

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 November 26, 1993

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 1-4365

OXFORD INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Georgia

58-0831862

(State or other jurisdiction of  
 incorporation or organization)

(I.R.S. Employer  
 Identification Number)

222 Piedmont Avenue, N.E., Atlanta, Georgia 30308

(Address of principal executive offices)  
 (Zip Code)

(404) 659-2424

(Registrant's telephone number, including area code)

Not Applicable

(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

Indicate the number of shares outstanding of each of the issuer's classes of  
 common stock, as of the latest practicable date.

Title of each class	Number of shares outstanding as of January 3, 1994
Common Stock, \$1 par value	8,594,502

## OXFORD INDUSTRIES, INC.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

OXFORD INDUSTRIES, INC.				
CONSOLIDATED STATEMENT OF EARNINGS				
SIX MONTHS AND QUARTERS ENDED NOVEMBER 26, 1993 AND NOVEMBER 27, 1992				
\$ in thousands except per share amounts	Six Months Ended		Quarter Ended	
	November 26, 1993	November 27, 1992	November 26, 1993	November 27, 1992
Net Sales	\$327,448	\$297,865	\$178,737	\$163,565
Costs and Expenses:				
Cost of Goods Sold	263,045	239,626	143,671	131,755
Selling, General and Administrative	46,685	44,301	24,572	23,494
Interest	1,229	1,160	697	643
Total Costs and Expenses	310,959	285,087	168,940	155,892
Earnings Before Income Taxes	16,489	12,778	9,797	7,673
Income Taxes	6,678	5,047	3,968	3,056
Net Earnings	\$9,811	\$7,731	\$5,829	\$4,617
Net Earnings Per Common Share	\$1.14	\$0.89	\$0.68	\$0.53
Average Number of Shares Outstanding	8,592,722	8,697,766	8,581,949	8,664,276
Dividends Per Share	\$0.330	\$0.300	\$0.165	\$0.150

See notes to consolidated financial statements.

OXFORD INDUSTRIES, INC.  
CONSOLIDATED BALANCE SHEETS  
NOVEMBER 26, 1993, MAY 28, 1993 AND NOVEMBER 27, 1992  
(UNAUDITED EXCEPT FOR MAY 28, 1993)

\$ in thousands	November 26, 1993	May 28, 1993	November 27, 1992
<hr/>			
Assets			
<hr/>			
Current Assets:			
Cash	\$ 5,295	\$ 3,254	\$ 4,448
Receivables	91,724	68,093	86,598
Inventories:			
Finished Goods	51,399	55,733	41,783
Work in Process	19,783	19,931	18,586
Fabric, Trim & Supplies	24,494	26,929	23,609
	<hr/>	<hr/>	<hr/>
Prepaid expenses	95,676	102,593	83,978
	11,871	11,698	10,600
	<hr/>	<hr/>	<hr/>
Total Current Assets	204,566	185,638	185,624
Property, Plant & Equipment	31,618	31,027	30,079
Other Assets	1,614	1,562	1,737
	<hr/>	<hr/>	<hr/>
	\$237,798	\$218,227	\$217,440
	=====	=====	=====
Liabilities and Stockholders' Equity			
<hr/>			
Current Liabilities:			
Notes Payable	\$ 28,000	\$ 18,500	\$ 16,500
Trade Accounts Payable	31,781	34,629	35,544
Accrued Compensation	11,810	11,304	10,260
Other Accrued Expenses	15,811	11,072	11,961
Dividends Payable	1,417	1,433	1,299
Income Taxes	2,429	-	1,769
Current maturities of long-term debt	4,864	4,865	4,691
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	96,112	81,803	82,024
	<hr/>	<hr/>	<hr/>
Long-Term Debt, less current maturities	17,341	17,788	22,212
	<hr/>	<hr/>	<hr/>
Deferred Income Taxes	3,620	3,304	2,204
	<hr/>	<hr/>	<hr/>
Stockholders' Equity:			
Common Stock	8,586	8,685	8,663
Additional paid-in capital	5,408	5,193	5,054
Retained Earnings	106,731	101,454	97,283
	<hr/>	<hr/>	<hr/>
	120,725	115,332	111,000
	<hr/>	<hr/>	<hr/>
	\$237,798	\$218,227	\$217,440
	=====	=====	=====

See notes to consolidated financial statements.

