

**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 5, 2019

**Zumiez Inc**

(Exact Name of Registrant as Specified in Charter)

**Washington**

(State or Other Jurisdiction of Incorporation)

**000-51300**

(Commission File Number)

**91-1040022**

(I.R.S. Employer Identification Number)

**4001 204th Street SW, Lynnwood, WA 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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 5, 2019, Zumiez Inc. issued a press release (the "Press Release") reporting its financial results for the third quarter ended November 2, 2019, 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 8.01. Other Events.**

On December 4, 2019, Zumiez Inc. (the "Company") approved the repurchase of up to an aggregate of \$100 million of its Common Stock (the "Repurchase Program"). The repurchases will be made from time to time on the open market at prevailing market prices. The Repurchase Program is expected to continue through the fiscal year 2020 that will end on January 30, 2021, unless the time period is extended or shortened by the Board of Directors. The Repurchase Program supersedes all previously approved and authorized stock repurchase programs.

**Item 9.01. Financial Statements and Exhibits.**

[Exhibit 99.1. Press release dated December 5, 2019](#)

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**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 5, 2019

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

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EXHIBIT INDEX

**Exhibit Number** **Description**

99.1            [Press Release dated December 5, 2019](#)

## Zumiez Inc. Announces Fiscal 2019 Third Quarter Results

**Third Quarter 2019 Comparable Sales increased 5.5%**  
**Third Quarter 2019 Diluted Earnings Per Share Increased 37.1% to \$0.75**  
**Company Raises Full Year Outlook**

LYNNWOOD, Wash., Dec. 05, 2019 (GLOBE NEWSWIRE) -- Zumiez Inc. (NASDAQ: ZUMZ) today reported results for the third quarter ended November 2, 2019.

Total net sales for the third quarter ended November 2, 2019 (13 weeks) increased 6.1% to \$264.0 million from \$248.8 million in the quarter ended November 3, 2018 (13 weeks). Comparable sales for the thirteen weeks ended November 2, 2019 increased 5.5% compared to a comparable sales increase of 4.8% for the thirteen weeks ended November 3, 2018. Net income for the third quarter of fiscal 2019 was \$19.2 million, or \$0.75 per diluted share, compared to net income of \$13.8 million, or \$0.55 per diluted share in the third quarter of the prior fiscal year.

Total net sales for the nine months (39 weeks) ended November 2, 2019 increased 4.6% to \$705.4 million from \$674.1 million reported for the nine months (39 weeks) ended November 3, 2018. Comparable sales increased 4.2% for the thirty-nine weeks ended November 2, 2019 compared to a comparable sales increase of 6.3% for the thirty-nine weeks ended November 3, 2018. Net income for the first nine months of fiscal 2019 was \$29.0 million, or \$1.14 per diluted share, compared to net income for the first nine months of the prior fiscal year of \$15.6 million, or \$0.62 per diluted share.

At November 2, 2019, the Company had cash and current marketable securities of \$178.6 million compared to cash and current marketable securities of \$127.9 million at November 3, 2018. The increase in cash and current marketable securities was driven by cash generated through operations partially offset by capital expenditures.

Rick Brooks, Chief Executive Officer of Zumiez Inc., stated, "We are very pleased with the third quarter performance and our teams continued ability to provide high-quality service to the customer. The third quarter represented our fourth consecutive strong back-to-school season, our 13<sup>th</sup> quarter of positive comparable sales gains and continued solid full price selling in each of our geographies that we operate. At the same time, the initiatives we've implemented aimed at creating efficiencies and generating savings throughout our organization contributed to our better than expected bottom line and allowed us to convert mid-single digit comparable sales into a 37.1% improvement in earnings per share. The holiday season is off to a good start and we are confident that our distinct approach to retailing combined with an operating model built around a singular cost structure has Zumiez well positioned to deliver record results in 2019 and generate increased shareholder value for years to come."

### Fiscal 2019 Fourth Quarter-to-date Sales

With the Thanksgiving holiday shifting a week later in 2019, the fiscal month of November has significant comparability issues with the prior year. Therefore, the Company is providing a comparable sales update for the period beginning November 3, 2019 through December 3, 2019 (quarter-to-date) compared with the same period in the prior year. Both years then include the full Black Friday weekend as well as Cyber Monday shipments. The Company's comparable sales increased 3.3% for the 2019 fourth quarter-to-date period through December 3, 2019 compared with the same period in the prior year ending December 4, 2018.

