

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 31, 2019**

**Boot Barn Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-36711**  
(Commission  
File Number)

**90-0776290**  
(I.R.S. Employer  
Identification No.)

**15345 Barranca Parkway, Irvine, California**  
(Address of principal executive offices)

**92618**  
(Zip Code)

**(949) 453-4400**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| <b>Title of each class</b>       | <b>Trading Symbol</b> | <b>Name of each exchange on which registered</b> |
|----------------------------------|-----------------------|--|
| Common Stock, \$0.0001 par value | BOOT                  | New York Stock Exchange                          |

**Item 2.02 Results of Operations and Financial Condition.**

On July 31, 2019, Boot Barn Holdings, Inc. issued a press release announcing certain financial results for its fiscal first quarter ended June 29, 2019. The press release is attached hereto as Exhibit 99.1.

The information provided in this Item 2.02, including Exhibit 99.1, is intended to be “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

[Exhibit 99.1](#)      [Earnings press release dated July 31, 2019.](#)

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**SIGNATURES**

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.

BOOT BARN HOLDINGS, INC.

Date: July 31, 2019

By: /s/ Gregory V. Hackman

Name: Gregory V. Hackman

Title: Chief Financial Officer

## Boot Barn Holdings, Inc. Announces First Quarter Fiscal Year 2020 Financial Results and Increased Annual Guidance

IRVINE, Calif.--(BUSINESS WIRE)--July 31, 2019--Boot Barn Holdings, Inc. (NYSE: BOOT) today announced its financial results for the first fiscal quarter ended June 29, 2019.

Highlights for the quarter ended June 29, 2019, were as follows:

- Net sales increased 14.7% to \$185.8 million.
- Same store sales increased 9.4%, including an increase in retail store same store sales of 11.1% and an increase in e-commerce sales of 0.9%.
- Net income was \$9.7 million, or \$0.33 per diluted share, compared to \$6.8 million, or \$0.24 per diluted share in the prior-year period. Net income per diluted share in the current-year period includes \$0.01 per share of tax benefit from the exercise of stock options compared to \$0.09 per share of tax benefit from the exercise of stock options in the prior-year period. Excluding the tax benefit in both years, net income per diluted share in the current-year period grew 113% to \$0.32, compared to \$0.15 in the prior-year period.

Jim Conroy, Chief Executive Officer, commented, “The underlying strength in the business has continued as evidenced by our strong start to fiscal 2020. First quarter same store sales grew 9.4% driven by a double-digit retail store comp increase, marking the ninth consecutive quarter of positive gains at our physical locations. At the same time, increases in full-price selling and exclusive brand penetration helped fuel a 150 basis point improvement in merchandise margin, which along with SG&A leverage, resulted in significant operating margin expansion. Importantly, we’ve experienced strength across virtually all geographies and merchandise categories and this momentum has continued into the start of the second quarter with same store sales up high-single digits in July, despite eliminating our long-standing anniversary sale in the current year.”

### Operating Results for the First Quarter Ended June 29, 2019

- Net sales increased 14.7% to \$185.8 million from \$162.0 million in the prior-year period. Consolidated same store sales increased 9.4%. Excluding the impact of the 0.9% increase in e-commerce same store sales, same store sales increased by 11.1%. The increase in net sales was driven by the increase in same store sales, sales from new stores added over the past twelve months and the sales contribution from acquired stores.
  - Gross profit was \$62.2 million, or 33.5% of net sales, compared to \$51.4 million, or 31.8% of net sales, in the prior-year period. Gross profit increased primarily due to increased sales and an increase in merchandise margin rate. Gross profit rate increased due to a 150 basis point increase in merchandise margin rate and 20 basis points of leverage in buying and occupancy costs. The higher merchandise margin was driven by better full-price selling and growth in exclusive brand penetration.
  - Selling, general and administrative expense was \$46.1 million, or 24.8% of net sales, compared to \$41.6 million, or 25.7% of net sales, in the prior-year period. The increase in selling, general and administrative expenses was primarily a result of additional costs to support higher sales and expenses for both new and acquired stores. Selling, general and administrative expenses as a percentage of sales decreased by 90 basis points as a result of expense leverage on higher sales.
  - Income from operations grew 63.4% to \$16.1 million, or 8.6% of net sales, compared to \$9.8 million, or 6.1% of net sales, in the prior-year period. This increase represents approximately 260 basis points of improvement in operating profit margin.
  - Net income was \$9.7 million, or \$0.33 per diluted share, compared to \$6.8 million, or \$0.24 per diluted share in the prior-year period. Net income per diluted share in the current-year period includes \$0.01 per share of tax benefit from the exercise of stock options compared to \$0.09 per share of tax benefit from the exercise of stock options in the prior-year period. Excluding the tax benefit in both years, net income per diluted share in the current-year period grew 113% to \$0.32, compared to \$0.15 in the prior-year period.
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## Balance Sheet Highlights as of June 29, 2019

