

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):

November 21, 2024

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> |
|--------------------------------------|-----------------------|--|
| Common stock, par value \$.01 | ROST | NASDAQ Global Select Market |

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 November 21, 2024, the Company issued a press release regarding the Company's financial results for its fiscal quarter ended November 2, 2024. 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 | November 21, 2024 Press Release by Ross Stores, Inc. |
| 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: November 21, 2024

ROSS STORES, INC.

Registrant

By: /s/Adam Orvos

Adam Orvos

Executive Vice President and Chief Financial Officer



FOR IMMEDIATE RELEASE

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**ROSS STORES REPORTS THIRD QUARTER EARNINGS,
UPDATES FOURTH QUARTER GUIDANCE**

Dublin, California, November 21, 2024 -- Ross Stores, Inc. (Nasdaq: ROST) today reported earnings per share for the 13 weeks ended November 2, 2024 of \$1.48, up from \$1.33 per share for the 13 weeks ended October 28, 2023. Net income for the period rose to \$489 million versus \$447 million last year. Sales for the 2024 third quarter were \$5.1 billion, up from \$4.9 billion in the prior year, with a comparable store sales gain of 1%.

For the nine months ended November 2, 2024, earnings per share were \$4.53 on net earnings of \$1.5 billion, versus \$3.74 per share on net income of \$1.3 billion for the same year-to-date period in 2023. Sales for the first nine months of 2024 were \$15.2 billion, with comparable store sales up 3% over the prior year.

Barbara Rentler, Chief Executive Officer, commented, "We are disappointed with our third quarter sales results as business slowed from the solid gains we reported in the first half of 2024. Although our low-to-moderate income customers continue to face persistently high costs on necessities pressuring their discretionary spending, we believe we should have better executed some of our merchandising initiatives. In addition, a combination of severe weather during the quarter from Hurricanes Helene and Milton, along with unseasonably warm temperatures, also negatively impacted our results."

Ms. Rentler continued, "Despite the below-plan sales results, earnings were ahead of our expectations. Operating margin for the quarter was 11.9%, up from 11.2% last year, as lower incentive, freight, and distribution costs more than offset the planned decline in merchandise margin."

Ms. Rentler added, "During the third quarter, we repurchased 1.8 million shares of common stock for an aggregate price of \$262 million. We remain on track to buy back a total of \$1.05 billion in common stock during fiscal 2024 under the Company's two-year \$2.1 billion repurchase program."

Fourth Quarter and Fiscal 2024 Guidance

Looking ahead, Ms. Rentler said, “For the 13 weeks ending February 1, 2025, we continue to project comparable store sales to increase 2% to 3%. Earnings per share for the fourth quarter are planned to be in the range of \$1.57 to \$1.64, compared to \$1.82 for the 14 weeks ended February 3, 2024. This guidance range includes an unfavorable impact of approximately \$0.03 per share primarily from the timing of packaway-related expenses that benefited the third quarter. Based on our year-to-date results and fourth quarter forecast, earnings per share for the 52 weeks ending February 1, 2025 are now expected to be in the range of \$6.10 to \$6.17 versus \$5.56 last year. As a reminder, both the 2023 fourth quarter and full year results included an approximate \$0.20 earnings per share benefit from the 53rd week.”

Ms. Rentler concluded, “We remain confident that our ongoing focus and commitment to delivering the most compelling values possible will enable us to maximize our potential for profitable growth now and in the future.”

The Company will host a conference call on Thursday, November 21, 2024 at 4:15 p.m. Eastern time to provide additional details concerning its third quarter results and management’s outlook for the remainder of the year. 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. An audio playback will be available at 201-612-7415, PIN #13749868 until 8:00 p.m. Eastern time on November 29, 2024, as well as on the Company’s website.

