

Ruths Hospitality Group, Inc.
Form 10-Q
May 09, 2013
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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 March 31, 2013

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)

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Delaware (State or other jurisdiction of incorporation or organization)	72-1060618 (I.R.S. Employer Identification No.)
1030 W. Canton Avenue, Suite 100, Winter Park, FL (Address of principal executive offices)	32789 (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):

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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 April 29, 2013 was 35,827,860, which includes 1,264,474 shares of unvested restricted stock.

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Table of Contents**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)

	March 31, 2013	December 30, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,324	\$ 7,909
Accounts receivable, less allowance for doubtful accounts 2013 - \$693; 2012 - \$378	9,878	11,295
Inventory	7,410	7,921
Assets held for sale	0	1,153
Prepaid expenses and other	2,225	1,863
Deferred income taxes	2,093	1,855
Total current assets	27,930	31,996
Property and equipment, net of accumulated depreciation 2013 - \$115,814; 2012 - \$112,292	88,657	89,979
Goodwill	22,097	22,097
Franchise rights	32,200	32,200
Trademarks	10,676	10,676
Other intangibles, net of accumulated amortization 2013 - \$2,560; 2012 - \$2,456	5,927	6,031
Deferred income taxes	33,464	35,472
Other assets	2,796	2,906
Total assets	\$ 223,747	\$ 231,357
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable	\$ 9,901	\$ 13,126
Accrued payroll	13,340	16,023
Accrued expenses	6,750	7,097
Deferred revenue	23,780	31,214
Other current liabilities	7,365	7,189
Total current liabilities	61,136	74,649
Long-term debt	43,000	45,000
Deferred rent	24,002	24,358
Other liabilities	4,869	4,962
Total liabilities	133,007	148,969
Commitments and contingencies (Note 10)	0	0
Shareholders' equity:	345	344

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Common stock, par value \$.01 per share; 100,000,000 shares authorized, 34,487,250 shares issued and outstanding at March 31, 2013 34,434,858 shares issued and outstanding at December 30, 2012

Additional paid-in capital	168,095	167,403
Accumulated deficit	(77,700)	(85,359)
Treasury stock, at cost; 71,950 shares at March 31, 2013 and December 30, 2012	0	0
Total shareholders' equity	90,740	82,388
Total liabilities and shareholders' equity	\$ 223,747	\$ 231,357

See accompanying notes to condensed consolidated financial statements.

Table of Contents**RUTH S HOSPITALITY GROUP, INC. AND SUBSIDIARIES****Condensed Consolidated Statements of Income (Loss) Unaudited**

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

	13 Weeks Ended	
	March 31, 2013	March 25, 2012
Revenues:		
Restaurant sales	\$ 102,794	\$ 96,553
Franchise income	3,663	3,455
Other operating income	903	290
Total revenues	107,360	100,298
Costs and expenses:		
Food and beverage costs	32,061	30,895
Restaurant operating expenses	49,394	47,089
Marketing and advertising	2,001	1,728
General and administrative costs	7,253	6,886
Depreciation and amortization expenses	3,605	3,707
Pre-opening costs	1	77
Total costs and expenses	94,315	90,382
Operating income	13,045	9,916
Other income (expense):		
Interest expense, net	(516)	(481)
Debt issuance costs written-off	0	(807)
Other	34	(12)
Income from continuing operations before income tax expense	12,563	8,616
Income tax expense	3,806	2,574
Income from continuing operations	8,757	6,042
Income (loss) from discontinued operations, net of income taxes	(1,096)	53
Net income	7,661	6,095
Preferred stock dividends	0	514
Accretion of preferred stock redemption value	0	73
Excess of redemption value over carrying value of preferred shares redeemed	0	35,776
Net income (loss) applicable to preferred and common shareholders	\$ 7,661	\$ (30,268)
Basic earnings (loss) per common share:		
Continuing operations	\$ 0.25	\$ (0.89)
Discontinued operations	(0.03)	0

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Basic earnings (loss) per share	\$	0.22	\$	(0.89)
Diluted earnings (loss) per common share:				
Continuing operations	\$	0.25	\$	(0.89)
Discontinued operations		(0.03)		0
Diluted earnings (loss) per share	\$	0.22	\$	(0.89)
Shares used in computing net income (loss) per common share:				
Basic		34,456,380		34,170,628
Diluted		35,505,778		34,170,628
	See accompanying notes to condensed consolidated financial statements.			

Table of Contents**RUTH S HOSPITALITY GROUP, INC. AND SUBSIDIARIES****Condensed Consolidated Statements of Shareholders' Equity - Unaudited****for the Thirteen Weeks ended March 31, 2013 and March 25, 2012****(Amounts in thousands)**

	Common Stock Shares	Common Stock Value	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock Shares	Treasury Stock Value	Shareholders Equity
Balance at December 30, 2012	34,434	\$ 344	\$ 167,403	\$ (85,359)	72	\$	\$ 82,388
Net income				7,661			7,661
Shares issued under stock compensation plan including tax effects	52	1	35				35
Stock-based compensation			657				657
Balance at March 31, 2013	34,486	\$ 345	\$ 168,095	\$ (77,700)	72	\$	\$ 90,740