
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

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

**Date of report: June 1, 2016
(Date of earliest event reported)**

Ollie's Bargain Outlet Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-37501
(Commission
File Number)

80-0848819
(IRS Employer
Identification No.)

**6295 Allentown Boulevard
Suite 1
Harrisburg, Pennsylvania**
(Address of principal executive offices)

17112
(Zip Code)

(717) 657-2300
(Registrant's telephone number, including area code)

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))
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Item 2.02 Results of Operations and Financial Condition.

On June 1, 2016, Ollie's Bargain Outlet Holdings, Inc. issued a press release announcing its financial results for the fiscal quarter ended April 30, 2016. A copy of the press release is furnished as Exhibit 99.1 to this current report and is incorporated by reference herein.

The information furnished on this Form 8-K, including the exhibit attached, 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 filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed with this report:

| <u>Exhibit No.</u> | <u>Description</u> |
|------------------------|---|
| 99.1 | Press Release issued on June 1, 2016 of Ollie's Bargain Outlet Holdings, Inc. |

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.

OLLIE'S BARGAIN OUTLET HOLDINGS, INC.

By: /s/ John Swygert

Name: John Swygert

Title: Executive Vice President and
Chief Financial Officer

Date: June 1, 2016

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|------------------------|---|
| 99.1 | Press Release issued on June 1, 2016 of Ollie's Bargain Outlet Holdings, Inc. |



**Ollie's Bargain Outlet Holdings, Inc. Announces
Fiscal 2016 First Quarter Financial Results**

HARRISBURG, PA – June 1, 2016 (GLOBE NEWSWIRE) – Ollie's Bargain Outlet Holdings, Inc. (NASDAQ: OLLI) ("Ollie's" or the "Company") today announced financial results for the first quarter ended April 30, 2016.

First Quarter Summary:

- Total net sales increased 19.2% to \$193.7 million;
- Comparable store sales increased 6.0%;
- The Company opened five new stores and ended the quarter with a total of 208 stores in 18 states, an increase of 14.9% year over year;
- Operating income increased 35.5% to \$21.0 million;
- Net income increased 76.4% to \$11.7 million, or \$0.19 per diluted share;
- Adjusted net income⁽¹⁾ increased 84.5% to \$12.3 million, or \$0.20 per diluted share; and
- Adjusted EBITDA⁽¹⁾ increased 37.6% to \$27.1 million.

Mark Butler, Chairman, President and Chief Executive Officer stated, "We had another strong quarter and are pleased with the continuing trends in our business. Once again, our results were strong across the board and we continue to execute against our key strategic initiatives of opening stores, building vendor relationships, gaining better access to product, and leveraging our distribution and transportation costs. In the first quarter, we entered our 18th state of operation with the opening of our first store in Florida. We believe Florida will be another strong market for Ollie's and look forward to opening additional stores in the state this fiscal year."

Mr. Butler continued, "Looking forward, we feel good about our deal flow and our product pipeline remains strong. Our growing size, scale and visibility in the marketplace is giving us better access to merchandise, expanding our vendor base, and building stronger direct relationships. This is allowing our buyers to be even more selective and offer our customers even better bargains on great quality branded merchandise every time they shop our stores. Real Brands! Real Bargains!, that's what our customers expect from Ollie's and that's what we will continue to deliver."

First Quarter Results

Net sales increased 19.2% to \$193.7 million in the first quarter of fiscal 2016 from \$162.5 million in the first quarter of fiscal 2015. The increase in net sales was driven by a 6.0% increase in comparable store sales and a 14.9% increase in store count over the first quarter of fiscal 2015. The Company opened five stores in the first quarter and ended the quarter with 208 stores compared to 181 stores at the end of first quarter in fiscal 2015.

Gross profit increased 23.4% to \$79.0 million in the first quarter of fiscal 2016 from \$64.0 million in the first quarter of fiscal 2015 and gross margin increased 140 basis points to 40.8% from 39.4% in the same respective periods. The gross margin increase was driven primarily by lower transportation and distribution costs as a percent to sales and a higher merchandise margin.

Selling, general and administrative (“SG&A”) expenses increased 19.5% to \$54.8 million in the first quarter of fiscal 2016 from \$45.9 million in the first quarter of fiscal 2015. Included in SG&A expenses in the first quarter of 2016 were \$890,000 of transaction related expenses primarily in connection with the Company’s secondary stock offering on February 18, 2016. Including the transaction related expenses, SG&A increased 10 basis points to 28.3% of net sales in the first quarter of fiscal 2016 from 28.2% in the first quarter of fiscal 2015. Excluding the \$890,000 of transaction related expenses, SG&A expenses increased 17.5% to \$53.9 million and as a percent of net sales decreased 40 basis points to 27.8%. Other than the transaction related expenses, the increase in SG&A expenses was primarily driven by increased selling expenses related to new store growth and increased sales volume. The increased selling expenses consisted primarily of store payroll and benefits, store occupancy costs, and other store related expenses.

