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

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): April 30, 2019**

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**BIG 5 SPORTING GOODS CORPORATION**

(Exact name of registrant as specified in charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-49850**  
(Commission  
File Number)

**95-4388794**  
(IRS Employer  
Identification No.)

**2525 East El Segundo Boulevard,  
El Segundo, California**  
(Address of principal executive offices)

**90245**  
(Zip Code)

**Registrant's telephone number, including area code: (310) 536-0611**

**N/A**  
(Former name or former address, if changed since last report)

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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 (*see* General Instruction A.2):

- 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))

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.

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**Item 2.02 Results of Operations and Financial Condition.**

On April 30, 2019, Big 5 Sporting Goods Corporation issued a press release in which, among other things, it reported financial results for its fiscal 2019 first quarter. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition” and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that Section, except as specifically incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits.**

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | Press release, dated April 30, 2019, issued by Big 5 Sporting Goods Corporation. |

## Exhibit Index

Exhibit  
No.

Exhibit Description

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99.1 [Press release, dated April 30, 2019, issued by Big 5 Sporting Goods Corporation.](#)

**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.

BIG 5 SPORTING GOODS CORPORATION  
(Registrant)

Date: April 30, 2019

/s/ Barry D. Emerson

Barry D. Emerson  
Senior Vice President, Chief Financial  
Officer and Treasurer



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**Contact:**

Big 5 Sporting Goods Corporation  
Barry Emerson  
Sr. Vice President and Chief Financial Officer  
(310) 536-0611

ICR, Inc.  
John Mills  
Managing Partner  
(646) 277-1254

**BIG 5 SPORTING GOODS CORPORATION ANNOUNCES FISCAL 2019 FIRST QUARTER RESULTS**

- **Increased Same Store Sales 4.6% in Fiscal 2019 First Quarter**
- **Reduced Borrowing Levels Year-Over-Year by 34% or \$23.5 Million**
- **Declares Quarterly Cash Dividend of \$0.05 per Share**

**EL SEGUNDO, Calif., April 30, 2019** — Big 5 Sporting Goods Corporation (Nasdaq: BGFV) (the “Company”), a leading sporting goods retailer, today reported financial results for the fiscal 2019 first quarter ended March 31, 2019.

Net sales for the fiscal 2019 first quarter increased to \$245.3 million compared to net sales of \$234.2 million for the first quarter of fiscal 2018. Same store sales increased 4.6% for the first quarter of fiscal 2019. Net and same store sales comparisons year-over-year reflect a small positive impact as a result of the calendar shift of the Easter holiday, when the Company’s stores are closed, into the second quarter of fiscal 2019 from the first quarter of fiscal 2018.

Gross profit for the fiscal 2019 first quarter increased to \$75.9 million from \$72.7 million in the first quarter of the prior year. The Company’s gross profit margin was 30.9% in the fiscal 2019 first quarter versus 31.1% in the first quarter of the prior year. Merchandise margins increased one basis point for the quarter compared to the prior year period. The decrease in gross profit margin largely reflects lower distribution costs capitalized into inventory as a result of reduced inventory levels, which was offset by reduced occupancy and warehouse expense as a percentage of net sales.

Selling and administrative expense as a percentage of net sales decreased to 29.6% in the fiscal 2019 first quarter from 31.4% in the first quarter of the prior year. Overall selling and administrative expense for the quarter decreased \$0.9 million from the prior year primarily due to lower print advertising and employee benefit-related expenses, partially offset by higher store labor expense reflecting minimum wage increases as well as higher payment card transaction fees associated with the higher sales volume versus the prior year.

Net income for the first quarter of fiscal 2019 was \$1.7 million, or \$0.08 per diluted share, including a charge of \$0.02 per diluted share for the write-off of deferred tax assets related to share-based compensation. For the first quarter of fiscal 2018, net loss was \$1.3 million, or \$0.06 per share, including a \$0.01 per share charge for the write-off of deferred tax assets.

The Company's revolving credit borrowings were \$45.4 million as of the end of the fiscal 2019 first quarter, which reflects a reduction of \$23.5 million versus the same period in the prior year and a reduction of \$19.6 million compared to the end of the prior fiscal year. The Company's merchandise inventories declined 7.7% on a per-store basis as of the end of the first quarter compared to the prior year period. The resulting working capital improvements in inventory and accounts payable, as well as higher net income, drove a \$21.4 million increase in operating cash flow in the fiscal 2019 first quarter to \$12.5 million, compared to an \$8.9 million use of cash in the first quarter of fiscal 2018.

