

STAGE STORES INC
Form 10-Q/A
December 18, 2002

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION

Washington, D.C. 20549

Form 10-Q/A

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 2, 2002

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 000-21011

Stage Stores, Inc.

(Exact name of registrant as specified in its charter)

NEVADA

91-1826900

(State or other jurisdiction of

(I.R.S. Employer Identification No.)

incorporation or organization)

10201 Main Street, Houston, Texas

77025

(Address of principal executive offices)

(Zip Code)

(800) 579-2302

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

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of December 12, 2002, there were 18,899,650 shares of the registrant's common stock outstanding.

This Form 10-Q/A is being filed solely for the purpose of correcting a scrivener's error in the Condensed Consolidated Statement of Cash Flows on page 5 of the Form 10-Q originally filed on December 16, 2002. The correction changes the amount in the line captioned "Deferred income taxes and utilization of pre-reorganization deferred tax assets" for the thirty-nine weeks ended November 2, 2002 from 1,873,000 to \$9,873,000 and the related footings affected by this line in the Condensed Consolidated Statement of Cash Flows for that period. All other information contained in this Form 10-Q/A is unchanged from the Form 10-Q filed on December 16, 2002.

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In conjunction with the Company's Plan of Reorganization, on August 24, 2001, Stage Stores, Inc., a Delaware corporation, merged into its wholly-owned subsidiary, Specialty Retailers, Inc. (NV), a Nevada corporation. On the merger date, Specialty Retailers, Inc. (NV), the surviving corporation, changed its name to Stage Stores, Inc. Depending on the context and the period being referenced, Stage Stores, Inc., its affiliates and subsidiaries and their predecessors in interest will, from time-to-time, be referred to collectively as the "Company", "Stage Stores", "Predecessor Company", "Stage Delaware" or "Reorganized Company" in this Form 10-Q/A.

References to a particular year are to the Company's fiscal year which is the 52 or 53 week period ending on the Saturday closest to January 31st of the following calendar year. For example, a reference to "2001" is a reference to the fiscal year ended February 2, 2002 and a reference to "2002" is a reference to the fiscal year ending February 1, 2003. The 2001 and 2002 fiscal years consist of 52 weeks.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Stage Stores, Inc.
Condensed Consolidated Balance Sheets

(in thousands, except par values)

(unaudited)

	November 2, 2002	February 2, 2002
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ASSETS

Cash and cash equivalents	\$ 16,328	\$ 22,679
Retained interest in receivables sold	82,939	114,769
Accounts receivable, net	11,078	11,524

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Merchandise inventories	221,430	178,818
Prepaid expenses and other current assets	18,771	17,688
Total current assets	350,546	345,478
Property, equipment and leasehold improvements, net	133,565	109,612
Other assets	6,768	5,629
Total assets	\$ 490,879	\$ 460,719

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	\$ 57,293	\$ 60,417
Accrued expenses and other current liabilities	52,803	47,324
Current portion of long-term debt	210	197
Total current liabilities	110,306	107,938
Long-term debt	672	873
Other long-term liabilities	14,417	11,684
Total liabilities	125,395	120,495

Commitments and contingencies

Common stock, par value \$0.01, 50,000 shares authorized, 19,984 and 19,973 shares issued	200	200
Additional paid-in capital	326,463	318,090
Less treasury stock - at cost (1,007 shares in 2002)	(21,446)	-
Retained earnings	60,267	21,934
Stockholders' equity	365,484	340,224
Total liabilities and stockholders' equity	\$ 490,879	\$ 460,719

The accompanying notes are an integral part of this statement.

Stage Stores, Inc.
Condensed Consolidated Statements of Income
(in thousands, except earnings per share)
(unaudited)

	Reorganized Company		Predecessor Company	Reorganized Company		Predecessor Company
	Thirteen Weeks Ended November 2, 2002	Nine Weeks Ended November 3, 2001		Four Weeks Ended September 1, 2001	Thirty-Nine Weeks Ended November 2, 2002	
Net sales	\$ 204,420	\$ 125,253	\$ 70,555	\$ 618,624	\$ 125,253	\$ 461,642
Cost of sales and related buying, occupancy and distribution expenses	148,308	86,892	49,136	430,067	86,892	322,029
Gross profit	56,112	38,361	21,419	188,557	38,361	139,613

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Selling, general and administrative expenses	39,120	28,033	12,675	125,586	28,033	104,103
Store opening costs	400	56	-	808	56	-
Reorganization items and store closure costs	-	-	14,710	-	-	23,141
Fresh-start adjustments	-	-	35,249	-	-	35,249
Interest, net of income of \$52, \$83, \$22, \$175, \$83, and \$146, respectively	377	221	978	1,316	221	10,651
Income (loss) before income tax and extraordinary item	16,215	10,051	(42,193)	60,847	10,051	(33,531)
Income tax expense	6,000	3,920	5	22,514	3,920	15
Net income (loss) before extraordinary item	10,215	6,131	(42,198)	38,333	6,131	(33,546)
Extraordinary item - gain on debt discharge	-	-	265,978	-	-	265,978
Net income	\$ 10,215	\$ 6,131	\$ 223,780	\$ 38,333	\$ 6,131	\$ 232,432

Basic and Diluted earnings per share data:

Basic earnings (loss) per common share before extraordinary item