

New York & Company, Inc.
Form 10-Q
December 07, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 October 28, 2006

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: 1-32315

NEW YORK & COMPANY, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State of incorporation)
450 West 33rd Street
5th Floor
New York, New York 10001
(Address of Principal Executive Offices,
including Zip Code)

33-1031445
(I.R.S. Employer Identification No.)

(212) 884-2000
(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 if the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

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 November 24, 2006, the registrant had 56,893,004 shares of common stock outstanding.

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PART I.
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

New York & Company, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

	Three months ended October 28, 2006	Three months ended October 29, 2005	Nine months ended October 28, 2006	Nine months ended October 29, 2005
(Amounts in thousands, except per share amounts)				
Net sales	\$ 270,922	\$ 254,388	\$ 802,917	\$ 778,944
Cost of goods sold, buying and occupancy costs	180,996	179,896	558,307	524,124
Gross profit	89,926	74,492	244,610	254,820
Selling, general and administrative expenses	73,382	65,830	206,066	187,034
Operating income	16,544	8,662	38,544	67,786
Interest expense, net of interest income of \$324, \$337, \$873 and \$1,313, respectively	471	1,675	1,438	4,385
Income before income taxes	16,073	6,987	37,106	63,401
Provision for income taxes	6,480	2,833	14,957	25,517
Net income	\$ 9,593	\$ 4,154	\$ 22,149	\$ 37,884
Basic earnings per share	\$ 0.17	\$ 0.08	\$ 0.40	\$ 0.70
Diluted earnings per share	\$ 0.16	\$ 0.07	\$ 0.37	\$ 0.66
Weighted average shares outstanding:				
Basic shares of common stock	56,381	54,297	55,755	53,764
Diluted shares of common stock	59,963	57,675	59,853	57,182

See accompanying notes.

New York & Company, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	October 28, 2006 (Unaudited)	January 28, 2006 (Audited)	October 29, 2005 (Unaudited)
(Amounts in thousands, except per share amounts)			
Assets			
Current assets:			
Cash and cash equivalents	\$ 23,732	\$ 57,436	\$ 30,027
Accounts receivable	23,446	15,581	21,642
Inventories, net	150,379	109,656	136,772
Prepaid expenses	19,368	18,770	16,466
Other current assets	3,222	1,515	3,088
Total current assets	220,147	202,958	207,995
Property and equipment, net	201,991	159,388	154,338
Goodwill and intangible assets	43,141	41,702	41,024
Other assets	1,814	2,227	2,887
Total assets	\$ 467,093	\$ 406,275	\$ 406,244
Liabilities and stockholders' equity			
Current liabilities:			
Current portion, long-term debt	\$ 6,000	\$ 6,000	\$
Accounts payable	96,219	90,980	84,762
Accrued expenses	62,105	55,261	53,350
Income taxes payable	3,727		730
Deferred income taxes	3,092	3,016	586
Total current liabilities	171,143	155,257	139,428
Long-term debt, net of current portion	27,000	31,500	75,000
Deferred income taxes	3,180	4,723	2,282
Deferred rent and other liabilities	54,823	35,745	34,591
Total liabilities	256,146	227,225	251,301
Commitments and contingencies			
Stockholders' equity:			
Common stock, voting, par value \$0.001; 300,000 shares authorized; 56,622, 54,629 and 54,324 shares issued and outstanding at October 28, 2006, January 28, 2006, and October 29, 2005, respectively	57	55	54
Additional paid-in capital	136,236	126,490	123,223
Retained earnings	75,123	52,974	32,370
Accumulated other comprehensive loss	(469)	(469)	(704)
Total stockholders' equity	210,947	179,050	154,943
Total liabilities and stockholders' equity	\$ 467,093	\$ 406,275	\$ 406,244

See accompanying notes.

New York & Company, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine months ended October 28, 2006 (Amounts in thousands)	Nine months ended October 29, 2005
Operating activities		
Net income	\$ 22,149	\$ 37,884
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,713	17,638
Amortization of deferred financing costs	207	866
Share-based compensation	1,231	803
Deferred income taxes	(1,210)	(5,618)
Changes in operating assets and liabilities:		
Accounts receivable	(10,159)	(8,573)
Inventories, net	(40,723)	(39,606)
Prepaid expenses	(598)	