

**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):

**May 20, 2021**

**ROSS STORES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**0-14678**

(Commission File No.)

**94-1390387**

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

**5130 Hacienda Drive, Dublin, California 94568**

(Address of principal executive offices)

Registrant's telephone number, including area code:

**(925) 965-4400**

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 (see General Instruction A.2. below):

- 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))

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

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
<b>Common stock, par value \$.01</b>	<b>ROST</b>	<b>NASDAQ Global Select Market</b>

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.

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

On May 20, 2021, the Company issued a press release regarding the Company's financial results for its fiscal quarter ended May 1, 2021. The full text of the Company's press release is attached hereto as Exhibit 99.1.

The information furnished with this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference into any 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.**

**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">May 20, 2021 Press Release by Ross Stores, Inc.</a>
104	Cover Page Interactive Data File. (The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.)

**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.

Date: May 20, 2021

**ROSS STORES, INC.**

Registrant

By: /s/Travis R. Marquette

Travis R. Marquette  
Executive Vice President and Chief Financial  
Officer, and Principal Accounting Officer



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**FOR IMMEDIATE RELEASE**

**Contact:**

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**ROSS STORES REPORTS FIRST QUARTER EARNINGS  
ANNOUNCES NEW \$1.5 BILLION STOCK REPURCHASE PROGRAM  
PROVIDES SECOND QUARTER AND FULL YEAR 2021 GUIDANCE**

**Dublin, California, May 20, 2021** -- Ross Stores, Inc. (NASDAQ: ROST) today reported earnings per share for the 13 weeks ended May 1, 2021 grew 17% to \$1.34 on net income of \$476 million. This compares to \$1.15 per share or net earnings of \$421 million for the 13 weeks ended May 4, 2019. Sales totaled \$4.5 billion, with comparable store sales up a robust 13% versus 2019.

As previously announced, financial results and guidance throughout fiscal 2021 will be compared against fiscal 2019. We believe the significant impact from the extended closure of our operations in the spring of 2020, and the disruptions caused by COVID-19 throughout last year, make this a more relevant basis for comparison.

Barbara Rentler, Chief Executive Officer, commented, "First quarter sales significantly exceeded our expectations as we benefited considerably from a combination of government stimulus payments, ongoing vaccine rollouts, easing of COVID restrictions, and pent-up consumer demand. In addition, customers responded enthusiastically to the broad assortment of great bargains we offered throughout our stores. Operating margin of 14.2% was well above plan and slightly above 2019 as leverage from the strong comparable sales gains offset the expected expense pressures from higher freight and wages, as well as ongoing COVID-related operating costs."

**ROSS STORES, INC.** 5130 Hacienda Drive, Dublin, CA 94568 (925) 965-4400

## **Board Approves New \$1.5 Billion Stock Repurchase Program Through Fiscal 2022**

The Company's Board of Directors authorized a new program to repurchase up to \$1.5 billion of its common stock through fiscal 2022, with plans to buy back \$650 million this year and \$850 million in 2022.

Ms. Rentler noted, "The reinstatement of our share repurchase program reflects the current strength of our balance sheet, confidence in the Company's ability to generate excess cash after funding our growth and other capital needs of the business, and our long-standing commitment to enhancing stockholder value and returns."

## **Fiscal 2021 Guidance**

Looking ahead, Ms. Rentler said, "Our results and the clear improvement in the macroeconomic environment make us optimistic about our prospects for the balance of the year. That said, it is difficult to precisely predict the lasting impact from the factors that benefited our first quarter sales results, especially the recent government stimulus payments. While we hope to do better, we are forecasting same store sales to be up 5% to 7% for the 13 weeks ending July 31, 2021 versus the same period in 2019. Second quarter 2021 earnings per share are projected to be \$0.80 to \$0.89, versus \$1.14 in fiscal 2019. For the 52 weeks ending January 29, 2022, we are planning annual comparable store sales gains of 7% to 9% versus 2019 and earnings per share of \$3.93 to \$4.20. Guidance for both periods reflect our expectation for increased freight costs, higher wages, and COVID-related expenses."

Ms. Rentler concluded, "Over the longer-term, we remain confident about our opportunity to gain market share as we expect to benefit significantly from a favorable competitive climate given the large number of retail store closures and bankruptcies in recent years. This, along with consumers' heightened focus on value and convenience, bodes well for our ability to achieve solid results into the future."

The Company will host a conference call on Thursday, May 20, 2021 at 4:15 p.m. Eastern time to provide additional details concerning its first quarter results and management's outlook for the second quarter and fiscal year 2021. A real-time audio webcast of the conference call will be available in the Investors section of the Company's website, located at [www.rossstores.com](http://www.rossstores.com). An audio playback will be available at 404-537-3406, PIN #1273209 until 8:00 p.m. Eastern time on May 27, 2021, as well as on the Company's website.

