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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

October 22, 2014

SKECHERS U.S.A., INC.

(Exact name of registrant as specified in its charter)

Delaware

001-14429

95-4376145

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

228 Manhattan Beach Boulevard, Manhattan
Beach, California

90266

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(310) 318-3100

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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[Top of the Form](#)

Item 2.02 Results of Operations and Financial Condition.

On October 22, 2014, the Company issued a press release announcing its results of operations and financial condition for the three months and nine months ended September 30, 2014. A copy of the press release is attached hereto as exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is furnished as part of this report:

99.1 Press Release dated October 22, 2014.

The information in this current report and the exhibit attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The Information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended. The furnishing of the Information in this Current Report is not intended to, and does not, constitute a representation that such furnishing is required by Regulation FD or that the Information in this Current Report contains material investor information that is not otherwise publicly available.

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 hereunto duly authorized.

SKECHERS U.S.A., INC.

October 22, 2014

By: /s/ David Weinberg

Name: David Weinberg

Title: Chief Operating Officer

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--------------------------------------|
| 99.1 | Press Release dated October 22, 2014 |

FOR IMMEDIATE RELEASE

Company Contact: David Weinberg
Chief Operating Officer,
Chief Financial Officer
SKECHERS USA, Inc.
(310) 318-3100

Investor Relations: Andrew Greenebaum
(310) 829-5400

SKECHERS ANNOUNCES THIRD QUARTER 2014 FINANCIAL RESULTS
Record Net Sales of \$674.3 Million
Earnings from Operations of \$74.1 Million
Diluted Earnings per Share of \$1.00

MANHATTAN BEACH, CA. – October 22, 2014 – SKECHERS USA, Inc. (NYSE:SKX), a global footwear leader, today announced financial results for the third quarter ended September 30, 2014.

Third quarter 2014 net sales were \$674.3 million compared to \$515.8 million for the third quarter of 2013. Gross profit for the third quarter of 2014 was \$304.5 million or 45.2 percent of net sales compared to \$230.5 million or 44.7 percent of net sales for the third quarter of last year. Earnings from operations for the third quarter of 2014 were \$74.1 million versus earnings from operations of \$44.0 million in the third quarter of 2013.

“With product and marketing initiatives that continue to resonate with our consumers worldwide, we achieved a 30.7 percent net sales increase over the third quarter last year, and the highest quarterly revenues in the Company’s 22-year history. These results followed record first and second quarter revenues, resulting in a 29.5 percent net sales increase for the first nine months of 2014 as compared to the same period last year,” began David Weinberg, chief operating officer and chief financial officer. “The growth in the quarterly revenue came across our three key distribution channels—we achieved net sales increases of 18.5 percent in our domestic wholesale business, 60.6 percent in our international wholesale business, and 25.0 percent in our Company-owned global retail business, which included an 11.0 percent increase in comparable net sales for the quarter on top of a double-digit increase last year in comparison to the third quarter in 2012.”

Net earnings for the third quarter were \$51.1 million compared to net earnings of \$26.8 million in the third quarter of 2013. Diluted net earnings per share for the third quarter were \$1.00 on 50,984,000 weighted average shares outstanding, compared to diluted net earnings per share of \$0.53 on 50,604,000 weighted average shares outstanding for the third quarter of 2013. The Company’s diluted EPS for the third quarter of 2014 was negatively impacted by foreign currency exchange losses of \$2.3 million net of tax or \$0.05 per diluted share, as well as a \$3.8 million net of tax or \$0.08 per diluted share attributable to warehousing costs related to completing the first phase of the automation upgrade of the Company’s European Distribution Facility and transitioning from a third-party warehouse to a Company-owned facility in Chile. In total, these expenses reduced diluted EPS by \$0.13 during the third quarter of 2014.

For the nine months ended September 30, 2014, net sales were \$1.808 billion compared to net sales of \$1.396 billion in the first nine months of 2013. Gross profit for the first nine months of 2014 was \$814.3 million or 45.0 percent of net sales, compared to \$618.1 million or 44.3 percent of net sales for the first nine months of 2013. Earnings from operations for the first nine months of 2014 were \$176.1 million, compared to earnings from operations of \$76.5 million in the first nine months of 2013. As of September 30, 2014, the Company’s backlog increased more than 50 percent as compared to its backlog of September 30, 2013.

Net earnings for first nine months of 2014 were \$116.9 million compared to net earnings of \$40.6 million in the same period last year. Diluted net earnings per share in the first nine months of 2014 was \$2.30 per share on 50,915,000 weighted average shares, compared to net earnings per share of \$0.80 per share on 50,532,000 weighted average shares for the same period last year.

