
**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 30, 2019

COSTCO WHOLESALE CORPORATION
(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction
of incorporation)

0-20355
(Commission
File No.)

91-1223280
(I.R.S. Employer
Identification No.)

999 Lake Drive
Issaquah, WA 98027
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: 425-313-8100

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	COST	NASDAQ
Preferred Stock, par value \$.01 per share	COST	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 May 30, 2019, the Company issued a press release containing its operating results for the third quarter (twelve weeks) and first thirty-six weeks of fiscal 2019, ended May 12, 2019. A copy of the press release is included in Item 9.01.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits. The following exhibit is included in this report:

- 99.1. [Press release dated May 30, 2019.](#)

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, on May 30, 2019.

COSTCO WHOLESALE CORPORATION

By: /s/ Richard A. Galanti
Richard A. Galanti
Executive Vice President and Chief Financial Officer



Press Release

**COSTCO WHOLESALE CORPORATION REPORTS THIRD QUARTER AND YEAR-TO-DATE
OPERATING RESULTS FOR FISCAL 2019**

ISSAQUAH, Wash., May 30, 2019 - Costco Wholesale Corporation ("Costco" or the "Company") (Nasdaq: COST) today announced its operating results for the third quarter (twelve weeks) and the first thirty-six weeks of fiscal 2019, ended May 12, 2019.

Net sales for the quarter increased 7.4 percent, to \$33.96 billion, from \$31.62 billion last year. Net sales for the first thirty-six weeks increased 8.3 percent, to \$102.90 billion, from \$95.02 billion last year.

Comparable sales for the third quarter and year-to-date periods ended May 12, 2019, were as follows:

	<u>12 Weeks</u>	<u>12 Weeks</u> <u>Adjusted*</u>	<u>36 Weeks</u>	<u>36 Weeks</u> <u>Adjusted*</u>
U.S.	7.0%	5.5%	8.5%	6.9%
Canada	1.3%	5.1%	1.1%	5.5%
Other International	1.7%	6.9%	2.1%	5.8%
Total Company	<u>5.5%</u>	<u>5.6%</u>	<u>6.6%</u>	<u>6.5%</u>
E-commerce	<u>22.0%</u>	<u>19.5%</u>	<u>24.7%</u>	<u>23.9%</u>

* Excluding the impacts from changes in gasoline prices, foreign exchange, and a previously disclosed accounting change concerning revenue recognition (ASC 606).

Net income for the quarter was \$906 million, or \$2.05 per diluted share, compared to \$750 million, or \$1.70 per diluted share, last year. Net income for the thirty-six weeks was \$2.56 billion, or \$5.79 per diluted share, compared to \$2.09 billion, or \$4.74 per diluted share, last year. This year's third quarter benefitted from a non-recurring tax item of \$73 million, or 16 cents per diluted share.

Costco currently operates 773 warehouses, including 536 in the United States and Puerto Rico, 100 in Canada, 39 in Mexico, 28 in the United Kingdom, 26 in Japan, 16 in Korea, 13 in Taiwan, 11 in Australia, two in Spain, and one each in Iceland and France. Costco also operates e-commerce sites in the U.S., Canada, the United Kingdom, Mexico, Korea, and Taiwan.

A conference call to discuss these results is scheduled for 2:00 p.m. (PT) today, May 30, 2019, and is available via a webcast on www.costco.com (click on Investor Relations and "Play Webcast").

Certain statements contained in this document constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For these purposes, forward-looking statements are statements that address activities, events, conditions or developments that the Company expects or anticipates may occur in the future. In some cases forward-looking statements can be identified because they contain words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "likely," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would," or similar expressions and the negatives of those terms. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. These risks and uncertainties include, but are not limited to, domestic and international economic conditions, including



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exchange rates, the effects of competition and regulation, uncertainties in the financial markets, consumer and small business spending patterns and debt levels, breaches of security or privacy of member or business information, conditions affecting the acquisition, development, ownership or use of real estate, capital spending, actions of vendors, rising costs associated with employees (generally including health care costs), energy and certain commodities, geopolitical conditions (including tariffs), the ability to remediate material weaknesses in internal control, and other risks identified from time to time in the Company's public statements and reports filed with the Securities and Exchange Commission. Forward-looking statements speak only as of the date that they are made, and the Company does not undertake to update them, except as required by law.

