

STAGE STORES INC
Form 10-Q
June 07, 2007

**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, 2007

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 number 1-14035

Stage Stores, Inc.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or
organization)

91-1826900

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

10201 Main Street, Houston, Texas

(Address of principal executive offices)

77025

(Zip Code)

(800) 579-2302

Registrant's telephone number, including area code

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 1, 2007, there were 43,096,651 shares of the registrant's common stock outstanding.



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References to a particular year are to Stage Stores' fiscal year, which is the 52 or 53 week period ending on the Saturday closest to January 31st of the following calendar year. For example, references to "2006" mean the fiscal year ended February 3, 2007 and a reference to "2007" is a reference to the fiscal year ending February 2, 2008. 2006 consisted of 53 weeks while 2007 will consist of 52 weeks.

PART I - FINANCIAL INFORMATION
FINANCIAL STATEMENTS

ITEM 1.

Stage Stores, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par values)
(Unaudited)

	May 5, 2007	February 3, 2007
<u>ASSETS</u>		
Cash and cash equivalents	\$ 20,406	\$ 15,866
Merchandise inventories, net	366,937	332,763
Current deferred taxes	23,166	23,231
Prepaid expenses and other current assets	21,753	42,512
Total current assets	432,262	414,372
Property, equipment and leasehold improvements, net	281,513	278,839
Goodwill	95,374	95,374
Intangible asset	14,910	14,910
Other non-current assets, net	24,498	21,491
Total assets	\$ 848,557	\$ 824,986
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Accounts payable	\$ 102,203	\$ 85,477
Current portion of debt obligations	90	86
Accrued expenses and other current liabilities	61,974	75,141
Total current liabilities	164,267	160,704
Debt obligations	24,869	16,528
Other long-term liabilities	80,825	76,346
Total liabilities	269,961	253,578
Commitments and contingencies		
Common stock, par value \$0.01, 64,603 shares authorized, 54,982 and 54,343 shares issued, respectively	550	543
Additional paid-in capital	472,274	462,745
Less treasury stock - at cost, 11,119 and 10,708 shares, respectively	(174,377)	(165,094)
Accumulated other comprehensive loss	(1,908)	(1,908)
Retained earnings	282,057	275,122
Stockholders' equity	578,596	571,408
Total liabilities and stockholders' equity	\$ 848,557	\$ 824,986

The accompanying notes are an integral part of these financial statements.

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Stage Stores, Inc.
Condensed Consolidated Statements of Income
(in thousands, except earnings per share)
(Unaudited)

	Thirteen Weeks Ended May 5, 2007	Thirteen Weeks Ended April 29, 2006
Net sales	\$ 358,244	\$ 343,541
Cost of sales and related buying, occupancy and distribution expenses	259,919	243,871
Gross profit	98,325	99,670
Selling, general and administrative expenses	82,288	83,633
Store opening costs	755	815
Interest, net of income of \$0 and \$100, respectively	769	807
Income before income tax	14,513	14,415
Income tax expense	5,406	5,370
Net income	\$ 9,107	\$ 9,045
<i>Basic earnings per share data:</i>		
Basic earnings per share	\$	