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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported) June 19, 2014**

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**Smith & Wesson Holding Corporation**  
(Exact Name of Registrant as Specified in Charter)

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**Nevada**  
(State or Other Jurisdiction  
of Incorporation)

**001-31552**  
(Commission  
File Number)

**87-0543688**  
(IRS Employer  
Identification No.)

**2100 Roosevelt Avenue  
Springfield, Massachusetts  
01104**  
(Address of Principal Executive Offices) (Zip Code)

**(800) 331-0852**  
(Registrant's telephone number, including area code)

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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.**

We are furnishing this Current Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a press release released on June 19, 2014.

The information in this Current Report on Form 8-K (including the exhibit) is furnished pursuant to Item 2.02 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

We do not have, and expressly disclaim, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Current Report on Form 8-K is available on our website located at [www.smith-wesson.com](http://www.smith-wesson.com), although we reserve the right to discontinue that availability at any time.

**Item 9.01. Financial Statements and Exhibits.**

- (a) *Financial Statements of Business Acquired.*  
Not applicable.
- (b) *Pro Forma Financial Information.*  
Not applicable.
- (c) *Shell Company Transactions.*  
Not applicable.
- (d) *Exhibits.*

Exhibit  
Number

Exhibits

99.1 Press release from Smith & Wesson Holding Corporation, dated June 19, 2014, entitled “Smith & Wesson Holding Corporation Reports Fourth Quarter and Full Year Fiscal 2014 Financial Results”

**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.

SMITH & WESSON HOLDING CORPORATION

Date: June 19, 2014

By: /s/ Jeffrey D. Buchanan

Jeffrey D. Buchanan  
Executive Vice President, Chief Financial Officer,  
and Treasurer

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**EXHIBIT INDEX**

- 99.1 Press release from Smith & Wesson Holding Corporation, dated June 19, 2014, entitled “Smith & Wesson Holding Corporation Reports Fourth Quarter and Full Year Fiscal 2014 Financial Results”



**Contact:** Liz Sharp, VP Investor Relations  
 Smith & Wesson Holding Corp.  
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**Smith & Wesson Holding Corporation Reports  
 Fourth Quarter and Full Year Fiscal 2014 Financial Results**

- *Record Annual Net Sales of \$626.6 Million, Up 6.7% Year-Over-Year*
- *Record Annual Net Income From Continuing Operations of \$88.6 Million, or \$1.47 Per Diluted Share*
- *Fourth Quarter Net Sales of \$170.4 Million*
- *Fourth Quarter Net Income from Continuing Operations of \$24.9 Million, or \$0.44 Per Diluted Share*

**SPRINGFIELD, Mass., June 19, 2014** — **Smith & Wesson Holding Corporation (NASDAQ Global Select: SWHC)**, a leader in firearm manufacturing and design, today announced financial results for the fiscal fourth quarter and full fiscal year ended April 30, 2014.

**Full Year Fiscal 2014 Financial Highlights**

- Net sales for the full fiscal year were a record \$626.6 million compared with \$587.5 million for the prior fiscal year, an increase of 6.7%. Excluding Walther products that were sold in the prior year pursuant to an agreement that has since ended, net sales increased 13.8% over the prior fiscal year. Firearm unit production for fiscal year 2014 increased by 16.2%.
- Gross profit was 41.3% compared with 37.1% for fiscal 2013.
- Operating expenses were \$108.1 million, or 17.3% of net sales, for fiscal 2014 compared with operating expenses of \$85.2 million, or 14.5% of net sales, for fiscal 2013.
- Income from continuing operations was \$88.6 million, or \$1.47 per diluted share, compared with income from continuing operations of \$81.4 million, or \$1.22 per diluted share, a year ago.
- Non-GAAP Adjusted EBITDAS from continuing operations for the full fiscal year totaled \$179.5 million compared with \$154.2 million for fiscal 2013.
- For the full year, operating cash generated was \$90.2 million, net cash generated from the issuance of Senior Notes was \$56.4 million, capital spending totaled \$53.3 million, and cash disbursed related to the stock buyback program totaled \$115.9 million.
- Cash and cash equivalents as of April 30, 2014 totaled \$68.9 million, down from \$100.5 million a year ago.