CONTACTS: Costco Wholesale Corporation
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COSTCO WHOLESALE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollars in millions, except per share data)
(unaudited)

	12 Weeks Ended		36 Weeks Ended	
	May 12, 2019	May 13, 2018	May 12, 2019	May 13, 2018
REVENUE				
Net Sales	\$ 33,964	\$ 31,624	\$ 102,903	\$ 95,020
Membership fees	776	737	2,302	2,145
Total revenue	34,740	32,361	105,205	97,165
OPERATING EXPENSES				
Merchandise costs	30,233	28,131	91,576	84,481
Selling, general and administrative	3,371	3,155	10,310	9,613
Preopening expenses	14	8	45	37
Operating income	1,122	1,067	3,274	3,034
OTHER INCOME (EXPENSE)				
Interest expense	(35)	(37)	(105)	(111)
Interest income and other, net	36	41	104	70
INCOME BEFORE INCOME TAXES	1,123	1,071	3,273	2,993
Provision for income taxes	207	309	679	867
Net income including noncontrolling interests	916	762	2,594	2,126
Net income attributable to noncontrolling interests	(10)	(12)	(32)	(35)
NET INCOME ATTRIBUTABLE TO COSTCO	<u>\$ 906</u>	<u>\$ 750</u>	<u>\$ 2,562</u>	<u>\$ 2,091</u>
NET INCOME PER COMMON SHARE ATTRIBUTABLE TO COSTCO:				
Basic	<u>\$ 2.06</u>	<u>\$ 1.71</u>	<u>\$ 5.83</u>	<u>\$ 4.77</u>
Diluted	<u>\$ 2.05</u>	<u>\$ 1.70</u>	<u>\$ 5.79</u>	<u>\$ 4.74</u>
Shares used in calculation (000's):				
Basic	439,859	438,740	439,767	438,576
Diluted	442,642	441,715	442,565	441,383



Press Release

COSTCO WHOLESALE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in millions, except par value and share data)
(unaudited)

Subject to Reclassifications

	May 12, 2019	September 2, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,013	\$ 6,055
Short-term investments	1,154	1,204
Receivables, net	1,704	1,669
Merchandise inventories	11,304	11,040
Other current assets	1,110	321
Total current assets	<u>22,285</u>	<u>20,289</u>
PROPERTY AND EQUIPMENT		
Land	6,310	6,193
Buildings and improvements	16,644	16,107
Equipment and fixtures	7,858	7,274
Construction in progress	1,412	1,140
	32,224	30,714
Less accumulated depreciation and amortization	<u>(11,749)</u>	<u>(11,033)</u>
Net property and equipment	<u>20,475</u>	<u>19,681</u>
OTHER ASSETS		
	992	860
TOTAL ASSETS	<u>\$ 43,752</u>	<u>\$ 40,830</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 11,331	\$ 11,237
Accrued salaries and benefits	2,888	2,994
Accrued member rewards	1,160	1,057
Deferred membership fees	1,761	1,624
Current portion of long-term debt	1,699	90
Other current liabilities	3,993	2,924
Total current liabilities	<u>22,832</u>	<u>19,926</u>
LONG-TERM DEBT, excluding current portion	4,799	6,487
OTHER LIABILITIES		
	1,301	1,314
Total liabilities	<u>28,932</u>	<u>27,727</u>
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Preferred stock \$0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock \$0.01 par value; 900,000,000 shares authorized; 439,811,000 and 438,189,000 shares issued and outstanding	4	4
Additional paid-in capital	6,307	6,107
Accumulated other comprehensive loss	(1,321)	(1,199)
Retained earnings	9,496	7,887
Total Costco stockholders' equity	<u>14,486</u>	<u>12,799</u>
Noncontrolling interests	334	304
Total equity	<u>14,820</u>	<u>13,103</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 43,752</u>	<u>\$ 40,830</u>