

**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): March 14, 2024

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 March 14, 2024, Zumiez Inc. issued a press release (the "Press Release") reporting its financial results for the fourth quarter and fiscal year ended February 3, 2024, 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 March 14, 2024](#)

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: March 14, 2024

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

Zumiez Inc. Announces Fiscal 2023 Fourth Quarter Results

LYNNWOOD, Wash., March 14, 2024 (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 fourth quarter and fiscal year ended February 3, 2024.

Net sales for the fourth quarter ended February 3, 2024 (14 weeks) increased 0.6% to \$281.8 million from \$280.1 million in the fourth quarter ended January 28, 2023 (13 weeks). Net loss in the fourth quarter of fiscal 2023 was \$33.5 million, or \$1.73 per share, compared to net income of \$11.4 million, or \$0.59 per diluted share, in the fourth quarter of the prior fiscal year. Fiscal 2023 fourth quarter results reflect a goodwill impairment charge of \$41.1 million, or \$2.13 per share after-tax, related to the Company's decision to slow store growth and focus on profitability in Europe and the corresponding impact on the future cash flow projections of its Blue Tomato business.

Total net sales for the twelve months (53 weeks) ended February 3, 2024 decreased 8.6% to \$875.5 million from \$958.4 million reported for the twelve months (52 weeks) ended January 28, 2023. Net loss for fiscal 2023 inclusive of the \$41.1 million goodwill impairment charge was \$62.6 million, or \$3.25 per share, compared to net income for fiscal 2022 of \$21.0 million, or \$1.08 per diluted share.

At February 3, 2024, the Company had cash and current marketable securities of \$171.6 million compared to cash and current marketable securities of \$173.5 million at January 28, 2023. The slight decrease was primarily driven by capital expenditures, offset by cash flow from operating activities.

Rick Brooks, Chief Executive Officer of Zumiez Inc., stated, "We concluded a difficult year with stronger than anticipated fourth quarter results as our consolidated monthly sales trend accelerated in January. Within our recent performance, there were multiple areas that showed a marked improvement, led by our North American men's business which grew year-over-year in the fourth quarter. While we are encouraged by our stronger than anticipated fourth quarter and sustained quarterly improvements as we moved through the year, the global operating environment remains challenging and therefore we are further adjusting our strategies to balance the interests of our shareholders and customers. For 2024, this includes slowing store growth in Europe and focusing on increasing the productivity of our current footprint in the region. We are also continuing to close underperforming stores in the U.S., reducing labor costs to align with lower revenue levels, and looking to drive even greater efficiencies throughout the organization. At the same time, we'll invest to ensure we are winning with the consumer by launching new, highly sought-after brands, maintaining our best-in-class service levels, and strengthening our customer connections. We have successfully navigated down cycles before and I am confident in our teams' ability to return the Company to growth and enhanced profitability both in the near-term and the years ahead."

Fiscal First Quarter-to-Date Sales

Total first quarter-to-date sales for the four weeks ended March 2, 2024 decreased 3.1%, from the four weeks ended February 25, 2023. Comparable sales for the four weeks ended March 2, 2024 decreased 6.2% from the four weeks ended March 4, 2023. From a regional perspective, comparable sales for North America decreased 2.6% and other international comparable sales decreased 17.8%.

Fiscal 2023 First Quarter Outlook

The Company is introducing guidance for the three months ending May 4, 2024. Net sales are projected to be in the range of \$167 to \$172 million. Earnings per share are expected to be between a loss of \$1.09 and a loss of \$1.19.

The Company currently intends to open approximately 10 new stores in fiscal 2024, including up to 3 stores in North America, 3 stores in Europe and 4 stores in Australia.

Conference call Information

To access the conference call, please pre-register (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 March 2, 2024, we operated 753 stores, including 594 in the United States, 47 in Canada, 87 in Europe and 25 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 28, 2023 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.

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

| | Three Months Ended | | | |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | February 3, 2024 | % of Sales | January 28, 2023 | % of Sales |
| | (Unaudited) | | (Unaudited) | |
| Net sales | \$ 281,822 | 100.0% | 280,110 | 100.0% |
| Cost of goods sold | 185,171 | 65.7% | 184,841 | 66.0% |
| Gross profit | 96,651 | 34.3% | 95,269 | 34.0% |
| Selling, general and administrative expenses | 129,436 | 45.9% | 80,059 | 28.6% |
| Operating (loss) profit | (32,785) | -11.6% | 15,210 | 5.4% |
| Interest income, net | 941 | 0.3% | 645 | 0.2% |
| Other income (expense), net | 545 | 0.2% | 293 | 0.1% |
| (Loss) Earnings before income taxes | (31,299) | -11.1% | 16,148 | 5.8% |
| Provision for income taxes | 2,188 | 0.8% | 4,716 | 1.7% |
| Net (loss) income | \$ (33,487) | -11.9% | \$ 11,432 | 4.1% |
| Basic earnings per share | \$ (1.73) | | \$ 0.60 | |
| Diluted earnings per share | \$ (1.73) | | \$ 0.59 | |
| Weighted average shares used in computation of earnings per share: | | | | |
| Basic | 19,323 | | 19,114 | |
| Diluted | 19,323 | | 19,255 | |

