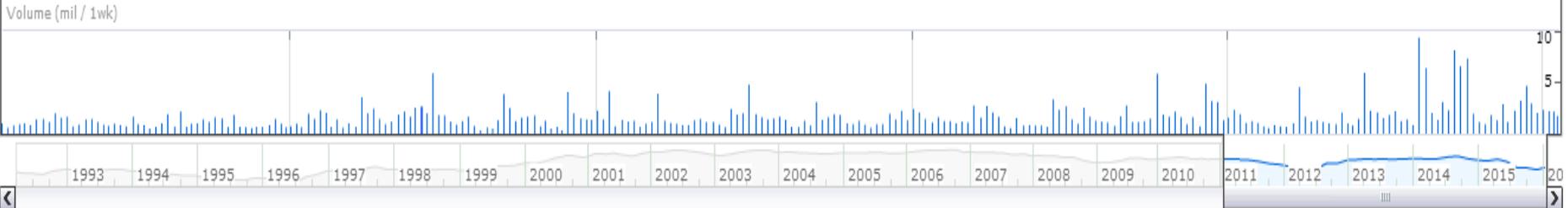


Christopher & Banks Corp

- CBK (NYSE)

Zoom: [1d](#) [5d](#) [1m](#) [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)

Jun 08, 2012 Price: 1.05 Vol: 2481.89k



[Settings](#) | [Technicals](#) | [Link to this view](#)

Volume delayed by 15 mins.

Prices are not from all markets.

Sources include SIX

P/E 2.24

Compare: Dow Jones S&P 500 CWTRQ CATO NWW ANN LB ASNA CACHQ

[more »](#)

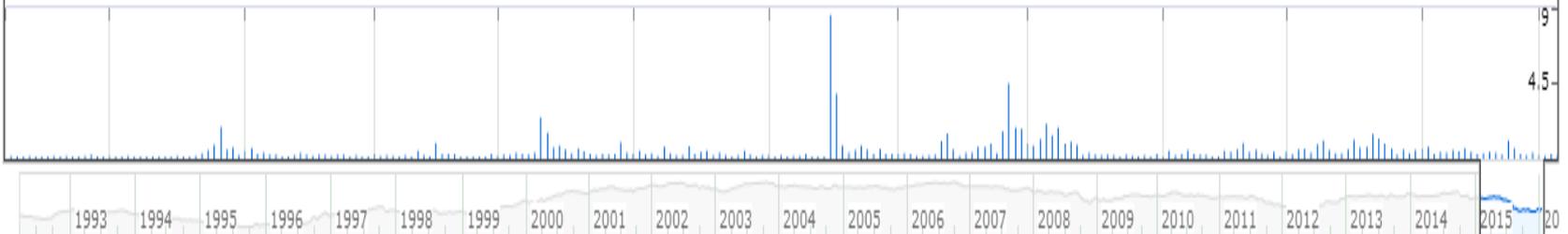
Zoom: [1d](#) [5d](#) [1m](#) [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)



Feb 04, 2015 - Feb 03, 2016 -3.47 (-66.6%)



Volume (mil / 1d)



