

Zumiez Inc
Form 10-Q
December 07, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C.

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED OCTOBER 31, 2009

OR

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

Commission file number 000-51300

ZUMIEZ INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)

91-1040022
(I.R.S. Employer Identification No.)

6300 Merrill Creek Parkway, Suite B, Everett, WA 98203

(Address of principal executive offices) (Zip Code)

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Registrant's telephone number, including area code: **(425) 551-1500**

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 or a smaller reporting company. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act). (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

Number of shares of Common Stock outstanding as of December 7, 2009 was 30,254,949 shares.

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Exhibit 31.2

Exhibit 32.1

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ZUMIEZ INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	October 31, 2009 (Unaudited)	January 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 10,489	\$ 33,057
Marketable securities	71,315	45,525
Receivables	7,879	4,555
Inventory	76,381	51,974
Prepaid expenses and other	6,404	5,614
Deferred tax assets	2,995	2,588
Total current assets	175,463	143,313
Leasehold improvements and equipment, net	71,819	73,932
Goodwill and other intangibles	13,198	13,236
Marketable securities - long-term	832	1,767
Deferred tax assets	4,595	1,101
Total long-term assets	90,444	90,036
Total assets	\$ 265,907	\$ 233,349
Liabilities and Shareholders Equity		
Current liabilities		
Trade accounts payable	\$ 33,748	\$ 15,909
Accrued payroll and payroll taxes	6,133	4,739
Income taxes payable	2,705	238
Current portion of deferred rent and tenant allowances	3,368	2,682
Other accrued liabilities	8,315	7,653
Total current liabilities	54,269	31,221
Long-term deferred rent and tenant allowances, less current portion	27,632	24,000
Other long-term liabilities	1,310	177
Total long-term liabilities	28,942	24,177
Total liabilities	83,211	55,398
Commitments and contingencies (Note 3)		
Shareholders equity		
Preferred stock, no par value, 20,000,000 shares authorized; none issued and outstanding		
Common stock, no par value, 50,000,000 shares authorized; 30,254,949 shares issued and outstanding at October 31, 2009, 29,533,067 shares issued and outstanding at January 31, 2009	80,227	75,789
Accumulated other comprehensive income	95	117
Retained earnings	102,374	102,045
Total shareholders equity	182,696	177,951
Total liabilities and shareholders equity	\$ 265,907	\$ 233,349

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 31, 2009	November 1, 2008	October 31, 2009	November 1, 2008
Net sales	\$ 113,192	\$ 112,245	\$ 275,169	\$ 283,205
Cost of goods sold	73,093	72,982	188,527	189,279
Gross profit	40,099	39,263	86,642	93,926
Selling, general and administrative expenses	31,742	28,879	86,950	78,004
Operating profit (loss)	8,357	10,384	(308)	15,922
Interest income, net	161	576	825	1,660
Other Income	5	36	5	36
Earnings before income taxes	8,523	10,996	522	17,618
Provision for income taxes	3,450	4,178	193	6,711
Net income	\$ 5,073	\$ 6,818	\$ 329	\$ 10,907
Basic net income per share	\$ 0.17	\$ 0.23	\$ 0.01	\$ 0.37
Diluted net income per share	\$ 0.17	\$ 0.23	\$ 0.01	\$ 0.37
Weighted average shares used in computation of earnings per share:				
Basic	29,562,733	29,172,869	29,457,792	29,086,196
Diluted	30,243,944	29,373,990	30,038,982	29,394,416

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

(in thousands)
(Unaudited)

	Common Stock Shares	Common Stock Amount	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance at January 31, 2009	29,533	\$ 75,789	\$ 117	\$ 102,045	\$ 177,951
Common stock issued through employee stock benefit plans, including tax benefit of \$671	722	1,407			1,407
Stock-based compensation expense		3,031			3,031
Unrealized losses, net of tax benefit of \$14			(22)		(22)
Net income				329	329
Balance at October 31, 2009	30,255	\$ 80,227	\$ 95	\$ 102,374	\$ 182,696

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

Nine Months Ended