#### **Fourth Quarter Fiscal 2014 Financial Highlights**

- Net sales for the fourth quarter were \$170.4 million, a decline of 4.6% from the fourth quarter last year. Excluding Walther products that were sold in the prior year pursuant to an agreement that has since ended, net sales declined 1.5%, reflecting strong handgun sales offset by lower long gun sales.
- Gross profit for the fourth quarter was \$69.7 million, or 40.9% of net sales, compared with gross profit of \$68.4 million, or 38.3% of net sales, for the comparable quarter last year. Gross profit improved as a result of a favorable product mix, absorption, and manufacturing efficiencies, as well as reduced promotions and the absence of lower-margin Walther product sales.
- Operating expenses for the fourth quarter were \$26.7 million, or 15.6% of net sales, compared with operating expenses of \$21.6 million, or 12.1% of net sales, for the fourth quarter last year. The increase in operating expenses as a percentage of net sales was primarily driven by higher sales and marketing expense, ERP implementation costs, and employee-related costs.
- Operating income for the fourth quarter was \$43.1 million, or 25.3% of net sales, compared with operating income of \$46.9 million, or 26.2% of net sales, for the comparable quarter last year.
- Income from continuing operations for the fourth quarter was \$24.9 million, or \$0.44 per diluted share, compared with net income from continuing operations of \$28.6 million, or \$0.44 per diluted share, for the fourth quarter last year.
- Non-GAAP Adjusted EBITDAS from continuing operations for the fourth quarter was \$50.0 million compared with \$52.7 million for the fourth quarter last year.
- Operating cash generated for the fourth quarter was \$36.0 million, and capital spending totaled \$17.0 million.

James Debney, Smith & Wesson Holding Corporation President and Chief Executive Officer, stated, "We are very pleased with our record results for fiscal 2014, which include the highest sales, gross margin, and profits in the company's history. Our successful performance was driven by robust consumer demand for our products, combined with carefully managed increases in our manufacturing capacity. Our achievements aligned directly with our growth strategy, which is underpinned by a focus on our core firearm business. That focus is further reflected in the vertical integration of a key manufacturing process by acquiring the assets of our principal injection molding supplier. This asset acquisition, completed in May 2014, strengthens our firearm business with increased flexibility, lower production costs, reduced risk in our supply chain, and more efficient new product development processes. We believe that by executing on our strategy, we are well positioned to continue to take market share and deliver profitability, even as the consumer market for firearms returns to a more normal environment."

Jeffrey D. Buchanan, Smith & Wesson Holding Corporation Executive Vice President and Chief Financial Officer, stated, “Our record profitability and robust cash flows in fiscal 2014 allowed us to invest in our business, optimize our capital structure, and generate increased value for our stockholders. We invested \$30.4 million to upgrade our ERP system, providing improved scalability and operational flexibility for our business. We also leveraged the strength of our cash flows to generate value for our stockholders through an active share repurchase program. Since December 2012, we have repurchased a total of 12.3 million shares of our common stock valued at \$135.0 million, representing a total reduction in shares outstanding of nearly 19.0%. In March of 2014, our Board of Directors approved the repurchase of an additional \$30 million of our common stock, and we presently have \$27.0 million available for share repurchases under that program.”

### **Financial Outlook**

The company expects net sales for the first quarter of fiscal 2015 to be between \$130.0 million and \$135.0 million and GAAP earnings per diluted share from continuing operations of between \$0.23 and \$0.25 for the first quarter of fiscal 2015. It should be noted approximately one week of the company’s annual two week shutdown will occur in the first quarter, reducing production by approximately \$6 to \$8 million.

Fiscal 2015 net sales are anticipated to be between \$585.0 million and \$600.0 million. The company anticipates GAAP earnings per diluted share from continuing operations of between \$1.30 and \$1.40 for fiscal 2015.

### **Conference Call and Webcast**

The company will host a conference call and webcast today, June 19, 2014, to discuss its fourth quarter and full year fiscal 2014 financial and operational results. Speakers on the conference call will include James Debney, President and Chief Executive Officer, and Jeffrey D. Buchanan, Executive Vice President and Chief Financial Officer. The conference call may include forward-looking statements. The conference call and webcast will begin at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). Those interested in listening to the call via telephone may call directly at (617) 614-3449 and reference conference code 28349692. No RSVP is necessary. The conference call audio webcast can also be accessed live and for replay on the company’s website at [www.smith-wesson.com](http://www.smith-wesson.com), under the Investor Relations section. The company will maintain an audio replay of this conference call on its website for a period of time after the call. No other audio replay will be available.

