPORT
June 30, 2008

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PART I. FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements****STEVEN MADDEN, LTD. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets**

(in thousands)

	<u>June 30, 2008</u>	<u>December 31, 2007</u>	<u>June 30, 2007</u>
	(unaudited)		(unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 18,849	\$ 29,446	\$ 23,933
Accounts receivable, net of allowances of \$1,141, \$1,967 and \$1,956	6,391	8,351	7,506
Due from factor, net of allowances of \$9,640, \$13,479 and \$10,504	49,636	32,819	44,295
Note receivable - related party	3,247		3,000
Inventories	35,327	27,197	35,153
Marketable securities - available for sale	21,688	51,028	54,873
Prepaid expenses and other current assets	6,463	5,840	7,812
Prepaid taxes	7,104	4,819	11,411
Deferred taxes	9,493	9,355	7,892
	<u>158,198</u>	<u>168,855</u>	<u>195,875</u>
Total current assets			
Note receivable - related party		3,126	
Property and equipment, net	27,849	28,653	23,946
Deferred taxes	7,242	7,232	6,723
Deposits and other	2,326	3,202	2,995
Marketable securities - available for sale	5,774	29,383	15,100
Goodwill - net	16,942	15,922	10,902
Intangibles - net	9,167	10,148	11,129
	<u>227,498</u>	<u>266,521</u>	<u>266,670</u>
Total Assets			
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 20,838	\$ 24,827	\$ 19,353
Accrued expenses	11,197	16,757	13,987
Accrued incentive compensation	6,933	6,133	3,184
	<u>38,968</u>	<u>47,717</u>	<u>36,524</u>
Total current liabilities			
Deferred rent	4,498	3,470	3,307
	<u>43,466</u>	<u>51,187</u>	<u>39,831</u>
Total liabilities			
Commitments, contingencies and other			
STOCKHOLDERS' EQUITY			
Preferred stock - \$.0001 par value, 5,000 shares authorized; none issued; Series A Junior Participating preferred stock - \$.0001 par value, 60 shares authorized; none issued			

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Common stock - \$.0001 par value, 90,000 shares authorized; 25,956,
25,780 and 25,700 shares issued, 17,694; 20,118 and
21,290 outstanding

	3	3	3
Additional paid-in capital	133,297	129,913	128,112
Retained earnings	178,949	169,263	153,612
Other comprehensive (loss):			
Unrealized (loss) on marketable securities	(233)	(61)	(257)
Treasury stock 8,262, 5,662 and 4,410 shares at cost	(127,984)	(83,784)	(54,631)
	<u> </u>	<u> </u>	<u> </u>
Total stockholders equity	184,032	215,334	226,839
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Stockholders Equity	\$ 227,498	\$ 266,521	\$ 266,670
	<u> </u>	<u> </u>	<u> </u>

See accompanying notes to condensed consolidated financial statements - unaudited

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STEVEN MADDEN, LTD. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(unaudited)

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales:				
Wholesale	\$ 79,426	\$ 78,616	\$ 154,986	\$ 160,915
Retail	29,891	29,640	54,870	53,995
	<u>109,317</u>	<u>108,256</u>	<u>209,856</u>	<u>214,910</u>
Cost of sales:				
Wholesale	51,904	51,696	99,178	104,198
Retail	11,876	11,140	24,926	23,098
	<u>63,780</u>	<u>62,836</u>	<u>124,104</u>	<u>127,296</u>
Gross profit:				
Wholesale	27,522	26,920	55,808	56,717
Retail	18,015	18,500	29,944	30,897
	<u>45,537</u>	<u>45,420</u>	<u>85,752</u>	<u>87,614</u>
Commission and licensing fee income - net	3,203	5,669	6,559	11,115
Operating expenses	(36,593)	(33,599)	(77,327)	(65,570)
	<u>12,147</u>	<u>17,490</u>	<u>14,984</u>	<u>33,159</u>
Income from operations	12,147	17,490	14,984	33,159
Interest and other income, net	368	803	894	1,713
	<u>12,515</u>	<u>18,293</u>	<u>15,878</u>	<u>34,872</u>
Income before provision for income taxes	12,515	18,293	15,878	34,872
Provision for income taxes	4,881	7,775	6,192	14,821
	<u>7,634</u>	<u>10,518</u>	<u>9,686</u>	<u>20,051</u>
Net income	\$ 7,634	\$ 10,518	\$ 9,686	\$ 20,051
Basic income per share	\$ 0.43	\$ 0.51	\$ 0.51	\$ 0.96
Diluted income per share	\$ 0.43	\$ 0.49	\$ 0.51	\$ 0.92
Basic weighted average common shares outstanding	17,662	20,659	18,839	20,809
Effect of dilutive securities - options/restricted stock	148	967	184	984

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Diluted weighted average common shares outstanding	17,810	21,626	19,023	21,793
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