

BIG 5 SPORTING GOODS CORP
Form 10-Q
October 30, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 29, 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: 000-49850

BIG 5 SPORTING GOODS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

95-4388794
(I.R.S. Employer Identification No.)

2525 East El Segundo Boulevard

El Segundo, California
(Address of Principal Executive Offices)

90245
(Zip Code)

Registrant's telephone number, including area code: (310) 536-0611

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

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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.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

There were 22,291,906 shares of common stock, with a par value of \$0.01 per share outstanding as of October 23, 2013.

Table of Contents

BIG 5 SPORTING GOODS CORPORATION

INDEX

	Page
<u>PART I FINANCIAL INFORMATION</u>	
Item 1 <u>Financial Statements</u>	
<u>Unaudited Condensed Consolidated Balance Sheets at September 29, 2013 and December 30, 2012</u>	3
<u>Unaudited Condensed Consolidated Statements of Operations for the Thirteen and Thirty-Nine Weeks Ended September 29, 2013 and September 30, 2012</u>	4
<u>Unaudited Condensed Consolidated Statements of Stockholders' Equity for the Thirty-Nine Weeks Ended September 29, 2013 and September 30, 2012</u>	5
<u>Unaudited Condensed Consolidated Statements of Cash Flows for the Thirty-Nine Weeks Ended September 29, 2013 and September 30, 2012</u>	6
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	7
<u>Report of Independent Registered Public Accounting Firm</u>	21
Item 2 <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
Item 3 <u>Quantitative and Qualitative Disclosures About Market Risk</u>	35
Item 4 <u>Controls and Procedures</u>	35
<u>PART II OTHER INFORMATION</u>	
Item 1 <u>Legal Proceedings</u>	36
Item 1A <u>Risk Factors</u>	37
Item 2 <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
Item 3 <u>Defaults Upon Senior Securities</u>	37
Item 4 <u>Mine Safety Disclosures</u>	37
Item 5 <u>Other Information</u>	37
Item 6 <u>Exhibits</u>	38
<u>SIGNATURES</u>	39

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****BIG 5 SPORTING GOODS CORPORATION****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands, except share amounts)

	September 29, 2013	December 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,931	\$ 7,635
Accounts receivable, net of allowances of \$135 and \$99, respectively	11,398	15,297
Merchandise inventories, net	287,939	270,350
Prepaid expenses	9,052	8,784
Deferred income taxes	10,696	9,905
Total current assets	324,016	311,971
Property and equipment, net	73,111	72,089
Deferred income taxes	14,241	14,795
Other assets, net of accumulated amortization of \$828 and \$637, respectively	3,255	3,372
Goodwill	4,433	4,433
Total assets	\$ 419,056	\$ 406,660
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 96,562	\$ 92,688
Accrued expenses	64,046	67,553
Current portion of capital lease obligations	1,714	1,720
Total current liabilities	162,322	161,961
Deferred rent, less current portion	20,768	21,386
Capital lease obligations, less current portion	1,885	2,855
Long-term debt	37,939	47,461
Other long-term liabilities	8,858	8,577
Total liabilities	231,772	242,240
Commitments and contingencies		
Stockholders equity:		
Common stock, \$0.01 par value, authorized 50,000,000 shares; issued 24,332,942 and 23,783,084 shares, respectively; outstanding 22,291,106 and 21,741,248 shares, respectively	244	238
Additional paid-in capital	109,376	102,658
Retained earnings	103,604	87,464
Less: Treasury stock, at cost; 2,041,836 shares	(25,940)	(25,940)
Total stockholders equity	187,284	164,420

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Total liabilities and stockholders' equity	\$ 419,056	\$ 406,660
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See accompanying notes to unaudited condensed consolidated financial statements.

- 3 -

Table of Contents**BIG 5 SPORTING GOODS CORPORATION****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share data)

	13 Weeks Ended		39 Weeks Ended	
	September 29, 2013	September 30, 2012	September 29, 2013	September 30, 2012
Net sales	\$ 259,121	\$ 251,774	\$ 745,286	\$ 696,882
Cost of sales	171,331	167,901	497,348	472,505
Gross profit	87,790	83,873	247,938	224,377
Selling and administrative expense	72,432	70,384	209,540	205,560
Operating income	15,358	13,489	38,398	18,817
Interest expense	395	469	1,266	1,645
Income before income taxes	14,963	13,020	37,132	17,172
Income taxes	5,825	4,851	14,376	6,289
Net income	\$ 9,138	\$ 8,169	\$ 22,756	\$ 10,883
Earnings per share:				
Basic	\$ 0.42	\$ 0.38	\$ 1.05	\$ 0.51
Diluted	\$ 0.41	\$ 0.38	\$ 1.03	\$ 0.50
Dividends per share	\$ 0.10	\$ 0.075	\$ 0.30	\$ 0.225
Weighted-average shares of common stock outstanding:				
Basic	21,933	21,325	21,700	21,413
Diluted	22,231	21,480	22,032	21,588

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents**BIG 5 SPORTING GOODS CORPORATION****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY**

(In thousands, except share amounts)

	Common Stock		Additional	Retained	Treasury	Total
	Shares	Amount	Paid-In	Earnings	Stock, At Cost	
Balance at January 1, 2012	21,890,970	\$ 235	\$ 99,665	\$ 79,037	\$ (22,347)	\$ 156,590
Net income				10,883		10,883
Dividends on common stock (\$0.225 per share)				(4,871)		(4,871)
Issuance of nonvested share awards	145,100	1	(1)			
Exercise of share option awards	20,250		97			97
Share-based compensation			1,317			1,317
Tax deficiency from share-based awards activity			(231)			(231)
Forfeiture of nonvested share awards	(10,050)					
Retirement of common stock for payment of withholding tax	(36,011)		(282)			(282)
Purchases of treasury stock	(408,991)				(3,195)	(3,195)
Balance at September 30, 2012	21,601,268	\$ 236	\$ 100,565	\$ 85,049	\$ (25,542)	\$ 160,308

Balance at December 30, 2012