

Ruths Hospitality Group, Inc.
Form 10-Q
August 04, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 28, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-51485

Ruth's Hospitality Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware **72-1060618**
(State or other jurisdiction of **(I.R.S. Employer**
incorporation or organization) **Identification No.)**

1030 W. Canton Avenue, Suite 100,
Winter Park, FL **32789**
(Address of principal executive offices) (Zip code)

(407) 333-7440

Registrant's telephone number, including area code

None.

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Edgar Filing: Ruths Hospitality Group, Inc. - Form 10-Q

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of July 30, 2015 was 35,211,431, which includes 1,140,428 shares of unvested restricted stock.

1

TABLE OF CONTENTS

	Page
Part I — Financial Information	3
Item 1	3
Financial Statements:	
Condensed Consolidated Balance Sheets as of June 28, 2015 and December 28, 2014	3
Condensed Consolidated Statements of Income for the Thirteen and Twenty-six Week Periods ended June 28, 2015 and June 29, 2014	4
Condensed Consolidated Statements of Shareholders' Equity for the Twenty-six Week Periods ended June 28, 2015 and June 29, 2014	5
Condensed Consolidated Statements of Cash Flows for the Twenty-six Week Periods ended June 28, 2015 and June 29, 2014	6
Notes to Condensed Consolidated Financial Statements	7
Item 2	15
Management's Discussion and Analysis of Financial Condition and Results of Operations	
Item 3	21
Quantitative and Qualitative Disclosures about Market Risk	
Item 4	22
Controls and Procedures	
Part II — Other Information	23
Item 1	23
Legal Proceedings	
Item 1A	23
Risk Factors	
Item 2	23
Unregistered Sales of Equity Securities and Use of Proceeds	
Item 3	24
Defaults Upon Senior Securities	
Item 4	24
Mine Safety Disclosures	
Item 5	24
Other Information	
Item 6	24
Exhibits	
Signatures	25

PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****RUTH'S HOSPITALITY GROUP, INC. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets—Unaudited****(Amounts in thousands, except share and per share data)**

	June 28, 2015	December 28, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$5,130	\$4,301
Accounts receivable, less allowance for doubtful accounts 2015 - \$756; 2014 - \$760	16,265	20,458
Inventory	7,112	7,206
Assets held for sale	250	15,119
Prepaid expenses and other	2,251	1,291
Deferred income taxes	3,640	3,775
Total current assets	34,648	52,150
Property and equipment, net of accumulated depreciation 2015 - \$120,724; 2014 - \$114,708	82,252	80,354
Goodwill	24,293	24,293
Franchise rights	32,418	32,418
Trademarks	118	118
Other intangibles, net of accumulated amortization 2015 - \$1,263; 2014 - \$1,001	2,419	2,476
Deferred income taxes	12,331	25,054
Other assets	1,432	1,704
Total assets	\$189,911	\$218,567
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$9,545	\$13,414
Accrued payroll	12,883	15,304
Accrued expenses	7,427	11,065
Deferred revenue	25,556	34,552
Liabilities associated with assets held for sale	-	4,869
Other current liabilities	5,189	7,277
Total current liabilities	60,600	86,481
Long-term debt	-	13,000
Deferred rent	20,618	19,990
Other liabilities	2,666	2,785
Total liabilities	83,884	122,256

Edgar Filing: Ruths Hospitality Group, Inc. - Form 10-Q

Commitments and contingencies (Note 11)	-	-
Shareholders' equity:		
Common stock, par value \$.01 per share; 100,000,000 shares authorized, 34,211,598 shares issued and outstanding at June 28, 2015; 34,333,858 shares issued and outstanding at December 28, 2014	342	343
Additional paid-in capital	151,417	155,455
Accumulated deficit	(45,732)	(59,487)
Treasury stock, at cost; 71,950 shares at June 28, 2015 and December 28, 2014	-	-
Total shareholders' equity	106,027	96,311
Total liabilities and shareholders' equity	\$ 189,911	\$ 218,567

See accompanying notes to condensed consolidated financial statements.

RUTH'S HOSPITALITY GROUP, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Income—Unaudited

(Amounts in thousands, except share and per share data)

13 Weeks		26 Weeks	
Ended		Ended	
June	June	June	June
28,	29,	28,	29,