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LIFETIME HOAN CORP
Form 8-K
July 28, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of the earliest event reported) July 28, 2004

Lifetime Hoan Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-19254 11-2682486
(Commission File Number) (IRS Employer Identification No.)

One Merrick Avenue, Westbury, New York 11590
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (516) 683-6000

N/A
(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits

c) Exhibits

99 - Press Release, dated July 28, 2004

Item 12. Results of Operation and Financial Condition

On July 28, 2004, Lifetime Hoan Corporation ("the Company") issued a press release setting forth the Company's second-quarter 2004 earnings. A copy of the Company's press release is attached hereto as Exhibit 99 and hereby

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incorporated by reference.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Lifetime Hoan Corporation

By: /s/ Robert McNally
Robert McNally
Vice President of Finance and
Chief Financial Officer

Date: July 28, 2004

EXHIBIT 99

LIFETIME HOAN REPORTS SECOND QUARTER 2004 RESULTS

Updates Guidance to Reflect Excel Acquisition

WESTBURY, N.Y., July 28, 2004 -- LIFETIME HOAN CORPORATION (NASDAQ NM: LCUT), a leading designer, marketer and distributor of housewares, today announced results for the second quarter and six months ended June 30, 2004.

For the second quarter of 2004, net sales totaled \$33.0 million compared to \$30.0 million for the same period of the prior year. The Company reported net income of \$203,000, or \$0.02 per diluted share, compared to \$724,000, or \$0.07 per diluted share, for the second quarter of 2003.

Net sales for the six months ended June 30, 2004 totaled \$70.2 million compared to \$54.2 million for the same period in 2003, representing a 29.4% increase. Net income for the period was \$548,000, or \$0.05 per diluted share, compared to \$120,000, or \$0.01 per diluted share, last year.

Jeffrey Siegel, president and chief executive officer, commented, "Lifetime's second quarter sales were negatively impacted by several events, including a shift in the start-up of a number of new sales programs from the second to the third quarter, primarily as a result of the overall slowdown in retail sales that took place in June. In addition, new measures instituted by some of our major customers to improve inventory turns and lower their in-stock position also impacted our results."

"We have strengthened Lifetime's infrastructure - including our product development capabilities, overseas sourcing presence, and sales/marketing team - to accommodate the

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growth we expect in the second half of 2004, which is traditionally our strongest selling season, and in 2005 and beyond. Although the added cost of this infrastructure impacted our quarter-to-quarter earnings comparison, we believe these initiatives will have a very positive impact on Lifetime's long-term growth."

Mr. Siegel continued, "Our KitchenAid(R) programs continue to be a driving force in the company's growth, helping us achieve excellent distribution across all channels of trade. Our line of all-silicone bakeware products has been selling especially well and has become the leading brand in its category. In addition, we are on schedule to begin shipping our KitchenAid branded kitchen cutlery in the third quarter. To date, industry reaction has been excellent, and we expect to have another major success with this additional business opportunity under the KitchenAid brand.

"An exciting at-home entertaining product we will also ship in the third quarter is our new Smokeless Tabletop Griller(TM), designed to capitalize on the growing interest of consumers in 'low-carb' cooking. The griller, which enables family and friends to cook their main course together around the table, has received excellent reception from retailers.

"On July 23, 2004, we announced Lifetime's acquisition of the business and certain assets of Excel Importing Corp., which designs, markets and distributes a wide array of high quality cutlery, tabletop, cookware and barware products. We believe Excel's powerful brands and strong customer relationships will be a great addition for Lifetime and expect the acquisition to be accretive to earnings in 2005.

"As a result of the acquisition of Excel, we have reviewed our forecast and refined our guidance for 2004. We are raising our net sales guidance for the year to approximately \$202 - 212 million from \$195 - \$205 million. Due to the added operating expenses we expect to incur until we fully integrate this acquisition, we are lowering our earnings per share estimate to approximately \$0.95 - \$1.10 from \$0.98 - \$1.13."

Lifetime Hoan noted that second-quarter 2004 sales attributable to the :USE(R) - Tools for Civilization(R) and Gemco Ware, Inc. businesses the Company acquired in the fourth quarter of 2003 totaled \$2.0 million.

Separately, the Company announced that its Board of Directors declared a regular quarterly cash dividend of \$0.0625 per share, payable on August 20, 2004 to shareholders of record on August 4, 2004.

