

Michaels Companies, Inc.
Form 8-K
March 22, 2018

**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) **March 19, 2018**

Commission File Number **001-36501**

THE MICHAELS COMPANIES, INC.

A Delaware Corporation

IRS Employer
Identification No. **37-1737959**

**8000 Bent Branch Drive
Irving, Texas 75063
(972) 409-1300**

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))

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

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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.

The information contained in this Current Report on Form 8-K, including the exhibit attached hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Furthermore, the information contained in this Item 2.02 and Exhibit 99.1 attached hereto shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

On March 22, 2018, The Michaels Companies, Inc. (the “Company”) issued a press release announcing its financial results for the quarter and fiscal year ended February 3, 2018. A copy of the press release is attached hereto as Exhibit 99.1.

Item 2.05 Costs Associated with Exit or Disposal Activities.

In March 2018, the Company completed its strategic review of the Aaron Brothers business and, on March 19, 2018, the Company’s board of directors adopted a plan to close all 94 full-size Aaron Brothers stores (the “Plan”) and reposition the Aaron Brothers brand as a store-within-a-store, providing custom framing services in all Michaels stores. The Company expects the closure process to be substantially completed by July 31, 2018. As a result, the Company expects the fiscal 2018 after-tax cost of implementing the Plan to be in the range of \$37 million to \$42 million, consisting primarily of costs associated with the termination of the remaining lease obligations, the write-off of fixed assets and employee-related expenses.

In fiscal 2017, Aaron Brothers net sales totaled approximately \$110 million and had no material impact on the Company’s operating income.

The above costs are estimates, and the actual costs may vary.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| Exhibit Number | Description |
|-----------------------|--|
| <u>99.1</u> | <u>Press release issued by The Michaels Companies, Inc., dated March 22, 2018, announcing financial results.</u> |

SIGNATURE

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.

THE MICHAELS COMPANIES, INC.

By: /s/ Denise A. Paulonis
Denise A. Paulonis
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

March 22, 2018