

CHICOS FAS INC

Form 10-Q

November 29, 2018

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

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

**For the Quarter Ended: Commission File Number:
November 3, 2018 001-16435**

Chico's FAS, Inc.
(Exact name of registrant as specified in charter)

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CHICO'S FAS, INC. AND SUBSIDIARIES
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FOR THE
FISCAL THIRTEEN AND THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2018
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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CHICO'S FAS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	Thirteen Weeks Ended				Thirty-Nine Weeks Ended			
	November 3, 2018		October 28, 2017		November 3, 2018		October 28, 2017	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Net Sales	\$499,877	100.0 %	\$532,287	100.0 %	\$1,606,412	100.0 %	\$1,694,596	100.0 %
Cost of goods sold	318,899	63.8	335,585	63.0	1,001,699	62.4	1,051,380	62.0
Gross Margin	180,978	36.2	196,702	37.0	604,713	37.6	643,216	38.0
Selling, general and administrative expenses	178,394	35.7	171,424	32.3	538,902	33.5	527,605	31.2
Income from Operations	2,584	0.5	25,278	4.7	65,811	4.1	115,611	6.8
Interest income (expense), net	97	0.0	(388)	0.0	(458)	0.0	(1,286)	(0.1)
Income before Income Taxes	2,681	0.5	24,890	4.7	65,353	4.1	114,325	6.7
Income tax (benefit) provision	(3,800)	(0.8)	8,200	1.6	13,100	0.8	41,300	2.4
Net Income	\$6,481	1.3 %	\$16,690	3.1 %	\$52,253	3.3 %	\$73,025	4.3 %
Per Share Data:								
Net income per common share–basic	\$0.05		\$0.13		\$0.41		\$0.57	
Net income per common and common equivalent share–diluted	\$0.05		\$0.13		\$0.41		\$0.57	
Weighted average common shares outstanding–basic	122,201		124,957		124,069		125,550	
Weighted average common and common equivalent shares outstanding–diluted	122,273		124,989		124,120		125,591	

The accompanying notes are an integral part of these condensed consolidated statements.

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CHICO'S FAS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 30,	October 28,	November 3,	October 28,
	2018	2017	2018	2017
Net Income	\$6,481	\$16,690	\$52,253	\$73,025
Other comprehensive income:				
Unrealized (losses) gains on marketable securities, net of taxes	(1)	(47)	54	(15)
Foreign currency translation (losses) gains	(388)	(60)	(475)	49
Comprehensive Income	\$6,092	\$16,583	\$51,832	\$73,059

The accompanying notes are an integral part of these condensed consolidated statements.

Table of Contents**CHICO'S FAS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)
(In thousands)**

	November 3, 2018	February 3, 2018	October 28, 2017
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 169,380	\$ 160,071	\$ 125,646
Marketable securities, at fair value	59,484	60,060	60,411
Inventories	266,100	233,726	265,023
Prepaid expenses and other current assets	62,167	60,668	48,876
Total Current Assets	557,131	514,525	499,956
Property and Equipment, net	385,387	421,038	424,961
Other Assets:			
Goodwill	96,774		