Lifetime Hoan has scheduled a conference call Wednesday, July 28, at 11:00 a.m. Eastern time to discuss second-quarter-2004 results and additional matters. The dial-in number for the call is (706) 634-1218. A replay of the call will also be available through Wednesday, August 4, and can be accessed by dialing (706) 645-9291, conference ID #8889975. A live webcast of the call will be broadcast at the Company's web site, www.lifetime.hoan.com. For those who cannot listen to the live broadcast, an audio replay of the call will also be available on the site.

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Lifetime is a leading designer, marketer and distributor of household cutlery, kitchenware, cutting boards, pantryware and bakeware, marketing its products under various trade names including Farberware(R), KitchenAid(R), Cuisinart(R), Hoffritz(R), Roshco(R), Baker's Advantage(R), Kamenstein(R), CasaModa(TM), Hoan(R), Gemco(R) and :USE(R). Lifetime's products are distributed through almost every major retailer in the United States.

The information herein contains certain forward-looking statements including statements concerning the Company's future prospects. These statements involve risks and uncertainties, including risks relating to general economic conditions and risks relating to the Company's operations, such as the risk of loss of major customers and risks relating to changes in demand for the Company's products, as detailed from time to time in the Company's filings with the Securities and Exchange Commission.

Tables to follow

COMPANY CONTACT:

Robert McNally
Chief Financial Officer
(516) 683-6000

INVESTOR RELATIONS:

Harriet Fried
Lippert/Heilshorn &
Associates, Inc.
(212) 838-3777 or
hfried@lhai.com

LIFETIME HOAN CORPORATION INCOME STATEMENT (in 000's, except per share data)

	Three Months Ended June 30, (Unaudited)		
	2004	2003	% Increase (Decrease)
Net Sales	\$33,029	\$29,950	10.3%
Cost of Sales	19,154	17,003	12.7%
Distribution Expenses	4,264	4,302	(0.9%)
SG&A	9,149	7,268	25.9%
Income from Operations	462	1,377	(66.4%)
Interest Expense	141	180	(21.7%)
Other Income	(16)	(18)	(11.1%)
Income Before Taxes	337	1,215	(72.3%)
Tax Provision	134	491	(72.7%)
Net Income	\$203	\$724	(72.0%)

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Diluted Earnings Per		
Share from Net Income	\$0.02	\$0.07
Weighted Average Shares	11,230	10,637

LIFETIME HOAN CORPORATION INCOME STATEMENT (in 000's, except per share data)

	Six Months Ended June 30, (Unaudited)		
	2004	2003	% Increase (Decrease)
Net Sales	\$70,158	\$54,234	29.4%
Cost of Sales	40,843	30,430	34.2%
Distribution Expenses	9,445	8,756	7.9%
SG&A	18,723	14,589	28.4%
Income from Operations	1,147	459	149.9%
Interest Expense	268	292	(8.2%)
Other Income	(31)	(35)	(11.4%)
Income Before Taxes	910	202	350.5%
Tax Provision	362	82	341.6%
Net Income	\$548	\$120	356.6%
Diluted Earnings Per			
Share from Net Income	\$0.05	\$0.01	
Weighted Average Shares	11,186	10,599	

LIFETIME HOAN CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands)

	June 30, 2004 (Unaudited)	June 30, 2003 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 446	\$ 132
Accounts receivable, net	16,224	17,512
Merchandise inventories	55,827	46,564
Prepaid expenses and other current assets	7,567	5,883
TOTAL CURRENT ASSETS	80,064	70,091
PROPERTY AND EQUIPMENT, net	19,634	19,939

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INTANGIBLES, net	25,411	23,757
OTHER ASSETS	2,033	2,090
TOTAL ASSETS	\$ 127,142	\$ 115,877

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Short-term borrowings	\$ 14,800	\$ 15,500
Accounts payable and trade acceptances	6,591	6,331
Other current liabilities	14,314	14,603
TOTAL CURRENT LIABILITIES	35,705	36,434

DEFERRED RENT & OTHER LONG TERM

LIABILITIES	1,718	638
DEFERRED INCOME TAX LIABILITIES	3,214	1,640

STOCKHOLDERS' EQUITY	86,505	77,165
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 127,142	\$ 115,877