Navigation controls: back arrow, scroll bar, forward arrow

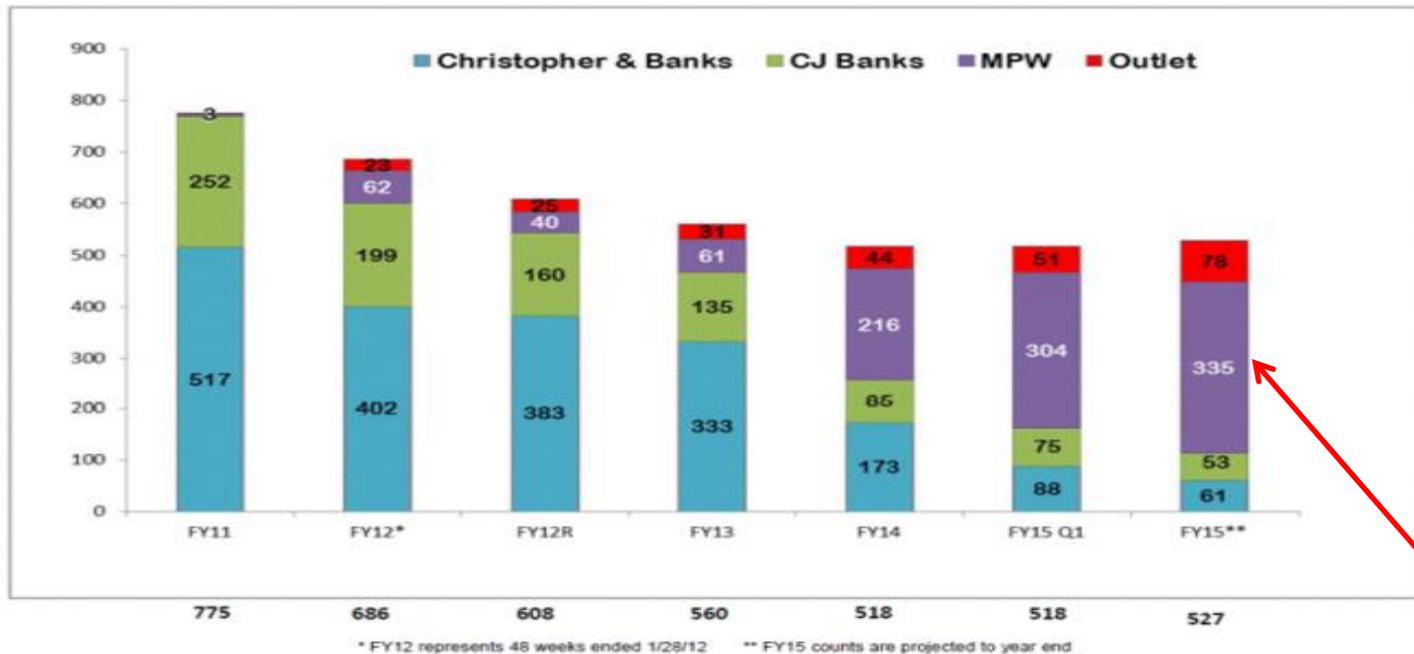
Christopher & Banks Corp

- CBK (NYSE)
- Market Cap: \$64m
- EV: ~\$35m
- Undrawn credit facility \$39m
- BV: *Very* conservatively \$80-90m
- Rev: \$380m
- Activism (Macellum's Retail Opportunity) owns 7.3%.

Strategy:

- Keep inventory Levels down
- Combine Plus sizes with missy sizes into one shop

Store Base Migration



Private Label Credit Card Program

- Cardholders represent 28% of active customers
- Card purchases continue to grow & represented 36% of sales for Q1FY15
- Cardholders spend approximately 155% more than non-card holders annually with more frequent visits and higher transaction value
- Efforts to increase engagement include exclusive offers, increased pulse events & open to buy communication

Excuses:

- decline including continued **softness in mall traffic**
 - late receipts associated with the West Coast **port strike**
 - **lower than expected sales** from its September fashion show (2014)
 - continued weakness in women's apparel,
 - unfavorable **weather** patterns
- we are no longer reporting eCommerce sales separately and are including those sales in our same-store sales results.

	October 31, 2015 (Unaudited)	January 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 24,369	\$ 37,245
Short-term investments	5,009	13,293
Accounts receivable	4,978	4,000
Merchandise inventories	52,503	45,318
Prepaid expenses and other current assets	10,512	6,700
Deferred income taxes	3,558	3,550
Income taxes receivable	503	845
Total current assets	101,432	110,951
Property, equipment and improvements, net	59,147	45,107
Other non-current assets:		
Long-term investments	—	4,752
Deferred income taxes	36,075	34,388
Other assets	688	839
Total other non-current assets	36,763	39,979
Total assets	\$ 197,342	\$ 196,037

Book Value?
~ \$80-90m?

