

Papa Murphy's Holdings, Inc.  
Form 10-Q/A  
November 14, 2018  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q/A  
(Amendment No. 1)

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(Mark One)

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

For the quarterly period ended October 1, 2018

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 001-36432

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Papa Murphy's Holdings, Inc.  
(Exact name of registrant as specified in its charter)

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Delaware	27-2349094
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
8000 NE Parkway Drive, Suite 350	98662
Vancouver, WA	(Zip Code)
(Address of principal executive offices)	
(360) 260-7272	
(Registrant's telephone number, including area code)	

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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 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 such files). Yes . No .

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

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.

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

At November 2, 2018, there were 17,027,935 shares of the Registrant's common stock, \$0.01 par value, outstanding.

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EXPLANATORY NOTE

Papa Murphy's Holdings, Inc. (the "Company") is filing this Amendment No. 1 to its Quarterly Report on Form 10-Q (this "Amendment No. 1") in order to correct an arithmetical error in the Quarterly Report on Form 10-Q for the quarter ended October 1, 2018 (the "Original Form 10-Q"). The arithmetical error affected the calculation of the Company's basic and diluted earnings per share of common stock calculation for the nine months ended October 1, 2018 as disclosed in (a) the Condensed Consolidated Statements of Operations and Note 15 — Earnings per Share (EPS) to the Notes to Unaudited Condensed Consolidated Financial Statements in Item 1 of Part 1 - Financial Information and (b) the Company's financial statements formatted in XBRL in Exhibit 101. The error was also reflected in the Company's earnings release that was issued on November 7, 2018 and furnished to the Securities and Exchange Commission on that date.

This Amendment No. 1 should be read in conjunction with the Original Form 10-Q, which continues to speak as of the date of the Original Form 10-Q. The arithmetic error had no effect on the Company's Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Cash Flows or any disclosures included in the Condensed Consolidated Statements of Operations and Notes to Condensed Consolidated Financial Statements, other than as noted above, and Management's Discussion and Analysis of Financial Condition and Results of Operations. Accordingly, this Amendment No. 1 does not reflect events occurring after the filing of the Original Form 10-Q or modify or update any related or other disclosures. New certifications are supplied as Exhibits 31.1, 31.2, 32.1 and 32.2.

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements

## Papa Murphy's Holdings, Inc. and Subsidiaries

## Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended		Nine Months Ended	
	October 1, 2018	October 2, 2017	October 1, 2018	October 2, 2017
(In thousands, except share and per share data)	(unaudited)	(as adjusted)	(unaudited)	(as adjusted)
Revenues				
Franchise related	\$15,872	\$16,171	\$46,876	\$52,961
Company-owned stores	12,958	17,520	47,519	57,010
Total revenues	28,830	33,691	94,395	109,971
Costs and Expenses				
Store operating costs:				
Cost of food and packaging	4,216	5,858	15,657	19,376
Compensation and benefits	4,341	5,478	15,183	17,735
Advertising	1,147	1,604	3,700	5,055
Occupancy and other store operating costs	2,720	3,012	8,925	10,255
Selling, general, and administrative	11,710	12,517	36,146	49,042
Depreciation and amortization	1,662	2,336	5,677	8,359
Loss on disposal or impairment of property and equipment	2,521	6,253	1,808	17,830
Total costs and expenses	28,317	37,058	87,096	127,652
Operating Income (Loss)	513	(3,367)	7,299	(17,681)
Interest expense, net	1,254	1,305	3,842	3,818
Other expense, net	57	57	160	149
(Loss) Income Before Income Taxes	(798)	(4,729)	3,297	(21,648)
(Benefit from) provision for income taxes	(159)	(2,051)	970	(7,678)
Net (Loss) Income	\$(639)	\$(2,678)	\$2,327	\$(13,970)
(Loss) earnings per share of common stock				
Basic	\$(0.04)	\$(0.16)	\$0.14	\$(0.83)
Diluted	\$(0.04)	\$(0.16)	\$0.14	\$(0.83)
Weighted average common stock outstanding				
Basic	16,944,777	16,882,193	16,924,037	17,863,122
Diluted	16,944,777	16,882,193	16,963,084	17,863,122
See accompanying notes.				

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Papa Murphy's Holdings, Inc. and Subsidiaries  
 Unaudited Condensed Consolidated Balance Sheets

	October 1, 2018	January 1, 2018
(In thousands, except par value and share data)	(unaudited)	(as adjusted)
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 3,359	\$ 2,174
Accounts receivable, net	3,088	3,788
Inventories	590	719