

Stein Mart, Inc.
Consolidated Balance Sheets
(In thousands, except for share and per share data)

	February 2, 2019	As Adjusted February 3, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,049	\$ 10,400
Inventories	255,884	270,237
Prepaid expenses and other current assets	28,326	26,620
Total current assets	293,259	307,257
Property and equipment, net	123,838	151,128
Other assets	24,108	24,973
Total assets	\$ 441,205	\$ 483,358
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 89,646	\$ 119,388
Current portion of debt	-	13,738
Accrued expenses and other current liabilities	77,650	78,453
Total current liabilities	167,296	211,579
Long-term debt, net of current portion	153,253	142,387
Deferred rent	39,708	40,860
Other liabilities	33,897	40,214
Total liabilities	394,154	435,040
COMMITMENTS AND CONTINGENCIES (Notes 5 and 9)		
Shareholders' equity:		
Preferred stock - \$.01 par value; 1,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock - \$.01 par value; 100,000,000 shares authorized; 47,874,286 and 47,978,275 shares issued and outstanding, at February 2, 2019 and February 3, 2018, respectively	479	480
Additional paid-in capital	60,172	56,002
Retained deficit	(13,853)	(7,918)
Accumulated other comprehensive income (loss)	253	(246)
Total shareholders' equity	47,051	48,318
Total liabilities and shareholders' equity	\$ 441,205	\$ 483,358

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

Stein Mart, Inc.
Consolidated Statements of Operations
(In thousands, except for per share amounts)

	Year Ended February 2, 2019	As Adjusted Year Ended February 3, 2018
Net sales	\$ 1,257,598	\$ 1,318,633
Other revenue	15,134	13,936
Total revenue	1,272,732	1,332,569
Cost of merchandise sold	919,812	987,692
Selling, general and administrative expenses	348,061	376,111
Operating income (loss)	4,859	(31,234)
Interest expense, net	10,882	4,788
Loss before income taxes	(6,023)	(36,022)
Income tax benefit	(25)	(11,698)
Net loss	\$ (5,998)	\$ (24,324)
Net loss per share:		
Basic	\$ (0.13)	\$ (0.52)
Diluted	\$ (0.13)	\$ (0.52)
Weighted-average shares outstanding:		
Basic	46,706	46,342
Diluted	46,706	46,342

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Stein Mart, Inc.
Consolidated Statements of Comprehensive Loss
(In thousands)

	Year Ended February 2, 2019	Year Ended February 3, 2018
Net loss	\$ (5,998)	\$ (24,324)
Other comprehensive income, net of tax:		
Change in post-retirement benefit obligations (See Note 7):		
Other comprehensive income before reclassifications	481	23
Amounts reclassified from accumulated other comprehensive income (loss)	18	35
Comprehensive loss	\$ (5,499)	\$ (24,266)

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Stein Mart, Inc.
Consolidated Statements of Shareholders' Equity
(In thousands)

	Common Stock		Additional	Retained	Accumulated	Total
	Shares	Amount	Paid-in	Earnings	Other	Shareholders'
			Capital	(Deficit)	Comprehensive	Equity
					(Loss) Income	
Balance on January 28, 2017	47,019	\$ 470	\$ 50,241	\$ 19,884	\$ (304)	\$ 70,291
Net loss				(24,324)		(24,324)
Other comprehensive income, net of tax					58	58
Common shares issued under employee stock purchase plan	228	2	326			328
Reacquired shares	(81)		(248)			(248)
Issuance of restricted stock, net	812	8	(8)			-
Share-based compensation			5,691			5,691
Cash dividends paid (\$0.075 per share)				(3,639)		(3,639)
Cash dividends payable				161		161
Balance on February 3, 2018	47,978	480	56,002	(7,918)	(246)	48,318
Net loss				(5,998)		(5,998)
Other comprehensive income, net of tax					499	499
Common shares issued under employee stock purchase plan	215	2	200			202
Reacquired shares	(122)	(1)	(141)			(142)
Issuance of restricted stock, net	(197)	(2)	2			-
Share-based compensation			4,109			4,109
Cash dividends paid				(223)		(223)
Cash dividends payable				286		286
Balance on February 2, 2019	47,874	\$ 479	\$ 60,172	\$ (13,853)	\$ 253	\$ 47,051

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Stein Mart, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended February 2, 2019	As Adjusted Year Ended February 3, 2018
Cash flows from operating activities:		
Net loss	\$ (5,998)	\$ (24,324)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	32,447	32,333
Share-based compensation	4,109	5,691
Store closing charges	215	168
Impairment of property and other assets	2,803	3,792
Loss on disposal of property and equipment	681	329
Deferred income taxes	-	(3,222)
Changes in assets and liabilities:		
Inventories	14,353	20,873
Prepaid expenses and other current assets	(1,706)	6,438
Other assets	(1,350)	2,254
Accounts payable	(29,823)	5,096
Accrued expenses and other current liabilities	(635)	3,021
Other liabilities	(6,194)	(4,737)
Net cash provided by operating activities	8,902	47,712
Cash flows from investing activities:		
Net acquisition of property and equipment	(8,993)	(21,244)
Proceeds from canceled corporate-owned life insurance policies	2,514	2,716
Proceeds from insurance claims	296	44
Net cash used in investing activities	(6,183)	(18,484)
Cash flows from financing activities:		
Proceeds from borrowings	1,107,183	474,529
Repayments of debt	(1,109,208)	(500,238)
Debt issuance costs	(1,146)	-
Cash dividends paid	(223)	(3,639)
Capital lease payments	(736)	(164)
Proceeds from exercise of stock options and other	202	328
Repurchase of common stock	(142)	(248)
Net cash used in financing activities	(4,070)	(29,432)
Net decrease in cash and cash equivalents	(1,351)	(204)
Cash and cash equivalents at beginning of year	10,400	10,604
Cash and cash equivalents at end of year	\$ 9,049	\$ 10,400
Supplemental disclosures of cash flow information:		
Income taxes received	\$ (443)	\$ (19,422)
Interest paid	10,312	4,578
Accruals and accounts payable for capital expenditures	242	629
Property and equipment acquired through capital lease	35	1,996

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