

REGIS CORP
Form 10-Q
May 10, 2012
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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, 2012

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 25, 2012:

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Common Stock, \$0.05 par value
Class

57,561,067
Number of Shares



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REGIS CORPORATION

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As Of March 31, 2012 and June 30, 2011

(In thousands, except share data)

	March 31, 2012	June 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 97,583	\$ 96,263
Receivables, net	32,424	27,149
Inventories	161,123	150,804
Deferred income taxes	15,087	17,887
Income tax receivable	11,888	22,341
Other current assets	52,447	32,118
Total current assets	370,552	346,562
Property and equipment, net	326,345	347,811
Goodwill	605,171	680,512
Other intangibles, net	104,372	111,328
Investment in and loans to affiliates	199,630	261,140
Other assets	59,452	58,400
Total assets	\$ 1,665,522	\$ 1,805,753
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Long-term debt, current portion	\$ 28,877	\$ 32,252
Accounts payable	55,076	55,107
Accrued expenses	168,837	167,321
Total current liabilities	252,790	254,680
Long-term debt and capital lease obligations	263,430	281,159
Other noncurrent liabilities	185,580	237,295
Total liabilities	701,800	773,134
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Common stock, \$0.05 par value; issued and outstanding 57,563,294 and 57,710,811 common shares at March 31, 2012 and June 30, 2011, respectively	2,878	2,886
Additional paid-in capital	346,933	341,190
Accumulated other comprehensive income	62,612	77,946

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Retained earnings	551,299	610,597
Total shareholders' equity	963,722	1,032,619
Total liabilities and shareholders' equity	\$ 1,665,522	\$ 1,805,753

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

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REGIS CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

For The Three Months Ended March 31, 2012 and 2011

(In thousands, except per share data)

	2012	2011
Revenues:		
Service	\$ 430,202	\$ 440,109
Product	133,017	131,350
Royalties and fees	10,365	9,808
	573,584	581,267
Operating expenses:		
Cost of service	250,379	255,374
Cost of product	63,830	63,068
Site operating expenses	48,835	50,522
General and administrative	74,263	86,390
Rent	84,368	84,391
Depreciation and amortization	26,709	26,926
Goodwill impairment		74,100
Total operating expenses	548,384	640,771
Operating income (loss)	25,200	(59,504)
Other income (expense):		
Interest expense	(6,790)	(8,337)
Interest income and other, net	123	(651)
Income (loss) from continuing operations before income taxes and equity in loss of affiliated companies	18,533	(68,492)
Income taxes	(6,000)	44,670
Equity in loss of affiliated companies, net of income taxes	(15,001)	(1,513)
Loss from continuing operations	(2,468)	(25,335)
Income from discontinued operations, net of taxes (Note 6)	1,099	
Net loss	\$ (1,369)	\$ (25,335)
Net (loss) income per share:		
Basic:		
Loss from continuing operations	(0.04)	(0.45)
Income from discontinued operations	0.02	
Net loss per share, basic	\$ (0.02)	\$ (0.45)
Diluted:		
Loss from continuing operations	(0.04)	(0.45)
Income from discontinued operations	0.02	
Net loss per share, diluted	\$ (0.02)	\$ (0.45)

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Weighted average common and common equivalent shares outstanding:

Basic	57,053	56,704
Diluted	57,053	56,704
Cash dividends declared per common share	\$ 0.06	\$ 0.06

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

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REGIS CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

For The Nine Months Ended March 31, 2012 and 2011

(In thousands, except per share data)

	2012	2011
Revenues:		
Service	\$ 1,283,201	\$ 1,310,577
Product	392,142	393,779
Royalties and fees	30,268	29,528
	1,705,611	1,733,884
Operating expenses:		
Cost of service	738,731	754,580
Cost of product	187,278	188,069
Site operating expenses	149,715	150,128
General and administrative	228,008	236,312
Rent	254,288	254,734
Depreciation and amortization	92,510	79,167
Goodwill impairment	78,426	74,100
Total operating expenses	1,728,956	1,737,090
Operating loss	(23,345)	(3,206)
Other income (expense):		
Interest expense	(21,353)	(25,998)
Interest income and other, net	4,098	2,730
Loss from continuing operations before income taxes and equity in (loss) income of affiliated companies	(40,600)	(26,474)
Income taxes	(5,270)	29,678
Equity in (loss) income of affiliated companies, net of income taxes	(5,688)	4,286
(Loss) income from continuing operations	(51,558)	7,490
Income from discontinued operations, net of taxes (Note 6)	1,099	
Net (loss) income	\$ (50,459)	\$ 7,490
Net (loss) income per share:		
Basic:		
(Loss) income from continuing operations	(0.90)	0.13
Income from discontinued operations	0.02	
Net (loss) income per share, basic	\$ (0.88)	\$ 0.13
Diluted:		
(Loss) income from continuing operations	(0.90)	0.13
Income from discontinued operations	0.02	
Net (loss) income per share, dilute		