

Destination Maternity Corp
Form 10-Q
August 08, 2014

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, 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 0-21196

Destination Maternity Corporation

(Exact name of registrant as specified in its charter)

| | |
|---|--|
| Delaware (State or other jurisdiction of incorporation or organization) | 13-3045573 (IRS Employer Identification No.) |
| 456 North 5th Street, Philadelphia, Pennsylvania | 19123 |
| (Address of principal executive offices) | (Zip code) |

(215) 873-2200

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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 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 or a smaller reporting company. 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 (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the 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.

Common Stock, \$.01 par value — 13,706,377 shares outstanding as of August 1, 2014

DESTINATION MATERNITY CORPORATION AND SUBSIDIARIES

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

DESTINATION MATERNITY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(unaudited)

| | June 30, 2014 | September 30, 2013 |
|--|------------------|--------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 16,424 | \$ 24,555 |
| Trade receivables, net | 9,517 | 12,463 |
| Inventories | 80,361 | 86,546 |
| Deferred income taxes | 8,789 | 8,012 |
| Prepaid expenses and other current assets | 11,032 | 6,927 |
| Total current assets | 126,123 | 138,503 |
| Property, plant and equipment, net of accumulated depreciation and amortization of \$124,626 and \$125,825 | 66,688 | 53,447 |
| Other assets: | | |
| Deferred financing costs, net of accumulated amortization of \$329 and \$181 | 659 | 807 |
| Other intangible assets, net of accumulated amortization of \$1,287 and \$1,166 | 3,821 | 2,344 |
| Deferred income taxes | 12,029 | 12,470 |
| Other non-current assets | 894 | 410 |
| Total other assets | 17,403 | 16,031 |
| Total assets | \$ 210,214 | \$ 207,981 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 15,747 | \$ 23,810 |
| Accrued expenses and other current liabilities | 40,714 | 39,417 |
| Total current liabilities | 56,461 | 63,227 |
| Deferred rent and other non-current liabilities | 23,760 | 22,121 |
| Total liabilities | 80,221 | 85,348 |

Commitments and contingencies (Note 12)

Stockholders' equity:

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Preferred stock, 1,656,381 shares authorized:

Series B junior participating preferred stock, \$.01 par value; 300,000 shares authorized, none outstanding

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