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 16,652	\$ 18,411
Accrued salaries, wages and related expenses	5,501	2,957
Accrued liabilities and other current liabilities	22,278	23,988
Total current liabilities	44,431	45,356
Non-current liabilities:		
Deferred lease incentives	9,663	7,110
Deferred rent obligations	7,132	6,390
Other non-current liabilities	1,328	1,292
Total non-current liabilities	18,123	14,792
Commitments	—	—
Stockholders' equity:		
Preferred stock — \$0.01 par value, 1,000 shares authorized, none outstanding	—	—
Common stock — \$0.01 par value, 74,000 shares authorized, 47,019 and 46,720 shares issued, and 37,228 and 36,929 shares outstanding at October 31, 2015 and January 31, 2015, respectively	469	466
Additional paid-in capital	125,602	124,242
Retained earnings	121,427	123,894
Common stock held in treasury, 9,791 shares at cost at October 31, 2015 and January 31, 2015	(112,711)	(112,711)
Accumulated other comprehensive income (loss)	1	(2)
Total stockholders' equity	134,788	135,889
Total liabilities and stockholders' equity	\$ 197,342	\$ 196,037

Statement Type:
 Data Type:
 Period:
 Show Report Dates:
 Data Scroll:
 Rounding:
 Export:

Fiscal year ends in January

USD in Million except per share data

	TTM	2015-01	2014-01	2013-01	2011-02	2010-02
▼ Cash Flows From Operat...						
Net income	30	47	9	(16)	(22)	0
Depreciation & amortiz...	12	12	13	19	25	26
Amortization of debt d...	0	0	0	(0)	0	0
Investment/asset impai...	0	0	0	0	3	3
Investments losses (ga...	—	—	—	(0)	(0)	(0)
Deferred income taxes	—	(38)	—	—	11	(3)
Stock based compensati...	2	2	3	2	2	2
Accounts receivable	1	(2)	1	0	0	(0)
Inventory	6	(0)	(2)	(3)	(1)	0
Prepaid expenses	(2)	0	(1)	(4)	(0)	0
Accounts payable	(3)	(5)	1	3	2	—
Accrued liabilities	(0)	(4)	3	(4)	1	(4)
Income taxes payable	—	—	—	—	—	18
Other working capital	0	(0)	(0)	(7)	(13)	(6)
Other non-cash items	(33)	7	(2)	(7)	0	0
Net cash provided by o...	13	19	25	(17)	8	36
▼ Cash Flows From Invest...						
Investments in propert...	(28)	(20)	(9)	(4)	(8)	(6)
Property, plant, and e...	—	—	—	0	—	—
Purchases of investmen...	—	(18)	(24)	—	(95)	(80)
Sales/Maturities of in...	19	17	8	21	110	16
Other investing charge...	(6)	—	—	—	—	—
Net cash used for inve...	(14)	(22)	(25)	18	7	(69)
▼ Cash Flows From Financ...						
Repurchases of treasur...	(0)	(1)	(0)	(0)	—	—
Cash dividends paid	—	—	—	—	(9)	(9)
Other financing activi...	—	1	0	(0)	0	—
Net cash provided by (...)	(0)	(1)	0	(0)	(8)	(9)

▼ Cash Flows From Operat...

Net income		30	47	9	(16)
Depreciation & amortiz...		12	12	13	19
Amortization of debt d...		0	0	0	(0)
Investment/asset impai...		0	0	0	0
Investments losses (ga...		—	—	—	(0)
Deferred income taxes		—	(38)	—	—
Stock based compensati...		2	2	3	2
Accounts receivable		1	(2)	1	0
Inventory		6	(0)	(2)	(3)
Prepaid expenses		(2)	0	(1)	(4)
Accounts payable		(3)	(5)	1	3
Accrued liabilities		(0)	(4)	3	(4)
Income taxes payable		—	—	—	—
Other working capital		0	(0)	(0)	(7)
Other non-cash items		(33)	7	(2)	(7)
Net cash provided by o...		13	19	25	(17)

▼ Cash Flows From Invest...

Investments in propert...		(28)	(20)	(9)	(4)
Property, plant, and e...		—	—	—	0
Purchases of investmen...		—	(18)	(24)	—
Sales/Maturities of in...		19	17	8	21
Other investing charge...		(6)	—	—	—
Net cash used for inve...		(14)	(22)	(25)	18

▼ Cash Flows From Financ...