**Forward-Looking Statements:** *This press release contains forward-looking statements regarding projected sales and earnings, planned new store growth, and other financial results and market conditions in future periods that are subject to risks and uncertainties which could cause our actual results to differ materially from management's current expectations. The words "plan," "expect," "target," "anticipate," "estimate," "believe," "forecast," "projected," "guidance," "outlook," "looking ahead," and similar expressions identify forward-looking statements. Risk factors for Ross Dress for Less® ("Ross") and dd's DISCOUNTS® include without limitation, the uncertainties and potential for the recurrence of significant business disruptions arising from the COVID-19 pandemic; changes in the level of consumer spending on or preferences for apparel and home-related merchandise; impacts from the macro-economic environment, financial and credit markets, geopolitical conditions, unemployment levels or public health issues (such as pandemics) that affect consumer confidence and consumer disposable income; our need to effectively manage our inventories, markdowns, and inventory shortage to achieve planned gross margins; competitive pressures in the apparel or home-related merchandise retailing industry; issues from selling and importing merchandise produced in other countries and from supply chain disruptions in other countries, including due to COVID-19 closures; unseasonable weather that may affect shopping patterns and consumer demand for seasonal apparel and other merchandise, and that may result in temporary store closures and disruptions in deliveries of merchandise to our stores; market availability, quantity, and quality of attractive brand name merchandise at desirable discounts and our buyers' ability to purchase merchandise that enables us to offer customers a wide assortment of merchandise at competitive prices; potential data security breaches, including cyber-attacks on our transaction processing and computer information systems, which could result in theft or unauthorized disclosure of customer, credit card, employee, or other private and valuable information that we handle in the ordinary course of our business; potential disruptions in our supply chain or information systems; issues involving the quality, safety, or authenticity of products we sell, which could harm our reputation, result in lost sales, and/or increase our costs; an adverse outcome in various legal, regulatory, or tax matters; damage to our corporate reputation or brands; our need to continually attract, train, and retain associates to execute our off-price strategies; our need to effectively advertise and market our business; changes in U.S. tax, tariff, or trade policy regarding apparel and home-related merchandise produced in other countries that could adversely affect our business; volatility in revenues and earnings; an additional pandemic, natural or man-made disaster in California or in another region where we have a concentration of stores, offices, or a distribution center; unexpected issues or costs from expanding in existing markets and entering new geographic markets; obtaining acceptable new store sites with favorable consumer demographics; and maintaining sufficient liquidity to support our continuing operations, new store openings and reopenings, and ongoing capital expenditure plans. Other risk factors are set forth in our SEC filings including without limitation, the Form 10-K for fiscal 2020 and Form 8-Ks for fiscal 2021. The factors underlying our forecasts are dynamic and subject to change. As a result, our forecasts speak only as of the date they are given and do not necessarily reflect our outlook at any other point in time. We do not undertake to update or revise these forward-looking statements.*

Ross Stores, Inc. is an S&P 500, Fortune 500, and Nasdaq 100 (ROST) company headquartered in Dublin, California, with fiscal 2020 revenues of \$12.5 billion. Currently, the Company operates Ross Dress for Less® ("Ross"), the largest off-price apparel and home fashion chain in the United States with 1,589 locations in 40 states, the District of Columbia, and Guam. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 60% off department and specialty store regular prices every day. The Company also operates 277 dd's DISCOUNTS® stores in 21 states that feature a more moderately-priced assortment of first-quality, in-season, name brand apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 70% off moderate department and discount store regular prices every day. Additional information is available at [www.rossstores.com](http://www.rossstores.com).

**Ross Stores, Inc.**  
**Condensed Consolidated Statements of Operations**

(\$000, except stores and per share data, unaudited)	<b>Three Months Ended</b>		
	<b>May 1, 2021</b>	May 2, 2020	May 4, 2019
<b>Sales</b>	\$ 4,516,080	\$ 1,842,673	\$ 3,796,642
<b>Costs and Expenses</b>			
Cost of goods sold	3,198,396	1,889,991	2,701,668
Selling, general and administrative	675,053	415,305	558,250
Interest expense (income), net	19,049	6,666	(5,635)
Total costs and expenses	3,892,498	2,311,962	3,254,283
Earnings (loss) before taxes	623,582	(469,289)	542,359
Provision (benefit) for taxes on earnings (loss)	147,103	(163,447)	121,217
Net earnings (loss)	\$ 476,479	\$ (305,842)	\$ 421,142
<b>Earnings (loss) per share</b>			
Basic	\$ 1.35	\$ (0.87)	\$ 1.16
Diluted	\$ 1.34	\$ (0.87)	\$ 1.15
<b>Weighted-average shares outstanding (000)</b>			
Basic	352,988	352,202	363,085
Diluted	355,367	352,202	365,912
Store count at end of period	1,866	1,832	1,745

