

Edgar Filing: TIFFANY & CO - Form 10-Q

TIFFANY & CO  
Form 10-Q  
May 27, 2015  
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 April 30, 2015

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: 1-9494

TIFFANY & CO.

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

13-3228013

(I.R.S. Employer Identification No.)

727 Fifth Avenue, New York, NY

(Address of principal executive offices)

10022

(Zip Code)

Registrant's telephone number, including area code: (212) 755-8000

Former name, former address and former fiscal year, if changed since last report

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, 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

APPLICABLE ONLY TO CORPORATE ISSUERS: 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, 129,158,525 shares outstanding at the close of business on April 30, 2015.

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## PART I. Financial Information

## Item 1. Financial Statements

## TIFFANY &amp; CO. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in millions, except per share amounts)

|                                                                                                        | April 30, 2015 | January 31, 2015 | April 30, 2014 |
|--------------------------------------------------------------------------------------------------------|----------------|------------------|----------------|
| <b>ASSETS</b>                                                                                          |                |                  |                |
| Current assets:                                                                                        |                |                  |                |
| Cash and cash equivalents                                                                              | \$675.8        | \$730.0          | \$359.3        |
| Short-term investments                                                                                 | 39.6           | 1.5              | 21.9           |
| Accounts receivable, less allowances of \$10.0, \$10.6 and \$9.9                                       | 192.5          | 195.2            | 194.6          |
| Inventories, net                                                                                       | 2,363.0        | 2,362.1          | 2,418.4        |
| Deferred income taxes                                                                                  | 101.5          | 102.6            | 102.3          |
| Prepaid expenses and other current assets                                                              | 207.6          | 220.0            | 236.8          |
| Total current assets                                                                                   | 3,580.0        | 3,611.4          | 3,333.3        |
| Property, plant and equipment, net                                                                     | 897.0          | 899.5            | 848.4          |
| Deferred income taxes                                                                                  | 323.6          | 323.4            | 260.1          |
| Other assets, net                                                                                      | 349.4          | 346.3            | 383.7          |
|                                                                                                        | \$5,150.0      | \$5,180.6        | \$4,825.5      |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                            |                |                  |                |
| Current liabilities:                                                                                   |                |                  |                |
| Short-term borrowings                                                                                  | \$197.1        | \$234.0          | \$241.0        |
| Accounts payable and accrued liabilities                                                               | 271.4          | 318.0            | 306.1          |
| Income taxes payable                                                                                   | 44.6           | 39.9             | 26.1           |
| Merchandise and other customer credits                                                                 | 72.2           | 66.1             | 67.5           |
| Total current liabilities                                                                              | 585.3          | 658.0            | 640.7          |
| Long-term debt                                                                                         | 882.1          | 882.5            | 750.8          |
| Pension/postretirement benefit obligations                                                             | 532.2          | 524.2            | 273.7          |
| Deferred gains on sale-leasebacks                                                                      | 62.8           | 64.5             | 80.2           |
| Other long-term liabilities                                                                            | 201.3          | 200.7            | 219.5          |
| Commitments and contingencies                                                                          |                |                  |                |
| Stockholders' equity:                                                                                  |                |                  |                |
| Preferred Stock, \$0.01 par value; authorized 2.0 shares, none issued and outstanding                  | —              | —                | —              |
| Common Stock, \$0.01 par value; authorized 240.0 shares, issued and outstanding 129.2, 129.3 and 129.0 | 1.3            | 1.3              | 1.3            |
| Additional paid-in capital                                                                             | 1,178.1        | 1,173.6          | 1,128.4        |
| Retained earnings                                                                                      | 1,976.2        | 1,950.7          | 1,757.7        |
| Accumulated other comprehensive loss, net of tax                                                       | (285.5         | ) (290.5         | ) (42.1        |
| Total Tiffany & Co. stockholders' equity                                                               | 2,870.1        | 2,835.1          | 2,845.3        |
| Non-controlling interests                                                                              | 16.2           | 15.6             | 15.3           |
| Total stockholders' equity                                                                             | 2,886.3        | 2,850.7          | 2,860.6        |
|                                                                                                        | \$5,150.0      | \$5,180.6        | \$4,825.5      |

See notes to condensed consolidated financial statements.

TIFFANY &amp; CO.



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TIFFANY & CO. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
 (Unaudited)  
 (in millions, except per share amounts)

|                                              | Three Months Ended April 30, |           |
|----------------------------------------------|------------------------------|-----------|
|                                              | 2015                         | 2014      |
| Net sales                                    | \$962.4                      | \$1,012.1 |
| Cost of sales                                | 393.4                        | 422.6     |
| Gross profit                                 | 569.0                        | 589.5     |
| Selling, general and administrative expenses | 399.0                        | 379.7     |
| Earnings from operations                     | 170.0                        | 209.8     |
| Interest and other expenses, net             | 9.3                          | 16.3      |
| Earnings from operations before income taxes | 160.7                        | 193.5     |
| Provision for income taxes                   | 55.8                         | 67.9      |
| Net earnings                                 | \$104.9                      |           |