

HELEN OF TROY LTD
Form 10-Q
October 10, 2017
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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 August 31, 2017

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: 001-14669

HELEN OF TROY LIMITED

(Exact name of registrant as specified in its charter)

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Bermuda
(State or other jurisdiction of
incorporation or organization)

74-2692550
(I.R.S.
Employer
Identification
No.)

Clarendon House

2 Church Street

Hamilton, Bermuda
(Address of principal executive offices)

1 Helen of Troy Plaza
El Paso, Texas
(Registrant's United States Mailing Address)

79912
(Zip Code)

(915) 225-8000

(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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Yes No

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

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

Class	Outstanding at October 4, 2017
Common Shares, \$0.10 par value, per share	27,266,562 shares

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HELEN OF TROY LIMITED AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HELEN OF TROY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets (Unaudited)

(in thousands, except shares and par value)	August 31, 2017	February 28, 2017
Assets		
Assets, current:		
Cash and cash equivalents	\$ 13,720	\$ 23,087
Receivables - principally trade, less allowances of \$10,300 and \$5,656	238,421	229,928
Inventory	325,562	289,122
Prepaid expenses and other current assets	14,999	11,699
Income taxes receivable	-	2,242
Total assets, current	592,702	556,078
Property and equipment, net of accumulated depreciation of \$114,327 and \$106,561	134,672	134,935
Goodwill	672,929	698,929
Other intangible assets, net of accumulated amortization of \$178,522 and \$165,388	386,856	419,489
Deferred tax assets, net	8,809	1,955
Other assets, net of accumulated amortization of \$1,976 and \$1,930	2,519	1,710
Total assets	\$ 1,798,487	\$ 1,813,096
Liabilities and Stockholders' Equity		
Liabilities, current:		
Accounts payable, principally trade	\$ 136,225	\$ 111,763
Accrued expenses and other current liabilities	147,283	153,200
Income taxes payable	8,484	-
Long-term debt, current maturities	20,789	24,404
Total liabilities, current	312,781	289,367
Long-term debt, excluding current maturities	423,477	461,211
Deferred tax liabilities, net	7,030	20,091
Other liabilities, noncurrent	17,860	21,661
Total liabilities	761,148	792,330
Commitments and contingencies		
Stockholders' equity:	-	-

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Cumulative preferred stock, non-voting, \$1.00 par. Authorized 2,000,000 shares;
none issued

Common stock, \$0.10 par. Authorized 50,000,000 shares; 27,262,549 and
27,028,665 shares

issued and outstanding	2,726	2,703
Additional paid in capital	224,689	218,760
Accumulated other comprehensive income (loss)	(2,947)	1,173
Retained earnings	812,871	798,130
Total stockholders' equity	1,037,339	1,020,766
Total liabilities and stockholders' equity	\$ 1,798,487	\$ 1,813,096

See accompanying notes to consolidated condensed financial statements.

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HELEN OF TROY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Income (Unaudited)

(in thousands, except per share data)	Three Months Ended		Six Months Ended	
	August 31, 2017	2016	August 31, 2017	2016
Sales revenue, net	\$ 378,462	\$ 368,170	\$ 738,067	\$ 716,108
Cost of goods sold	210,529	205,202	413,685	400,713
Gross profit	167,933	162,968	324,382	315,395
Selling, general and administrative expense ("SG&A")	129,755	125,481	253,438	247,610
Asset impairment charges	18,070	-	54,070	7,400
Operating income	20,108	37,487	16,874	60,385
Nonoperating income, net	81	88	247	237
Interest expense	(3,869)	(3,866)	(7,708)	(7,517)
Income before income taxes	16,320	33,709	9,413	53,105
Income tax expense (benefit):				
Current	14,164	7,925	13,563	11,697
Deferred	(6,777)	(2,571)	(18,951)	(5,973)
Net income	\$ 8,933	\$ 28,355	\$ 14,801	\$ 47,381