Repurchases of treasur...		(0)	(1)	(0)	(0)
Cash dividends paid		—	—	—	—
Other financing activi...		—	1	0	(0)
Net cash provided by (...)		(0)	(1)	0	(0)
Net change in cash		(1)	(4)	0	(0)
Cash at beginning of p...		25	41	41	41
Cash at end of period		24	37	41	41

	TTM	2015-01	2014-01	2013-01	2011-02	2010-02
Revenue USD Mil	387	419	436	430	448	455
Gross Margin %	33.3	35.3	34.7	29.4	34.7	36.5
Operating Income USD Mil	-10	9	9	-16	-15	-1
Operating Margin %	-2.5	2.2	2.0	-3.7	-3.2	-0.3
Net Income USD Mil	30	47	9	-16	-22	—
Earnings Per Share USD	0.80	1.24	0.23	-0.45	-0.63	—
Dividends USD	—	—	—	—	0.24	0.24
Payout Ratio %	—	—	—	—	—	—
Shares Mil	37	38	37	36	35	35
Book Value Per Share USD	3.62	2.80	2.37	2.13	—	—
Operating Cash Flow USD Mil	13	19	25	-17	8	36
Cap Spending USD Mil	-28	-20	-9	-4	-8	-6
Free Cash Flow USD Mil	-14	-1	17	-21	-1	30
Free Cash Flow Per Share USD	—	-0.07	0.38	-0.50	—	—
Working Capital USD Mil	—	66	56	44	83	108

Potential???

+... increase in eCommerce transactions and average dollar sale

that resulted in **an increase of 25.7% in eCommerce net sales**

+ partnering with our suppliers **to adjust our inventory**

+ Control our **inventory** ending the quarter with total inventory down approximately 11% to last year and **down approximately 14%** on a per square foot basis

+ Our e-commerce business remains a top priority

and we are extremely pleased with the **sales growth and increased gross margin performance.**

The strong sales growth in the quarter was driven by double-digit increases in traffic, and in average dollar sale. We have also increased our investment in digital marketing, which is yielding positive results.

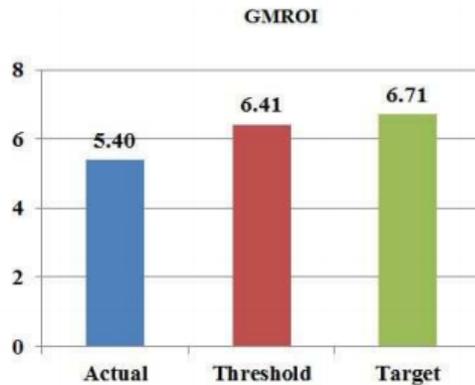
Capex to drop from \$27 - **\$10million?**

(Conservative) **FCF ~around \$10m 2016?**

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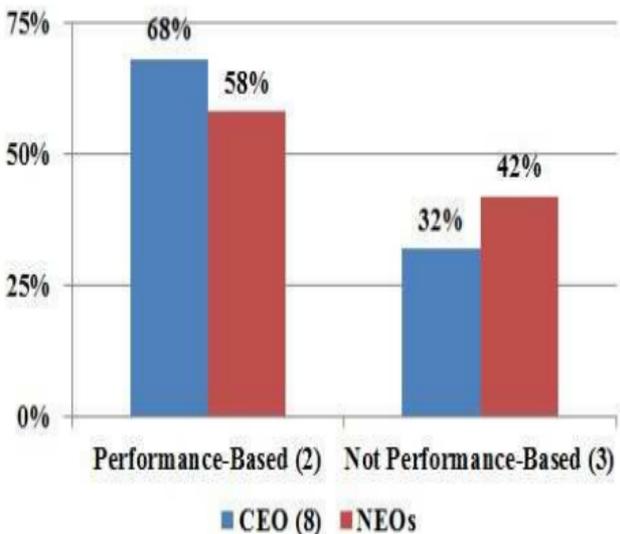
Actual Performance versus F Y 1 4 AIP Metrics

The following table reflects the Company's performance in Fiscal 2014 as compared to the metrics under the FY14 AIP .

