

MARCUS CORP
Form 10-Q
January 08, 2013

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 November 29, 2012

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 1-12604

THE MARCUS CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin	39-1139844
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)

100 East Wisconsin Avenue, Suite 1900	53202-4125
---------------------------------------	------------

Milwaukee, Wisconsin	(Zip Code)
(Address of principal executive offices)	

Edgar Filing: MARCUS CORP - Form 10-Q

Registrant's telephone number, including area code: (414)
905-1000

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 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 (§232.405 of this chapter) 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 <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

(Do not check if a 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

COMMON STOCK OUTSTANDING AT DECEMBER 31, 2012 – 18,480,658

CLASS B COMMON STOCK OUTSTANDING AT DECEMBER 31, 2012 – 8,773,073

THE MARCUS CORPORATION

INDEX

PART I – FINANCIAL INFORMATION	Page
Item 1 Consolidated Financial Statements:	
Consolidated Balance Sheets (November 29, 2012 and May 31, 2012)	3
Consolidated Statements of Earnings (13 and 26 weeks ended November 29, 2012 and November 24, 2011)	5
Consolidated Statements of Comprehensive Income (13 and 26 weeks ended November 29, 2012 and November 24, 2011)	6
Consolidated Statements of Cash Flows (26 weeks ended November 29, 2012 and November 24, 2011)	7
Condensed Notes to Consolidated Financial Statements	8
Item 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3 Quantitative and Qualitative Disclosures About Market Risk	24
Item 4 Controls and Procedures	25
PART II – OTHER INFORMATION	
Item 1A Risk Factors	26
Item 2 Unregistered Sales of Equity Securities and Use of Proceeds	26

Item 6 Exhibits	27
Signatures	S-1

PART I - FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements****THE MARCUS CORPORATION****Consolidated Balance Sheets**

(in thousands, except share and per share data)	November 29, 2012	May 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$9,729	\$6,020
Restricted cash	7,989	6,382
Accounts and notes receivable, net of reserves of \$1,267 and \$1,066, respectively	9,811	8,467
Refundable income taxes		2,950
Deferred income taxes	2,878	2,797
Other current assets	7,312	7,020
Total current assets	37,719	33,636
Property and equipment:		
Land and improvements	99,701	97,253
Buildings and improvements	573,277	543,278
Leasehold improvements	62,080	61,415
Furniture, fixtures and equipment	254,339	247,551
Construction in progress	2,890	3,951
Total property and equipment	992,287	953,448
Less accumulated depreciation and amortization	357,274	338,803
Net property and equipment	635,013	614,645
Other assets:		
Investments in joint ventures	2,980	2,621
Goodwill	44,066	44,135
Condominium units	3,508	3,508
Other	34,829	34,466
Total other assets	85,383	84,730
TOTAL ASSETS	\$758,115	\$733,011

See accompanying condensed notes to consolidated financial statements.

3

THE MARCUS CORPORATION**Consolidated Balance Sheets**

(in thousands, except share and per share data)	November 29, 2012	May 31, 2012
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$20,687	\$18,945
Income taxes	1,814	
Taxes other than income taxes	14,751	13,110
Accrued compensation	9,672	12,098
Other accrued liabilities	25,003	25,004
Current portion of capital lease obligation	4,353	4,189
Current maturities of long-term debt	12,168	97,918
Total current liabilities	88,448	171,264
Capital lease obligation	30,059	31,489
Long-term debt	221,364	106,276
Deferred income taxes	42,385	44,372
Deferred compensation and other	34,454	35,821
Equity:		
Shareholders' equity attributable to The Marcus Corporation		
Preferred Stock, \$1 par; authorized 1,000,000 shares; none issued		
Common Stock, \$1 par; authorized 50,000,000 shares; issued 22,416,440 shares at November 29, 2012 and 22,372,198 shares at May 31, 2012	22,416	22,372
Class B Common Stock, \$1 par; authorized 33,000,000 shares; issued and outstanding 8,773,073 shares at November 29, 2012 and 8,817,315 shares at May 31, 2012	8,773	8,818
Capital in excess of par	51,446	50,836
Retained earnings	307,359	296,644
Accumulated other comprehensive loss	(4,105)	(4,139)
	385,889	374,531
Less cost of Common Stock in treasury (3,920,030 shares at November 29, 2012 and 2,298,904 shares at May 31, 2012)	(48,760)	(30,742)
Total shareholders' equity attributable to The Marcus Corporation	337,129	343,789
Noncontrolling interests	4,276	

Edgar Filing: MARCUS CORP - Form 10-Q

Total equity	341,405	343,789
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$758,115	\$733,011

See accompanying condensed notes to consolidated financial statements.

4

THE MARCUS CORPORATION**Consolidated Statements of Earnings**

(in thousands, except per share data)

	November 29, 2012		November 24, 2011	
	13	26	13	26
	Weeks	Weeks	Weeks	Weeks
Revenues:				
Theatre admissions	\$30,660	\$69,138	\$25,339	\$69,513
Rooms	26,580	56,544	25,401	54,319
Theatre concessions	16,542	37,521	13,243	36,112
Food and beverage	14,890	29,659	14,650	29,346
Other revenues	11,961	25,710	11,436	24,686
Total revenues	100,633	218,572	90,069	213,976
Costs and expenses:				
Theatre operations	25,698	58,264	22,438	58,639
Rooms	9,290	19,147	8,994	18,405
Theatre concessions	4,403	9,960	3,552	9,089
Food and beverage	10,556	21,285	10,323	20,788
Advertising and marketing	6,102	12,507	5,792	11,647
Administrative	12,301	23,063	10,741	21,556
Depreciation and amortization	8,586	16,899	8,910	17,830
Rent	2,118	4,231	2,008	4,131
Property taxes	3,520	7,155	3,528	6,756
Other operating expenses	7,925	15,472	7,522	15,526
Impairment charge	417	417		
Total costs and expenses	90,916	188,400	83,808	184,367
Operating income	9,717	30,172	6,261	29,609
Other income (expense):				
Investment income	19	43	25	169
Interest expense	(2,317)	(4,391)	(2,300)	(4,651)
Gain (loss) on disposition of property, equipment and other assets	4	26	2	(179)
Equity earnings (losses) from unconsolidated joint ventures, net	17	(23)	34	(37)
	(2,277)	(4,345)	(2,239)	(4,698)
Earnings before income taxes	7,440	25,827	4,022	24,911
Income taxes	2,653	10,361	1,198	9,610
Net earnings	4,787	15,466	2,824	15,301
Net earnings attributable to noncontrolling interests	63	63		
Net earnings attributable to The Marcus Corporation	\$4,724	\$15,403	\$2,824	\$15,301
Net earnings per share – basic:				
Common Stock	\$0.17	\$0.56	\$0.10	\$0.53

Edgar Filing: MARCUS CORP - Form 10-Q

Class B Common Stock	\$0.16	\$0.52	\$0.09	\$0.49
----------------------	--------	--------	--------	--------

Net earnings per share – diluted: