

PRICESMART INC  
Form 10-Q  
April 09, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended February 28, 2010

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 0-22793

PriceSmart, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

33-0628530  
(I.R.S. Employer  
Identification No.)

9740 Scranton Road, San Diego, CA 92121  
(Address of principal executive offices)

(858) 404-8800  
(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 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

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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 definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer ☐

Non-accelerated filer

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 registrant had 29,751,377 shares of its common stock, par value \$0.0001 per share, outstanding at March 31, 2010.

PRICESMART, INC.

INDEX TO FORM 10-Q

	Page
<u>PART I—FINANCIAL INFORMATION</u>	
<u>ITEM 1.</u>	<u>FINANCIAL STATEMENTS</u>
	1
	<u>CONSOLIDATED BALANCE SHEETS AS OF FEBRUARY 28, 2010 (UNAUDITED) AND AUGUST 31, 2009</u>
	2
	<u>CONSOLIDATED STATEMENTS OF INCOME FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2010 AND 2009 - UNAUDITED</u>
	3
	<u>CONSOLIDATED STATEMENTS OF EQUITY FOR THE SIX MONTHS ENDED FEBRUARY 28, 2010 AND 2009 - UNAUDITED</u>
	4
	<u>CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED FEBRUARY 28, 2010 AND 2009 - UNAUDITED</u>
	5
	<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED</u>
	7
<u>ITEM 2.</u>	<u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>
	34
<u>ITEM 3.</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>
	50
<u>ITEM 4.</u>	<u>CONTROLS AND PROCEDURES</u>
	51
<u>PART II—OTHER INFORMATION</u>	
<u>ITEM 1.</u>	<u>LEGAL PROCEEDINGS</u>
	52
<u>ITEM 1A.</u>	<u>RISK FACTORS</u>
	52
<u>ITEM 2.</u>	<u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>
	52
<u>ITEM 3.</u>	<u>DEFAULTS UPON SENIOR SECURITIES</u>
	52
<u>ITEM 4.</u>	<u>SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS</u>
	53
<u>ITEM 5.</u>	<u>OTHER INFORMATION</u>
	53

ITEM 6.

EXHIBITS

54

i

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PriceSmart, Inc.’s (“PriceSmart” or the “Company”) unaudited consolidated balance sheet as of February 28, 2010, the consolidated balance sheet as of August 31, 2009, the unaudited consolidated statements of income for the three and six month periods ended February 28, 2010 and 2009, the unaudited consolidated statements of equity for the six months ended February 28, 2010 and 2009, and the unaudited consolidated statements of cash flows for the six months ended February 28, 2010 and 2009, are included elsewhere herein. Also included herein are the notes to the unaudited consolidated financial statements.

PRICESMART, INC.  
CONSOLIDATED BALANCE SHEETS  
(AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA)

	N	
	February 28, 2010 (Unaudited)	August 31, 2009
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 63,047	\$ 44,193
Short-term restricted cash	—	10
Receivables, net of allowance for doubtful accounts of \$8 and \$10 as of February 28, 2010 and August 31, 2009, respectively	2,454	2,187
Merchandise inventories	124,077	115,841
Deferred tax assets – current	2,800	2,618
Prepaid expenses and other current assets	15,982	19,033
Assets of discontinued operations	820	900
Total current assets	209,180	184,782
Long-term restricted cash	823	732
Property and equipment, net	251,398	231,798
Goodwill	37,455	37,538
Deferred tax assets – long term	19,168	20,938
Other assets	3,982	3,927
Investment in unconsolidated affiliates	8,097	7,658
Total Assets	\$ 530,103	\$ 487,373
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Short-term borrowings	\$ 4,344	\$ 2,303
Accounts payable	113,097	101,412
Accrued salaries and benefits	7,878	8,831
Deferred membership income	9,490	8,340
Income taxes payable	5,785	5,942
Other accrued expenses	8,718	10,022
Dividends payable	7,429	—
Long-term debt, current portion	6,002	4,590
Deferred tax liability – current	200	189
Liabilities of discontinued operations	109	299
Total current liabilities	163,052	141,928
Deferred tax liability – long-term	1,091	1,026
Long-term portion of deferred rent	2,902	2,673
Long-term income taxes payable, net of current portion	3,545	3,458
Long-term debt, net of current portion	47,127	37,120
Total liabilities	217,717	186,205
Equity:		
Common stock, \$0.0001 par value, 45,000,000 shares authorized; 30,463,930 and 30,337,109 shares issued and 29,741,523 and 29,681,031 shares outstanding (net of treasury shares) as of February 28, 2010 and August 31, 2009, respectively.	3	3
Additional paid-in capital	380,147	377,210
Tax benefit from stock-based compensation	4,724	4,547

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Accumulated other comprehensive loss	(17,108)	(17,230)
Accumulated deficit	(40,786)	(49,998)
Less: treasury stock at cost; 722,407 and 656,078 shares as of February 28, 2010 and August 31, 2009, respectively.		