

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 1, 2022

Zumiez Inc.

(Exact name of registrant as specified in its charter)

Washington

(State or Other Jurisdiction of Incorporation)

000-51300

(Commission File Number)

91-1040022

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

**4001 204th Street SW
Lynnwood, Washington 98036**

(Address of Principal Executive Offices) (Zip Code)

(425) 551-1500

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| Common Stock | ZUMZ | Nasdaq Global Select |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

Item 2.02. Results of Operations and Financial Condition.

On December 01, 2022, Zumiez Inc. issued a press release (the "Press Release") reporting its financial results for the third quarter ended October 29, 2022, a copy of which is attached hereto as Exhibit 99.1 and the contents of which are incorporated herein by this reference.

In accordance with General Instruction B.2. of Form 8-K, the information contained in this report and the Press Release shall not be deemed "Filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

[99.1](#) [Press Release dated December 1, 2022](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Zumiez Inc.

Date: December 1, 2022

By: /s/ Richard M. Brooks
Richard M. Brooks
Chief Executive Officer

Zumiez Inc. Announces Fiscal 2022 Third Quarter Results

LYNNWOOD, Wash., Dec. 01, 2022 (GLOBE NEWSWIRE) -- Zumiez Inc. (NASDAQ: ZUMZ) a leading specialty retailer of apparel, footwear, equipment and accessories for young men and women, today reported results for the third quarter ended October 29, 2022.

Net sales for the third quarter ended October 29, 2022 (13 weeks) decreased 17.9% to \$237.6 million from \$289.5 million in the third quarter ended October 30, 2021 (13 weeks). Net income in the third quarter of fiscal 2022 was \$6.9 million, or \$0.36 per diluted share, compared to net income of \$30.7 million, or \$1.25 per diluted share, in the third quarter of the prior fiscal year.

Total net sales for the nine months (39 weeks) ended October 29, 2022 decreased 19.0% to \$678.3 million from \$837.2 million reported for the nine months (39 weeks) ended October 30, 2021. Net income for the first nine months of 2022 was \$9.6 million, or \$0.49 per diluted share, compared to net income for the first nine months of fiscal 2021 of \$81.1 million, or \$3.20 per diluted share.

At October 29, 2022, the Company had cash and current marketable securities of \$141.1 million compared to cash and current marketable securities of \$338.1 million at October 30, 2021. The decrease was driven by share repurchases of \$183.1 million and capital expenditures of \$24.7 million over this time period, partially offset by cash generated through operations.

Rick Brooks, Chief Executive Officer of Zumiez Inc., stated, "We are managing through a challenging operating environment and our recent performance reflects the emergence of multiple headwinds since the year ago period led by a pullback in consumer discretionary spending, inflation driven cost and expense pressures, an increasingly promotional marketplace, a war in Eastern Europe and the anniversary of some strong trends that drove our business during the pandemic. At the same time, our growth in Europe and Australia is being offset on a reported basis due to unfavorable movements in foreign currency. While we are disappointed with the change in our results year-over-year, I am encouraged with how our teams are managing the business in light of the current challenges. Like we have done during similar economic times, we are prudently balancing the protection of near-term profitability while investing in our people and the key projects that will continue to deliver our distinct merchandise and world-class customer service that has been the foundation of Zumiez' long-term success."

Fourth Quarter To-Date

Total fourth quarter-to-date total sales for the 31 days ending November 29, 2022 decreased 23.9%, compared with the same 31-day time period in the prior year ended November 30, 2021. Total comparable sales for the 31-day period ending November 29, 2022 decreased 24.8% from the comparable period in the prior year.

Fiscal 2022 Fourth Quarter Outlook

The Company is introducing guidance for the three months ending January 28, 2023. Net sales are projected to be in the range of \$258 to \$265 million. Consolidated operating margins are expected to be between 3.4% and 4.7% resulting in earnings per diluted share of approximately \$0.36 to \$0.51. The Company currently intends to open approximately 33 new stores in fiscal 2022, including up to 16 stores in North America, 13 stores in Europe and 4 stores in Australia.

Conference call Information

To access the conference call, please pre-register using this link (registration link). Registrants will receive confirmation with dial-in details. The conference call will also be available to interested parties through a live webcast at <https://ir.zumiez.com>. To avoid delays, we encourage participants to dial into the conference call fifteen minutes ahead of the scheduled start time. A replay of the webcast will also be available for a limited time at <https://ir.zumiez.com>.

About Zumiez Inc.

Zumiez is a leading specialty retailer of apparel, footwear, accessories and hardgoods for young men and women who want to express their individuality through the fashion, music, art and culture of action sports, streetwear, and other unique lifestyles. As of November 26, 2022, we operated 763 stores, including 615 in the United States, 52 in Canada, 75 in Europe and 21 in Australia. We operate under the names Zumiez, Blue Tomato and Fast Times. Additionally, we operate ecommerce web sites at zumiez.com, zumiez.ca, blue-tomato.com and fasttimes.com.au.

