

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

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### FILER

#### **BJS WHOLESALE CLUB INC**

CIK: **1037461** | IRS No.: **043360747** | State of Incorporation: **DE** | Fiscal Year End: **0201**  
Type: **8-K** | Act: **34** | File No.: **001-13143** | Film No.: **04814702**  
SIC: **5331** Variety stores

Mailing Address  
*ONE MERCER ROAD  
NATICK MA 01760*

Business Address  
*ONE MERCER ROAD  
NATICK MA 01760  
5086517400*

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): May 18, 2004**

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**BJ' s Wholesale Club, Inc.**

(Exact Name of Registrant as Specified in Charter)

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

**001-13143**  
(Commission File Number)

**04-3360747**  
(IRS Employer  
Identification No.)

**One Mercer Road, Natick, Massachusetts**  
(Address of Principal Executive Offices)

**01760**  
(Zip Code)

**Registrant' s telephone number, including area code: (508) 651-7400**

**N/A**

(Former Name or Former Address, if Changed Since Last Report)

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**Item 12. Results of Operations and Financial Condition**

On May 18, 2004, BJ's Wholesale Club, Inc. announced its financial results for the fiscal quarter ended May 1, 2004. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") 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 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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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.

Date: May 18, 2004

BJ' s WHOLESALE CLUB, INC.

By:

/s/ Frank D. Forward \_\_\_\_\_

Frank D. Forward

*Executive Vice President and*

*Chief Financial Officer*

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	<u>_____</u>
99.1	Press release dated May 18, 2004	

**BJ' s Wholesale Club News**

**BJ' s Wholesale Club, Inc**

One Mercer Road

P.O. Box 9601

Natick, MA 01760

**FOR IMMEDIATE RELEASE**

Contact: Cathy Maloney  
VP, Investor Relations  
508-651-6650  
[cmaloney@bjs.com](mailto:cmaloney@bjs.com)

**BJ' S WHOLESALE CLUB REPORTS FIRST QUARTER RESULTS**

**May 18, 2004, Natick, MA–BJ' s Wholesale Club, Inc. (BJ: NYSE)** today reported net income of \$16.1 million, or \$.23 per diluted share, for its first quarter ended May 1, 2004, compared to income before the cumulative effect of accounting principle changes of \$12.5 million, or \$.18 per diluted share, for last year' s first quarter. Including the cumulative effect of accounting principle changes, net income for last year' s first quarter was \$11.3 million, or \$.16 per diluted share. Results for the quarter ended May 3, 2003, included a post-tax gain of \$0.7 million, or \$.01 per diluted share, as a result of reducing the Company' s reserves for House2Home lease obligations. (See notes to attached statements.)

Net sales for the first quarter increased by 12.1% to \$1.6 billion, and comparable club sales increased by 6.6%, including a contribution from sales of gasoline of 0.4%.

President and CEO Mike Wedge commented, "Our results for the first quarter reflect significant investments to become a truly member-centric organization. Based on our Member Insight findings, we re-merchandised approximately 75% of the aisles in our clubs during the first quarter. On a comparable club sales basis, food increased by approximately 9% and general merchandise increased by approximately 4% during the first quarter."

The Company also announced that it repurchased approximately 317,000 shares of BJ' s common stock during the first quarter at an average price of \$25.10 per share, for a total of approximately \$8.0 million.

**First Quarter Results/Conference Call**

As previously announced, BJ' s plans to hold a conference call today at 8:30 a.m. Eastern Time to discuss the first quarter results and outlook for the remainder of 2004. To access the webcast (including financial and other statistical information being presented, as well as reconciliation information with respect to any non-GAAP financial measures being presented), visit [www.bjsinvestor.com/medialist.cfm](http://www.bjsinvestor.com/medialist.cfm) to hear the call live or to listen to an archive of the call, which will be available for approximately ninety days following the call.

BJ' s introduced the wholesale club concept to New England in 1984 and has since expanded to become a leading warehouse chain in the eastern United States. The Company currently operates 150 clubs and 78 gas stations compared with 143 clubs and 71 gas stations one year ago. BJ' s press releases and filings with the SEC are available on the Internet at [www.bjs.com](http://www.bjs.com)

-See Financial Tables-

STATEMENTS OF INCOME (Unaudited)  
(Dollars in Thousands Except Per Share Amounts)

	Thirteen Weeks Ended	
	May 1, 2004	May 3, 2003
Net sales	\$1,610,958	\$1,437,549
Membership fees and other	36,666	33,572
<b>Total revenues</b>	<b>1,647,624</b>	<b>1,471,121</b>
Cost of sales, including buying and occupancy costs	1,497,600	1,333,423
Selling, general and administrative expenses	123,200	113,916
Preopening expenses	219	3,989
<b>Operating income</b>	<b>26,605</b>	<b>19,793</b>
Interest expense, net	(111 )	(68 )
Gain (loss) on contingent lease obligations	(73 )	814
<b>Income from continuing operations before income taxes and cumulative effect of accounting principle changes</b>	<b>26,421</b>	<b>20,539</b>
Provision for income taxes	10,171	7,870
<b>Income from continuing operations before cumulative effect of accounting principle changes</b>	<b>16,250</b>	<b>12,669</b>
Loss from discontinued operations, net of income tax benefit	(132 )	(149 )

