

Burlington Stores, Inc.
Form 10-Q
August 24, 2017

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 29, 2017

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 001-36107

BURLINGTON STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware	80-0895227
(State or Other Jurisdiction of	(I.R.S. Employer
Incorporation or Organization)	Identification No.)
2006 Route 130 North	
Burlington, New Jersey	08016
(Address of Principal Executive Offices)	(Zip Code)

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Registrant's Telephone Number, Including Area Code: (609) 387-7800

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 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 the definitions 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 (Do not check if a smaller reporting company) 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

The registrant had 68,972,042 shares of common stock outstanding as of July 29, 2017.

BURLINGTON STORES, INC.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

BURLINGTON STORES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(All amounts in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
REVENUES:				
Net sales	\$1,363,224	\$1,255,053	\$2,709,769	\$2,537,723
Other revenue	5,756	5,663	11,430	11,877
Total revenue	1,368,980	1,260,716	2,721,199	2,549,600
COSTS AND EXPENSES:				
Cost of sales	808,126	757,622	1,604,522	1,526,303
Selling, general and administrative expenses	437,196	407,102	858,052	810,487
Costs related to debt amendments	—	1,346	—	1,346
Stock option modification expense	42	178	105	414
Depreciation and amortization	48,700	44,613	96,712	90,158
Impairment charges - long-lived assets	988	—	988	109
Other income - net	(3,680)	(1,717)	(5,586)	(5,886)
Loss on extinguishment of debt	—	3,805	—	3,805
Interest expense	14,544	15,084	28,058	30,036
Total costs and expenses	1,305,916	1,228,033	2,582,851	2,456,772
Income before income tax expense	63,064	32,683	138,348	92,828
Income tax expense	16,162	12,289	39,078	34,920
Net income	\$46,902	\$20,394	\$99,270	\$57,908
Net income per common share:				
Common stock - basic	\$0.68	\$0.29	\$1.44	\$0.82
Common stock - diluted	\$0.66	\$0.28	\$1.40	\$0.80
Weighted average number of common shares:				
Common stock - basic	68,807	70,757	69,070	70,962
Common stock - diluted	70,801	71,987	71,153	72,205

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(All amounts in thousands)

	Three Months		Six Months Ended	
	Ended July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Net income	\$46,902	\$20,394	\$99,270	\$57,908
Other comprehensive income (loss), net of tax:				
Interest rate cap contracts:				
Net unrealized (losses) arising during the period	(642)	(2,142)	(1,098)	(3,293)
Reclassification into earnings during the period	895	261	1,745	418
Other comprehensive income (loss), net of tax:	253	(1,881)	647	(2,875)
Total comprehensive income	\$47,155	\$18,513	\$99,917	\$55,033

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(All amounts in thousands, except share and per share data)

	July 29, 2017	January 28, 2017	July 30, 2016
ASSETS			
Current assets:			
Cash and cash equivalents	\$32,648	\$81,597	\$30,469
Restricted cash and cash equivalents	27,800	27,800	27,800
Accounts receivable—net	58,941	43,252	41,902
Merchandise inventories	726,985	701,891	744,965
Prepaid and other current assets	102,089	73,784	86,895
Total current assets	948,463	928,324	932,031
Property and equipment—net	1,080,181	1,049,447	1,024,919
Tradenames	238,000	238,000	238,000
Favorable leases—net	201,221	213,180	226,581
Goodwill	47,064	47,064	47,064
Deferred tax assets	7,282	7,973	—
Other assets	89,557	90,495	97,659
Total assets	\$2,611,768	\$2,574,483	\$2,566,254