- Cash of \$22.7 million.
- Average inventory per store was up 9.2% on a same store basis compared to June 30, 2018.
- Total net debt of \$188.5 million, including an \$80.0 million balance under the revolving credit facility.

## Fiscal Year 2020 Outlook

For the fiscal year ending March 28, 2020 the Company now expects:

- To open or acquire 25 stores, including stores opened fiscal year-to-date.
- Same store sales growth of approximately 6.0%, compared to the Company's prior outlook of 5.0%.
- Income from operations of \$75.4 million to \$78.6 million, compared to the Company's prior outlook of \$71.5 million to \$74.4 million.
- Interest expense of approximately \$14.2 million, compared to the Company's prior outlook of \$15.5 million.
- Net income of \$46.2 million to \$48.5 million, compared to the Company's prior outlook of \$41.7 million to \$44.0 million.
- Net income per diluted share of \$1.57 to \$1.65 based on 29.4 million weighted average diluted shares outstanding, compared to the Company's prior outlook of \$1.42 to \$1.50.

For the fiscal second quarter ending September 28, 2019, the Company expects:

- Same store sales growth of approximately 7.0%.
  - Total sales of \$182.0 million to \$184.0 million.
  - Net income per diluted share of \$0.17 to \$0.19 based on 29.3 million weighted average diluted shares outstanding.
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## **Conference Call Information**

A conference call to discuss the financial results for the first quarter of fiscal year 2020 is scheduled for today, July 31, 2019, at 4:30 p.m. ET (1:30 p.m. PT). Investors and analysts interested in participating in the call are invited to dial (800) 289-0438. The conference call will also be available to interested parties through a live webcast at [investor.bootbarn.com](http://investor.bootbarn.com). Please visit the website and select the "Events and Presentations" link at least 15 minutes prior to the start of the call to register and download any necessary software. A telephone replay of the call will be available until August 31, 2019, by dialing (844) 512-2921 (domestic) or (412) 317-6671 (international) and entering the conference identification number: 3916127. Please note participants must enter the conference identification number in order to access the replay.

## **About Boot Barn**

Boot Barn is the nation's leading lifestyle retailer of western and work-related footwear, apparel and accessories for men, women and children. The Company offers its loyal customer base a wide selection of work and lifestyle brands. As of the date of this release, Boot Barn operates 240 stores in 33 states, in addition to an e-commerce channel [www.bootbarn.com](http://www.bootbarn.com). The Company also operates [www.sheplers.com](http://www.sheplers.com), the nation's leading pure play online western and work retailer and [www.countryoutfitter.com](http://www.countryoutfitter.com), an e-commerce site selling to customers who live a country lifestyle. For more information, call 888-Boot-Barn or visit [www.bootbarn.com](http://www.bootbarn.com).

## **Forward Looking Statements**

This press release contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this press release are forward-looking statements. Forward-looking statements refer to our current expectations and projections relating to, by way of example and without limitation, our financial condition, liquidity, profitability, results of operations, margins, plans, objectives, strategies, future performance, business and industry. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate", "estimate", "expect", "project", "plan", "intend", "believe", "may", "might", "will", "could", "should", "can have", "likely", "outlook" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events, but not all forward-looking statements contain these identifying words. These forward-looking statements are based on assumptions that the Company's management has made in light of their industry experience and on their perceptions of historical trends, current conditions, expected future developments and other factors they believe are appropriate under the circumstances. As you consider this press release, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. These risks, uncertainties and assumptions include, but are not limited to, the following: decreases in consumer spending due to declines in consumer confidence, local economic conditions or changes in consumer preferences; the Company's ability to effectively execute on its growth strategy; and the Company's failure to maintain and enhance its strong brand image, to compete effectively, to maintain good relationships with its key suppliers, and to improve and expand its exclusive product offerings. The Company discusses the foregoing risks and other risks in greater detail under the heading "Risk factors" in the periodic reports filed by the Company with the Securities and Exchange Commission. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect the Company's actual financial results and cause them to differ materially from those anticipated in the forward-looking statements. Because of these factors, the Company cautions that you should not place undue reliance on any of these forward-looking statements. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict those events or how they may affect the Company. Further, any forward-looking statement speaks only as of the date on which it is made. Except as required by law, the Company does not intend to update or revise the forward-looking statements in this press release after the date of this press release.

