

BED BATH & BEYOND INC
Form 10-Q
January 07, 2016

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 November 28, 2015

Commission File Number 0-20214

BED BATH & BEYOND INC.

(Exact name of registrant as specified in its charter)

New York **11-2250488**
(State of incorporation) (IRS Employer Identification No.)

650 Liberty Avenue, Union, New Jersey 07083
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **908/688-0888**

BED BATH & BEYOND INC. AND SUBSIDIARIES

INDEX

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Consolidated Balance Sheets

November 28, 2015 and February 28, 2015

Consolidated Statements of Earnings

Three and Nine Months Ended November 28, 2015 and November 29, 2014

Consolidated Statements of Comprehensive Income

Three and Nine Months Ended November 28, 2015 and November 29, 2014

Consolidated Statements of Cash Flows

Nine Months Ended November 28, 2015 and November 29, 2014

Notes to Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Item 4. Controls and Procedures

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Item 1A. Risk Factors

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 6. Exhibits

Signatures

Exhibit Index

Certifications

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(in thousands, except per share data)

(unaudited)

	November 28, 2015	February 28, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$490,737	\$875,574
Short term investment securities	-	109,992
Merchandise inventories	3,219,667	2,731,881
Other current assets	480,132	366,156
Total current assets	4,190,536	4,083,603
Long term investment securities	74,666	97,160
Property and equipment, net	1,686,632	1,676,700
Goodwill	487,166	486,279
Other assets	404,992	415,251
Total assets	\$6,843,992	\$6,758,993
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$1,402,968	\$1,156,368
Accrued expenses and other current liabilities	467,654	403,547
Merchandise credit and gift card liabilities	317,430	306,160
Current income taxes payable	4,327	76,606
Total current liabilities	2,192,379	1,942,681
Deferred rent and other liabilities	504,469	493,137
Income taxes payable	81,390	79,985
Long term debt	1,500,000	1,500,000
Total liabilities	4,278,238	4,015,803
Shareholders' equity:		
Preferred stock - \$0.01 par value; authorized - 1,000 shares; no shares issued or outstanding	-	-

Edgar Filing: BED BATH & BEYOND INC - Form 10-Q

Common stock - \$0.01 par value; authorized - 900,000 shares; issued 337,554 and 336,667 shares, respectively; outstanding 163,587 and 174,178 shares, respectively	3,376	3,367
Additional paid-in capital	1,866,071	1,796,692
Retained earnings	10,091,321	9,553,376
Treasury stock, at cost; 173,967 and 162,489 shares, respectively	(9,341,450)	(8,567,932)
Accumulated other comprehensive loss	(53,564)	(42,313)
Total shareholders' equity	2,565,754	2,743,190
Total liabilities and shareholders' equity	\$6,843,992	\$6,758,993

See accompanying Notes to Consolidated Financial Statements.

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Statements of Earnings

(in thousands, except per share data)

(unaudited)

	Three Months Ended		Nine Months Ended	
	November 28, 2015	November 29, 2014	November 28, 2015	November 29, 2014
Net sales	\$2,952,031	\$2,942,980	\$8,685,995	\$8,544,583
Cost of sales	1,836,720	1,814,006	5,385,601	5,250,679
Gross profit	1,115,311	1,128,974	3,300,394	3,293,904
Selling, general and administrative expenses	822,453	776,291	2,384,073	2,271,779
Operating profit	292,858	352,683	916,321	1,022,125
Interest expense, net	18,052	19,569	63,006	31,191
Earnings before provision for income taxes	274,806	333,114	853,315	990,934
Provision for income taxes	96,990	107,706	315,370	354,521
Net earnings	\$177,816	\$225,408	\$537,945	\$636,413
Net earnings per share - Basic	\$1.10	\$1.24	\$3.26	\$3.34
Net earnings per share - Diluted	\$1.09	\$1.23	\$3.22	\$3.31
Weighted average shares outstanding - Basic	162,005	181,629	165,267	190,292
Weighted average shares outstanding - Diluted	163,582	183,794	167,116	192,463

See accompanying Notes to Consolidated Financial Statements.

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(in thousands, unaudited)

	Three Months Ended		Nine Months Ended	
	November	November	November	November
	28,	29,	28,	29,
	2015	2014	2015	2014
Net earnings	\$177,816	\$225,408	\$537,945	\$636,413
Other comprehensive income (loss):				
Change in temporary impairment of auction rate securities, net of taxes	-	205	1,186	74
Pension adjustment, net of taxes	(38)	252	(479)	700
Currency translation adjustment	(2,464)	(8,990)	(11,958)	(6,078)
Other comprehensive income (loss)	(2,502)	(8,533)	(11,251)	(5,304)
Comprehensive income	\$175,314	\$216,875	\$526,694	\$631,109

See accompanying Notes to Consolidated Financial Statements.

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(in thousands, unaudited)

	Nine Months Ended	
	November 28, 2015	November 29, 2014
Cash Flows from Operating Activities:		
Net earnings	\$537,945	\$636,413
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	193,633	179,466
Stock-based compensation	49,848	49,284
Excess tax benefit from stock-based compensation	(10,380)	(11,127)
Deferred income taxes	22,848	(27,247)
Other	740	(1,399)