

V F CORP

Form 10-Q

October 31, 2018

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 September 29, 2018

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: 1-5256

V. F. CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania

23-1180120

(State or other jurisdiction of incorporation or organization) (I.R.S. employer identification number)

105 Corporate Center Boulevard

Greensboro, North Carolina 27408

(Address of principal executive offices)

(336) 424-6000

(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 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On October 27, 2018, there were 396,806,395 shares of the registrant's common stock outstanding.

VF CORPORATION
Table of Contents

	Page No.
<u>Part I — Financial Information</u>	
<u>Item 1 — Financial Statements (Unaudited)</u>	<u>3</u>
<u>Consolidated Balance Sheets: September 2018, March 2018 and September 2017</u>	<u>3</u>
<u>Consolidated Statements of Income: Three and six months ended September 2018 and September 2017</u>	<u>4</u>
<u>Consolidated Statements of Comprehensive Income: Three and six months ended September 2018 and September 2017</u>	<u>5</u>
<u>Consolidated Statements of Cash Flows: Six months ended September 2018 and September 2017</u>	<u>6</u>
<u>Consolidated Statement of Stockholders' Equity: Six months ended September 2018</u>	<u>7</u>
<u>Notes to Consolidated Financial Statements</u>	<u>8</u>
<u>Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>35</u>
<u>Item 3 — Quantitative and Qualitative Disclosures about Market Risk</u>	<u>45</u>
<u>Item 4 — Controls and Procedures</u>	<u>45</u>
<u>Part II — Other Information</u>	
<u>Item 1 — Legal Proceedings</u>	<u>46</u>
<u>Item 1A — Risk Factors</u>	<u>46</u>
<u>Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>47</u>
<u>Item 6 — Exhibits</u>	<u>48</u>
<u>Signatures</u>	<u>49</u>

PART I — FINANCIAL INFORMATION

ITEM 1 — FINANCIAL STATEMENTS (UNAUDITED)

VF CORPORATION

Consolidated Balance Sheets

(Unaudited)

(In thousands, except share amounts)	September 2018	March 2018	September 2017
ASSETS			
Current assets			
Cash and equivalents	\$352,781	\$680,762	\$1,545,535
Accounts receivable, less allowance for doubtful accounts of: September 2018 – \$28,316; March 2018 – \$24,993; September 2017 – \$21,467	2,196,064	1,408,587	1,815,198
Inventories	2,247,908	1,861,441	1,843,451
Other current assets	461,349	358,953	318,957
Current assets held-for-sale	159,852	—	—
Current assets of discontinued operations	—	373,580	104,286
Total current assets	5,417,954	4,683,323	5,627,427
Property, plant and equipment, net	1,035,671	1,011,617	905,671
Intangible assets, net	2,084,087	2,120,110	1,673,173
Goodwill	1,762,826	1,693,219	1,593,868
Other assets	829,887	803,041	743,898
Other assets of discontinued operations	—	—	330,884
TOTAL ASSETS	\$11,130,425	\$10,311,310	\$10,874,921
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	\$1,570,516	\$1,525,106	\$1,985,287
Current portion of long-term debt	5,885	6,265	253,831
Accounts payable	732,453	583,004	532,381
Accrued liabilities	1,188,484	938,427	1,013,096
Current liabilities held-for-sale	11,358	—	—
Current liabilities of discontinued operations	—	86,027	36,800
Total current liabilities	3,508,696	3,138,829	3,821,395
Long-term debt	2,150,595	2,212,555	2,144,221
Other liabilities	1,291,578	1,271,830	881,962
Other liabilities of discontinued operations	—	—	89,923
Commitments and contingencies			
Total liabilities	6,950,869	6,623,214	6,937,501
Stockholders' equity			
Preferred Stock, par value \$1; shares authorized, 25,000,000; no shares outstanding at September 2018, March 2018 or September 2017	—	—	—
Common Stock, stated value \$0.25; shares authorized, 1,200,000,000; shares outstanding at September 2018 – 397,161,808; March 2018 – 394,313,070; September 2017 – 394,502,698	99,290	98,578	