

Texas Roadhouse, Inc.
Form 10-Q
August 07, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2009

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 000-50972

Texas Roadhouse, Inc.

(Exact name of registrant specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

20-1083890
(IRS Employer
Identification Number)

6040 Dutchmans Lane, Suite 200

Louisville, Kentucky 40205

(Address of principal executive offices) (Zip Code)

(502) 426-9984

(Registrant's telephone number, including area code)

Indicate by check mark whether 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 Regulations 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 the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 of Class A and Class B common stock outstanding were 64,892,087 and 5,265,376, respectively, on July 31, 2009.

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1 FINANCIAL STATEMENTS****Texas Roadhouse, Inc. and Subsidiaries****Condensed Consolidated Balance Sheets****(in thousands, except share and per share data)**

	(unaudited) June 30, 2009	December 30, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,979	\$ 5,258
Receivables, net of allowance for doubtful accounts of \$724 at June 30, 2009 and \$524 at December 30, 2008	8,963	9,922
Inventories, net	7,874	8,140
Prepaid income taxes		3,429
Prepaid expenses	4,553	6,097
Deferred tax assets	918	1,962
Total current assets	47,287	34,808
Property and equipment, net	457,574	456,132
Goodwill	114,857	114,807
Intangible asset, net	12,241	12,807
Fair value of derivative financial instruments	247	
Other assets	4,854	4,109
Total assets	\$ 637,060	\$ 622,663
Liabilities and Stockholders Equity		
Current liabilities:		
Current maturities of long-term debt and obligations under capital leases	\$ 234	\$ 228
Accounts payable	23,556	32,175
Deferred revenue gift cards/certificates	15,725	32,265
Accrued wages	18,801	15,500
Income tax payable	2,143	
Accrued taxes and licenses	10,214	8,544
Other accrued liabilities	11,572	10,931
Total current liabilities	82,245	99,643
Long-term debt and obligations under capital leases, excluding current maturities	126,305	132,482
Stock option and other deposits	3,516	3,784
Deferred rent	10,966	9,920
Deferred tax liabilities	8,920	6,205
Fair value of derivative financial instruments		2,704
Other liabilities	5,590	5,128
Total liabilities	237,542	259,866
Texas Roadhouse, Inc. and subsidiaries stockholders equity:		
Preferred stock (\$0.001 par value, 1,000,000 shares authorized; no shares issued or outstanding)		

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Common stock, Class A, (\$0.001 par value, 100,000,000 shares authorized, 64,875,083 and 64,070,620 shares issued and outstanding at June 30, 2009 and December 30, 2008, respectively)	65	64
Common stock, Class B, (\$0.001 par value, 8,000,000 shares authorized, 5,265,376 shares issued and outstanding)	5	5
Additional paid in capital	227,344	220,385
Retained earnings	169,315	141,240
Accumulated other comprehensive gain (loss)	152	(1,704)
Total Texas Roadhouse, Inc. and subsidiaries stockholders' equity	396,881	359,990
Noncontrolling interests	2,637	2,807
Total equity	399,518	362,797
Total liabilities and equity	\$ 637,060	\$ 622,663

See accompanying notes to condensed consolidated financial statements.

Table of Contents**Texas Roadhouse, Inc. and Subsidiaries****Condensed Consolidated Statements of Income****(in thousands, except per share data)****(unaudited)**

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2009	June 24, 2008	June 30, 2009	June 24, 2008
Revenue:				
Restaurant sales	\$ 240,301	\$ 214,787	\$ 484,391	\$ 423,388
Franchise royalties and fees	2,122	2,524	4,105	5,136
Total revenue	242,423	217,311	488,496	428,524
Costs and expenses:				
Restaurant operating costs:				
Cost of sales	80,314	74,774	163,355	148,360
Labor	71,074	61,804	142,573	120,246
Rent	4,929	3,601	9,841	6,890
Other operating	39,812	35,346	80,672	68,596
Pre-opening	933	3,212	3,217	6,038
Depreciation and amortization	10,616	9,066	21,087	17,612
Impairment and closure	14	31	(72)	734
General and administrative	13,237	12,437	24,046	22,308
Total costs and expenses	220,929	200,271	444,719	390,784
Income from operations	21,494	17,040	43,777	37,740
Interest expense, net	876	720	1,733	1,362
Equity income from investments in unconsolidated affiliates	(64)	(70)	(149)	(139)
Income before taxes	20,682	16,390	42,193	36,517
Provision for income taxes	6,436	5,639	13,151	12,592
Net income including noncontrolling interests	\$ 14,246	\$ 10,751	\$ 29,042	\$ 23,925
Less: Net income attributable to noncontrolling interests	505	279	967	540
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	\$ 13,741	\$ 10,472	\$ 28,075	\$ 23,385
Net income per common share attributable to Texas Roadhouse, Inc. and subsidiaries:				
Basic	\$ 0.20	\$ 0.14	\$ 0.40	\$ 0.31
Diluted	\$ 0.19	\$ 0.14	\$ 0.40	\$ 0.31
Weighted-average shares outstanding:				
Basic	69,909	74,252	69,666	74,498

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Diluted	71,361	75,996	70,948	76,220
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See accompanying notes to condensed consolidated financial statements.

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Texas Roadhouse, Inc. and Subsidiaries

Condensed Consolidated Statements of Stockholders' Equity and Comprehensive Income

(in thousands, except share data)

(unaudited)

	Class A		Class B		Paid in	Retained	Accumulated Other Comprehensive	Noncontrolling	Total
	Shares	Par Value	Shares	Par Value	Capital	Earnings	Income (Loss)	Interests	
Balance, December 30, 2008	64,070,620	\$ 64	5,265,376	\$ 5	\$ 220,385	\$ 141,240			