

Zumiez Inc  
Form 10-Q  
September 10, 2018

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 AUGUST 4, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934  
Commission file number 000-51300

ZUMIEZ INC.

(Exact name of registrant as specified in its charter)

Washington	91-1040022
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4001 204<sup>th</sup> Street SW, Lynnwood, WA 98036

(Address of principal executive offices) (Zip Code)

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Registrant's telephone number, including area code: (425) 551-1500

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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

At September 5, 2018, there were 25,519,164 shares outstanding of common stock.

ZUMIEZ INC.

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## ZUMIEZ INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	August 4, 2018 (Unaudited)	February 3, 2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 41,409	\$24,041
Marketable securities	91,500	97,864
Receivables	20,554	17,027
Inventories	149,656	125,826
Prepaid expenses and other current assets	16,169	14,405
Total current assets	319,288	279,163
Fixed assets, net	125,141	128,852
Goodwill	59,336	62,912
Intangible assets, net	15,470	16,696
Deferred tax assets, net	4,417	4,174
Other long-term assets	6,815	7,713
Total long-term assets	211,179	220,347
Total assets	\$ 530,467	\$499,510
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Trade accounts payable	\$ 79,370	\$37,861
Accrued payroll and payroll taxes	15,640	20,650
Income taxes payable	2,580	5,796
Deferred rent and tenant allowances	7,895	8,073
Short term borrowings	5,623	943
Other liabilities	21,274	25,924
Total current liabilities	132,382	99,247
Long-term deferred rent and tenant allowances	38,265	39,275
Other long-term liabilities	4,781	5,073
Total long-term liabilities	43,046	44,348
Total liabilities	175,428	143,595
<b>Commitments and contingencies (Note 4)</b>		
<b>Shareholders' equity</b>		
Preferred stock, no par value, 20,000 shares authorized; none issued and outstanding	—	—
Common stock, no par value, 50,000 shares authorized; 25,520 shares issued and outstanding at August 4, 2018 and 25,249 shares issued and outstanding at February 3, 2018	149,961	146,523
Accumulated other comprehensive (loss) income	(8,101)	35
Retained earnings	213,179	209,357
Total shareholders' equity	355,039	355,915
Total liabilities and shareholders' equity	\$ 530,467	\$499,510

See accompanying notes to condensed consolidated financial statements

ZUMIEZ INC.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	August 4, 2018	July 29, 2017	August 4, 2018	July 29, 2017
Net sales	\$ 218,971	\$ 192,245	\$ 425,257	373,399
Cost of goods sold	146,436	132,449	290,136	261,555
Gross profit	72,535	59,796	135,121	111,844
Selling, general and administrative expenses	65,837	60,558	130,133	118,841
Operating profit (loss)	6,698	(762 )	4,988	(6,997 )
Interest income, net	238	92	521	174
Other income (expense), net	248	(23 )	(233 )	(472 )
Earnings (loss) before income taxes	7,184	(693 )	5,276	(7,295 )
Provision (benefit) for income taxes	2,807	(85 )	3,506	(2,239 )
Net income (loss)	\$ 4,377	\$ (608 )		