

Michaels Companies, Inc.
Form 10-Q
August 26, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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 July 30, 2016

Commission file number 001-36501

THE MICHAELS COMPANIES, INC.

A Delaware Corporation

IRS Employer Identification No. 37-1737959

8000 Bent Branch Drive

Irving, Texas 75063

(972) 409-1300

The Michaels Companies, Inc. (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.

The Michaels Companies, Inc. has submitted electronically and posted on its corporate website, 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).

The Michaels Companies, Inc. is a large accelerated filer.

The Michaels Companies, Inc. is not a shell company (as defined in Rule 12b-2 of the Exchange Act).

As of August 18, 2016, 205,810,700 shares of The Michaels Companies, Inc.'s common stock were outstanding.

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Part I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

THE MICHAELS COMPANIES, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands, except per share data)

(Unaudited)

	13 Weeks Ended		26 Weeks Ended	
	July 30, 2016	August 1, 2015	July 30, 2016	August 1, 2015
Net sales	\$ 1,060,353	\$ 984,270	\$ 2,219,233	\$ 2,061,870
Cost of sales and occupancy expense	669,656	610,949	1,363,785	1,246,752
Gross profit	390,697	373,321	855,448	815,118
Selling, general and administrative	302,712	275,699	620,512	571,270
Store pre-opening costs	908	1,040	2,534	3,284
Operating income	87,077	96,582	232,402	240,564
Interest expense	31,954	34,311	64,173	72,127
Losses on early extinguishments of debt and refinancing costs	405	6,072	405	6,072
Other (income) expense, net	(515)	(136)	(69)	59
Income before income taxes	55,233	56,335	167,893	162,306
Provision for income taxes				