

STAGE STORES INC
Form 10-Q
September 12, 2013

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 August 3, 2013

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 1-14035

Stage Stores, Inc.
(Exact name of registrant as specified in its charter)

NEVADA 91-1826900
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

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

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 Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
o No

As of September 11, 2013, there were 31,772,456 shares of the registrant's common stock outstanding.

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References to a particular year are to Stage Stores, Inc.'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 "2012" is a reference to the fiscal year ended February 2, 2013 and a reference to "2013" is a reference to the fiscal year ending February 1, 2014. 2012 was a 53-week year and 2013 is a 52-week year.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Stage Stores, Inc.

Condensed Consolidated Balance Sheets

(in thousands, except par value)

(Unaudited)

	August 3, 2013	February 2, 2013
ASSETS		
Cash and cash equivalents	\$34,146	\$17,937
Merchandise inventories, net	442,250	413,928
Prepaid expenses and other current assets	43,743	35,467
Total current assets	520,139	467,332
Property, equipment and leasehold improvements, net	289,769	290,701
Intangible asset	14,910	14,910
Other non-current assets, net	25,399	21,928
Total assets	\$850,217	\$794,871
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$142,825	\$110,826
Accrued expenses and other current liabilities	66,672	97,246
Total current liabilities	209,497	208,072
Long-term debt obligations	56,240	11,585
Other long-term liabilities	110,290	110,344
Total liabilities	376,027	330,001
Commitments and contingencies	—	—
Common stock, par value \$0.01, 100,000 shares authorized, 32,809 and 32,014 shares issued, respectively	328	320
Additional paid-in capital	390,589	376,615
Less treasury stock - at cost, 0 and 0 shares, respectively	(898)	(701)
Accumulated other comprehensive loss	(5,946)	(6,135)
Retained earnings	90,117	94,771
Total stockholders' equity	474,190	464,870
Total liabilities and stockholders' equity	\$850,217	\$794,871

The accompanying notes are an integral part of these financial statements.

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Stage Stores, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Income

(in thousands, except per share data)

(Unaudited)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 3, 2013	July 28, 2012	August 3, 2013	July 28, 2012
Net sales	\$395,331	\$381,624	\$773,968	\$747,318
Cost of sales and related buying, occupancy and distribution expenses	279,862	266,450	568,283	538,305
Gross profit	115,469	115,174	205,685	209,013
Selling, general and administrative expenses	99,323	94,747	198,927	187,487
Store opening costs	122	583	1,094	1,528
Interest expense	708	951	1,294	1,782
Income before income tax	15,316	18,893	4,370	18,216
Income tax expense	5,709	7,231	1,619	6,972
Net income	\$9,607	\$11,662	\$2,751	\$11,244
Other comprehensive income:				
Amortization of employee benefit related costs net of tax of \$58, \$39, \$116 and \$79, respectively	94	64	189	128