

PETMED EXPRESS INC
Form 10-Q
July 31, 2012

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 June 30, 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: 000-28827

PETMED EXPRESS, INC.
(Exact name of registrant as specified in its charter)

FLORIDA
(State or other jurisdiction of
incorporation or organization)

65-0680967
(I.R.S. Employer
Identification No.)

1441 S.W. 29th Avenue, Pompano Beach, Florida 33069
(Address of principal executive offices, including zip code)

(954) 979-5995
(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 No

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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 (§ 229.405 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, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input checked="" type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input type="radio"/>

(Do not check if smaller reporting company)

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 20,421,991 Common Shares, \$.001 par value per share at July 31, 2012.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PETMED EXPRESS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	June 30, 2012 (Unaudited)	March 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$57,351	\$46,801
Short term investments - available for sale	10,382	10,347
Accounts receivable, less allowance for doubtful accounts of \$7 and \$5, respectively	2,392	1,572
Inventories - finished goods	18,314	26,217
Prepaid expenses and other current assets	1,658	1,241
Deferred tax assets	1,110	1,230
Prepaid income taxes	-	199
Total current assets	91,207	87,607
Property and equipment, net	2,476	2,597
Intangible asset	860	860
Total assets	\$94,543	\$91,064
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$7,252	\$6,619
Accrued expenses and other current liabilities	2,162	2,772
Income taxes payable	2,214	-
Total current liabilities	11,628	9,391
Deferred tax liabilities	270	492
Total liabilities:	11,898	9,883
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$.001 par value, 5,000 shares authorized; 3 convertible shares issued and outstanding with a liquidation preference of \$4 per share	9	9
Common stock, \$.001 par value, 40,000 shares authorized; 20,335 and 20,338 shares issued and outstanding, respectively	20	20
Additional paid-in capital	554	-
Retained earnings	82,009	81,108

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Accumulated other comprehensive gain	53	44
Total shareholders' equity	82,645	81,181
Total liabilities and shareholders' equity	\$94,543	\$91,064

See accompanying notes to condensed consolidated financial statements.

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PETMED EXPRESS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
 (In thousands, except for per share amounts)(Unaudited)

	Three Months Ended June 30,	
	2012	2011
Sales	\$68,955	\$73,578
Cost of sales	46,651	49,468
Gross profit	22,304	24,110
Operating expenses:		
General and administrative	5,922	6,104
Advertising	9,850	10,100
Depreciation	328	341
Total operating expenses	16,100	16,545
Income from operations	6,204	7,565
Other income (expense):		
Interest income, net	59	86
Other, net	-	(1)
Total other income	59	85
Income before provision for income taxes	6,263	7,650
Provision for income taxes	2,311	2,813
Net income	\$3,952	\$4,837
Net income per common share:		
Basic	\$0.20	\$0.22
Diluted		