| | Fiscal Year Ended | | | |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | February 3, 2024 | % of Sales | January 28, 2023 | % of Sales |
| | (Unaudited) | | (Unaudited) | |
| Net sales | \$ 875,486 | 100.0% | \$ 958,380 | 100.0% |
| Cost of goods sold | 594,596 | 67.9% | 633,702 | 66.1% |
| Gross profit | 280,890 | 32.1% | 324,678 | 33.9% |
| Selling, general and administrative expenses | 345,679 | 39.5% | 293,578 | 30.7% |
| Operating (loss) profit | (64,789) | -7.4% | 31,100 | 3.2% |
| Interest income, net | 3,522 | 0.4% | 1,924 | 0.2% |
| Other expense, net | (611) | -0.1% | (557) | -0.1% |
| (Loss) Earnings before income taxes | (61,878) | -7.1% | 32,467 | 3.4% |
| Provision for income taxes | 732 | 0.1% | 11,433 | 1.2% |
| Net (loss) income | \$ (62,610) | -7.2% | \$ 21,034 | 2.2% |
| Basic earnings per share | \$ (3.25) | | \$ 1.10 | |
| Diluted earnings per share | \$ (3.25) | | \$ 1.08 | |
| Weighted average shares used in computation of earnings per share: | | | | |
| Basic | 19,290 | | 19,208 | |
| Diluted | 19,290 | | 19,428 | |

ZUMIEZ INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

| | February 3, 2024 | January 28, 2023 |
|---|-----------------------------|-----------------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 88,875 | \$ 81,503 |
| Marketable securities | 82,704 | 91,986 |
| Receivables | 13,780 | 20,613 |
| Inventories | 128,827 | 134,824 |
| Prepaid expenses and other current assets | 12,401 | 11,252 |
| Total current assets | 326,587 | 340,178 |
| Fixed assets, net | 90,508 | 93,746 |
| Operating lease right-of-use assets | 196,775 | 222,240 |
| Goodwill | 15,374 | 56,566 |
| Intangible assets, net | 14,200 | 14,443 |
| Deferred tax assets, net | 8,623 | 8,205 |
| Other long-term assets | 12,159 | 12,525 |
| Total long-term assets | 337,639 | 407,725 |
| Total assets | \$ 664,226 | \$ 747,903 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | | |
| Trade accounts payable | \$ 38,885 | \$ 40,379 |
| Accrued payroll and payroll taxes | 18,431 | 16,321 |
| Operating lease liabilities | 60,885 | 65,460 |
| Other liabilities | 25,886 | 23,649 |
| Total current liabilities | 144,087 | 145,809 |
| Long-term operating lease liabilities | 159,877 | 188,835 |
| Other long-term liabilities | 7,052 | 5,931 |
| Total long-term liabilities | 166,929 | 194,766 |
| Total liabilities | 311,016 | 340,575 |
| Shareholders' equity | | |
| Preferred stock, no par value, 20,000 shares authorized; none issued and outstanding | — | — |
| Common stock, no par value, 50,000 shares authorized; 19,833 shares issued and outstanding at February 3, 2024 and 19,489 shares issued and outstanding at January 28, 2023 | 196,144 | 188,418 |
| Accumulated other comprehensive loss | (19,027) | (19,793) |
| Retained earnings | 176,093 | 238,703 |
| Total shareholders' equity | 353,210 | 407,328 |
| Total liabilities and shareholders' equity | \$ 664,226 | \$ 747,903 |

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

| Fiscal Year Ended | |
|--------------------------|--------------------|
| February 3, | January 28, |

| | 2024 | 2023 |
|---|------------------|------------------|
| | (Unaudited) | |
| Cash flows from operating activities: | | |
| Net (loss) income | \$ (62,610) | \$ 21,034 |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities: | | |
| Depreciation, amortization and accretion | 22,763 | 21,626 |
| Noncash lease expense | 68,164 | 67,394 |
| Deferred taxes | (1,050) | 2,485 |
| Stock-based compensation expense | 7,022 | 6,991 |
| Impairment of goodwill and long-lived assets | 43,904 | 2,081 |
| Other | 206 | 1,176 |
| Changes in operating assets and liabilities: | - | - |
| Receivables | 6,859 | (1,716) |
| Inventories | 5,809 | (5,279) |
| Prepaid expenses and other assets | (1,817) | (1,082) |
| Trade accounts payable | (907) | (15,484) |
| Accrued payroll and payroll taxes | 2,170 | (14,895) |
| Income taxes payable | 2,090 | (2,320) |
| Operating lease liabilities | (78,983) | (76,605) |
| Other liabilities | 1,135 | (5,785) |
| Net cash provided by (used in) operating activities | <u>14,755</u> | <u>(379)</u> |
| Cash flows from investing activities: | | |
| Additions to fixed assets | (20,350) | (25,627) |
| Purchases of marketable securities and other investments | (38,348) | (1,914) |
| Sales and maturities of marketable securities and other investments | 50,150 | 81,750 |
| Net cash (used in) provided by investing activities | <u>(8,548)</u> | <u>54,209</u> |
| Cash flows from financing activities: | | |
| Proceeds from revolving credit facilities | 49,440 | 22,688 |
| Payments on revolving credit facilities | (49,440) | (22,688) |
| Proceeds from issuance and exercise of stock-based awards | 704 | 1,111 |
| Payments for tax withholdings on equity awards | — | (508) |
| Common stock repurchased | — | (87,860) |
| Net cash provided by (used in) financing activities | <u>704</u> | <u>(87,257)</u> |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | (1,080) | (2,172) |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | 5,831 | (35,599) |
| Cash, cash equivalents, and restricted cash, beginning of period | 88,453 | 124,052 |
| Cash, cash equivalents, and restricted cash, end of period | <u>\$ 94,284</u> | <u>\$ 88,453</u> |
| Supplemental disclosure on cash flow information: | | |
| Cash paid during the period for income taxes | \$ 2,065 | \$ 11,309 |
| Accrual for purchases of fixed assets | 800 | 1,433 |

See accompanying notes to consolidated financial statements

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