### **Analyst Day Conference Call**

The company will host an analyst day tomorrow, June 20, 2014, at its Springfield, Massachusetts headquarters, which will include a presentation by management at 12:30 p.m. Eastern Time (9:30 a.m. Pacific Time), which may include forward-looking statements. The presentation audio webcast can be accessed live on the company’s website at [www.smith-wesson.com](http://www.smith-wesson.com), under the Investor Relations section. Those interested in listening to the presentation via telephone may call 617 614-4909 and reference conference code 29202061. No RSVP is necessary.

## **Reconciliation of U.S. GAAP to Non-GAAP Financial Measures**

In this press release, certain non-GAAP financial measures, including “Adjusted EBITDAS” are presented. From time-to-time, the company considers and uses Adjusted EBITDAS as supplemental measures of operating performance in order to provide the reader with an improved understanding of underlying performance trends. Adjusted EBITDAS excludes the effects of interest expense, income taxes, depreciation of tangible fixed assets, amortization of intangible assets, stock-based compensation expense, plant consolidation costs, DOJ and SEC investigation costs, and certain other transactions. See the attached “Reconciliation of GAAP Income to Adjusted EBITDAS” for a detailed explanation of the amounts excluded from and included in net income to arrive at Adjusted EBITDAS for the three-month and full year periods ended April 30, 2014 and April 30, 2013.

Adjusted or non-GAAP financial measures provide investors and the company with supplemental measures of operating performance and trends that facilitate comparisons between periods before, during, and after certain items that would not otherwise be apparent on a GAAP basis. Adjusted financial measures are not, and should not be viewed as, a substitute for GAAP results. The company’s definition of these adjusted financial measures may differ from similarly named measures used by others.

## **About Smith & Wesson**

Smith & Wesson Holding Corporation (NASDAQ Global Select: SWHC) is a U.S.-based leader in firearm manufacturing and design, delivering a broad portfolio of quality firearms, related products, and training to the global military, law enforcement, and consumer markets. The company’s brands include Smith & Wesson®, M&P®, and Thompson/Center Arms™. Smith & Wesson facilities are located in Massachusetts, Maine, and Connecticut. For more information on Smith & Wesson, call (800) 331-0852 or log on to [www.smith-wesson.com](http://www.smith-wesson.com).

## **Safe Harbor Statement**

Certain statements contained in this press release may be deemed to be forward-looking statements under federal securities laws, and we intend that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include the company’s belief that its May 2014 asset acquisition strengthened its firearm business with increased flexibility, lower production costs, reduced supply chain risk, and more efficient new product development processes; the company’s belief that by executing its strategy, it will be well positioned to continue to take market share and deliver profitability, even as the consumer market for firearms returns to a more normal environment; the company’s belief that the upgrade of its ERP system provides improved scalability



and operational flexibility for its business; the company's belief that it has leveraged the strength of its cash flows to generate value for its stockholders through an active share repurchase program; and the company's expectations for net sales and GAAP earnings per diluted share from continuing operations for the first quarter of fiscal 2015 as well as net sales and GAAP earnings per diluted share from continuing operations for fiscal 2015. We caution that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include the demand for our products; the costs and ultimate conclusion of certain legal matters, including the DOJ and SEC matters; the state of the U.S. economy; general economic conditions, and consumer spending patterns; the potential for increased regulation of firearms and firearm-related products; speculation surrounding fears of terrorism and crime; our growth opportunities; our anticipated growth; our ability to increase demand for our products in various markets, including consumer, law enforcement, and military channels, domestically and internationally; the position of our hunting products in the consumer discretionary marketplace and distribution channel; our penetration rates in new and existing markets; our strategies; our ability to introduce new products; the success of new products; our ability to expand our markets; the potential for cancellation of orders from our backlog; and other risks detailed from time to time in our reports filed with the SEC, including our Form 10-K Report for the fiscal year ended April 30, 2014.

**SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

	For the Three Months Ended:		For the Years Ended April 30,	
	2014 (Unaudited)	2013 (Unaudited)	2014	2013
	(In thousands, except per share data)			
Net sales	\$ 170,425	\$ 178,717	\$ 626,620	\$ 587,514
Cost of sales	100,680	110,272	367,515	369,442
Gross profit	<u>69,745</u>	<u>68,445</u>	<u>259,105</u>	<u>218,072</u>
Operating expenses:				
Research and development	1,529	1,398	5,648	4,790
Selling and marketing	9,365	6,840	33,515	30,112
General and administrative	15,770	13,340	68,954	50,336
Total operating expenses	<u>26,664</u>	<u>21,578</u>	<u>108,117</u>	<u>85,238</u>
Operating income from continuing operations	<u>43,081</u>	<u>46,867</u>	<u>150,988</u>	<u>132,834</u>
Other income/(expense):				
Other income/(expense), net	(2,189)	—	(2,154)	39
Interest income	6	64	149	814
Interest expense	(1,771)	(1,210)	(12,261)	(5,781)
Total other income/(expense), net	<u>(3,954)</u>	<u>(1,146)</u>	<u>(14,266)</u>	<u>(4,928)</u>
Income from continuing operations before income taxes	39,127	45,721	136,722	127,906
Income tax expense	14,227	17,090	48,095	46,500
Income from continuing operations	24,900	28,631	88,627	81,406
Discontinued operations:				
Loss from operations of discontinued security solutions division	(108)	(455)	(456)	(3,605)
Income tax (benefit)/expense	(264)	3,010	(1,134)	(912)
Income/(loss) from discontinued operations	<u>156</u>	<u>(3,465)</u>	<u>678</u>	<u>(2,693)</u>
Net income/comprehensive income	<u>\$ 25,056</u>	<u>\$ 25,166</u>	<u>\$ 89,305</u>	<u>\$ 78,713</u>
Net income per share:				
Basic - continuing operations	<u>\$ 0.45</u>	<u>\$ 0.45</u>	<u>\$ 1.51</u>	<u>\$ 1.25</u>
Basic - net income	<u>\$ 0.45</u>	<u>\$ 0.39</u>	<u>\$ 1.52</u>	<u>\$ 1.21</u>
Diluted - continuing operations	<u>\$ 0.44</u>	<u>\$ 0.44</u>	<u>\$ 1.47</u>	<u>\$ 1.22</u>
Diluted - net income	<u>\$ 0.44</u>	<u>\$ 0.38</u>	<u>\$ 1.49</u>	<u>\$ 1.18</u>
Weighted average number of common shares outstanding:				
Basic	55,112	\$ 64,217	\$ 58,668	65,155
Diluted	56,481	\$ 65,450	\$ 60,114	66,642

**SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	April 30, 2014	As of:	April 30, 2013
	(In thousands, except par value and share data)		
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents, including restricted cash of \$3,345 on April 30, 2013	\$ 68,860		\$ 100,487
Accounts receivable, net of allowance for doubtful accounts of \$844 on April 30, 2014 and \$1,128 on April 30, 2013	55,890		46,088
Inventories	86,742		62,998
Prepaid expenses and other current assets	5,958		4,824
Deferred income taxes	17,094		12,076
Income tax receivable	4,627		3,093
Total current assets	<u>239,171</u>		<u>229,566</u>
Property, plant, and equipment, net	120,440		86,382
Intangibles, net	3,425		3,965
Other assets	18,467		7,076
	<u>\$ 381,503</u>		<u>\$ 326,989</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 37,688		\$ 31,220
Accrued expenses	16,051		16,033
Accrued payroll	15,816		13,096
Accrued taxes other than income	5,359		5,349
Accrued profit sharing	11,060		9,587
Accrued product/municipal liability	1,056		1,551
Accrued warranty	5,513		5,757
Total current liabilities	<u>92,543</u>		<u>82,593</u>
Deferred income taxes	11,418		7,863
Notes payable, net of current portion	100,000		43,559
Other non-current liabilities	10,719		11,675
Total liabilities	<u>214,680</u>		<u>145,690</u>
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding	—		—
Common stock, \$.001 par value, 100,000,000 shares authorized, 68,809,986 shares issued and 55,352,679 shares outstanding on April 30, 2014 and 67,596,716 shares issued and 64,297,113 shares outstanding on April 30, 2013	69		68
Additional paid-in capital	211,225		199,120
Retained earnings	97,739		8,434
Accumulated other comprehensive income	73		73
Treasury stock, at cost (13,457,307 common shares on April 30, 2014 and 3,299,603 common shares on April 30, 2013)	(142,283)		(26,396)
Total stockholders' equity	<u>166,823</u>		<u>181,299</u>
	<u>\$ 381,503</u>		<u>\$ 326,989</u>

**SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Years Ended April 30,</b>	
	<b>2014</b>	<b>2013</b>
	(In thousands)	
<b>Cash flows from operating activities:</b>		
Net Income	\$ 89,305	\$ 78,713
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Amortization and depreciation	21,704	16,730
Loss on sale of business including loss on sale of discontinued operations, including \$45 of stock-based compensation expense	—	1,222
Loss on sale/disposition of assets	150	315
Provisions for losses on accounts receivable	(214)	720
Change in disposal group assets and liabilities	—	(1,215)
Deferred income taxes	(1,463)	4,009
Stock-based compensation expense	8,212	4,073
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(9,588)	1,505
Inventories	(23,744)	(7,702)
Prepaid expenses and other current assets	(1,856)	(285)
Income tax receivable	(1,534)	(3,384)
Accounts payable	6,468	2,602
Accrued payroll	2,720	3,489
Accrued taxes other than income	10	1,079
Accrued profit sharing	1,473	1,547
Accrued other expenses	18	(5,279)
Accrued product/municipal liability	(495)	154
Accrued warranty	(244)	408
Other assets	(356)	(1,930)
Other non-current liabilities	(360)	1,327
Net cash provided by operating activities	<u>90,206</u>	<u>98,098</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of business	—	7,500
Deposits on machinery and equipment	(9,269)	—
Receipts from note receivable	77	73
Payments to acquire patents and software	(243)	(102)
Proceeds from sale of property and equipment	101	1,040
Payments to acquire property and equipment	(53,282)	(41,421)
Net cash used in investing activities	<u>(62,616)</u>	<u>(32,910)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from loans and notes payable	101,584	1,753
Cash paid for debt issue costs	(3,791)	—
Payments on capital lease obligation	(596)	(600)
Payments on loans and notes payable	(45,143)	(8,195)
Proceeds from Economic Development Incentive Program	722	—
Payments to acquire treasury stock	(115,887)	(20,000)
Proceeds from exercise of options to acquire common stock, including employee stock purchase plan	3,315	4,808
Taxes paid related to restricted stock issuance	(2,068)	(209)
Excess tax benefit of stock-based compensation	2,647	1,025
Net cash used in financing activities	<u>(59,217)</u>	<u>(21,418)</u>
Net (decrease)/increase in cash and cash equivalents	(31,627)	43,770
Cash and cash equivalents, beginning of period	100,487	56,717
Cash and cash equivalents, end of period	<u>\$ 68,860</u>	<u>\$ 100,487</u>
<b>Supplemental disclosure of cash flow information</b>		
<b>Cash paid for:</b>		
Interest	\$ 7,688	\$ 5,295
Income taxes	48,778	44,087

**SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP INCOME FROM OPERATIONS TO ADJUSTED EBITDAS (Unaudited)**

	<b>For the Three Months Ended April 30, 2014:</b>			<b>For the Three Months Ended April 30, 2013:</b>		
	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
Income from operations	\$ 24,900	\$ 156	\$ 25,056	\$ 28,631	\$ (3,465)	\$ 25,166
Interest expense	1,771	—	1,771	1,210	—	1,210
Income tax expense	14,227	(264)	13,963	17,090	3,010	20,100
Depreciation and amortization	5,396	—	5,396	4,584	—	4,584
Stock compensation expense	1,562	—	1,562	987	—	987
Accrued settlement charges	2,000	—	2,000	—	—	—
DOJ/SEC costs	150	—	150	231	—	231
Adjusted EBITDAS	<u>\$ 50,006</u>	<u>\$ (108)</u>	<u>\$ 49,898</u>	<u>\$ 52,733</u>	<u>\$ (455)</u>	<u>\$ 52,278</u>

	<b>For the Year Ended April 30, 2014:</b>			<b>For the Year Ended April 30, 2013:</b>		
	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
Income from operations	\$ 88,627	\$ 678	\$ 89,305	\$ 81,406	\$ (2,693)	\$ 78,713
Interest expense	12,261	—	12,261	5,173	609	5,782
Income tax expense	48,095	(1,134)	46,961	46,500	(912)	45,588
Depreciation and amortization	19,758	—	19,758	16,049	—	16,049
Stock compensation expense	8,212	—	8,212	4,096	(23)	4,073
Loss on sale of discontinued operations	—	—	—	—	1,222	1,222
Accrued settlement charges	2,000	—	2,000	—	—	—
DOJ/SEC costs	593	—	593	997	—	997
Adjusted EBITDAS	<u>\$ 179,546</u>	<u>\$ (456)</u>	<u>\$ 179,090</u>	<u>\$ 154,221</u>	<u>\$ (1,797)</u>	<u>\$ 152,424</u>