

Consolidated Balance Sheets

Dollars in Thousands

	February 1, 2020	February 2, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 277,077	\$ 123,509
Accounts receivable	46,160	49,853
Merchandise inventories	1,465,007	1,528,417
Other current assets	59,838	68,753
Total current assets	1,848,082	1,770,532
Property and equipment:		
Land and land improvements	54,067	64,003
Buildings and leasehold improvements	3,092,405	3,125,629
Furniture, fixtures and equipment	615,491	603,698
Buildings under construction	18,385	6,707
Buildings and equipment under finance leases	14,556	14,556
Less accumulated depreciation and amortization	(2,336,728)	(2,227,860)
	1,458,176	1,586,733
Operating lease assets	47,924	—
Other assets	76,075	74,104
Total assets	\$ 3,430,257	\$ 3,431,369
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable and accrued expenses	\$ 892,789	\$ 921,205
Current portion of finance lease liabilities	1,219	1,214
Current portion of operating lease liabilities	14,654	—
Federal and state income taxes	22,158	11,116
Total current liabilities	930,820	933,535
Long-term debt	365,709	365,569
Finance lease liabilities	695	1,666
Operating lease liabilities	32,683	—
Other liabilities	273,601	238,731
Deferred income taxes	3,490	13,487
Subordinated debentures	200,000	200,000
Commitments and contingencies		
Stockholders' equity:		
Common stock, Class A— 119,946,571 and 119,899,553 shares issued; 20,186,368 and 22,338,129 shares outstanding	1,199	1,199
Common stock, Class B (convertible)—4,010,401 and 4,010,401 shares issued and outstanding	40	40
Additional paid-in capital	951,726	948,835
Accumulated other comprehensive loss	(31,059)	(12,809)
Retained earnings	4,556,494	4,458,006
Less treasury stock, at cost, Class A—99,760,203 and 97,561,424 shares	(3,855,141)	(3,716,890)
Total stockholders' equity	1,623,259	1,678,381
Total liabilities and stockholders' equity	\$ 3,430,257	\$ 3,431,369

See notes to consolidated financial statements.

Consolidated Statements of Income

Dollars in Thousands, Except Per Share Data

	Years Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Net sales	\$ 6,203,520	\$ 6,356,109	\$ 6,261,477
Service charges and other income	139,691	147,240	161,199
	6,343,211	6,503,349	6,422,676
Cost of sales	4,235,978	4,291,520	4,199,718
Selling, general and administrative expenses	1,691,017	1,691,180	1,684,916
Depreciation and amortization	222,349	223,815	231,595
Rentals	26,375	28,646	28,012
Interest and debt expense, net	46,227	52,518	62,580
Other expense	7,667	7,660	8,026
(Gain) loss on disposal of assets	(20,293)	48	(4,860)
Income before income taxes and income on and equity in earnings of joint ventures	133,891	207,962	212,689
Income taxes (benefit)	22,810	37,730	(7,800)
Income on and equity in earnings of joint ventures	—	31	835
Net income	\$ 111,081	\$ 170,263	\$ 221,324
Earnings per common share:			
Basic	\$ 4.38	\$ 6.23	\$ 7.51
Diluted	4.38	6.23	7.51

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Dollars in Thousands

	Years Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Net income	\$ 111,081	\$ 170,263	\$ 221,324
Other comprehensive (loss) income:			
Amortization of retirement plan and other retiree benefit adjustments (net of tax of (\$5,887), \$1,646, and (\$1,395))	(18,250)	5,177	(4,307)
Comprehensive income	<u>\$ 92,831</u>	<u>\$ 175,440</u>	<u>\$ 217,017</u>

See notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

Dollars in Thousands, Except Share and Per Share Data

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total
	Class A	Class B					
Balance, January 28, 2017	\$ 1,198	\$ 40	\$ 943,467	\$ (11,137)	\$ 4,153,844	\$ (3,369,995)	\$ 1,717,417
Net income	—	—	—	—	221,324	—	221,324
Other comprehensive loss	—	—	—	(4,307)	—	—	(4,307)
Issuance of 46,042 shares under stock plans	1	—	2,680	—	—	—	2,681
Purchase of 4,096,972 shares of treasury stock	—	—	—	—	—	(219,011)	(219,011)
Cash dividends declared:							
Common stock, \$0.34 per share	—	—	—	—	(9,949)	—	(9,949)
Balance, February 3, 2018	1,199	40	946,147	(15,444)	4,365,219	(3,589,006)	1,708,155
Net income	—	—	—	—	170,263	—	170,263
Cumulative effect adjustment related to ASU 2016-16 and 2018-02	—	—	—	(2,542)	(66,574)	—	(69,116)
Other comprehensive income	—	—	—	5,177	—	—	5,177
Issuance of 38,809 shares under stock plans	—	—	2,688	—	—	—	2,688
Purchase of 1,796,908 shares of treasury stock	—	—	—	—	—	(127,884)	(127,884)
Cash dividends declared:							
Common stock, \$0.40 per share	—	—	—	—	(10,902)	—	(10,902)
Balance, February 2, 2019	1,199	40	948,835	(12,809)	4,458,006	(3,716,890)	1,678,381
Net income	—	—	—	—	111,081	—	111,081
Other comprehensive loss	—	—	—	(18,250)	—	—	(18,250)
Issuance of 47,018 shares under stock plans	—	—	2,891	—	—	—	2,891
Purchase of 2,198,779 shares of treasury stock	—	—	—	—	—	(138,251)	(138,251)
Cash dividends declared:							
Common stock, \$0.50 per share	—	—	—	—	(12,593)	—	(12,593)
Balance, February 1, 2020	<u>\$ 1,199</u>	<u>\$ 40</u>	<u>\$ 951,726</u>	<u>\$ (31,059)</u>	<u>\$ 4,556,494</u>	<u>\$ (3,855,141)</u>	<u>\$ 1,623,259</u>

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Dollars in Thousands

	Years Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Operating activities:			
Net income	\$ 111,081	\$ 170,263	\$ 221,324
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property and other deferred cost	224,309	225,849	233,683
Deferred income taxes	(5,415)	334	(102,065)
(Gain) loss on disposal of assets	(20,293)	48	1,000
Proceeds from insurance	397	—	—
Gain from insurance proceeds	—	—	(5,861)
Loss on early extinguishment of debt	—	—	797
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable	3,693	(11,416)	8,871
Decrease (increase) in merchandise inventories	63,410	(64,856)	(57,158)
Decrease (increase) in other current assets	9,554	(17,416)	(1,902)
(Increase) decrease in other assets	(1,220)	(10,419)	2,196
(Decrease) increase in trade accounts payable and accrued expenses and other liabilities	(25,597)	104,060	(20,395)
Increase (decrease) in income taxes payable	5,155	(29,159)	(6,205)
Net cash provided by operating activities	365,074	367,288	274,285
Investing activities:			
Purchase of property and equipment and capitalized software	(103,383)	(137,064)	(130,464)
Proceeds from disposal of assets	30,580	2,003	11,683
Proceeds from insurance	2,416	3,477	5,114
Distribution from joint venture	2,295	3,835	3,460
Net cash used in investing activities	(68,092)	(127,749)	(110,207)
Financing activities:			
Principal payments on long-term debt and finance lease liabilities	(966)	(162,066)	(90,483)
Cash dividends paid	(11,520)	(11,108)	(9,424)
Purchase of treasury stock	(130,928)	(129,884)	(223,013)
Issuance cost of line of credit	—	—	(1,115)
Net cash used in financing activities	(143,414)	(303,058)	(324,035)
Increase (decrease) in cash and cash equivalents	153,568	(63,519)	(159,957)
Cash and cash equivalents, beginning of year	123,509	187,028	346,985
Cash and cash equivalents, end of year	\$ 277,077	\$ 123,509	\$ 187,028
Non-cash transactions:			
Accrued capital expenditures	\$ 9,295	\$ 2,597	\$ 23,084
Stock awards	2,891	2,688	2,680
Accrued purchases of treasury stock	7,323	—	2,000
Lease assets obtained in exchange for new operating lease liabilities	7,974	—	—

See notes to consolidated financial statements.