Pre-opening expenses related to new stores were \$1.2 million in the first quarter of fiscal 2016 compared to \$1.0 million in the first quarter of fiscal 2015. The increase was related to timing differences in the new store openings.

Operating income increased 35.5% to \$21.0 million in the first quarter of fiscal 2016 from \$15.5 million in the first quarter of fiscal 2015. As a percent of net sales, operating income increased 130 basis points to 10.8% in the first quarter of fiscal 2016. Excluding the \$890,000 of transaction related expenses, Adjusted operating income⁽¹⁾ increased 41.2% to \$21.9 million, or 11.3% of net sales, an increase of 180 basis points.

Net income increased 76.4% to \$11.7 million, or \$0.19 per diluted share, in the first quarter of fiscal 2016 compared to \$6.7 million, or \$0.13 per diluted share, in the first quarter of fiscal 2015. Excluding the transaction related expenses, adjusted net income ⁽¹⁾ increased 84.5% to \$12.3 million, or \$0.20 per diluted share, in the first quarter of fiscal 2016 from \$6.7 million, or \$0.13 per diluted share, in the first quarter of fiscal 2015.

Adjusted EBITDA⁽¹⁾ increased 37.6% to \$27.1 million, or 14.0% of net sales, in the first quarter of fiscal 2016 from \$19.7 million, or 12.1% of net sales, in the first quarter of fiscal 2015. Adjusted EBITDA excludes non-cash stock based compensation expense, pre-opening expenses, non-cash purchase accounting items and transaction related expenses.

(1) Adjusted operating income, EBITDA, Adjusted EBITDA, Adjusted net income, and Adjusted net income per diluted share are not measures recognized under generally accepted accounting principles (“GAAP”). Please see the reconciliation of GAAP to non-GAAP tables included later in this release.

Balance Sheet and Cash Flow Highlights

The Company’s cash balance as of the end of first quarter of fiscal 2016 was \$37.1 million compared to \$4.1 million at the end of first quarter fiscal 2015. The Company had no borrowings and \$98.4 million of availability under its \$100.0 million revolving credit facility at the end of the first quarter of fiscal 2016. The Company ended the first quarter of fiscal 2016 with total debt of \$198.8 million compared to \$320.6 million at the end of the first quarter of fiscal 2015.

Inventory at the end of the first quarter of fiscal 2016 increased 7.7% to \$206.4 million compared to \$191.6 million at the end the first quarter of fiscal 2015, due primarily to new store growth.

Capital expenditures for the first quarter of fiscal 2016 totaled \$4.8 million compared to \$2.5 million for the first quarter of fiscal 2015.

Outlook

Ollie's currently estimates the following results for the fiscal year ending January 28, 2017:

- Total net sales of \$868 million to \$878 million;
- Comparable store sales growth of 1.5% to 2.5%;
- The opening of 28-32 new stores and no planned closures;
- Operating income of \$93 million to \$96 million;
- Net income of \$53 million to \$54 million;
- Net income per diluted share of \$0.84 to \$0.86;
- Excluding transaction expenses, adjusted net income of \$53.5 million to \$54.5 million and adjusted net income per diluted share of \$0.85 to \$0.87;
- Estimated weighted diluted average shares outstanding of approximately 62.5 million; and
- Capital expenditures of \$16.5 million to \$17.5 million.

Conference Call Information

A conference call to discuss the fiscal 2016 first quarter financial results is scheduled for today, June 1, 2016, at 4:30 p.m. Eastern Time. Investors and analysts can participate on the conference call by dialing (866) 430-5025 or (704) 908-0421 and using conference ID #15931605. Alternatively, interested parties can listen to a live webcast of the conference call by logging on to the Investor Relations section on the Company's website at <http://investors.ollies.us>. The replay of the conference call webcast will be available at the investor relations Web site for one year.

About Ollie's

We are a highly differentiated and fast growing, extreme value retailer of brand name merchandise at drastically reduced prices. We are known for our assortment of merchandise offered as Good Stuff Cheap®. We offer name brand products, Real Brands! Real Bargains!®, in every department, from housewares, food, books and stationery, bed and bath, floor coverings, toys, hardware and other categories. We currently operate 212 store locations in 18 states across the Eastern half of the United States. For more information, visit www.ollies.us.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "could," "may," "might," "will," "likely," "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "continues," "projects" and similar references to future periods, or by the inclusion of forecasts or projections, the outlook for the Company's future business, prospects, financial performance, industry outlook, our 2016 business outlook and financial guidance. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements