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**Boot Barn Holdings, Inc.**  
**Consolidated Balance Sheets**  
(In thousands, except per share data)  
(Unaudited)

|   | <b>June 29,</b> | <b>March 30,</b> |
|---|-----------------|------------------|
|   | <b>2019</b>     | <b>2019</b>      |
| <b>Assets</b>   |                 |                  |
| Current assets:   |                 |                  |
| Cash and cash equivalents   | \$ 22,739       | \$ 16,614        |
| Accounts receivable, net  | 6,552           | 8,095            |
| Inventories   | 253,895         | 240,734          |
| Prepaid expenses and other current assets   | 12,889          | 11,900           |
| Total current assets  | 296,075         | 277,343          |
| Property and equipment, net   | 93,733          | 98,663           |
| Right-of-use assets, net  | 162,702         | —                |
| Goodwill  | 195,858         | 195,858          |
| Intangible assets, net  | 60,769          | 62,845           |
| Other assets  | 1,464           | 1,366            |
| Total assets  | \$ 810,601      | \$ 636,075       |
| <b>Liabilities and stockholders' equity</b>   |                 |                  |
| Current liabilities:  |                 |                  |
| Line of credit  | \$ 80,001       | \$ —             |
| Accounts payable  | 99,471          | 104,955          |
| Accrued expenses and other current liabilities  | 48,852          | 46,988           |
| Right-of-use liabilities, current   | 30,830          | —                |
| Total current liabilities   | 259,154         | 151,943          |
| Deferred taxes  | 16,155          | 17,202           |
| Long-term portion of notes payable, net   | 108,464         | 174,264          |
| Capital lease obligation  | —               | 6,746            |
| Right-of-use liabilities, non-current   | 146,638         | —                |
| Other liabilities   | 4,495           | 21,756           |
| Total liabilities   | 534,906         | 371,911          |
| Stockholders' equity:   |                 |                  |
| Common stock, \$0.0001 par value; June 29, 2019 - 100,000 shares authorized, 28,542 shares issued; March 30, 2019 - 100,000 shares authorized, 28,399 shares issued | 3               | 3                |
| Preferred stock, \$0.0001 par value; 10,000 shares authorized, no shares issued or outstanding  | —               | —                |
| Additional paid-in capital  | 161,369         | 159,137          |
| Retained earnings   | 115,413         | 105,692          |
| Less: Common stock held in treasury, at cost, 66 and 51 shares at June 29, 2019 and March 30, 2019, respectively  | (1,090)         | (668)            |
| Total stockholders' equity  | 275,695         | 264,164          |
| Total liabilities and stockholders' equity  | \$ 810,601      | \$ 636,075       |

**Boot Barn Holdings, Inc.**  
**Consolidated Statements of Operations**  
(In thousands, except per share data)  
(Unaudited)

|  | <b>Thirteen Weeks Ended</b> |                          |
|--|-----------------------------|--------------------------|
|  | <b>June 29,<br/>2019</b>    | <b>June 30,<br/>2018</b> |
| Net sales                                    | \$ 185,767                  | \$ 161,984               |
| Cost of goods sold                           | 123,611                     | 110,537                  |
| Gross profit                                 | 62,156                      | 51,447                   |
| Selling, general and administrative expenses | 46,095                      | 41,618                   |
| Income from operations                       | 16,061                      | 9,829                    |
| Interest expense, net                        | 3,904                       | 4,100                    |
| Other income, net                            | 11                          | —                        |
| Income before income taxes                   | 12,168                      | 5,729                    |
| Income tax expense/(benefit)                 | 2,447                       | (1,032)                  |
| Net income                                   | <u>\$ 9,721</u>             | <u>\$ 6,761</u>          |
| Earnings per share:                          |                             |                          |
| Basic shares                                 | \$ 0.34                     | \$ 0.24                  |
| Diluted shares                               | \$ 0.33                     | \$ 0.24                  |
| Weighted average shares outstanding:         |                             |                          |
| Basic shares                                 | 28,380                      | 27,604                   |
| Diluted shares                               | 29,025                      | 28,542                   |

