

STAGE STORES INC  
Form 10-Q  
September 08, 2016

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 30, 2016

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 1-14035

Stage Stores, Inc.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization) 91-1826900 (I.R.S. Employer Identification No.)

2425 West Loop South, Houston, Texas

(Address of principal executive offices)

77027

(Zip Code)

(800) 579-2302

(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 or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of September 1, 2016, there were 27,154,889 shares of the registrant's common stock outstanding.

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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Stage Stores, Inc.

Condensed Consolidated Balance Sheets

(in thousands, except par value)

(Unaudited)

	July 30, 2016	January 30, 2016
<b>ASSETS</b>		
Cash and cash equivalents	\$20,878	\$16,487
Merchandise inventories, net	461,117	435,996
Prepaid expenses and other current assets	50,026	48,279
Total current assets	532,021	500,762
Property, equipment and leasehold improvements, net of accumulated depreciation of \$648,900 and \$621,649, respectively	324,144	311,717
Intangible assets	15,235	15,235
Other non-current assets, net	23,337	20,385
Total assets	\$894,737	\$848,099
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$117,741	\$84,019
Accrued expenses and other current liabilities	69,215	71,863
Total current liabilities	186,956	155,882
Long-term debt obligations	199,838	162,876
Other long-term liabilities	98,939	99,588
Total liabilities	485,733	418,346
Commitments and contingencies		
Common stock, par value \$0.01, 100,000 shares authorized, 32,325 and 32,030 shares issued, respectively	323	320
Additional paid-in capital	408,952	406,034
Treasury stock, at cost, 5,175 shares, respectively	(43,276 )	(43,068 )
Accumulated other comprehensive loss	(6,075 )	(6,353 )
Retained earnings	49,080	72,820
Total stockholders' equity	409,004	429,753
Total liabilities and stockholders' equity	\$894,737	\$848,099

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

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Stage Stores, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(in thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	July 30,	August 1,	July 30,	August 1,
	2016	2015	2016	2015
Net sales	\$338,385	\$380,916	\$671,135	\$750,229
Cost of sales and related buying, occupancy and distribution expenses	252,815	282,461	518,578	570,845
Gross profit	85,570	98,455	152,557	179,384
Selling, general and administrative expenses	85,368	95,212	175,512	189,687
Interest expense	1,192	673	2,221	1,252
Income (loss) before income tax	(990 )	2,570	(25,176 )	(11,555 )
Income tax expense (benefit)	(1,031 )	955	(9,757 )	(4,533 )
Net income (loss)	\$41	\$1,615	\$(15,419 )	\$(7,022 )
Other comprehensive income:				
Amortization of employee benefit related costs, net of tax of \$112, \$79, \$170 and \$147, respectively	\$183	\$129	\$278	\$240
Total other comprehensive income	183	129	278	240
Comprehensive income (loss)	\$224	\$1,744	\$(15,141 )	\$(6,782 )