

FIVE BELOW, INC
Form 10-Q
June 03, 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 April 30, 2016.

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: 001-35600

Five Below, Inc.
(Exact name of Registrant as Specified in its Charter)

Pennsylvania 75-3000378
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

1818 Market Street, Suite 2000
Philadelphia, PA 19103
(Address of Principal Executive Offices) (Zip Code)
(215) 546-7909
(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):

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

The number of shares of the registrant's common stock, \$0.01 par value, outstanding as of June 2, 2016 was 54,725,136.

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PART I - FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

FIVE BELOW, INC.

Consolidated Balance Sheets

(Unaudited)

(in thousands, except share and per share data)

	April 30, 2016	January 30, 2016	May 2, 2015
Assets			
Current assets:			
Cash and cash equivalents	\$25,774	\$53,081	\$52,391
Short-term investment securities	55,851	46,335	—
Inventories	156,300	148,370	119,820
Prepaid income taxes	4,411	1,341	6,941
Prepaid expenses and other current assets	21,620	15,618	16,736
Total current assets	263,956	264,745	195,888
Property and equipment, net of accumulated depreciation and amortization of \$80,522, \$74,395 and \$63,573, respectively.	123,765	119,784	98,134
Deferred income taxes	8,720	8,507	8,533
Other assets	278	258	293
	\$396,719	\$393,294	\$302,848
Liabilities and Shareholders' Equity			
Current liabilities:			
Line of credit	\$—	\$—	\$—
Accounts payable	57,784	58,225	42,146
Income taxes payable	802	11,942	253
Accrued salaries and wages	5,672	7,661	4,590
Other accrued expenses	28,777	24,368	30,463
Total current liabilities	93,035	102,196	77,452
Deferred rent and other	49,367	46,617	43,659
Total liabilities	142,402	148,813	121,111
Commitments and contingencies (note 4)			
Shareholders' equity:			
Common stock, \$0.01 par value. Authorized 120,000,000 shares; issued and outstanding 54,724,935, 54,590,641 and 54,478,408 shares, respectively.	547	546	545
Additional paid-in capital	309,599	306,522	297,181
Accumulated deficit	(55,829)	(62,587)	(115,989)
Total shareholders' equity	254,317	244,481	181,737
	\$396,719	\$393,294	\$302,848

See accompanying notes to consolidated financial statements.

FIVE BELOW, INC.

Consolidated Statements of Operations

(Unaudited)

(in thousands, except share and per share data)

	Thirteen Weeks Ended	
	April 30, 2016	May 2, 2015
Net sales	\$192,715	\$153,727
Cost of goods sold	132,448	106,566
Gross profit	60,267	47,161
Selling, general and administrative expenses	49,515	40,140
Operating income	10,752	7,021
Interest income (expense), net	74	(9)
Income before income taxes	10,826	7,012
Income tax expense	4,068	2,734
Net income	\$6,758	\$4,278
Basic income per common share	\$0.12	\$0.08
Diluted income per common share	\$0.12	\$0.08
Weighted average shares outstanding:		
Basic shares	54,681,646	54,448,634
Diluted shares	54,964,890	54,717,146

See accompanying notes to consolidated financial statements.

FIVE BELOW, INC.

Consolidated Statement of Shareholders' Equity

(Unaudited)

(in thousands, except share data)