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**Boot Barn Holdings, Inc.**  
**Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

|   | <b>Thirteen Weeks Ended</b> |                          |
|---|-----------------------------|--------------------------|
|   | <b>June 29,<br/>2019</b>    | <b>June 30,<br/>2018</b> |
| <b>Cash flows from operating activities</b>   |                             |                          |
| Net income  | \$ 9,721                    | \$ 6,761                 |
| Adjustments to reconcile net income to net cash (used in)/provided by operating activities: |                             |                          |
| Depreciation  | 4,770                       | 4,238                    |
| Stock-based compensation  | 965                         | 612                      |
| Amortization of intangible assets   | 32                          | 193                      |
| Amortization of ROU assets  | 7,424                       | —                        |
| Amortization of debt issuance fees and debt discount  | 281                         | 305                      |
| Loss on disposal of property and equipment  | 12                          | —                        |
| Gain on adjustment of ROU asset and liability   | (193)                       | —                        |
| Store impairment charge   | —                           | 213                      |
| Deferred taxes  | (1,047)                     | 394                      |
| Changes in operating assets and liabilities, net of acquisition:                            |                             |                          |
| Accounts receivable, net  | 1,612                       | (1,051)                  |
| Inventories   | (13,161)                    | 8,910                    |
| Prepaid expenses and other current assets   | (867)                       | (1,245)                  |
| Other assets  | (274)                       | (14)                     |
| Accounts payable  | (6,486)                     | (13,468)                 |
| Accrued expenses and other current liabilities  | 2,719                       | (745)                    |
| Other liabilities   | 249                         | 403                      |
| Operating leases  | (7,306)                     | —                        |
| Net cash (used in)/provided by operating activities   | \$ (1,549)                  | \$ 5,506                 |
| <b>Cash flows from investing activities</b>   |                             |                          |
| Purchases of property and equipment   | \$ (6,822)                  | \$ (7,064)               |
| Acquisition of business, net of cash acquired   | —                           | (4,424)                  |
| Net cash used in investing activities   | \$ (6,822)                  | \$ (11,488)              |
| <b>Cash flows from financing activities</b>   |                             |                          |
| Borrowings on line of credit - net  | \$ 80,001                   | \$ 9,731                 |
| Repayments on debt and finance lease obligations  | (65,147)                    | (10,123)                 |
| Debt issuance fees paid   | (1,203)                     | —                        |
| Tax withholding payments for net share settlement   | (422)                       | (306)                    |
| Proceeds from the exercise of stock options   | 1,267                       | 5,038                    |
| Net cash provided by financing activities   | \$ 14,496                   | \$ 4,340                 |
| Net increase/(decrease) in cash and cash equivalents  | 6,125                       | (1,642)                  |
| Cash and cash equivalents, beginning of period  | 16,614                      | 9,016                    |
| Cash and cash equivalents, end of period  | \$ 22,739                   | \$ 7,374                 |
| <b>Supplemental disclosures of cash flow information:</b>                                   |                             |                          |
| Cash paid for income taxes  | \$ 201                      | \$ 240                   |
| Cash paid for interest  | \$ 3,370                    | \$ 3,769                 |
| <b>Supplemental disclosure of non-cash activities:</b>                                      |                             |                          |
| Unpaid purchases of property and equipment  | \$ 2,879                    | \$ 2,559                 |

**Boot Barn Holdings, Inc.**  
**Store Count**

|                         | <b>Fiscal Year Ended</b> | <b>Fiscal Year Ended</b> | <b>Fiscal Year Ended</b> | <b>Quarter Ended</b> |
|-------------------------|--------------------------|--------------------------|--------------------------|----------------------|
|                         | <b>April 1,</b>          | <b>March 31,</b>         | <b>March 30,</b>         | <b>June 29,</b>      |
|                         | <b>2017</b>              | <b>2018</b>              | <b>2019</b>              | <b>2019</b>          |
| Store Count (BOP)       | 208                      | 219                      | 226                      | 240                  |
| Opened/Acquired         | 12                       | 9                        | 17                       | 1                    |
| Closed Boot Barn Stores | (1)                      | (2)                      | (3)                      | (1)                  |
| Store Count (EOP)       | <u>219</u>               | <u>226</u>               | <u>240</u>               | <u>240</u>           |