"Our strong first quarter sales resulted in solid earnings growth and allowed us to substantially strengthen our balance sheet by reducing both inventory and borrowing levels. Our model, which is built on providing the optimal mix of value, selection, service and convenience, enabled us to capitalize on favorable seasonal winter conditions and achieve a remarkable sell-down of our winter merchandise," said Steven G. Miller, the Company's Chairman, President and Chief Executive Officer. "While our current sales trends are somewhat difficult to read due to the volatility of this year's weather and the later timing of Easter this year, it appears that our business is being impacted by softness in our overall consumer environment. That said, we feel well-positioned from a merchandise and promotional perspective for the key selling period during the quarter, which includes Memorial Day, Father's Day and the start of the summer season. Given that weather was generally unfavorable last year during these periods, we believe that there exists upside opportunity over the balance of the quarter."

#### **Quarterly Cash Dividend**

The Company's Board of Directors has declared a quarterly cash dividend of \$0.05 per share of outstanding common stock, which will be paid on June 14, 2019 to stockholders of record as of May 31, 2019.

#### **Guidance**

For the fiscal 2019 second quarter, the Company expects same store sales to be in the low negative to low positive single-digit range and loss per share to be in the range of \$0.04 to \$0.12. This compares to a same store sales decrease of 2.1% and a loss per share of \$0.01 in the second quarter of fiscal 2018. Fiscal 2019 second quarter guidance reflects the combined negative impact of calendar shifts associated with the Easter holiday, during which the Company's stores are closed, from the first quarter of fiscal 2018 and into the second quarter of fiscal 2019, and with the Fourth of July holiday, which will move one day further into the third quarter this year.

## Store Openings

During the first quarter of fiscal 2019, the Company closed three stores, ending with 433 stores in operation. During the fiscal 2019 second quarter, the Company expects to open one new store. For the fiscal 2019 full year, the Company continues to anticipate opening approximately five new stores and closing approximately four stores.

## Conference Call Information

The Company will host a conference call and audio webcast today, April 30, 2019, at 2:00 p.m. Pacific (5:00 p.m. ET), to discuss financial results for the first quarter of fiscal 2019. To access the conference call, participants in North America should dial (888) 208-1711 and international participants may dial (323) 994-2082. Participants are encouraged to dial in to the conference call ten minutes prior to the scheduled start time. The call will also be broadcast live over the Internet and accessible through the Investor Relations section of the Company's website at [www.big5sportinggoods.com](http://www.big5sportinggoods.com). Visitors to the website should select the "Investor Relations" link to access the webcast. The webcast will be archived and accessible on the same website for 30 days following the call. A telephone replay will be available through May 7, 2019 by calling (844) 512-2921 to access the playback; the passcode is 8369872.

## About Big 5 Sporting Goods Corporation

Big 5 is a leading sporting goods retailer in the western United States, operating 433 stores under the "Big 5 Sporting Goods" name as of the fiscal quarter ended March 31, 2019. Big 5 provides a full-line product offering in a traditional sporting goods store format that averages 11,000 square feet. Big 5's product mix includes athletic shoes, apparel and accessories, as well as a broad selection of outdoor and athletic equipment for team sports, fitness, camping, hunting, fishing, tennis, golf, winter and summer recreation and roller sports.

*Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties and other factors that may cause Big 5's actual results in current or future periods to differ materially from forecasted results. These risks and uncertainties include, among other things, changes in the consumer spending environment, fluctuations in consumer holiday spending patterns, increased competition from e-commerce retailers, breach of data security or other unauthorized disclosure of sensitive personal or confidential information, the competitive environment in the sporting goods industry in general and in Big 5's specific market areas, inflation, product availability and growth opportunities, changes in the current market for (or regulation of) firearm-related products, disruption in product flow, seasonal fluctuations, weather conditions, changes in cost of goods, operating expense fluctuations, increases in labor and benefit-related expense, changes in laws or regulations, including*

*those related to tariffs and duties, lower than expected profitability of Big 5's e-commerce platform or cannibalization of sales from Big 5's existing store base which could occur as a result of operating the e-commerce platform, litigation risks, stockholder campaigns and proxy contests, risks related to Big 5's leveraged financial condition, changes in interest rates, credit availability, higher expense associated with sources of credit resulting from uncertainty in financial markets and economic conditions in general. Those and other risks and uncertainties are more fully described in Big 5's filings with the Securities and Exchange Commission, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Big 5 conducts its business in a highly competitive and rapidly changing environment. Accordingly, new risk factors may arise. It is not possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on Big 5's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Big 5 undertakes no obligation to revise or update any forward-looking statement that may be made from time to time by it or on its behalf.*