Robert Greenberg, SKECHERS chief executive officer, commented: “We are extremely proud of our three consecutive quarters of record revenues and increasing sales around the world. Our product focus is on target and we are providing consumers of all ages what they want—from both a fashion and comfort standpoint. Importantly, we are also engaging with our wide demographic by creating marketing that speaks to Gen X, Y, Z as well as the baby boomers. We have achieved this by developing marketing campaigns as diverse as animated characters for kids, to legendary sports figures such as Pete Rose and Joe Namath for the older male, and Brooke Burke-Charvet for moms. Further, in the third

quarter we signed multi-platinum recording artist Demi Lovato, who speaks to millions of teens every day through her social media platforms, and recently retired New York Yankees closer Mariano Rivera to reach the younger male consumer. To broaden our reach with men around the globe, we recently announced the signing of the world's most famous drummer, Ringo Starr, who we believe will have a positive impact on our men's business in 2015. We believe our success is an opportunity to further capitalize on our strength. We are continuing to invest in product, marketing and infrastructure to advance our brand and drive momentum around the globe. We are looking forward to the holiday season and the breaking of the Demi Lovato television campaign, and Spring 2015 when we will have several new key lines launching in both the lifestyle sport and performance running and walking categories. Based on feedback from our domestic and international accounts, we are confident the momentum will continue into next year."

Mr. Weinberg continued: "The continuous record revenue quarters in 2014 and the strong growth in all of our key business segments is evidence of the relevancy and demand for Skechers footwear worldwide. The more than 50 percent increase in our backlogs at the end of September and the strong sales during the first few weeks of October give us confidence that the momentum we are experiencing now will continue for the remainder of the year and into 2015. We are continuing our retail expansion and plan to open an additional 10 to 15 Company-owned Skechers stores before the end of the year, in addition to the 22 that opened in the third quarter and the five that have already opened this month. We also plan to open another 35 to 45 Skechers stores through our international distributor and franchise partners before the end of the year—which will bring us to the 1,000 store milestone. We are also improving our international efficiencies with the opening of a new distribution facility in Chile in the third quarter and the completion of phase one of the automation of our European Distribution Center in Belgium in the fourth quarter. With our relevant product and advertising, market share gain, and solid financial position, including, \$440.8 million in cash, the Company is well positioned for continued growth. Though the fourth quarter is historically our smallest sales quarter for our international division, we remain comfortable with the analysts' current consensus for both revenue and earnings. Given the strength of our backlogs for the first quarter of 2015, we anticipate top-line growth to be 15 to 20 percent."

About SKECHERS USA, Inc.

SKECHERS USA, Inc., based in Manhattan Beach, California, designs, develops and markets a diverse range of lifestyle footwear for men, women and children, as well as performance footwear for men and women. SKECHERS footwear is available in the United States via department and specialty stores, Company-owned SKECHERS retail stores and its e-commerce website, and in over 100 countries and territories through the Company's international network of subsidiaries in Canada, Brazil, Chile, Japan, and across Europe, as well as through joint ventures in Asia and distributors around the world. For more information, please visit www.skechers.com, and follow us on Facebook (www.facebook.com/SKECHERS) and Twitter (twitter.com/SKECHERSUSA).

This announcement contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, the Company's future growth, financial results and operations, its development of new products, backlogs and future demand for its products and growth opportunities, its planned opening of new stores, advertising and marketing initiatives, and the expansion and automation plans for the Company's European Distribution Center. Forward-looking statements can be identified by the use of forward looking language such as "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "will be," "will continue," "will result," "could," "may," "might," or any variations of such words with similar meanings. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements. Factors that might cause or contribute to such differences include the resignation of the Company's former independent registered public accounting firm, and its withdrawal of its audit reports with respect to certain of the Company's historical financial statements; international, national and local general economic, political and market conditions including the ongoing global economic slowdown and market instability; entry into the highly competitive performance footwear market; sustaining, managing and forecasting costs and proper inventory levels; losing any significant customers, decreased demand by industry retailers and cancellation of order commitments due to the lack of popularity of particular designs and/or categories of products; maintaining brand image and intense competition among sellers of footwear for consumers; anticipating, identifying, interpreting or forecasting changes in fashion trends, consumer demand for the products and the various market factors described above; sales levels during the spring, back-to-school and holiday selling seasons; and other factors referenced or incorporated by reference in the Company's annual report on Form 10-K for the year ended December 31, 2013, and its Form 10-Q for the quarter ended June 30, 2014. The risks included here are not exhaustive. The Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time and the companies cannot predict all such risk factors, nor can the companies assess the impact of all such risk factors on their respective businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Moreover, reported results should not be considered an indication of future performance.