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**Thirteen Weeks Ended**

|  | <b>June 29,<br/>2019</b> | <b>March 30,<br/>2019</b> | <b>December 29,<br/>2018</b> | <b>September 29,<br/>2018</b> | <b>June 30,<br/>2018</b> |
|--|--------------------------|---------------------------|------------------------------|-------------------------------|--------------------------|
| <b>Boot Barn's Net Income</b>                      | \$ 9,721                 | \$ 8,697                  | \$ 19,030                    | \$ 4,534                      | \$ 6,761                 |
| Income tax expense/(benefit)                       | 2,447                    | 3,736                     | 6,260                        | 10                            | (1,032)                  |
| Interest expense, net                              | 3,904                    | 4,067                     | 4,011                        | 4,153                         | 4,100                    |
| Depreciation and intangible asset amortization (a) | 4,802                    | 5,178                     | 4,720                        | 4,573                         | 4,431                    |
| <b>Boot Barn's EBITDA</b>                          | <b>\$ 20,874</b>         | <b>\$ 21,678</b>          | <b>\$ 34,021</b>             | <b>\$ 13,270</b>              | <b>\$ 14,260</b>         |
| Non-cash stock-based compensation (b)              | \$ 965                   | \$ 666                    | \$ 791                       | \$ 804                        | \$ 612                   |
| Non-cash accrual for future award redemptions (c)  | 97                       | (73)                      | 526                          | 92                            | 22                       |
| Loss/(gain) on disposal of assets (d)              | 12                       | -                         | (4)                          | 27                            | -                        |
| Gain on adjustment of ROU asset and liability (e)  | (193)                    | -                         | -                            | -                             | -                        |
| Store impairment charge (f)                        | -                        | -                         | 150                          | 92                            | 213                      |
| Secondary offering costs (g)                       | -                        | -                         | -                            | -                             | 176                      |
| <b>Boot Barn's Adjusted EBITDA</b>                 | <b>\$ 21,755</b>         | <b>\$ 22,271</b>          | <b>\$ 35,484</b>             | <b>\$ 14,285</b>              | <b>\$ 15,283</b>         |
| Additional adjustments (h)                         | 847                      | 1,059                     | 455                          | 553                           | 935                      |
| <b>Consolidated EBITDA per Loan Agreements</b>     | <b>\$ 22,602</b>         | <b>\$ 23,330</b>          | <b>\$ 35,939</b>             | <b>\$ 14,838</b>              | <b>\$ 16,218</b>         |

- (a) The thirteen weeks ended June 29, 2019 excludes below-market lease amortization and certain asset depreciation expenses no longer recorded as amortization expense, but rent expense under ASC 842.
- (b) Represents non-cash compensation expenses related to stock options, restricted stock awards and restricted stock units granted to certain of our employees and directors.
- (c) Represents the non-cash accrual for future award redemptions in connection with our customer loyalty program.
- (d) Represents loss/(gain) on disposal of assets from store closures.
- (e) Represents a gain on adjustment of a ROU asset and liability.
- (f) Represents store impairment charges recorded in order to reduce the carrying amount of the assets to their estimated fair values.
- (g) Represents professional fees and expenses incurred in connection with the May 2018 secondary offering.
- (h) Adjustments to Boot Barn's Adjusted EBITDA as provided in the 2015 Golub Term Loan and June 2015 Wells Fargo Revolver include pre-opening costs, franchise and state taxes, and other miscellaneous adjustments. Beginning in the thirteen weeks ended June 29, 2019, adjustments also include below-market lease amortization and certain asset depreciation expenses no longer recorded as amortization expense, but rent expense under ASC 842.

## Contacts

### Investors:

ICR, Inc.  
Brendon Frey, 203-682-8216  
BootBarnIR@icrinc.com

or

### Media:

Boot Barn Holdings, Inc.  
Jim Watkins, 949-453-4428  
Vice President, Investor Relations  
BootBarnIRMedia@bootbarn.com