

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Statements of Earnings

(\$000, except per share data)	Year Ended February 2, 2019	Year Ended February 3, 2018	Year Ended January 28, 2017
Sales	\$ 14,983,541	\$ 14,134,732	\$ 12,866,757
Costs and Expenses			
Cost of goods sold	10,726,277	10,042,638	9,173,705
Selling, general and administrative	2,216,550	2,043,698	1,890,408
Interest (income) expense, net	(10,162)	7,676	16,488
Total costs and expenses	12,932,665	12,094,012	11,080,601
Earnings before taxes	2,050,876	2,040,720	1,786,156
Provision for taxes on earnings	463,419	677,967	668,502
Net earnings	\$ 1,587,457	\$ 1,362,753	\$ 1,117,654
Earnings per share			
Basic	\$ 4.30	\$ 3.58	\$ 2.85
Diluted	\$ 4.26	\$ 3.55	\$ 2.83
Weighted average shares outstanding (000)			
Basic	369,533	381,174	392,124
Diluted	372,678	384,329	394,958

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

Consolidated Statements of Comprehensive Income

(\$000)	Year Ended February 2, 2019	Year Ended February 3, 2018	Year Ended January 28, 2017
Net earnings	\$ 1,587,457	\$ 1,362,753	\$ 1,117,654
Other comprehensive income (loss):			
Change in unrealized loss on investments, net of tax	(27)	(64)	(91)
Comprehensive income	\$ 1,587,430	\$ 1,362,689	\$ 1,117,563

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

Consolidated Balance Sheets

(\$000, except share data)	February 2, 2019	February 3, 2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,412,912	\$ 1,290,294
Short-term investments	—	512
Accounts receivable	96,711	87,868
Merchandise inventory	1,750,442	1,641,735
Prepaid expenses and other	143,954	130,748
Total current assets	3,404,019	3,151,157
Property and Equipment		
Land and buildings	1,126,051	1,109,173
Fixtures and equipment	2,783,198	2,603,318
Leasehold improvements	1,175,921	1,093,634
Construction-in-progress	171,538	102,054
	5,256,708	4,908,179
Less accumulated depreciation and amortization	2,781,507	2,525,715
Property and equipment, net	2,475,201	2,382,464
Long-term investments	125	712
Other long-term assets	194,346	187,718
Total assets	\$ 6,073,691	\$ 5,722,051
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 1,177,104	\$ 1,059,844
Accrued expenses and other	431,596	431,706
Accrued payroll and benefits	363,035	349,879
Income taxes payable	37,749	—
Current portion of long-term debt	—	84,973
Total current liabilities	2,009,484	1,926,402
Long-term debt	312,440	311,994
Other long-term liabilities	321,713	348,541
Deferred income taxes	124,308	85,806
Commitments and contingencies		
Stockholders' Equity		
Common stock, par value \$.01 per share	3,682	3,796
Authorized 1,000,000,000 shares		
Issued and outstanding 368,242,000 and 379,618,000 shares, respectively		
Additional paid-in capital	1,375,965	1,292,364
Treasury stock	(372,663)	(318,279)
Accumulated other comprehensive income	—	27
Retained earnings	2,298,762	2,071,400
Total stockholders' equity	3,305,746	3,049,308
Total liabilities and stockholders' equity	\$ 6,073,691	\$ 5,722,051

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

Consolidated Statements of Cash Flows

(\$000)	Year Ended February 2, 2019	Year Ended February 3, 2018 ¹	Year Ended January 28, 2017 ¹
Cash Flows From Operating Activities			
Net earnings	\$ 1,587,457	\$ 1,362,753	\$ 1,117,654
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	330,357	313,163	302,515
Stock-based compensation	95,585	87,417	74,554
Gain on sale of assets	—	(6,328)	—
Deferred income taxes	31,777	(34,903)	(8,703)
Change in assets and liabilities:			
Merchandise inventory	(108,707)	(128,849)	(93,782)
Other current assets	(22,044)	(31,796)	(928)
Accounts payable	110,483	41,322	83,085
Other current liabilities	74,829	49,068	76,676
Other long-term, net	(33,060)	29,491	7,830
Net cash provided by operating activities	2,066,677	1,681,338	1,558,901
Cash Flows From Investing Activities			
Additions to property and equipment	(413,898)	(371,423)	(297,880)
Proceeds from sale of property and equipment	—	15,981	—
Proceeds from investments	3,489	687	1,700
Net cash used in investing activities	(410,409)	(354,755)	(296,180)
Cash Flows From Financing Activities			
Payment of long-term debt	(85,000)	—	—
Excess tax benefit from stock-based compensation	—	—	23,331
Issuance of common stock related to stock plans	20,112	18,468	18,539
Treasury stock purchased	(54,384)	(45,433)	(43,321)
Repurchase of common stock	(1,075,000)	(875,000)	(700,000)
Dividends paid	(337,189)	(247,526)	(214,640)
Net cash used in financing activities	(1,531,461)	(1,149,491)	(916,091)
Net increase in cash, cash equivalents, and restricted cash and cash equivalents	124,807	177,092	346,630
Cash and cash equivalents, and restricted cash and cash equivalents:			
Beginning of year ¹	1,353,272	1,176,180	829,550
End of year	\$ 1,478,079	\$ 1,353,272	\$ 1,176,180
Supplemental Cash Flow Disclosures			
Interest paid	\$ 18,105	\$ 18,105	\$ 18,105
Income taxes paid	\$ 427,930	\$ 714,566	\$ 628,441

¹ As the result of the adoption of ASU 2016-18, *Statement of Cash Flow (Topic 230): Restricted Cash*, the prior year amounts were retrospectively adjusted to include restricted cash and cash equivalents. See Note A.

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