include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following: our failure to adequately manage our inventory or anticipate consumer demand; changes in consumer confidence and spending; risks associated with intense competition; our failure to open new profitable stores, or successfully enter new markets, on a timely basis or at all; our ability to manage our inventory balances; our failure to hire and retain key personnel and other qualified personnel; our inability to obtain favorable lease terms for our properties; the loss of, or disruption in the operations of, our centralized distribution centers; fluctuations in comparable store sales and results of operations, including on a quarterly basis; risks associated with our lack of operations in the growing online retail marketplace; our inability to successfully implement our marketing, advertising and promotional efforts; the seasonal nature of our business; the risks associated with doing business with international manufacturers; changes in government regulations, procedures and requirements; and our ability to service our indebtedness and to comply with our financial covenants together with the other factors set forth under “Risk Factors” in our filings with the United States Securities and Exchange Commission (“SEC”). Any forward-looking statement made by us in this press release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for to predict all of them. Ollie’s undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. You are advised, however, to consult any further disclosures we make on related subjects in our public announcements and SEC filings.

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Ollie's Bargain Outlet Holdings, Inc.

Condensed Consolidated Statements of Income

(In thousands except for per share amounts)

(Unaudited)

| | Thirteen weeks ended | |
|--|----------------------|-----------------|
| | April 30, 2016 | May 2, 2015 |
| Condensed consolidated statements of income data: | | |
| Net sales | \$193,719 | \$162,470 |
| Cost of sales | <u>114,704</u> | <u>98,427</u> |
| Gross profit | 79,015 | 64,043 |
| Selling, general and administrative expenses | 54,809 | 45,871 |
| Depreciation and amortization expenses | 1,978 | 1,695 |
| Pre-opening expenses | <u>1,249</u> | <u>990</u> |
| Operating income | 20,979 | 15,487 |
| Interest expense, net | <u>1,664</u> | <u>4,574</u> |
| Income before income taxes | 19,315 | 10,913 |
| Income tax expense | <u>7,567</u> | <u>4,252</u> |
| Net income | <u>\$ 11,748</u> | <u>\$ 6,661</u> |
| Earnings per common share: | | |
| Basic | \$ 0.20 | \$ 0.14 |
| Diluted | \$ 0.19 | \$ 0.13 |
| Weighted average common shares outstanding: | | |
| Basic | 59,669 | 48,197 |
| Diluted | 61,867 | 49,545 |
| Percentage of net sales (1): | | |
| Net sales | 100.0% | 100.0% |
| Cost of sales | <u>59.2</u> | <u>60.6</u> |
| Gross profit | 40.8 | 39.4 |
| Selling, general and administrative expenses | 28.3 | 28.2 |
| Depreciation and amortization expenses | 1.0 | 1.0 |
| Pre-opening expenses | <u>0.6</u> | <u>0.6</u> |
| Operating income | 10.8 | 9.6 |
| Interest expense, net | <u>0.9</u> | <u>2.8</u> |
| Income before income taxes | 10.0 | 6.7 |
| Income tax expense | <u>3.9</u> | <u>2.6</u> |
| Net income | <u>6.1%</u> | <u>4.1%</u> |

(1) Components may not add to totals due to rounding

Ollie's Bargain Outlet Holdings, Inc.
Condensed Consolidated Balance Sheets

(In thousands)

(Unaudited)

| | April 30, 2016 | May 2, 2015 |
|---|-------------------|------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 37,129 | \$ 4,053 |
| Inventories | 206,413 | 191,622 |
| Accounts receivable | 262 | 270 |
| Deferred income taxes | — | 4,211 |
| Prepaid expenses and other assets | 6,153 | 6,096 |
| Total current assets | 249,957 | 206,252 |
| Property and equipment, net | 41,203 | 34,415 |
| Goodwill | 444,850 | 444,850 |
| Trade name and other intangible assets, net | 233,259 | 233,512 |
| Other assets | 2,497 | 1,173 |
| Total assets | <u>\$971,766</u> | <u>\$920,202</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 5,018 | \$ 7,794 |
| Accounts payable | 58,387 | 54,388 |
| Income taxes payable | 3,251 | 5,237 |
| Accrued expenses | 33,895 | 24,675 |
| Total current liabilities | 100,551 | 92,094 |
| Revolving credit facility | — | — |
| Long-term debt | 192,268 | 307,879 |
| Deferred income taxes | 86,603 | 92,700 |
| Other long-term liabilities | 4,498 | 3,003 |
| Total liabilities | <u>383,920</u> | <u>495,676</u> |
| Stockholders' equity: | | |
| Common stock | 60 | 48 |
| Additional paid-in capital | 550,463 | 394,165 |
| Retained earnings | 37,409 | 30,399 |
| Treasury - common stock | (86) | (86) |
| Total stockholders' equity | <u>587,846</u> | <u>424,526</u> |
| Total liabilities and stockholders' equity | <u>\$971,766</u> | <u>\$920,202</u> |

