

BIG LOTS INC
Form 10-Q
June 07, 2017
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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 April 29, 2017
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 1-8897

BIG LOTS, INC.

(Exact name of registrant as specified in its charter)

Ohio

06-1119097

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

300 Phillipi Road, P.O. Box 28512, Columbus, Ohio

43228-5311

(Address of principal executive offices)

(Zip Code)

(614) 278-6800

(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, a 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

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Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The number of the registrant's common shares, \$0.01 par value, outstanding as of June 2, 2017, was 44,212,485.

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 FOR THE FISCAL QUARTER ENDED APRIL 29, 2017

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Signature

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Part I. Financial Information

Item 1. Financial Statements

BIG LOTS, INC. AND SUBSIDIARIES

Consolidated Statements of Operations (Unaudited)

(In thousands, except per share amounts)

	Thirteen Weeks Ended	
	April 29, 2017	April 30, 2016
Net sales	\$1,296,787	\$1,312,575
Cost of sales (exclusive of depreciation expense shown separately below)	772,512	794,894
Gross margin	524,275	517,681
Selling and administrative expenses	415,972	425,403
Depreciation expense	28,595	29,719
Operating profit	79,708	62,559
Interest expense	(1,009)	(634)
Other income (expense)	(517)	764
Income before income taxes	78,182	62,689
Income tax expense	26,670	24,030
Net income	\$51,512	\$38,659
Earnings per common share		
Basic	\$1.16	\$0.80
Diluted	\$1.15	\$0.79
Weighted-average common shares outstanding		
Basic	44,361	48,466
Dilutive effect of share-based awards	367	422
Diluted	44,728	48,888
Cash dividends declared per common share	\$0.25	\$0.21

The accompanying notes are an integral part of these consolidated financial statements.

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BIG LOTS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Unaudited)

(In thousands)

	Thirteen Weeks Ended	
	April 29, 2017	April 30, 2016
Net income	\$51,512	\$38,659
Other comprehensive income:		
Amortization of pension, net of tax expense of \$0 and \$(245), respectively	—	375
Valuation adjustment of pension, net of tax expense of \$0 and \$(551), respectively	—	841
Total other comprehensive income	—	1,216
Comprehensive income	\$51,512	\$39,875

The accompanying notes are an integral part of these consolidated financial statements.

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BIG LOTS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(In thousands, except par value)

	(Unaudited) April 29, 2017	(Unaudited) January 28, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 65,731	\$ 51,164
Inventories	836,121	858,689
Other current assets	88,283	84,526
Total current assets	990,135	994,379
Property and equipment - net	518,820	525,851
Deferred income taxes	45,020	46,469
Other assets	45,740	41,008
Total assets	\$ 1,599,715	\$ 1,607,707

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 369,135	\$ 400,495
Property, payroll, and other taxes	85,843	81,306
Accrued operating expenses	75,525	71,251
Insurance reserves	39,893	40,269
Accrued salaries and wages	26,856	54,009
Income taxes payable	55,059	31,265
Total current liabilities	652,311	678,595
Long-term obligations	115,700	106,400
Deferred rent	56,444	56,035
Insurance reserves	57,303	56,593
Unrecognized tax benefits	17,423	15,853
Other liabilities		