### Fiscal 2019 Fourth Quarter and Full Year Outlook

The Company is introducing guidance for the three months ending February 1, 2020. Net sales are projected to be in the range of \$314 to \$320 million including anticipated comparable sales growth of between 2.0% and 4.0%. Consolidated operating margins are expected to be between 12.5% and 13.0% resulting in net income per diluted share of approximately \$1.26 to \$1.32.

Based upon better than anticipated trends and performance year-to-date, the Company is raising its annual guidance. Fiscal 2019 comparable sales are now expected to increase approximately 4.0% and 4.5% compared to prior guidance of 2.0% to 4.0%. Diluted earnings per share are now projected to range from \$2.38 to \$2.46, up from previous guidance of \$2.10 to \$2.20.

### Share Repurchase Authorization:

On December 4, 2019, Zumiez Inc. approved the repurchase of up to an aggregate of \$100 million of its Common Stock (the "Repurchase Program"). The repurchases will be made from time to time on the open market at prevailing market prices. The Repurchase Program is expected to continue through the fiscal year 2020 that will end on January 30, 2021, unless the time period is extended or shortened by the Board of Directors. The Repurchase Program supersedes all previously approved and authorized stock repurchase programs.

### Conference call Information

A conference call will be held today to discuss third quarter fiscal 2019 results and will be webcast at 5:00 p.m. ET on <http://ir.zumiez.com>. Participants may also dial (574) 990-9934 followed by the conference identification code of 5856563.

### 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 30, 2019 we operated 719 stores, including 608 in the United States, 52 in Canada, 48 in Europe and 11 in Australia. We

operate under the names Zumiez, Blue Tomato and Fast Times. Additionally, we operate ecommerce web sites at zumiez.com, 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 February 2, 2019 as filed with the Securities and Exchange Commission and available at [www.sec.gov](http://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 INCOME**  
(In thousands, except per share amounts)  
(Unaudited)

	<b>Three Months Ended</b>			
	<b>November 2, 2019</b>	<b>% of Sales</b>	<b>November 3, 2018</b>	<b>% of Sales</b>
Net sales	\$ 264,022	100.0%	\$ 248,795	100.0%
Cost of goods sold	169,446	64.2%	161,922	65.1%
<b>Gross profit</b>	94,576	35.8%	86,873	34.9%
Selling, general and administrative expenses	70,266	26.6%	68,479	27.5%
<b>Operating profit</b>	24,310	9.2%	18,394	7.4%
Interest income, net	1,002	0.4%	493	0.2%
Other income (expense), net	275	0.1%	(74)	0.0%
<b>Earnings before income taxes</b>	25,587	9.7%	18,813	7.6%
Provision for income taxes	6,408	2.4%	4,990	2.0%
<b>Net income</b>	<u>\$ 19,179</u>	<u>7.3%</u>	<u>\$ 13,823</u>	<u>5.6%</u>
Basic earnings per share	<u>\$ 0.76</u>		<u>\$ 0.55</u>	
Diluted earnings per share	<u>\$ 0.75</u>		<u>\$ 0.55</u>	
Weighted average shares used in computation of earnings per share:				
Basic	25,231		24,974	
Diluted	25,560		25,261	

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

	<b>Nine Months Ended</b>			
	<b>November 2, 2019</b>	<b>% of Sales</b>	<b>November 3, 2018</b>	<b>% of Sales</b>
Net sales	\$ 705,376	100.0%	\$ 674,052	100.0%
Cost of goods sold	467,140	66.2%	452,057	67.1%
<b>Gross profit</b>	238,236	33.8%	221,995	32.9%
Selling, general and administrative expenses	201,285	28.6%	198,613	29.4%
<b>Operating profit</b>	36,951	5.2%	23,382	3.5%
Interest income, net	2,652	0.5%	1,015	0.1%
Other income (expense), net	987	0.1%	(308)	0.0%
<b>Earnings before income taxes</b>	40,590	5.8%	24,089	3.6%
Provision for income taxes	11,593	1.7%	8,496	1.3%
<b>Net income</b>	<u>\$ 28,997</u>	<u>4.1%</u>	<u>\$ 15,593</u>	<u>2.3%</u>

Basic earnings per share	\$ 1.15	\$ 0.63
Diluted earnings per share	\$ 1.14	\$ 0.62
Weighted average shares used in computation of earnings per share:		
Basic	25,173	24,920
Diluted	25,480	25,220

