

Steve Madden, Ltd. Releases Fourth Quarter Results
By Shelby Fishman

Steve Madden, Ltd. reported a challenging but better than expected fourth quarter, reflecting the effects the coronavirus pandemic has had on the retail industry.

“While the COVID-19 pandemic continues to have a negative impact on our business, we were pleased with the results of the fourth quarter,” Steve Madden, Ltd. CEO Ed Rosenfeld said.

The Long Island City-based shoe and accessory company reported a net income of \$22.6 million, or 28 cents per diluted share. In the year-earlier quarter, net income for Steve Madden, Ltd. was \$17.8 million, and 21 cents per diluted share. The net income increased by 27%.

Revenue for this 2020 fourth quarter decreased by 15.9%. Total revenue this quarter was \$353 million compared to last year’s revenue of \$419.6 million.

Though there was a better quarterly profit, the year as a total was a loss of \$18.4 million compared to an annual profit of \$141.3 million one year ago.

Analysts polled by Zacks Investment Research had expected the quarterly earnings per share of 21 cents. But, Steve Madden, Ltd. exceeded that estimate by over 28%, with a quarterly number of 27 cents per share.

The company also filed a form stating the 10-Q for this fourth quarter will be filed late due to impacts of the coronavirus pandemic. Steve Madden, Ltd. was supposed to file the 10-Q March 1, but did not meet the required date. The company states they will expect to release the 10-Q forms within the next 15 calendar days. Stock prices on March 1, when the 10-Q was supposed to be submitted, dropped \$2.43, but began to recover in the following days.

Due to the impacts of COVID, Steve Madden, Ltd. has not released an outlook for the next fiscal year.

Other fashion and accessory brands such as Tapestry, Inc. which owns Coach, Kate Spade, and Stuart Weitzman are also facing the harsh effects of the coronavirus. Operations for Steve Madden, Ltd. and other retail companies have slowed due to employees, wholesalers, retailers, and others dealing with the pandemic

“The COVID-19 pandemic has had and is currently having a significant impact on the company’s business operations and results,” Danielle McCoy said, the company’s director of corporate development and investor relations.

The fashion company’s e-commerce business is more of a convenience to many consumers, as in-person shopping has become difficult due to COVID-19.

“I do think we’ll have to continue to evaluate how many stores we need going forward as the e-commerce business continues to grow,” Rosenfeld said.