OXFORD INDUSTRIES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED NOVEMBER 26, 1993 AND NOVEMBER 27, 1992  
(UNAUDITED)

	Six Months Ended	
\$ in thousands	November 26, 1993	November 27, 1992
<b>Cash Flows From Operating Activities</b>		
Net earnings	\$ 9,811	\$ 7,731
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	3,309	3,047
Gain on sale of property, plant and equipment	(37)	(243)
Changes in working capital:		
Receivables	(23,631)	(19,440)
Inventories	6,917	(1,957)
Prepaid expenses	(173)	(753)
Trade accounts payable	(2,848)	(2,819)
Accrued expenses and other current liabilities	5,247	789
Income taxes payable	2,429	1,367
Deferred income taxes	316	62
Other noncurrent assets	(70)	(681)
Net cash flows provided by (used in) operating activities	1,270	(12,897)
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(3,931)	(3,123)
Proceeds from sale of property, plant and equipment	87	1,003
Net cash used in investing activities	(3,844)	(2,120)
<b>Cash Flows From Financing Activities</b>		
Short-term borrowings	9,500	16,500
Payments on long-term debt	(447)	(483)
Proceeds from exercise of stock options	298	109
Purchase and retirement of common stock	(1,886)	(2,449)
Dividends on common stock	(2,850)	(2,621)
Net cash provided by financing activities	4,615	11,056
Net change in Cash and Cash Equivalents	2,041	(3,961)
Cash and Cash equivalents at Beginning of Period	3,254	8,409
Cash and Cash Equivalents at End of Period	\$ 5,295	\$ 4,448
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid (received) for:		
Interest	\$ 1,135	\$ 1,082
Income taxes	4,336	4,569

See notes to consolidated financial statements.

OXFORD INDUSTRIES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS AND QUARTERS ENDED NOVEMBER 26, 1993  
AND NOVEMBER 27, 1992  
(UNAUDITED)

1. The foregoing unaudited consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods. All such adjustments are of a normal recurring nature. The results for interim periods are not necessarily indicative of results to be expected for the year.
2. The financial information presented herein should be read in conjunction with the consolidated financial statements included in the Registrant's Annual Report on Form 10-K for the fiscal year ended May 28, 1993.
3. The Company is involved in certain legal matters primarily arising in the normal course of business. In the opinion of management, the Company's liability under any of these matters would not materially affect its financial condition or results of operations.

## Item 2. Management's Discussion and Analysis of Financial

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Condition and Results of Operations.  
-----Results of Operations  
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## NET SALES

Net sales for the second quarter of the 1994 fiscal year, which ended November 26, 1993, increased by 9.3% from net sales for the second quarter of the previous year. Net sales for the first six months of the current year increased by 9.9% from net sales for the comparable period of the prior year. Led by strong performances by both the Oxford Shirtings and Lanier Clothes divisions, the Company set a new record high in sales for both the second quarter and the first half. The Company's strategy of sales concentration continued to yield benefits. Increased sales to the fifty largest customers accounted for an amount in excess of the Company's total sales increase as sales to other customers declined. Sales in the first half of fiscal 1993 included approximately \$10,000,000 to the now-discontinued catalog division of Sears, Roebuck and Company, of which approximately \$4,000,000 occurred in the second quarter. The sales increase continued primarily with the Company's better catalog tier and mass merchants.

## COST OF GOODS SOLD

Cost of goods sold as a percentage of net sales was 80.4% for the second quarter of the current year and 80.6% for the second quarter of the previous year. For the first six months of the current year, cost of goods sold as a percentage of net sales was 80.3% compared to 80.4% for the same period in the previous year. These continued consistent results represent stabilizing gross margins. During the second quarter, the Company announced the closure of one domestic manufacturing facility. The expected cost of this closure has been included in the second quarter results.

## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased by 4.6% to \$24,572,000 in the second quarter of fiscal 1994 from \$23,494,000 in the same period of fiscal 1993. Selling, general and administrative expenses increased by 5.4% to \$46,685,000 in the first half of fiscal 1994 from \$44,301,000 in the same period of fiscal 1993. Combined with the increase in net sales, selling, general and administrative expenses as a percentage of net sales declined to 13.7% for the second quarter of fiscal 1994 from 14.4% for the second quarter of the prior year, and to 14.3% for the first six months of fiscal 1994 from 14.9% for the first six months of the previous year.

In early August 1993, one of the Company's retail catalog customers, New Hampton, Inc., filed for bankruptcy. A provision of \$1,000,000 for bad debts is included in the current year first quarter operations to provide for this bankruptcy. Had this provision for bad debts not been required, the selling, general and administrative expense increase would have been 3.1% for the first half of fiscal 1994. This \$1,000,000 represents less than 1% of net sales for the first half of fiscal 1994.

## INTEREST EXPENSE

Net interest expense as a percentage of net sales was 0.4% in both fiscal 1994 and fiscal 1993 for both the second quarter and the first six months. Average short-term borrowings increased over the prior year, while the weighted average interest rate declined.

## INCOME TAXES

The Company's effective income tax rate was 40.5% for the second quarter of the current year and 39.8% for the second quarter of the previous year. For the first six months of the current and previous years, the Company's effective income tax rate was 40.5% and 39.5%, respectively. The income tax rate has been increased to reflect enacted tax rates. In the first quarter of fiscal 1994, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." The effect of this adoption was not material.

## FUTURE OPERATING RESULTS

The Company is optimistic about the second half of fiscal 1994, although the rate of both sales and earnings increases are expected to moderate. Percentage earnings gains should continue to outpace percentage sales gains.

The Oxford Shirts division of the Company has been licensed to produce and market dress shirts under the Tommy Hilfiger label. The first line will be fall 1994 and will afford the Company the opportunity to expand in the better branded dress shirt market. While the Company has and will continue to incur in fiscal 1994 expenses related to the start-up of this line, it will not realize revenues until fiscal 1995.

The Company has also entered into license agreements with Farah, Incorporated, allowing the Company to license the Savane and PROCESS 2000 names for shirt sales. Under the terms of the agreement, Farah will furnish the Company with its proprietary PROCESS 2000 no wrinkle technology for use on shirts. Current plans call for the introduction of a small number of shirts for the Father's Day selling period, to be followed by a larger volume in the second half of calendar 1994.

## Liquidity and Capital Resources

## OPERATING ACTIVITIES

During the first six months of the current year, operating activities generated \$1,270,000 as compared to \$12,897,000 used in the first six months of the prior year. The primary factors contributing to this increase were increased net earnings, decreased inventories, and increased accrued expenses coupled with increased receivables. The decreased inventories is a return to a more normal level necessary to support anticipated sales. The increased accrued expenses represent various accruals associated with current operations. The increased receivables represent the increase in sales in the last two months of the quarter.

## INVESTING ACTIVITIES

Investing activities used \$3,844,000 in the first six months of the current year and \$2,120,000 in the same period of the prior year. Purchases consisted primarily of replacement of worn or obsolete machinery and equipment and upgrading management information systems. Proceeds from the sale of property, plant and equipment for the first six months of the prior year of \$1,003,000 were generated primarily from the sale of two previously idled facilities.

## FINANCING ACTIVITIES

Financing activities generated \$4,615,000 in the first six months of the current year and \$11,056,000 in the prior year. The primary difference was decreased short-term borrowings in fiscal 1994.