Safe Harbor Statement

Certain statements in this press release and oral statements relating thereto made from time to time by representatives of the Company may constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. These statements include, without limitation, predictions and guidance relating to the Company's future financial performance, brand and product category diversity, ability to adjust product mix, integration of acquired businesses, growing customer demand for our products and new store openings. In some cases, you can identify forward-looking statements by terminology such as, "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. These forward-looking statements are based on management's current expectations but they involve a number of risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of risks and uncertainties, which include, without limitation, those described in the Company's annual report on Form 10-K for the fiscal year ended January 29, 2022 as filed with the Securities and Exchange Commission and available at www.sec.gov. You are urged to consider

these factors carefully in evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. The forward-looking statements speak only as of the date on which they are made and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Company Contact:

Darin White
 Director of Finance &
 Investor Relations
 Zumiez Inc.
 (425) 551-1500, ext. 1337

Investor Contact:

ICR
 Brendon Frey
 (203) 682-8200

ZUMIEZ INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share amounts)
 (Unaudited)

| | Three Months Ended | | | |
|--|-----------------------------|-------------------|-----------------------------|-------------------|
| | October 29, 2022 | % of Sales | October 30, 2021 | % of Sales |
| Net sales | \$ 237,591 | 100.0% | \$ 289,455 | 100.0% |
| Cost of goods sold | 155,608 | 65.5% | 174,791 | 60.4% |
| Gross profit | 81,983 | 34.5% | 114,664 | 39.6% |
| Selling, general and administrative expenses | 71,544 | 30.1% | 74,822 | 25.8% |
| Operating profit | 10,439 | 4.4% | 39,842 | 13.8% |
| Interest income, net | 428 | 0.1% | 893 | 0.3% |
| Other (expense) income, net | (1,256) | -0.5% | 468 | 0.1% |
| Earnings before income taxes | 9,611 | 4.0% | 41,203 | 14.2% |
| Provision for income taxes | 2,679 | 1.1% | 10,501 | 3.6% |
| Net income | <u>\$ 6,932</u> | <u>2.9%</u> | <u>\$ 30,702</u> | <u>10.6%</u> |
| Basic earnings per share | <u>\$ 0.36</u> | | <u>\$ 1.26</u> | |
| Diluted earnings per share | <u>\$ 0.36</u> | | <u>\$ 1.25</u> | |
| Weighted average shares used in computation of earnings per share: | | | | |
| Basic | 19,101 | | 24,284 | |
| Diluted | 19,248 | | 24,629 | |

| | Nine Months Ended | | | |
|--|-----------------------------|-------------------|-----------------------------|-------------------|
| | October 29, 2022 | % of Sales | October 30, 2021 | % of Sales |
| Net sales | \$ 678,270 | 100.0% | \$ 837,190 | 100.0% |
| Cost of goods sold | 448,861 | 66.2% | 514,393 | 61.4% |
| Gross profit | 229,409 | 33.8% | 322,797 | 38.6% |
| Selling, general and administrative expenses | 213,519 | 31.5% | 216,722 | 25.9% |
| Operating profit | 15,890 | 2.3% | 106,075 | 12.7% |
| Interest income, net | 1,279 | 0.2% | 2,833 | 0.3% |
| Other (expense) income, net | (850) | -0.1% | 571 | 0.1% |
| Earnings before income taxes | 16,319 | 2.4% | 109,479 | 13.1% |
| Provision for income taxes | 6,717 | 1.0% | 28,394 | 3.4% |
| Net income | <u>\$ 9,602</u> | <u>1.4%</u> | <u>\$ 81,085</u> | <u>9.7%</u> |
| Basic earnings per share | <u>\$ 0.50</u> | | <u>\$ 3.26</u> | |
| Diluted earnings per share | <u>\$ 0.49</u> | | <u>\$ 3.20</u> | |
| Weighted average shares used in computation of earnings per share: | | | | |
| Basic | 19,239 | | 24,905 | |