**Ross Stores, Inc.**  
**Condensed Consolidated Balance Sheets**

(\$000, unaudited)	May 1, 2021	May 2, 2020	May 4, 2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 5,367,006	\$ 2,669,535	\$ 1,366,592
Accounts receivable	167,139	49,624	121,607
Merchandise inventory	1,697,992	1,757,263	1,813,773
Prepaid expenses and other	199,391	111,493	160,733
Total current assets	7,431,528	4,587,915	3,462,705
Property and equipment, net	2,713,873	2,696,718	2,436,372
Operating lease assets	3,004,747	3,078,373	2,942,980
Other long-term assets	245,715	365,040	207,063
Total assets	\$ 13,395,863	\$ 10,728,046	\$ 9,049,120
<b>Liabilities and Stockholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 2,574,780	\$ 706,267	\$ 1,296,183
Accrued expenses and other	583,399	374,811	450,762
Current operating lease liabilities	599,838	570,832	536,900
Accrued payroll and benefits	323,165	166,707	220,376
Income taxes payable	172,276	—	89,290
Short-term debt	—	805,000	—
Current portion of long-term debt	64,937	—	—
Total current liabilities	4,318,395	2,623,617	2,593,511
Long-term debt	2,449,208	2,285,614	312,552
Non-current operating lease liabilities	2,542,358	2,631,769	2,514,530
Other long-term liabilities	285,762	206,504	226,788
Deferred income taxes	147,319	163,150	134,213
Commitments and contingencies			
Total liabilities and stockholders' equity	\$ 13,395,863	\$ 10,728,046	\$ 9,049,120

**Ross Stores, Inc.**  
**Condensed Consolidated Statements of Cash Flows**

(\$000, unaudited)	Three Months Ended		
	May 1, 2021	May 2, 2020	May 4, 2019
<b>Cash Flows From Operating Activities</b>			
Net earnings (loss)	\$ 476,479	\$ (305,842)	\$ 421,142
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	87,510	90,598	82,757
Stock-based compensation	28,674	24,739	19,689
Deferred income taxes	25,452	13,471	16,543
Change in assets and liabilities:			
Merchandise inventory	(189,010)	75,076	(63,331)
Other current assets	(77,246)	88,286	(41,777)
Accounts payable	349,540	(600,918)	122,654
Other current liabilities	(71,623)	(268,925)	(108,208)
Income taxes	121,255	(175,142)	56,206
Operating lease assets and liabilities, net	2,554	3,001	2,855
Other long-term, net	(765)	(2,786)	457
Net cash provided by (used in) operating activities	752,820	(1,058,442)	508,987
<b>Cash Flows From Investing Activities</b>			
Additions to property and equipment	(136,937)	(139,729)	(95,629)
Proceeds from investments	—	—	517
Net cash used in investing activities	(136,937)	(139,729)	(95,112)
<b>Cash Flows From Financing Activities</b>			
Net proceeds from issuance of short-term debt	—	805,601	—
Payments of short-term debt	—	(615)	—
Net proceeds from issuance of long-term debt	—	1,976,030	—
Payments of debt issuance costs	—	(3,135)	—
Issuance of common stock related to stock plans	6,063	5,444	5,295
Treasury stock purchased	(47,378)	(32,317)	(50,880)
Repurchase of common stock	—	(132,467)	(320,130)
Dividends paid	(101,519)	(101,414)	(93,722)
Net cash (used in) provided by financing activities	(142,834)	2,517,127	(459,437)
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	473,049	1,318,956	(45,562)
Cash, cash equivalents, and restricted cash and cash equivalents:			
Beginning of period	4,953,769	1,411,410	1,478,079
End of period	\$ 5,426,818	\$ 2,730,366	\$ 1,432,517
Reconciliations:			
Cash and cash equivalents	\$ 5,367,006	\$ 2,669,535	\$ 1,366,592
Restricted cash and cash equivalents included in prepaid expenses and other	10,766	10,341	11,867
Restricted cash and cash equivalents included in other long-term assets	49,046	50,490	54,058
Total cash, cash equivalents, and restricted cash and cash equivalents:	\$ 5,426,818	\$ 2,730,366	\$ 1,432,517
<b>Supplemental Cash Flow Disclosures</b>			
Interest paid	\$ 39,929	\$ 4,235	\$ 4,219
Income taxes paid (refunded)	\$ 396	\$ (1,777)	\$ 48,468