

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 24, 2018

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))

Item 2.02 Results of Operations and Financial Condition.

On May 24, 2018, the Company issued a press release regarding the Company's financial results for its fiscal quarter ended May 5, 2018. The full text of the Company's press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|------------------------|--|
| 99.1 | May 24, 2018 Press Release by Ross Stores, Inc.* |

*Pursuant to Item 2.02 of Form 8-K, Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

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 24, 2018

ROSS STORES, INC.
Registrant

By: /s/Michael J. Hartshorn
Michael Hartshorn
Executive Vice President, Chief Financial Officer
and Principal Accounting Officer



FOR IMMEDIATE RELEASE

Contact:

Michael Hartshorn
Executive Vice President,
Chief Financial Officer
(925) 965-4503

Connie Kao
Vice President, Investor Relations
(925) 965-4668
connie.kao@ros.com

**ROSS STORES REPORTS FIRST QUARTER EARNINGS,
PROVIDES SECOND QUARTER 2018 GUIDANCE**

Dublin, California, May 24, 2018 -- Ross Stores, Inc. (Nasdaq: ROST) today reported earnings per share for the 13 weeks ended May 5, 2018 of \$1.11, up from \$.82 for the 13 weeks ended April 29, 2017. Net earnings for the 2018 first quarter were \$418 million, compared to \$321 million in the prior year. These earnings per share results include a \$.17 per share benefit from recently enacted tax legislation and a \$.02 per share benefit from the favorable timing of packaway-related expenses that we expect to reverse in subsequent quarters.

First quarter 2018 sales increased 9% to \$3.6 billion. Comparable store sales for the 13 weeks ended May 5, 2018 grew 3% over the 13-week period ended May 6, 2017. This compares to a same store sales gain of 3% for the 13 weeks ended April 29, 2017.

Barbara Rentler, Chief Executive Officer, commented, "Despite unfavorable weather throughout the period, we achieved above-plan growth in both sales and earnings in the first quarter. Operating margin for the period of 15.1% was down slightly from the prior year as an improvement in merchandise gross margin and favorable timing of packaway-related expenses were offset by higher freight costs and wage-related investments."

Ms. Rentler continued, "During the first quarter of fiscal 2018, we repurchased 3.3 million shares of common stock for an aggregate price of \$255 million. As planned, we remain on track to buy back a total of \$1.075 billion in common stock during fiscal 2018."

Looking ahead, Ms. Rentler said, “For the 13 weeks ending August 4, 2018, we are forecasting same store sales to be up 1% to 2% over the 13 weeks ended August 5, 2017. Second quarter 2018 earnings per share are projected to be \$.95 to \$.99, which includes the benefit from lower taxes, partially offset by the previously mentioned shift in packaway expenses.”

Ms. Rentler continued, “Based on our first quarter results and guidance for the second quarter, we now project earnings per share for the 52 weeks ending February 2, 2019 to be in the range of \$3.92 to \$4.05, which includes the benefit from lower taxes.”

The Company will host a conference call on Thursday, May 24, 2018 at 4:15 p.m. Eastern time to provide additional details concerning its first quarter results and management’s outlook for the second quarter of fiscal 2018. 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 404-537-3406, PIN #9193075 until 8:00 p.m. Eastern time on May 31, 2018, as well as on the Company’s website.

Forward-Looking Statements: *This press release contains forward-looking statements regarding expected sales, earnings levels, and other financial results 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, competitive pressures in the apparel or home-related merchandise retailing industry; changes in the level of consumer spending on or preferences for apparel and home-related merchandise; 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; impacts from the macro-economic environment, financial and credit markets, and geopolitical conditions that affect consumer confidence and consumer disposable income; our ability to continually attract, train, and retain associates to execute our off-price strategies; unseasonable weather that may affect shopping patterns and consumer demand for seasonal apparel and other merchandise, and may result in temporary store closures and disruptions in deliveries of merchandise to our stores; potential information or 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; our ability to effectively manage our inventories, markdowns, and inventory shortage to achieve planned gross margin; changes in U.S. tax or tariff policy regarding apparel and home-related merchandise produced in other countries that could adversely affect our business; volatility in revenues and earnings; an adverse outcome in various legal, regulatory, or tax matters; a 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; damage to our corporate reputation or brands; effectively advertising and marketing our brands; issues from selling and importing merchandise produced in other countries; and maintaining sufficient liquidity to support our continuing operations, new store and distribution center growth plans, and stock repurchase and dividend programs. Other risk factors are set forth in our SEC filings including without limitation, the Form 10-K for fiscal 2017 and Form 8-Ks for fiscal 2018. 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 2017 revenues of \$14.1 billion. The Company operates Ross Dress for Less® ("Ross"), the largest off-price apparel and home fashion chain in the United States with 1,432 locations in 38 states, the District of Columbia, and Guam as of May 5, 2018. 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 219 dd's DISCOUNTS® in 17 states as of May 5, 2018 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 | |
|--|---------------------------|----------------|
| | May 5, 2018 | April 29, 2017 |
| Sales | \$ 3,588,619 | \$ 3,306,429 |
| Costs and Expenses | | |
| Cost of goods sold | 2,522,219 | 2,329,966 |
| Selling, general and administrative | 524,423 | 474,819 |
| Interest (income) expense, net | (503) | 3,169 |
| Total costs and expenses | 3,406,139 | 2,807,954 |
| Earnings before taxes | 542,480 | 498,475 |
| Provision for taxes on earnings | 124,228 | 177,457 |
| Net earnings | \$ 418,252 | \$ 321,018 |
| Earnings per share | | |
| Basic | \$ 1.12 | \$ 0.83 |
| Diluted | \$ 1.11 | \$ 0.82 |
| Weighted average shares outstanding (000) | | |
| Basic | 373,797 | 386,433 |
| Diluted | 377,062 | 389,730 |
| Dividends | | |
| Cash dividends declared per share | \$ 0.225 | \$ 0.160 |
| Stores open at end of period | 1,651 | 1,561 |