ZUMIEZ INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

| | October 29, 2022 | January 29, 2022 | October 30, 2021 |
|--|-------------------|---------------------|-------------------|
| | (Unaudited) | | (Unaudited) |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 49,336 | \$ 117,223 | \$ 75,545 |
| Marketable securities | 91,776 | 177,260 | 262,541 |
| Receivables | 19,824 | 14,427 | 22,107 |
| Inventories | 177,205 | 128,728 | 175,108 |
| Prepaid expenses and other current assets | 15,166 | 10,011 | 11,633 |
| Total current assets | 353,307 | 447,649 | 546,934 |
| Fixed assets, net | 91,590 | 91,451 | 91,956 |
| Operating lease right-of-use assets | 220,420 | 230,187 | 244,777 |
| Goodwill | 52,899 | 57,560 | 59,525 |
| Intangible assets, net | 13,199 | 14,698 | 15,409 |
| Deferred tax assets, net | 6,794 | 8,659 | 7,784 |
| Other long-term assets | 11,598 | 11,808 | 11,804 |
| Total long-term assets | 396,500 | 414,363 | 431,255 |
| Total assets | \$ 749,807 | \$ 862,012 | \$ 978,189 |
| Liabilities and Shareholders' Equity | | | |
| Current liabilities | | | |
| Trade accounts payable | \$ 69,076 | \$ 55,638 | \$ 84,609 |
| Accrued payroll and payroll taxes | 20,557 | 31,209 | 27,436 |
| Operating lease liabilities | 65,236 | 63,577 | 64,389 |
| Other liabilities | 20,677 | 34,015 | 41,207 |
| Total current liabilities | 175,546 | 184,439 | 217,641 |
| Long-term operating lease liabilities | 188,818 | 204,309 | 220,524 |
| Other long-term liabilities | 4,773 | 4,946 | 8,282 |
| Total long-term liabilities | 193,591 | 209,255 | 228,806 |
| Total liabilities | 369,137 | 393,694 | 446,447 |
| Shareholders' equity | | | |
| Preferred stock, no par value, 20,000 shares authorized; none issued and outstanding | — | — | — |
| Common stock, no par value, 50,000 shares authorized; 19,490 shares issued and outstanding at October 29, 2022, 21,215 shares issued and outstanding at January 29, 2022, and 23,319 shares issued and outstanding at October 30, 2021 | 186,684 | 180,824 | 179,049 |
| Accumulated other comprehensive loss | (33,285) | (13,463) | (5,867) |
| Retained earnings | 227,271 | 300,957 | 358,560 |
| Total shareholders' equity | 380,670 | 468,318 | 531,742 |
| Total liabilities and shareholders' equity | \$ 749,807 | \$ 862,012 | \$ 978,189 |

ZUMIEZ INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | Nine Months Ended | |
|--|-------------------|------------------|
| | October 29, 2022 | October 30, 2021 |
| Cash flows from operating activities: | | |
| Net income | \$ 9,602 | \$ 81,085 |
| Adjustments to reconcile net income to net cash (used in) provided | | |

| | | |
|---|------------------|------------------|
| by operating activities: | | |
| Depreciation, amortization and accretion | 15,802 | 17,318 |
| Noncash lease expense | 50,074 | 48,131 |
| Deferred taxes | 3,441 | 2,772 |
| Stock-based compensation expense | 5,249 | 5,118 |
| Impairment of long-lived assets | 372 | 2,079 |
| Other | 1,331 | 1,204 |
| Changes in operating assets and liabilities: | | |
| Receivables | (2,317) | (3,681) |
| Inventories | (52,020) | (41,702) |
| Prepaid expenses and other assets | (5,365) | (4,275) |
| Trade accounts payable | 14,570 | 14,276 |
| Accrued payroll and payroll taxes | (10,191) | (351) |
| Income taxes payable | (1,790) | 4,253 |
| Operating lease liabilities | (56,796) | (59,099) |
| Other liabilities | (8,374) | 4,808 |
| Net cash (used in) provided by operating activities | <u>(36,412)</u> | <u>71,936</u> |
| Cash flows from investing activities: | | |
| Additions to fixed assets | (17,720) | (8,808) |
| Purchases of marketable securities and other investments | (1,914) | (151,089) |
| Sales and maturities of marketable securities and other investments | 80,051 | 186,116 |
| Net cash provided by investing activities | <u>60,417</u> | <u>26,219</u> |
| Cash flows from financing activities: | | |
| Proceeds from revolving credit facilities | 2,430 | — |
| Payments on revolving credit facilities | (2,430) | — |
| Proceeds from issuance and exercise of stock-based awards | 1,110 | 2,863 |
| Payments for tax withholdings on equity awards | (499) | (560) |
| Common stock repurchased | (87,860) | (98,520) |
| Net cash used in financing activities | <u>(87,249)</u> | <u>(96,217)</u> |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | (4,978) | (66) |
| Net (decrease) increase in cash, cash equivalents, and restricted cash | (68,222) | 1,872 |
| Cash, cash equivalents, and restricted cash, beginning of period | 124,052 | 80,690 |
| Cash, cash equivalents, and restricted cash, end of period | <u>\$ 55,830</u> | <u>\$ 82,562</u> |
| Supplemental disclosure on cash flow information: | | |
| Cash paid during the period for income taxes | \$ 5,166 | \$ 20,507 |
| Accrual for purchases of fixed assets | 1,802 | 1,851 |
| Accrual for repurchase of common stock | - | 4,034 |