

Michaels Companies, Inc.
Form 10-Q
December 09, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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 November 1, 2014

Commission file number 001-36501

THE MICHAELS COMPANIES, INC.

A Delaware Corporation

IRS Employer Identification No. 37-1737959

8000 Bent Branch Drive

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Irving, Texas 75063

(972) 409-1300

The Michaels Companies, Inc. (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.

The Michaels Companies, Inc. has submitted electronically and posted on its corporate website all Interactive Data Files required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

The Michaels Companies, Inc. is a non-accelerated filer.

The Michaels Companies, Inc. is not a shell company (as defined in Rule 12b-2 of the Exchange Act).

As of December 2, 2014, 204,287,023 shares of the Registrant's Common Stock were outstanding.

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THE MICHAELS COMPANIES, INC.

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(In millions, except per share data)

(Unaudited)

	13 Weeks Ended		39 Weeks Ended	
	November 1, 2014	November 2, 2013	November 1, 2014	November 2, 2013
Net sales	\$ 1,130	\$ 1,118	\$ 3,130	\$ 3,015
Cost of sales and occupancy expense	678	665	1,892	1,816
Gross profit	452	453	1,238	1,199
Selling, general, and administrative	304	309	856	835
Share-based compensation	4	4	10	15
Related party expenses		3	35	10
Store pre-opening costs	2	2	4	5
Operating income	142	135	333	334
Interest expense	41	62	159	154
Losses on early extinguishment of debt and refinancing costs			68	7
Other expense, net	1		1	1
Income before income taxes	100	73	105	172
Provision for income taxes	36	26	44	62
Net income	64	47	61	110
Other comprehensive income, net of tax:				
Foreign currency translation adjustment and other	(3)		(2)	(2)
Comprehensive income	\$ 61	\$ 47	\$ 59	\$ 108
Earnings per share:				
Basic	\$ 0.31	\$ 0.27	\$ 0.32	\$ 0.63
Diluted	\$ 0.31	\$ 0.26	\$ 0.32	\$ 0.62
Weighted average shares outstanding:				
Basic	203	175	188	175
Diluted	207	179	192	179

See accompanying notes to consolidated financial statements.

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THE MICHAELS COMPANIES, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)
(Unaudited)

November 1,