Income before cumulative effect of accounting principle changes	16,118	12,520
Cumulative effect of accounting principle changes	–	(1,253 )
Net income	\$16,118	\$11,267
Basic and diluted earnings per common share:		
Income from continuing operations before cumulative effect of accounting principle changes	\$0.23	\$0.18
Loss from discontinued operations	–	–
Cumulative effect of accounting principle changes	–	(0.02 )
Net income	\$0.23	\$0.16
Number of common shares for earnings per share computations:		
Basic	69,809,300	69,288,640
Diluted	70,362,007	69,396,765
Pro forma amounts assuming accounting principle changes are applied retroactively:		
Net income	\$16,118	\$12,520
Basic and diluted earnings per common share	\$0.23	\$0.18
Clubs in operation - end of period	150	143



## CONDENSED BALANCE SHEETS (Unaudited)

(Dollars in Thousands)

	May 1, 2004	May 3, 2003
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$75,954	\$42,100
Accounts receivable	63,332	57,100
Merchandise inventories	707,651	659,046
Current deferred income taxes	18,998	19,280
Prepaid expenses	19,465	17,253
<b>Total current assets</b>	<b>885,400</b>	<b>794,779</b>
Property, net of depreciation	778,345	720,700
Other assets	23,016	23,292
<b>TOTAL ASSETS</b>	<b>\$1,686,761</b>	<b>\$1,538,771</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$-	\$40,000

Current installments of long-term debt	407	–
Accounts payable	488,944	442,279
Closed store lease obligations	8,428	21,214
Accrued expenses and other current liabilities	214,935	190,569
<b>Total current liabilities</b>	<b>712,714</b>	<b>694,062</b>
Long-term debt, less portion due within one year	3,521	–
Noncurrent closed store lease obligations	11,055	21,663
Other noncurrent liabilities	61,468	52,894
Deferred income taxes	35,429	18,008
Stockholders' equity	862,574	752,144
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$1,686,761</b>	<b>\$1,538,771</b>

## CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)

(Dollars in Thousands)

	Thirteen Weeks Ended	
	May 1, 2004	May 3, 2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$16,118	\$11,267
(Gain) loss on contingent lease obligations	73	(814 )
Provision for store closing costs	220	248
Cumulative effect of accounting principle changes	-	1,253
Depreciation and amortization	24,413	20,256
Deferred income taxes	1,589	6,803
Increase in merchandise inventories, net of accounts payable	(10,347)	(7,543 )
Decrease in closed store lease obligations	(2,728 )	(14,890)
Other	10,044	6,634
Net cash provided by operating activities	39,382	23,214
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property additions	(30,446)	(55,636)
Property disposals	390	15

Net cash used in investing activities	(30,056)	(55,621)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowing of short-term debt, net	–	40,000
Purchase of treasury stock	(7,960 )	–
Proceeds from issuance of common stock	1,951	51
Changes in book overdrafts	(5,986 )	1,773
Repayment of long-term debt	(97 )	–
Net cash provided by (used in) financing activities	(12,092)	41,824
Net increase (decrease) in cash and cash equivalents	\$(2,766 )	\$9,417

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## NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. Last year's first quarter gain on contingent lease obligations included a pretax credit of \$1.2 million (\$0.7 million after tax) to reduce the Company's House2Home lease obligations.
2. During last year's first quarter ended May 3, 2003, the Company adopted the provisions of Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"). The Company recorded a post-tax charge of \$1,253,000, or \$.02 per diluted share, to reflect the cumulative effect of adopting this accounting principle change as of the beginning of the fiscal year.
3. During this year's first quarter ended May 1, 2004, the Company adopted the provisions of Emerging Issues Task Force Issue 03-10, "Application of EITF Issue No. 02-16 by Resellers to Sales Incentives Offered to Consumers by Manufacturers" ("EITF 03-10"). This pronouncement provides guidance for the reporting of vendor consideration received by a reseller as it relates to manufacturers' incentives (such as rebates or coupons) tendered by consumers. Vendor consideration may be included in revenues only if defined criteria are met. Otherwise, such consideration is recorded as a decrease in cost of sales. The provisions of EITF 03-10 became effective as of the beginning of 2004. Implementation of EITF 03-10 has no effect on gross margin dollars, net income or cash flows, but certain vendor coupons or rebates which had been recorded in sales in the past are being recorded as a reduction of cost of sales in this year's first quarter. This resulted in decreases in both sales and cost of sales of \$10.3 million in this year's first quarter versus \$4.1 million in last year's first quarter. As permitted by the transition provisions of EITF 03-10, sales and cost of sales in last year's statement of income have been recast to conform with this year's presentation.
4. Certain amounts in the prior year's financial statements have been reclassified for comparative purposes.