**ZUMIEZ INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	November 2, 2019 <u>(Unaudited)</u>	February 2, 2019	November 3, 2018 <u>(Unaudited)</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 31,929	\$ 52,422	\$ 29,640
Marketable securities	146,718	112,912	98,236
Receivables	16,790	17,776	17,521
Inventories	183,381	129,268	186,938
Prepaid expenses and other current assets	10,757	14,797	15,853
<b>Total current assets</b>	<u>389,575</u>	<u>327,175</u>	<u>348,188</u>
Fixed assets, net	115,170	120,503	123,074
Operating lease right-of-use assets	301,736	—	—
Goodwill	57,580	58,813	58,619
Intangible assets, net	14,772	15,260	15,203
Deferred tax assets, net	7,424	5,259	4,438
Other long-term assets	8,773	7,180	7,197
<b>Total long-term assets</b>	<u>505,455</u>	<u>207,015</u>	<u>208,531</u>
<b>Total assets</b>	<u>\$ 895,030</u>	<u>\$ 534,190</u>	<u>\$ 556,719</u>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Trade accounts payable	\$ 73,418	\$ 35,293	\$ 90,060
Accrued payroll and payroll taxes	21,929	21,015	21,724
Income taxes payable	3,430	5,817	2,782
Deferred rent and tenant allowances	—	7,489	7,790
Operating lease liabilities	59,742	—	—
Other liabilities	18,815	23,494	24,645
<b>Total current liabilities</b>	<u>177,334</u>	<u>93,108</u>	<u>147,001</u>
Long-term deferred rent and tenant allowances	—	37,076	37,631
Long-term operating lease liabilities	287,400	—	—
Other long-term liabilities	3,457	3,550	3,315
<b>Total long-term liabilities</b>	<u>290,857</u>	<u>40,626</u>	<u>40,946</u>
<b>Total liabilities</b>	<u>468,191</u>	<u>133,734</u>	<u>187,947</u>
<b>Shareholders' equity</b>			
Preferred stock, no par value, 20,000 shares authorized; none issued and outstanding	—	—	—
Common stock, no par value, 50,000 shares authorized; 25,805 shares issued and outstanding at November 2, 2019, 25,521 shares issued and outstanding at February 2, 2019 and 25,532 shares issued and outstanding at November 3, 2018	159,251	153,066	151,658
Accumulated other comprehensive loss	(11,747)	(9,224)	(9,888)
Retained earnings	279,335	256,614	227,002
<b>Total shareholders' equity</b>	<u>426,839</u>	<u>400,456</u>	<u>368,772</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 895,030</u>	<u>\$ 534,190</u>	<u>\$ 556,719</u>

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

	<b>Nine Months Ended</b>	
	<b>November 2, 2019</b>	<b>November 3, 2018</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 28,997	\$ 15,593
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	18,776	21,249
Noncash lease expense	42,960	—
Deferred taxes	29	(919)
Stock-based compensation expense	4,819	4,431
Other	(439)	482
Changes in operating assets and liabilities:		
Receivables	3,190	(1,680)
Inventories	(54,687)	(63,892)
Prepaid expenses and other assets	(934)	(1,904)
Trade accounts payable	38,186	53,037
Accrued payroll and payroll taxes	971	1,342
Income taxes payable	(2,586)	(2,206)
Deferred rent and tenant allowances	—	(1,564)
Operating lease liabilities	(45,512)	—
Other liabilities	(4,316)	(6,820)
<b>Net cash provided by operating activities</b>	<b>29,454</b>	<b>17,149</b>
<b>Cash flows from investing activities:</b>		
Additions to fixed assets	(13,871)	(15,683)
Purchases of marketable securities and other investments	(165,912)	(116,430)
Sales and maturities of marketable securities and other investments	132,974	115,536
<b>Net cash used in investing activities</b>	<b>(46,809)</b>	<b>(16,577)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from revolving credit facilities	—	32,776
Payments on revolving credit facilities	—	(27,651)
Proceeds from issuance and exercise of stock-based awards	1,604	899
Payments for tax withholdings on equity awards	(238)	(195)
<b>Net cash provided by financing activities</b>	<b>1,366</b>	<b>5,829</b>
<b>Effect of exchange rate changes on cash, cash equivalents, and restricted cash</b>	<b>(242)</b>	<b>(777)</b>
<b>Net (decrease) increase in cash, cash equivalents, and restricted cash</b>	<b>(16,231)</b>	<b>5,624</b>
<b>Cash, cash equivalents, and restricted cash, beginning of period</b>	<b>54,271</b>	<b>25,803</b>
<b>Cash, cash equivalents, and restricted cash, end of period</b>	<b>\$ 38,040</b>	<b>\$ 31,427</b>
<b>Supplemental disclosure on cash flow information:</b>		
Cash paid during the period for income taxes	\$ 14,024	\$ 11,893
Accrual for purchases of fixed assets	1,412	1,477

**Company Contact:**

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