Forward-Looking Statements: *This press release and the related conference call remarks contain forward-looking statements regarding, without limitation, projected sales, costs, and earnings, planned new store growth, capital expenditures, and other matters. These forward-looking statements reflect our then-current beliefs, plans, and estimates with respect to future events and our projected financial performance and operations, and they 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, uncertainties arising from the macroeconomic environment, including inflation and the price of necessities, high interest rates, housing costs, energy and fuel costs, financial and credit market conditions, recession concerns, geopolitical conditions, and public health and public safety issues that affect consumer confidence, consumer disposable income, and shopping behavior, as well as our costs; unexpected changes in the level of consumer spending on, or preferences for, apparel and home-related merchandise, which could adversely affect us; competitive pressures in the apparel and home-related merchandise retailing industry; our need to effectively manage our inventories, markdowns, and inventory shortage in order to achieve our planned gross margins; changes in U.S. tax, tariff, or trade policy regarding apparel and home-related merchandise produced in other countries, which could adversely affect our business; risks associated with importing and selling merchandise produced in other countries, including risks from supply chain disruption, shipping delays, and higher than expected ocean freight costs; unseasonable weather or extreme temperatures that may affect shopping patterns and consumer demand for seasonal apparel and other merchandise; our dependence on the market availability, quantity, and quality of attractive brand name merchandise at desirable discounts, and on the ability of our buyers to anticipate consumer preferences and to purchase merchandise to enable us to offer customers a wide assortment of merchandise at competitive prices; information or data security breaches, including cyber-attacks on our transaction processing and computer information systems, which could disrupt our operations, and result in theft or unauthorized disclosure of confidential and valuable business information, such as customer, credit card, employee, or other private and valuable information that we handle in the ordinary course of our business; disruptions in our supply chain or in our information systems, including from ransomware or other cyber-attacks, that could impact our ability to process sales and to deliver product to our stores in a timely and cost-effective manner; our need to obtain acceptable new store sites with favorable consumer demographics to achieve our planned store openings; our need to expand in existing markets and enter new geographic markets in order to achieve planned growth and market penetration; consumer problems or legal 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, or the adoption of new federal or state tax legislation that increases tax rates or adds new taxes, that could increase our costs; damage to our corporate reputation or brands that could adversely affect our sales and operating results; our need to continually attract, train, and retain associates with the retail talent necessary to execute our off-price retail strategies; our need to effectively advertise and market our business; possible volatility in our revenues and earnings; a public health or public safety crisis, or a natural or man-made disaster in California or another region where we have a concentration of stores, offices, or a distribution center, that could harm our business; and our need to maintain sufficient liquidity to support our continuing operations and our new store openings. Other risk factors are set forth in our SEC filings including the Form 10-K for fiscal 2023 and fiscal 2024 Form 8-Ks and 10-Qs on file with the SEC. The factors underlying our forecasts and plans are dynamic and subject to change. As a result, any forecasts or forward-looking statements speak only as of the date they are given and do not necessarily reflect our outlook at any other point in time. We disclaim any obligation to update or revise these forward-looking statements.*

About Ross Stores, Inc.

Ross Stores, Inc. is an S&P 500, Fortune 500, and Nasdaq 100 (ROST) company headquartered in Dublin, California, with fiscal 2023 revenues of \$20.4 billion. Currently, the Company operates Ross Dress for Less® ("Ross"), the largest off-price apparel and home fashion chain in the United States with 1,836 locations in 43 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 356 dd's DISCOUNTS® stores in 22 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.

Ross Stores, Inc.
Condensed Consolidated Statements of Earnings

| (\$000, except stores and per share data, unaudited) | Three Months Ended | | Nine Months Ended | |
|--|---------------------|------------------|---------------------|------------------|
| | November 2, 2024 | October 28, 2023 | November 2, 2024 | October 28, 2023 |
| Sales | \$ 5,071,354 | \$ 4,924,849 | \$ 15,216,940 | \$ 14,354,440 |
| Costs and Expenses | | | | |
| Cost of goods sold | 3,634,283 | 3,564,268 | 10,916,884 | 10,426,241 |
| Selling, general and administrative | 832,855 | 810,470 | 2,445,494 | 2,364,590 |
| Interest income, net | (42,527) | (43,319) | (131,827) | (111,930) |
| Total costs and expenses | 4,424,611 | 4,331,419 | 13,230,551 | 12,678,901 |
| Earnings before taxes | 646,743 | 593,430 | 1,986,389 | 1,675,539 |
| Provision for taxes on earnings | 157,935 | 146,103 | 482,443 | 410,702 |
| Net earnings | \$ 488,808 | \$ 447,327 | \$ 1,503,946 | \$ 1,264,837 |
| Earnings per share | | | | |
| Basic | \$ 1.49 | \$ 1.34 | \$ 4.56 | \$ 3.76 |
| Diluted | \$ 1.48 | \$ 1.33 | \$ 4.53 | \$ 3.74 |
| Weighted-average shares outstanding (000) | | | | |
| Basic | 327,710 | 334,282 | 329,453 | 336,187 |
| Diluted | 329,937 | 336,261 | 331,728 | 338,107 |
| Store count at end of period | 2,192 | 2,112 | 2,192 | 2,112 |