Ross Stores, Inc.
Condensed Consolidated Balance Sheets

| (\$000, unaudited) | May 5, 2018 | April 29, 2017 |
|---|--------------------|----------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,302,836 | \$ 1,244,219 |
| Accounts receivable | 109,425 | 100,840 |
| Merchandise inventory | 1,895,456 | 1,594,760 |
| Prepaid expenses and other | 146,362 | 124,916 |
| Total current assets | 3,454,079 | 3,064,735 |
| Property and equipment, net | 2,369,215 | 2,308,689 |
| Long-term investments | 709 | 1,267 |
| Other long-term assets | 196,833 | 178,284 |
| Total assets | \$ 6,020,836 | \$ 5,552,975 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 1,299,145 | \$ 1,178,029 |
| Accrued expenses and other | 435,606 | 418,846 |
| Accrued payroll and benefits | 209,570 | 209,138 |
| Income taxes payable | 77,323 | 131,710 |
| Current portion of long-term debt | 84,981 | — |
| Total current liabilities | 2,106,625 | 1,937,723 |
| Long-term debt | 312,105 | 396,611 |
| Other long-term liabilities | 362,445 | 309,339 |
| Deferred income taxes | 109,373 | 131,556 |
| Commitments and contingencies | | |
| Stockholders' Equity | 3,130,288 | 2,777,746 |
| Total liabilities and stockholders' equity | \$ 6,020,836 | \$ 5,552,975 |

Ross Stores, Inc.
Condensed Consolidated Statements of Cash Flows

| (\$000, unaudited) | Three Months Ended | |
|---|--------------------|-----------------------------|
| | May 5, 2018 | April 29, 2017 ¹ |
| Cash Flows From Operating Activities | | |
| Net earnings | \$ 418,252 | \$ 321,018 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 79,797 | 75,820 |
| Stock-based compensation | 23,760 | 20,238 |
| Deferred income taxes | 16,842 | 10,847 |
| Change in assets and liabilities: | | |
| Merchandise inventory | (253,721) | (81,874) |
| Other current assets | (37,283) | (37,168) |
| Accounts payable | 238,677 | 162,788 |
| Other current liabilities | (18,643) | 41,900 |
| Other long-term, net | 4,369 | 7,292 |
| Net cash provided by operating activities | 472,050 | 520,861 |
| Cash Flows From Investing Activities | | |
| Additions to property and equipment | (79,793) | (75,971) |
| Proceeds from investments | 505 | — |
| Net cash used in investing activities | (79,288) | (75,971) |
| Cash Flows From Financing Activities | | |
| Issuance of common stock related to stock plans | 4,682 | 4,404 |
| Treasury stock purchased | (44,798) | (38,754) |
| Repurchase of common stock | (255,370) | (215,042) |
| Dividends paid | (85,410) | (62,795) |
| Net cash used in financing activities | (380,896) | (312,187) |
| Net increase in cash, cash equivalents, and restricted cash and cash equivalents | 11,866 | 132,703 |
| Cash, cash equivalents, and restricted cash and cash equivalents: | | |
| Beginning of period | 1,353,272 | 1,176,180 |
| End of period | \$ 1,365,138 | \$ 1,308,883 |
| Supplemental Cash Flow Disclosures | | |
| Interest paid | \$ 4,219 | \$ 4,219 |
| Income taxes paid | \$ 17,058 | \$ 46,519 |

¹ As the result of the adoption of ASU 2016-18, *Statement of Cash Flow (Topic 230): Restricted Cash*, the prior year amounts were retrospectively adjusted to include restricted cash and cash equivalents.