

BIG 5 SPORTING GOODS Corp
Form 10-Q
August 03, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended July 3, 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: 000-49850

BIG 5 SPORTING GOODS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 95-4388794
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

2525 East El Segundo Boulevard

El Segundo, California 90245
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (310) 536-0611

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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.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

There were 22,024,360 shares of common stock, with a par value of \$0.01 per share outstanding as of July 27, 2016.

BIG 5 SPORTING GOODS CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BIG 5 SPORTING GOODS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

	July 3, 2016	January 3, 2016
ASSETS		
Current assets:		
Cash	\$8,145	\$7,119
Accounts receivable, net of allowances of \$37 and \$61, respectively	13,314	14,180
Merchandise inventories, net	304,535	299,446
Prepaid expenses	13,967	12,185
Total current assets	339,961	332,930
Property and equipment, net	79,180	82,036
Deferred income taxes	21,551	23,402
Other assets, net of accumulated amortization of \$1,332 and \$1,244, respectively	2,186	2,228
Goodwill	4,433	4,433
Total assets	\$447,311	\$445,029
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$104,730	\$89,961
Accrued expenses	59,989	69,524
Current portion of capital lease obligations	1,239	1,435
Total current liabilities	165,958	160,920
Deferred rent, less current portion	18,137	19,516
Capital lease obligations, less current portion	1,826	2,392
Long-term debt	57,387	54,846
Other long-term liabilities	9,259	8,524
Total liabilities	252,567	246,198
Commitments and contingencies		
Stockholders' equity:		
Common stock, 0.01 par value, authorized 50,000,000 shares; issued 24,673,077 and 24,562,799 shares, respectively; outstanding 22,024,360 and 21,917,982 shares, respectively	247	246
Additional paid-in capital	112,670	112,236
Retained earnings	114,513	118,998
Less: Treasury stock, at cost; 2,648,717 and 2,644,817 shares, respectively	(32,686)	(32,649)
Total stockholders' equity	194,744	198,831
Total liabilities and stockholders' equity	\$447,311	\$445,029

See accompanying notes to unaudited condensed consolidated financial statements.

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BIG 5 SPORTING GOODS CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	13 Weeks Ended		26 Weeks Ended	
	July 3,	June 28,	July 3,	June 28,
	2016	2015	2016	2015
Net sales	\$241,409	\$240,407	\$475,937	\$483,962
Cost of sales	165,152	163,131	328,715	330,002
Gross profit	76,257	77,276	147,222	153,960
Selling and administrative expense	72,259	72,653	143,478	145,115
Operating income	3,998	4,623	3,744	8,845
Interest expense	429	412	881	815
Income before income taxes	3,569	4,211	2,863	8,030
Income taxes	1,445	1,633	1,858	3,138
Net income	\$2,124	\$2,578	\$1,005	\$4,892
Earnings per share:				
Basic	\$0.10	\$0.12	\$0.05	\$0.22
Diluted	\$0.10	\$0.12	\$0.05	\$0.22
Dividends per share	\$0.125	\$0.10	\$0.25	\$0.20
Weighted-average shares of common stock outstanding:				