

CHRISTOPHER & BANKS CORP

Form 10-Q

May 31, 2017

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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 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 No. 001-31390

CHRISTOPHER & BANKS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

06 - 1195422

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

2400 Xenium Lane North, Plymouth, Minnesota 55441

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (763) 551-5000

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 "

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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 Act). YES NO
As of May 26, 2017 there were 37,626,492 shares of the registrant's common stock outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CHRISTOPHER & BANKS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

(unaudited)

	April 29, 2017	January 28, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$28,270	\$35,006
Accounts receivable	3,953	2,549
Merchandise inventories	42,068	36,834
Prepaid expenses and other current assets	4,539	3,485
Income taxes receivable	551	516
Total current assets	79,381	78,390
Property, equipment and improvements, net	54,335	55,332
Other non-current assets:		
Deferred income taxes	331	321
Other assets	597	577
Total other non-current assets	928	898
Total assets	\$134,644	\$134,620
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$17,349	\$13,867
Accrued salaries, wages and related expenses	6,476	6,613
Accrued liabilities and other current liabilities	24,996	26,426
Total current liabilities	48,821	46,906
Non-current liabilities:		
Deferred lease incentives	8,671	9,021
Deferred rent obligations	6,625	6,576
Other non-current liabilities	2,637	822
Total non-current liabilities	17,933	16,419
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock — \$0.01 par value, 1,000 shares authorized, none outstanding	—	—
Common stock — \$0.01 par value, 74,000 shares authorized, 47,417 and 47,425 shares issued, and 37,626 and 37,634 shares outstanding at April 29, 2017 and January 28, 2017, respectively	473	473
Additional paid-in capital	126,798	126,516
Retained earnings	53,330	57,017
Common stock held in treasury, 9,791 shares at cost at April 29, 2017 and January 28, 2017	(112,711)	(112,711)
Total stockholders' equity	67,890	71,295
Total liabilities and stockholders' equity	\$134,644	\$134,620

See Notes to Condensed Consolidated Financial Statements

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	Thirteen Weeks Ended	
	April 29, 2017	April 30, 2016
Net sales	\$ 88,556	\$ 100,033
Merchandise, buying and occupancy costs	58,018	62,321
Gross profit	30,538	37,712
Other operating expenses:		
Selling, general and administrative	30,974	35,477
Depreciation and amortization	3,099	3,022
Impairment of store assets	70	168
Total other operating expenses	34,143	38,667
Operating loss	(3,605) (955
Interest expense, net)