

Macy's, Inc.
Form 10-Q
June 02, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended April 29, 2017

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: 1-13536

Incorporated in Delaware I.R.S. Employer Identification No.
13-3324058

7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

and
151 West 34th Street
New York, New York 10001
(212) 494-1602

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company
(Do not check if a smaller reporting company)

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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.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 27, 2017
Common Stock, \$0.01 par value per share	304,506,714 shares

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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MACY'S, INC.
 CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

(millions, except per share figures)

	13 Weeks Ended	
	April 29, 2017	April 30, 2016
Net sales	\$5,338	\$5,771
Cost of sales	(3,306)	(3,516)
Gross margin	2,032	2,255
Selling, general and administrative expenses	(1,812)	(1,966)
Settlement charges	—	(13)
Operating income	220	276
Interest expense	(86)	(99)
Premiums on early retirement of debt	(3)	—
Interest income	2	1
Income before income taxes	133	178
Federal, state and local income tax expense	(63)	(63)
Net income	70	115
Net loss attributable to noncontrolling interest	1	1
Net income attributable to Macy's, Inc. shareholders	\$71	\$116
Basic earnings per share attributable to Macy's, Inc. shareholders	\$.23	\$.37
Diluted earnings per share attributable to Macy's, Inc. shareholders	\$.23	\$.37

The accompanying notes are an integral part of these Consolidated Financial Statements.

MACY'S, INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

(millions)

	13 Weeks Ended	
	April 29, 2017	April 30, 2016
Net income	\$70	\$ 115
Other comprehensive income (loss):		
Actuarial loss on postretirement benefit plans, before tax	—	(36)
Settlement charges, before tax	—	13
Amortization of net actuarial loss on post employment and postretirement benefit plans included in net income, before tax	9	9
Tax effect related to items of other comprehensive income	(3)	6
Total other comprehensive income (loss), net of tax effect	6	(8)
Comprehensive income	76	107
Comprehensive loss attributable to noncontrolling interest	1	1
Comprehensive income attributable to Macy's, Inc. shareholders	\$77	\$ 108

The accompanying notes are an integral part of these Consolidated Financial Statements.

MACY'S, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(millions)

	April 29, 2017	January 28, 2017	April 30, 2016
ASSETS			
Current Assets:			
Cash and cash equivalents	\$1,201	\$ 1,297	\$734
Receivables	345	522	399
Merchandise inventories	5,626	5,399	5,738
Income tax receivable	—	—	19
Prepaid expenses and other current assets	397	408	490
Total Current Assets	7,569	7,626	7,380
Property and Equipment - net of accumulated depreciation and amortization of \$5,013, \$4,856 and \$5,500	6,886	7,017	7,475
Goodwill	3,897	3,897	3,897
Other Intangible Assets – net	496	498	511
Other Assets	793	813	898
Total Assets	\$19,641	\$ 19,851	\$20,161
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term debt	\$313	\$ 309	\$642
Merchandise accounts payable	2,028	1,423	2,015
Accounts payable and accrued liabilities	2,905	3,563	2,690
Income taxes	355	352	—
Total Current Liabilities	5,601	5,647	5,347
Long-Term Debt	6,412	6,562	6,990
Deferred Income Taxes	1,482	1,443	1,536
Other Liabilities	1,846	1,877	2,134
Shareholders' Equity:			
Macy's, Inc.	4,302	4,323	4,148
Noncontrolling interest	(2) (1) 6
Total Shareholders' Equity	4,300	4,322	4,154
Total Liabilities and Shareholders' Equity	\$19,641	\$ 19,851	