Ollie's Bargain Outlet Holdings, Inc.
Condensed Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

| | <u>Thirteen weeks ended</u> | |
|--|-----------------------------|-----------------|
| | <u>April 30,</u> | <u>May 2,</u> |
| | <u>2016</u> | <u>2015</u> |
| Net cash provided by (used in) operating activities | \$ 341 | \$(14,501) |
| Net cash used in investing activities | (4,821) | (2,503) |
| Net cash provided by (used in) financing activities | <u>11,350</u> | <u>(895)</u> |
| Net increase (decrease) during period in cash | 6,870 | (17,899) |
| Cash and cash equivalents at the beginning of the period | <u>30,259</u> | <u>21,952</u> |
| Cash and cash equivalents at the end of the period | <u>\$37,129</u> | <u>\$ 4,053</u> |

Ollie's Bargain Outlet Holdings, Inc.

Supplemental Information – Consolidated Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Diluted Share

Reconciliation of GAAP to Non-GAAP Financial Measures

(In thousands except for per share amounts)

(Unaudited)

The tables below reconcile the non-GAAP financial measures of adjusted operating income, EBITDA, Adjusted EBITDA, adjusted net income, and adjusted net income per diluted share, with the most directly comparable GAAP financial measures of operating income, net income and diluted net income per share, respectively. Adjusted net income and adjusted net income per diluted share give effect, net of tax, to transaction related expenses. These as defined by us may not be comparable to similar non-GAAP measures presented by other companies.

Reconciliation of GAAP operating income to adjusted operating income

| | Thirteen weeks ended | |
|------------------------------|----------------------|-----------------|
| | April 30, 2016 | May 2, 2015 |
| Operating income | \$20,979 | \$15,487 |
| Transaction related expenses | 890 | — |
| Adjusted operating income | <u>\$21,869</u> | <u>\$15,487</u> |

Reconciliation of GAAP net income to adjusted net income

| | Thirteen weeks ended | |
|--|----------------------|----------------|
| | April 30, 2016 | May 2, 2015 |
| Net income | \$11,748 | \$6,661 |
| Transaction related expenses | 890 | — |
| Adjustment to provision for income taxes (1) | (349) | — |
| Adjusted net income | <u>\$12,289</u> | <u>\$6,661</u> |

- (1) The effective tax rate used for the provision for income taxes was 39.2% for the thirteen weeks ended April 30, 2016. The adjustment to the provision for income taxes includes the tax effect for the transaction related expenses.

Reconciliation of adjusted net income per diluted share

| | Thirteen weeks ended | |
|---|----------------------|----------------|
| | April 30, 2016 | May 2, 2015 |
| Net income per share, diluted | \$ 0.19 | \$ 0.13 |
| Adjustments | 0.01 | — |
| Adjusted net income per share, diluted | <u>\$ 0.20</u> | <u>\$ 0.13</u> |
| Weighted-average common shares outstanding, diluted | 61,867 | 49,545 |

Ollie's Bargain Outlet Holdings, Inc.
Supplemental Information – Consolidated EBITDA, and Adjusted EBITDA and Key Statistics

Reconciliation of GAAP to Non-GAAP Financial Measures

(Dollars in thousands)

(Unaudited)

Reconciliation of net income to EBITDA and Adjusted EBITDA

| | Thirteen weeks ended | |
|---|----------------------|-----------------|
| | April 30, 2016 | May 2, 2015 |
| Net income | \$11,748 | \$ 6,661 |
| Interest expense, net | 1,664 | 4,574 |
| Depreciation and amortization expenses | 2,505 | 2,238 |
| Income tax expense | 7,567 | 4,252 |
| EBITDA | 23,484 | 17,725 |
| Non-cash stock based compensation expense | 1,545 | 1,087 |
| Pre-opening expenses | 1,249 | 990 |
| Non-cash purchase accounting items | (48) | (86) |
| Transaction related expenses | 890 | — |
| Adjusted EBITDA | <u>\$27,120</u> | <u>\$19,716</u> |

Key Statistics

| | Thirteen weeks ended | |
|--|----------------------|----------------|
| | April 30, 2016 | May 2, 2015 |
| Number of stores open at the beginning of period | 203 | 176 |
| Number of new stores | 5 | 5 |
| Number of stores open at end of period | 208 | 181 |
| Average net sales per store (1) | \$ 945 | \$ 913 |
| Comparable stores sales change | 6.0% | 8.8% |
| Comparable store count – end of period | 172 | 154 |

- (1) Average net sales per store represents the weighted average of total net sales divided by the number of stores open, in each case at the end of each week in a fiscal quarter.