The Company purchased and retired 125,700 shares of its common stock during the six months ended November 26, 1993. During the period after the end of the second quarter through January 3, 1994, no shares have been purchased and retired. Due to the exercise of employee stock options, a net



of 26,384 shares of the Company's common stock have been issued during the six months ended November 26, 1993, and 8,890 shares have been issued during the period after the end of the second quarter through January 3, 1994.

On January 3, 1994, the Company's Board of Directors declared a cash dividend of \$.18 per share payable February 26, 1994 to shareholders of record on February 11, 1994. This is an increase of 1.5 cents per share from prior quarterly dividends.

#### WORKING CAPITAL

Working capital increased from \$103,600,000 at the end of the second quarter of the previous year to \$103,835,000 at the end of the 1993 fiscal year, and increased to \$108,454,000 at the end of the second quarter of the current year. The ratio of current assets to current liabilities was 2.3 at the end of the second quarter of the previous year, 2.3 at the end of the previous fiscal year and 2.1 at the end of the first quarter of the current year.

#### FUTURE LIQUIDITY AND CAPITAL RESOURCES

The Company believes it has the ability to generate cash to meet its foreseeable needs. The sources of funds primarily include funds provided by operations and short-term borrowings. The uses of funds primarily include working capital requirements, capital expenditures, dividends and repayment of long-term debt. The Company regularly utilizes committed bank lines of credit and other uncommitted bank resources to meet working capital requirements. On November 26, 1993, the Company had committed bank lines of credit of \$20,000,000 and uncommitted lines totalling \$75,000,000. The Company pays commitment fees for these committed lines of credit, but no commitment fees are associated with the uncommitted lines. Of the committed lines, \$20,000,000 was in use at November 26, 1993, and of the uncommitted lines, \$8,000,000 was in use at that date. Maximum short-term borrowings from all sources during the first six months of the current year were \$50,000,000. The Company anticipates continued use and availability of both committed and uncommitted short-term borrowing resources as working capital needs may require.

The Company expects to continue to purchase shares of its common stock on the open market and in negotiated trades as conditions and opportunities warrant. The Company will also consider possible acquisitions of apparel-related businesses that are compatible with its long-term strategies. There are no present plans to borrow additional long-term funds, sell securities, or enter into off-balance sheet financing arrangements.

## PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.  
-----(a) Exhibits.  
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11            Statement re computation of per share earnings.

(b) Reports on Form 8-K.  
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The Registrant did not file any reports on Form 8-K during the quarter ended November 26, 1993.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OXFORD INDUSTRIES, INC.  
-----  
(Registrant)

Date: January 7, 1994  
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/s/R. William Lee, Jr.  
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R. William Lee, Jr.  
Executive Vice President

Date: January 7, 1994  
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/s/Debra A. Pauli  
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Debra A. Pauli  
Controller  
(Chief Accounting Officer)

## INDEX OF EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NUMBER
11	Statement re computation of per share earnings	13

## EXHIBIT 11

OXFORD INDUSTRIES, INC.  
 COMPUTATION OF PER SHARE EARNINGS  
 SIX MONTHS AND QUARTERS ENDED NOVEMBER 26, 1993  
 AND NOVEMBER 27, 1992  
 (UNAUDITED)

	Six Months Ended		Quarter Ended	
	November 26, 1993	November 27, 1992	November 26, 1993	November 27, 1992
Net Earnings	\$9,811,000	\$7,731,000	\$5,829,000	\$4,617,000
Average Number of Shares Outstanding:				
Primary	8,763,105	8,868,125	8,775,967	8,828,820
Fully diluted	8,784,420	8,883,518	8,783,006	8,859,595
As reported*	8,592,722	8,697,766	8,581,949	8,664,276
Net Earnings per Common Share:				
Primary	\$1.12	\$0.87	\$0.66	\$0.52
Fully diluted	\$1.12	\$0.87	\$0.66	\$0.52
As reported*	\$1.14	\$0.89	\$0.68	\$0.53

\* Common stock equivalents (which arise solely from outstanding stock options) are not materially dilutive and, accordingly, have not been considered in the computation of reported net earnings per common share.