Ross Stores, Inc.
Condensed Consolidated Balance Sheets

(\$000, unaudited)

November 2, 2024

October 28, 2023

| Assets | November 2, 2024 | October 28, 2023 |
|---|------------------|------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 4,349,262 | \$ 4,499,497 |
| Accounts receivable | 176,218 | 171,915 |
| Merchandise inventory | 2,859,106 | 2,613,808 |
| Prepaid expenses and other | 241,703 | 206,725 |
| Total current assets | 7,626,289 | 7,491,945 |
| Property and equipment, net | 3,657,679 | 3,397,519 |
| Operating lease assets | 3,349,427 | 3,160,017 |
| Other long-term assets | 271,791 | 221,139 |
| Total assets | \$ 14,905,186 | \$ 14,270,620 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 2,346,479 | \$ 2,280,278 |
| Accrued expenses and other | 637,332 | 665,279 |
| Current operating lease liabilities | 699,200 | 680,088 |
| Accrued payroll and benefits | 459,094 | 509,484 |
| Income taxes payable | 2,186 | 20,960 |
| Current portion of long-term debt | 699,407 | 249,598 |
| Total current liabilities | 4,843,698 | 4,405,687 |
| Long-term debt | 1,514,452 | 2,210,073 |
| Non-current operating lease liabilities | 2,821,417 | 2,640,068 |
| Other long-term liabilities | 265,673 | 218,970 |
| Deferred income taxes | 196,583 | 212,866 |
| Commitments and contingencies | | |
| Total liabilities and stockholders' equity | \$ 14,905,186 | \$ 14,270,620 |

Ross Stores, Inc.
Condensed Consolidated Statements of Cash Flows

| (\$000, unaudited) | Nine Months Ended | |
|---|-------------------|------------------|
| | November 2, 2024 | October 28, 2023 |
| Cash Flows From Operating Activities | | |
| Net earnings | \$ 1,503,946 | \$ 1,264,837 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 329,584 | 300,366 |
| Stock-based compensation | 117,212 | 111,369 |
| Deferred income taxes | 345 | (4,193) |
| Change in assets and liabilities: | | |
| Merchandise inventory | (666,886) | (590,313) |
| Other current assets | (62,793) | (48,803) |
| Accounts payable | 390,398 | 259,105 |
| Other current liabilities | (83,300) | 284,989 |
| Income taxes | (64,016) | (25,524) |
| Operating lease assets and liabilities, net | 11,057 | 8,336 |
| Other long-term, net | (1,116) | 5,566 |
| Net cash provided by operating activities | 1,474,431 | 1,565,735 |
| Cash Flows From Investing Activities | | |
| Additions to property and equipment | (514,122) | (540,458) |
| Net cash used in investing activities | (514,122) | (540,458) |
| Cash Flows From Financing Activities | | |
| Issuance of common stock related to stock plans | 18,769 | 18,590 |
| Treasury stock purchased | (86,092) | (48,568) |
| Repurchase of common stock | (787,479) | (703,400) |
| Excise tax paid on repurchase of common stock | (8,798) | — |
| Dividends paid | (367,492) | (342,132) |
| Payment of long-term debt | (250,000) | — |
| Net cash used in financing activities | (1,481,092) | (1,075,510) |
| Net decrease in cash, cash equivalents, and restricted cash and cash equivalents | (520,783) | (50,233) |
| Cash, cash equivalents, and restricted cash and cash equivalents: | | |
| Beginning of period | 4,935,441 | 4,612,241 |
| End of period | \$ 4,414,658 | \$ 4,562,008 |
| Reconciliations: | | |
| Cash and cash equivalents | \$ 4,349,262 | \$ 4,499,497 |
| Restricted cash and cash equivalents included in prepaid expenses and other | 15,041 | 13,127 |
| Restricted cash and cash equivalents included in other long-term assets | 50,355 | 49,384 |
| Total cash, cash equivalents, and restricted cash and cash equivalents: | \$ 4,414,658 | \$ 4,562,008 |
| Supplemental Cash Flow Disclosures | | |
| Interest paid | \$ 80,316 | \$ 80,316 |
| Income taxes paid, net | \$ 546,113 | \$ 440,419 |