

REGIS CORP
Form 10-Q
May 07, 2013
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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 March 31, 2013

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 1-12725

Regis Corporation

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction of
incorporation or organization)

41-0749934

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

7201 Metro Boulevard, Edina, Minnesota

(Address of principal executive offices)

55439

(Zip Code)

(952) 947-7777

(Registrant's telephone number, including area code)

N/A

(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 x No o

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 be submit and post such files). Yes x No o

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 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

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of April 30, 2013:

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Common Stock, \$.05 par value
Class

56,655,632
Number of Shares

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REGIS CORPORATION

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	March 31, 2013	June 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 180,309	\$ 111,943
Receivables, net	32,734	28,954
Inventories	148,493	142,276
Deferred income taxes	18,051	14,503
Income tax receivable	19,198	14,098
Other current assets	47,939	55,903
Current assets held for sale (Note 2)	17,222	17,000
Total current assets	463,946	384,677
Property and equipment, net	307,295	305,799
Goodwill	462,333	462,279
Other intangibles, net	22,154	23,395
Investment in and loans to affiliates	43,308	160,987
Other assets	61,747	59,488
Long-term assets held for sale (Note 2)	181,009	175,221
Total assets	\$ 1,541,792	\$ 1,571,846
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Long-term debt, current portion	\$ 29,044	\$ 28,937
Accounts payable	67,721	47,890
Accrued expenses	133,265	157,026
Current liabilities related to assets held for sale (Note 2)	18,503	18,120
Total current liabilities	248,533	251,973
Long-term debt and capital lease obligations	239,593	258,737
Other noncurrent liabilities	162,252	143,972
Long-term liabilities related to assets held for sale (Note 2)	30,356	28,007
Total liabilities	680,734	682,689
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Common stock, \$0.05 par value; issued and outstanding 56,712,570 and 57,415,241 common shares at March 31, 2013 and June 30, 2012, respectively	2,836	2,871
Additional paid-in capital	333,920	346,943

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Accumulated other comprehensive income	21,850	55,114
Retained earnings	502,452	484,229
Total shareholders' equity	861,058	889,157
Total liabilities and shareholders' equity	\$ 1,541,792	\$ 1,571,846

The accompanying notes are an integral part of the unaudited Condensed Consolidated Financial Statements.

Table of Contents**REGIS CORPORATION****CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)****For The Three and Nine Months Ended March 31, 2013 and 2012****(Dollars and shares in thousands, except per share data amounts)**

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Revenues:				
Service	\$ 392,149	\$ 412,973	\$ 1,173,851	\$ 1,232,015
Product	103,222	113,153	313,742	332,826
Royalties and fees	9,566	9,775	28,869	28,544
	504,937	535,901	1,516,462	1,593,385
Operating expenses:				
Cost of service	234,321	239,413	701,114	706,470
Cost of product	53,276	56,864	161,472	166,894
Site operating expenses	53,737	50,783	155,956	157,060
General and administrative	56,800	60,256	168,467	188,768
Rent	80,761	82,170	242,815	247,595
Depreciation and amortization	22,734	23,465	65,334	82,708
Total operating expenses	501,629	512,951	1,495,158	1,549,495
Operating income	3,308	22,950	21,304	43,890
Other income (expense):				
Interest expense	(6,356)	(6,790)	(19,834)	(21,353)
Interest income and other, net	(62)	121	35,151	4,090
(Loss) income before income taxes and equity in income (loss) of affiliated companies	(3,110)	16,281	36,621	26,627
Income taxes	2,850	(4,946)	(1,221)	(6,698)
Equity in income (loss) of affiliated companies, net of income taxes	1,156	(15,213)	(15,976)	(6,284)
Income (loss) from continuing operations	896	(3,878)	19,424	13,645
Income (loss) from discontinued operations, net of taxes	1,465	2,509	9,095	(64,104)
Net income (loss)	\$ 2,361	\$ (1,369)	\$ 28,519	\$ (50,459)
Net income (loss) per share:				
Basic:				
Income (loss) from continuing operations	0.02	(0.07)	0.34	0.24
Income (loss) from discontinued operations	0.03	0.04	0.16	(1.12)
Net income (loss) per share, basic(1)	\$ 0.04	\$ (0.02)	\$ 0.50	\$ (0.88)
Diluted:				
Income (loss) from continuing operations	0.02	(0.07)	0.34	0.24
Income (loss) from discontinued operations	0.03	0.04	0.16	(1.12)
Net income (loss) per share, diluted(1)	\$ 0.04	\$ (0.02)	\$ 0.50	\$ (0.88)

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Weighted average common and common
equivalent shares outstanding:

Basic	56,345	57,053	56,816	57,029
Diluted	56,500	57,053	56,928	57,236

Cash dividends declared per common share	\$	0.06	\$	0.06	\$	0.18	\$	0.18
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(1) Total is a recalculation; line items calculated individually may not sum to total due to rounding.

The accompanying notes are an integral part of the unaudited Condensed Consolidated Financial Statements.

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REGIS CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME (Unaudited)

For The Three and Nine Months Ended March 31, 2013 and 2012

(Dollars in thousands)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Net income (loss)	\$ 2,361	\$ (1,369)	\$ 28,519	\$ (50,459)
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments:				