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SKECHERS U.S.A., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)

| | September 30, 2014 | December 31, 2013 |
|--|-----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 440,790 | \$ 372,011 |
| Trade accounts receivable, net | 333,531 | 225,941 |
| Other receivables | <u>12,862</u> | <u>10,599</u> |
| Total receivables | 346,393 | 236,540 |
| Inventories | 363,006 | 358,168 |
| Prepaid expenses and other current assets | 44,733 | 26,094 |
| Deferred tax assets | <u>22,115</u> | <u>22,115</u> |
| Total current assets | 1,217,037 | 1,014,928 |
| Property, plant and equipment, at cost, less accumulated depreciation and amortization | 371,445 | 361,755 |
| Goodwill and other intangible assets, less accumulated amortization | 1,677 | 2,377 |
| Deferred tax assets | 1,624 | 9,950 |
| Other assets, at cost | <u>17,554</u> | <u>19,560</u> |
| Total non-current assets | 392,300 | 393,642 |
| TOTAL ASSETS | <u>\$ 1,609,337</u> | <u>\$ 1,408,570</u> |
| LIABILITIES AND EQUITY | | |
| Current Liabilities: | | |
| Current installments of long-term borrowings | \$ 12,314 | \$ 12,028 |
| Short-term borrowings | 90 | 87 |
| Accounts payable | 311,736 | 258,183 |
| Accrued expenses | <u>51,118</u> | <u>40,124</u> |
| Total current liabilities | 375,258 | 310,422 |
| Long-term borrowings, net of current installments | 107,216 | 116,488 |
| Other long-term liabilities | <u>20,415</u> | <u>1,740</u> |
| Total non-current liabilities | 127,631 | 118,228 |
| Total liabilities | 502,889 | 428,650 |
| Stockholders' equity: | | |
| Skechers U.S.A., Inc. equity | 1,050,705 | 930,322 |
| Noncontrolling interests | <u>55,743</u> | <u>49,598</u> |
| Total equity | 1,106,448 | 979,920 |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 1,609,337</u> | <u>\$ 1,408,570</u> |

SKECHERS U.S.A., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------------------------|-------------------------------------|----------------|---------------------------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 |
| Net sales | \$674,270 | \$515,756 | \$ 1,807,839 | \$ 1,395,624 |
| Cost of sales | <u>369,772</u> | <u>285,235</u> | <u>993,563</u> | <u>777,477</u> |
| Gross profit | 304,498 | 230,521 | 814,276 | 618,147 |
| Royalty income | <u>2,070</u> | <u>1,649</u> | <u>6,928</u> | <u>4,844</u> |
| | <u>306,568</u> | <u>232,170</u> | <u>821,204</u> | <u>622,991</u> |
| Operating expenses: | | | | |
| Selling | 50,239 | 40,211 | 140,820 | 119,995 |
| General and administrative | 182,186 | 147,916 | 504,325 | 426,450 |
| | <u>232,425</u> | <u>188,127</u> | <u>645,145</u> | <u>546,445</u> |
| Income from operations | 74,143 | 44,043 | 176,059 | 76,546 |
| Other income (expense): | | | | |
| Interest, net | (2,484) | (2,813) | (8,536) | (8,353) |
| Other, net | (3,898) | 1,162 | (4,832) | (2,456) |
| | <u>(6,382)</u> | <u>(1,651)</u> | <u>(13,368)</u> | <u>(10,809)</u> |
| Earnings before income tax expense | 67,761 | 42,392 | 162,691 | 65,737 |

| | | | | |
|---|------------------|------------------|-------------------|------------------|
| Income tax expense | <u>12,682</u> | <u>14,059</u> | <u>36,351</u> | <u>20,970</u> |
| Net earnings | 55,079 | 28,333 | 126,340 | 44,767 |
| Less: Net earnings attributable to noncontrolling interests | <u>3,956</u> | <u>1,484</u> | <u>9,450</u> | <u>4,144</u> |
| Net earnings attributable to Skechers U.S.A., Inc. | <u>\$ 51,123</u> | <u>\$ 26,849</u> | <u>\$ 116,890</u> | <u>\$ 40,623</u> |
| Net earnings per share attributable to Skechers U.S.A., Inc.: | | | | |
| Basic | <u>\$ 1.01</u> | <u>\$ 0.53</u> | <u>\$ 2.31</u> | <u>\$ 0.81</u> |
| Diluted | <u>\$ 1.00</u> | <u>\$ 0.53</u> | <u>\$ 2.30</u> | <u>\$ 0.80</u> |
| Weighted average shares used in calculating earnings per share attributable to Skechers U.S.A., Inc.: | | | | |
| Basic | <u>50,627</u> | <u>50,393</u> | <u>50,584</u> | <u>50,329</u> |
| Diluted | <u>50,984</u> | <u>50,604</u> | <u>50,915</u> | <u>50,532</u> |