

Ruths Hospitality Group, Inc.
Form 10-Q
November 02, 2018

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 September 30, 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 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

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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, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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, 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 (check one):

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

The number of shares outstanding of the registrant's common stock as of October 26, 2018 was 30,809,350, which includes 1,078,571 shares of unvested restricted stock.

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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)

	September 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,877	\$ 4,051
Accounts receivable, less allowance for doubtful accounts 2018 - \$371; 2017 - \$361	11,332	21,626
Inventory	7,989	8,688
Prepaid expenses and other	2,393	2,680
Total current assets	26,591	37,045
Property and equipment, net of accumulated depreciation 2018 - \$155,895; 2017 - \$144,373	120,813	112,212
Goodwill	36,522	36,522
Franchise rights, net of accumulated amortization 2018 - \$1,819; 2017 - \$396	45,399	46,822
Other intangibles, net of accumulated amortization 2018 - \$1,341; 2017 - \$1,181	4,915	3,904
Deferred income taxes	4,949	4,947
Other assets	582	644
Total assets	\$ 239,771	\$ 242,096
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 6,537	\$ 10,510
Accrued payroll	14,130	15,903
Accrued expenses	7,779	11,203
Deferred revenue	36,794	42,596
Other current liabilities	3,541	8,313
Total current liabilities	68,781	88,525
Long-term debt	54,000	50,000
Deferred rent	23,004	21,993
Unearned franchise fees	2,803	—
Other liabilities	1,897	2,074
Total liabilities	150,485	162,592
Commitments and contingencies (Note 11)	—	—
Common stock, par value \$.01 per share; 100,000,000 shares authorized, 29,730,779 shares issued and outstanding at September 30, 2018, 29,645,790 shares issued and outstanding at December 31, 2017	297	296

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Additional paid-in capital	72,479	77,017
Retained earnings	16,510	2,191
Treasury stock, at cost; 71,950 shares at September 30, 2018 and December 31, 2017	—	—
Total shareholders' equity	89,286	79,504
Total liabilities and shareholders' equity	\$ 239,771	\$ 242,096

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 Ended September 30, 2018		September 24, 2017	39 Weeks Ended September 30, 2018		September 24, 2017
Revenues:						
Restaurant sales	\$93,488	\$ 79,442		\$307,390	\$ 273,042	
Franchise income	4,030	4,218		12,905	12,865	
Other operating income	1,497	1,507		4,880	4,813	
Total revenues	99,015	85,167		325,175	290,720	