

CHRISTOPHER & BANKS CORP

Form 10-Q

June 01, 2018

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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 May 5, 2018

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 25, 2018 there were 38,075,509 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)

	May 5, 2018	February 3, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$18,073	\$23,077
Accounts receivable	4,661	2,626
Merchandise inventories	46,380	41,361
Prepaid expenses and other current assets	4,806	2,715
Income taxes receivable	218	172
Total current assets	74,138	69,951
Property, equipment and improvements, net	40,302	47,773
Other non-current assets:		
Deferred income taxes	597	597
Other assets	1,068	1,043
Total other non-current assets	1,665	1,640
Total assets	\$116,105	\$119,364
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$18,622	\$20,825
Accrued salaries, wages and related expenses	3,538	5,309
Accrued liabilities and other current liabilities	23,226	26,201
Total current liabilities	45,386	52,335
Non-current liabilities:		
Deferred lease incentives	7,366	7,762
Deferred rent obligations	6,458	6,621
Other non-current liabilities	9,477	2,237
Total non-current liabilities	23,301	16,620
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, 47,868 and 47,625 shares issued, and 38,078 and 37,834 shares outstanding at May 5, 2018 and February 3, 2018, respectively	478	475
Additional paid-in capital	127,993	127,652
Retained earnings	31,658	34,993
Common stock held in treasury, 9,791 shares at cost at May 5, 2018 and February 3, 2018	(112,711)	(112,711)
Total stockholders' equity	47,418	50,409
Total liabilities and stockholders' equity	\$116,105	\$119,364

See Notes to Condensed Consolidated Financial Statements

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CHRISTOPHER & BANKS CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
 (in thousands, except per share data)
 (unaudited)

	Thirteen Weeks Ended	
	May 5, 2018	April 29, 2017
Net sales	\$85,901	\$88,556
Merchandise, buying and occupancy costs	58,557	58,018
Gross profit	27,344	30,538
Other operating expenses:		
Selling, general and administrative	29,746	30,974
Depreciation and amortization	2,816	3,099
Impairment of store assets	—	70
Total other operating expenses	32,562	34,143
Operating loss	(5,218)	(3,605)
Interest expense, net	(58))