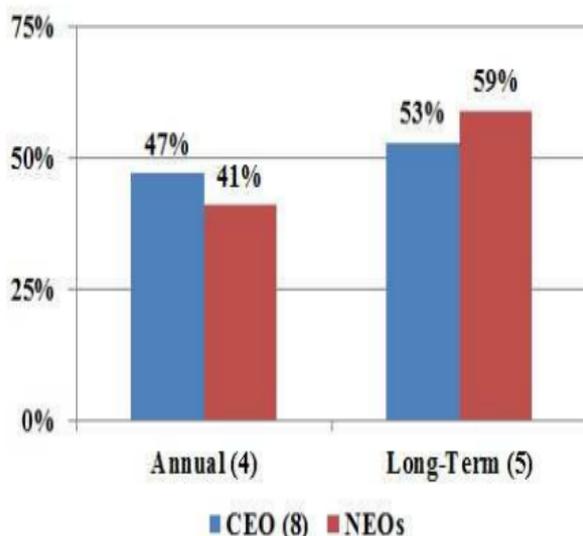


Fiscal 2014 Total Direct Compensation Mix at Target ⁽¹⁾

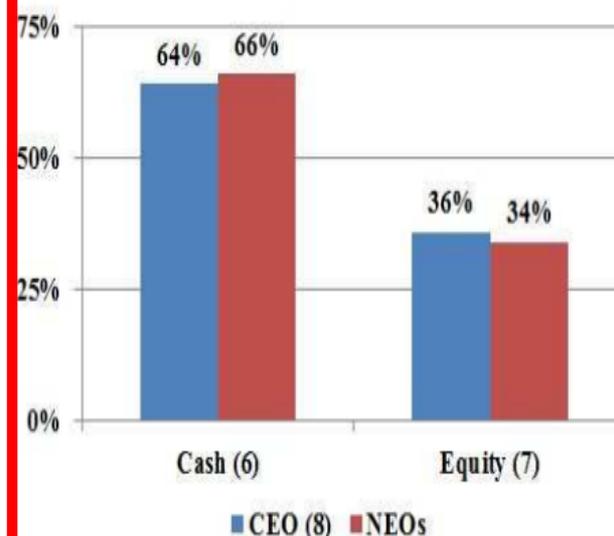
Percent of Total Direct Compensation Mix at Target



Percent of Performance-Based Compensation Mix at Target



Total Direct Compensation Mix Cash versus Equity



Name	Position	Fiscal 2014 Merit Increases		
		FY13 Salary (\$000)	FY14 Salary (\$000)	Percentage Increase
LuAnn Via	President and Chief Executive Officer	\$ 800	\$ 850	6.25 %
Peter G. Michielutti ⁽¹⁾	Executive Vice President, COO and CFO	\$ 365	\$ 390	6.85 %
Monica L. Dahl ⁽¹⁾	Senior Vice President, Marketing, Omni-Channel & Public Relations	\$ 290	\$ 296	2.10 %
Luke R. Komarek	Senior Vice President, General Counsel & Corporate Secretary	\$ 284	\$ 295	3.90 %
Michelle L. Rice	Senior Vice President, Store Operations	\$ 275	\$ 285	3.60 %

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non-Equity Incentive Plan Compensation (4)	All Other Compensation (\$)(5)	Total (\$)
LuAnn Via	2014	842,308	—	—	—	—	18,500	860,808
President and Chief Executive Officer (6)	2013	800,000	—	—	—	—	46,496	846,496
	2012	153,846	200,000	—	3,751,900 ⁽⁷⁾	—	32,817	4,138,563
Peter G. Michielutti	2014	436,923	—	457,483 ⁽⁹⁾	—	—	5,082	899,488
Executive Vice President, COO and CFO (8)	2013	362,692	365,000	52,500	52,501	301,833	1,351	1,135,877
	2012	275,962	—	72,200 ⁽⁹⁾	22,092	—	—	370,254

On the other hand, insiders have purchased around:

- Just over \$200K in June 2015 @ ~ \$4.20
- Just over \$200K in December 2016 ~ \$1.10

ACTIVISM: Macellum Advisors

- Started building a position around \$5.5
- Have continued to build a position upto end of January 2016
- ... “the Company **trades at a depressed valuation** and has dramatically **underperformed** its peers as well as retail and consumer indexes over the short and long term.

- From the letter:
 - “We believe [the stock’s] **low valuation and underperformance...**
 - “There has been **a revolving door of CEOs ...**
 - “[The Board’s] current makeup [...] **do not have the specialty apparel retailing background required to lift the Company from its current state of decline.**”
 - “Unfortunately, we think that, while the Board is aware of its weaknesses
 - “We believe that the **Board** has been **careless** with the Company’s **cash.**
 - “The Board’s refusal to even sit down and listen to us while simultaneously moving to add a new director speaks volumes about **their poor judgment**, weak governance and indifference to the constituency they are supposedly appointed to represent.”