

BODY CENTRAL CORP
Form 10-Q
November 15, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 1, 2011

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 001-34906

BODY CENTRAL CORP.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

14-1972231
(I.R.S. Employer
Identification No.)

6225 Powers Avenue

Jacksonville, FL 32217

(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: **(904) 737-0811**

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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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 Exchange Act.) Yes No

The number of shares outstanding of the registrant's common stock as of November 11, 2011 was 16,004,235 shares.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements concerning our business, operations and financial performance and condition as well as our plans, objectives and expectations for our business operations and financial performance and condition that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q are forward-looking statements. You can identify these statements by words such as aim, anticipate, assume, believe, could, due, estimate, goal, intend, may, objective, plan, potential, positioned, predict, should, target, will, would and other similar expressions or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management's beliefs and assumptions. These statements are not guarantees of future performance or development and involve known risks, uncertainties and other factors that are in some cases beyond our control. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- our ability to identify and respond to new and changing fashion trends, customer preferences and other related factors;
- our ability to execute successfully our growth strategy;
- changes in consumer spending and general economic conditions;
- changes in the competitive environment in our industry and the markets we serve, including increased competition from other retailers;
- our new stores or existing stores achieving sales and operating levels consistent with our expectations;
- the success of the malls and shopping centers in which our stores are located;
- our dependence on a strong brand image;
- our direct business growing consistently with our growth strategy;

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- our information technology systems supporting our business;
- our dependence upon key executive management or our inability to hire or retain additional personnel;
- disruptions in our supply chain and distribution facility;
- our lease obligations;
- our reliance upon independent third-party transportation providers for all of our product shipments;
- hurricanes, natural disasters, unusually adverse weather conditions, boycotts and unanticipated events;
- the seasonality of our business;
- increases in costs of fuel, or other energy, transportation or utilities costs as well as in the costs of raw materials, labor and employment;
- the impact of governmental laws and regulations and the outcomes of legal proceedings;
- restrictions imposed by our lease obligations on our current and future operations;
- our maintaining effective internal controls; and
- our ability to protect our trademarks or other intellectual property rights.

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Body Central Corp. (herein we , our , us or the Company) derives many of its forward-looking statements from its operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, it is impossible for us to anticipate all factors that could affect our actual results. For the discussion of these risks and uncertainties that could cause actual results to differ materially from those contained in our forward-looking statements, please refer to Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 1, 2011, filed with the Securities and Exchange Commission (SEC). The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****BODY CENTRAL CORP.****CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

	October 1, 2011	January 1, 2011	October 2, 2010
	(In thousands, except share data)		
Assets			
Current assets			
Cash and cash equivalents	\$ 31,749	\$ 16,202	\$ 5,823
Accounts receivable	1,024	1,258	842
Inventories	20,631	18,369	17,180
Prepaid expenses and other current assets	5,312	3,933	3,120
Deferred tax asset, current	1,925	1,425	1,167
Total current assets	60,641	41,187	28,132
Property and equipment, net of accumulated depreciation and amortization of \$18,676, \$15,627 and \$15,403	19,861	17,071	17,367
Goodwill	21,508	21,508	21,508
Intangible assets, net of accumulated amortization of \$3,517, \$3,077 and \$2,930	16,688	17,128	17,275
Other assets	111	102	116
Total assets	\$ 118,809	\$ 96,996	\$ 84,398
Liabilities, Redeemable Preferred Stock and Stockholders Equity			
Current liabilities			
Accounts payable	\$ 13,801	\$ 14,880	\$ 11,618
Accrued expenses and other current liabilities	15,929	14,605	11,731
Current portion of long-term debt			6,000
Total current liabilities	29,730	29,485	29,349
Other liabilities	7,785	5,149	5,883
Deferred tax liability, long-term	4,542	4,220	3,083
Long-term debt, less current portion			25,518
Total liabilities	42,057	38,854	63,833
Commitments and contingencies			
Redeemable preferred stock			
Preferred stock, Series C, \$0.001 par value, no shares authorized, issued or outstanding as of October 1, 2011, and January 1, 2011; 30,000 shares authorized, issued and outstanding as of October 2, 2010			3,531
Preferred stock, Series A, \$0.001 par value, no shares authorized, issued or outstanding as of October 1, 2011, and January 1, 2011; 325,000 shares authorized, 308,820 shares issued and outstanding as of October 2, 2010			31,080
Preferred stock, Series B, \$0.001 par value, no shares authorized, issued or outstanding as of October 1, 2011, and January 1, 2011; 175,000 shares authorized, 158,386 shares issued and outstanding as of October 2, 2010			15,540
Undesignated preferred stock, \$0.001 par value, 5,000,000 shares authorized, no shares issued and outstanding			
Stockholders equity			

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Common stock, \$0.001 par value, 45,000,000 shares authorized,
15,911,135 shares issued and outstanding as of October 1, 2011;
150,000,000 shares authorized,