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KOHL'S Corp
Form 10-Q
September 05, 2014

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended August 2, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the Transition period from _____ to _____

Commission file number 1-11084

KOHL'S CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin

39-1630919

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification No.)

N56 W17000 Ridgewood Drive,
Menomonee Falls, Wisconsin

53051

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (262) 703-7000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: August 30, 2014 Common Stock, Par Value \$0.01 per Share, 204,668,449 shares outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KOHL'S CORPORATION
CONSOLIDATED BALANCE SHEETS
(In Millions)

	August 2, 2014 (Unaudited)	February 1, 2014 (Audited)	August 3, 2013 (Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	\$ 746	\$ 971	\$ 592
Merchandise inventories	3,899	3,874	3,856
Deferred income taxes	132	142	150
Other	300	305	284
Total current assets	5,077	5,292	4,882
Property and equipment, net	8,686	8,745	8,891
Other assets	338	341	324
Total assets	\$ 14,101	\$ 14,378	\$ 14,097
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$ 1,479	\$ 1,365	\$ 1,396
Accrued liabilities	1,057	1,138	1,065
Income taxes payable	43	94	75
Current portion of capital lease and financing obligations	105	139	147
Total current liabilities	2,684	2,736	2,683
Long-term debt	2,792	2,792	2,492
Capital lease and financing obligations	1,896	1,930	1,948
Deferred income taxes	358	382	381
Other long-term liabilities	562	560	540
Shareholders' equity:			
Common stock	4	4	4
Paid-in capital	2,638	2,598	2,516
Treasury stock, at cost	(8,459)	(8,052)	(7,531)
Accumulated other comprehensive loss	(30)	(34)	(39)
Retained earnings	11,656	11,462	11,103
Total shareholders' equity	5,809	5,978	6,053
Total liabilities and shareholders' equity	\$ 14,101	\$ 14,378	\$ 14,097
See accompanying Notes to Consolidated Financial Statements			

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KOHL'S CORPORATION
 CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)
 (In Millions, Except per Share Data)

	Three Months Ended		Six Months Ended	
	August 2, 2014	August 3, 2013	August 2, 2014	August 3, 2013
Net sales	\$4,242	\$4,289	\$8,312	\$8,488
Cost of merchandise sold	2,588	2,613	5,162	5,284
Gross margin	1,654	1,676	3,150	3,204
Operating expenses:				
Selling, general and administrative	981	1,000	1,981	1,997
Depreciation and amortization	222	225	438	439
Operating income	451	451	731	768
Interest expense, net	85	84	170	167
Income before income taxes	366	367	561	601
Provision for income taxes	134	136		