

HAVERTY FURNITURE COMPANIES INC  
Form 10-Q  
August 06, 2014  
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 June 30, 2014

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 July 31, 2014, were: Common Stock – 20,531,215; Class A Common Stock – 2,154,000.

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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)

	June 30, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 87,843	\$ 83,185
Restricted cash and cash equivalents	8,017	7,016
Accounts receivable	6,730	8,172
Inventories	94,799	91,483
Prepaid expenses	7,983	6,494
Other current assets	2,299	4,349
Total current assets	207,671	200,699
Accounts receivable, long-term	709	832
Property and equipment	203,643	189,242
Deferred income taxes	13,153	13,253
Other assets	15,116	13,829
Total assets	\$ 440,292	\$ 417,855
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 19,385	\$ 21,810
Customer deposits	27,277	19,008
Accrued liabilities	30,746	36,338
Current portion of lease obligations	1,537	959
Total current liabilities	78,945	78,115
Lease obligations, less current portion	29,353	16,196
Other liabilities	26,072	25,280
Commitments	—	—
Total liabilities	134,370	119,591
Stockholders' equity		
Capital Stock, par value \$1 per share		
Preferred Stock, Authorized – 1,000 shares; Issued: None		
Common Stock, Authorized – 50,000 shares; Issued: 2014 – 28,253; 2013 – 27,853;	28,253	27,853
Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2014 – 2,676; 2013 – 2,915	2,676	2,915
Additional paid-in capital	77,289	77,406
Retained earnings	288,586	281,222
Accumulated other comprehensive loss	(15,250)	(15,412 )
Less treasury stock at cost – Common Stock (2014 – 7,722; 2013 – 7,731) and Convertible Class A Common Stock (2014 and 2013 – 522)	(75,632)	(75,720 )
Total stockholders' equity	305,922	298,264
Total liabilities and stockholders' equity	\$ 440,292	\$ 417,855

See notes to these condensed consolidated financial statements.

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Net sales	\$175,132	\$171,114	\$356,869	\$357,204
Cost of goods sold	80,988	79,803	164,863	165,585
Gross profit	94,144	91,311	192,006	191,619
Credit service charges	71	76	151	162
Gross profit and other revenue	94,215	91,387	192,157	191,781
Expenses:				
Selling, general and administrative	86,266	83,197	173,940	169,859
Interest, net	218	277	490	555
Provision for doubtful accounts	85	32	133	45
Other (income) expense, net	(166 )	15	(174 )	6
	86,403	83,521	174,389	170,465
Income before income taxes	7,812	7,866	17,768	21,316