

WEYCO GROUP INC  
Form 10-Q  
November 08, 2007

FORM 10-Q  
SECURITIES & EXCHANGE COMMISSION  
Washington, D. C. 20549

(Mark One)

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

For the quarterly period ended September 30, 2007

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 0-9068

WEYCO GROUP, INC.

(Exact name of registrant as specified in its charter)

WISCONSIN

(State or other jurisdiction of  
incorporation or organization)

39-0702200

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

333 W. Estabrook Boulevard

P. O. Box 1188

Milwaukee, Wisconsin 53201

(Address of principal executive offices)  
(Zip Code)

(414) 908-1600

(Registrant's telephone number, including area code)

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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As of November 5, 2007 the following shares were outstanding:

Common Stock, \$1.00 par value	11,553,410Shares
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PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

The condensed financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's latest annual report on Form 10-K.

WEYCO GROUP, INC. AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)

	September 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 7,423,770	\$ 15,314,140
Marketable securities, at amortized cost	2,499,012	1,600,871
Accounts receivable, net	38,089,137	30,641,632
Inventories	45,307,078	51,000,849
Deferred income tax benefits	705,027	949,109
Prepaid expenses and other current assets	1,166,362	1,715,859
Total current assets	95,190,386	101,222,460
MARKETABLE SECURITIES, at amortized cost	44,759,685	40,361,296
<b>OTHER ASSETS</b>	9,094,678	8,725,346
PLANT AND EQUIPMENT, net	28,730,355	28,445,900
TRADEMARK	10,867,969	10,867,969
	\$ 188,643,073	\$ 189,622,971
<b>LIABILITIES &amp; SHAREHOLDERS' INVESTMENT</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	\$ 5,528,380	\$ 10,957,518
Accounts payable	8,768,857	12,398,740
Dividend payable	1,270,875	1,054,354
Accrued liabilities	9,310,892	8,430,267
Accrued income taxes	849,330	72,907
Total current liabilities	25,728,334	32,913,786
LONG-TERM PENSION LIABILITY	7,015,883	6,620,842
DEFERRED INCOME TAX LIABILITIES	1,834,695	1,915,869
<b>SHAREHOLDERS' INVESTMENT:</b>		
Common stock	11,553,410	9,129,256
Class B common stock	—	2,585,087
Capital in excess of par value	10,584,871	7,576,096
Reinvested earnings	137,249,323	134,264,076
Accumulated other comprehensive loss	(5,323,443)	(5,382,041)
Total shareholders investment	154,064,161	148,172,474
	\$ 188,643,073	\$ 189,622,971

*The accompanying notes to consolidated condensed financial statements are an integral part of these financial statements.*

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WEYCO GROUP, INC. AND SUBSIDIARIESCONSOLIDATED CONDENSED STATEMENTS OF EARNINGS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2007 AND 2006 (UNAUDITED)

	Three Months ended September 30,		Nine Months ended September 30,	
	2007	2006	2007	2006
NET SALES	\$ 58,162,778	\$ 56,084,718	\$ 170,391,645	\$ 160,484,367
COST OF SALES	36,345,977	35,484,325	106,830,085	101,391,210
Gross earnings	21,816,801	20,600,393	63,561,560	59,093,157
SELLING AND ADMINISTRATIVE EXPENSES	13,897,896	12,744,934	41,057,321	37,547,263
Earnings from operations	7,918,905	7,855,459	22,504,239	21,545,894
INTEREST INCOME	566,611	488,670	1,628,915	1,468,378
INTEREST EXPENSE	(79,546)	(145,271)	(287,690)	(442,565)
OTHER INCOME (EXPENSE), net	3,118	(5,720)	7,364	(2,248)
Earnings before provision for income taxes	8,409,088	8,193,138	23,852,828	22,569,459
PROVISION FOR INCOME TAXES	3,075,000	3,025,000	8,775,000	8,450,000
Net earnings	\$ 5,334,088	\$ 5,168,138	\$ 15,077,828	\$ 14,119,459
WEIGHTED AVERAGE SHARES OUTSTANDING				