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**FINANCIAL TABLES FOLLOW**



**BIG 5 SPORTING GOODS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(In thousands, except share amounts)

|  | March 31,<br>2019 | December 30,<br>2018 |
|--|-------------------|----------------------|
| <b>ASSETS</b>  |                   |                      |
| Current assets:  |                   |                      |
| Cash   | \$ 5,299          | \$ 6,765             |
| Accounts receivable, net of allowances of \$41 and \$28, respectively  | 10,743            | 14,184               |
| Merchandise inventories, net   | 296,239           | 294,900              |
| Prepaid expenses   | 7,168             | 9,224                |
| Total current assets   | <u>319,449</u>    | <u>325,073</u>       |
| Operating lease right-of-use assets, net   | 254,605           | —                    |
| Property and equipment, net  | 73,566            | 76,488               |
| Deferred income taxes  | 14,041            | 14,543               |
| Other assets, net of accumulated amortization of \$1,837 and \$1,772, respectively   | 3,347             | 3,457                |
| Total assets   | <u>\$ 665,008</u> | <u>\$ 419,561</u>    |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                   |                      |
| Current liabilities:   |                   |                      |
| Accounts payable   | \$ 103,273        | \$ 80,613            |
| Accrued expenses   | 58,288            | 67,659               |
| Current portion of operating lease liabilities   | 60,708            | —                    |
| Current portion of finance lease liabilities   | 2,228             | 2,322                |
| Total current liabilities  | <u>224,497</u>    | <u>150,594</u>       |
| Operating lease liabilities, less current portion  | 205,491           | —                    |
| Finance lease liabilities, less current portion  | 4,941             | 4,823                |
| Long-term debt   | 45,411            | 65,000               |
| Deferred rent, less current portion  | —                 | 14,615               |
| Other long-term liabilities  | 9,233             | 9,668                |
| Total liabilities  | <u>489,573</u>    | <u>244,700</u>       |
| Commitments and contingencies  |                   |                      |
| Stockholders' equity:  |                   |                      |
| Common stock, \$0.01 par value, authorized 50,000,000 shares; issued 25,274,685 and 25,074,307 shares, respectively;<br>outstanding 21,624,472 and 21,424,094 shares, respectively | 252               | 250                  |
| Additional paid-in capital   | 118,666           | 118,351              |
| Retained earnings <sup>(1)</sup>   | 99,044            | 98,787               |
| Less: Treasury stock, at cost; 3,650,213 and 3,650,213 shares, respectively  | <u>(42,527)</u>   | <u>(42,527)</u>      |
| Total stockholders' equity   | <u>175,435</u>    | <u>174,861</u>       |
| Total liabilities and stockholders' equity   | <u>\$ 665,008</u> | <u>\$ 419,561</u>    |

<sup>(1)</sup> In the first quarter of fiscal 2019, the Company recorded an after-tax decrease to beginning retained earnings of \$0.3 million for a change in accounting principle related to leases.

**BIG 5 SPORTING GOODS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

(In thousands, except per share data)

|  | 13 Weeks Ended    |                   |
|--|-------------------|-------------------|
|  | March 31,<br>2019 | April 1,<br>2018  |
| Net sales  | \$ 245,286        | \$ 234,178        |
| Cost of sales  | 169,410           | 161,452           |
| Gross profit   | 75,876            | 72,726            |
| Selling and administrative expense                   | 72,611            | 73,488            |
| Operating income (loss)                              | 3,265             | (762)             |
| Interest expense                                     | 776               | 656               |
| Income (loss) before income taxes                    | 2,489             | (1,418)           |
| Income tax expense (benefit) <sup>(1)</sup>          | 825               | (109)             |
| Net income (loss) <sup>(1)</sup>                     | <u>\$ 1,664</u>   | <u>\$ (1,309)</u> |
| Earnings (loss) per share:                           |                   |                   |
| Basic <sup>(1)</sup>                                 | <u>\$ 0.08</u>    | <u>\$ (0.06)</u>  |
| Diluted <sup>(1)</sup>                               | <u>\$ 0.08</u>    | <u>\$ (0.06)</u>  |
| Dividends per share                                  | <u>\$ 0.05</u>    | <u>\$ 0.15</u>    |
| Weighted-average shares of common stock outstanding: |                   |                   |
| Basic  | <u>21,029</u>     | <u>20,942</u>     |
| Diluted  | <u>21,054</u>     | <u>20,942</u>     |

<sup>(1)</sup> In the first quarter of fiscal 2019 and 2018, the Company recorded a charge of \$0.3 million, or \$0.02 per diluted share, and \$0.2 million, or \$0.01 per share, respectively, to write-off deferred tax assets related to share-based compensation.