

CHUY'S HOLDINGS, INC.
Form 10-Q
August 06, 2015
Table of Contents

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 28, 2015

OR

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

Commission File No. 001-35603

CHUY'S HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 20-5717694
(State of Incorporation (I.R.S. Employer
or Organization) Identification No.)

1623 TOOMEY ROAD 78704
AUSTIN, TEXAS (Zip Code)
(Address of Principal Executive Offices)
Registrant's Telephone Number, Including Area Code: (512) 473-2783

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 (§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 Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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 the registrant's common stock outstanding at July 31, 2015 was 16,474,341.

Table of Contents

Table of Contents

<u>Part I – Financial Information</u>	<u>3</u>
<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Unaudited Condensed Consolidated Income Statements</u>	<u>4</u>
<u>Unaudited Condensed Consolidated Statements of Cash Flows</u>	<u>5</u>
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>10</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>19</u>
<u>Item 4. Controls and Procedures</u>	<u>19</u>
<u>Part II – Other Information</u>	<u>20</u>
<u>Item 1. Legal Proceedings</u>	<u>20</u>
<u>Item 1A. Risk Factors</u>	<u>20</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>20</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>20</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>20</u>
<u>Item 5. Other Information</u>	<u>20</u>
<u>Item 6. Exhibits</u>	<u>20</u>

Table of Contents

Part I—Financial Information

Item 1. Financial Statements

Chuy's Holdings, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, except share and per share data)

	June 28, 2015 (Unaudited)	December 28, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$7,634	\$3,815
Accounts receivable	684	922
Lease incentives receivable	2,079	4,164
Inventories	1,043	926
Prepaid expenses and other current assets	3,662	3,087
Total current assets	15,102	12,914
Property and equipment, net	125,003	118,807
Other assets and intangible assets, net	1,515	1,522
Tradename	21,900	21,900
Goodwill	24,069	24,069
Total assets	\$187,589	\$179,212
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$6,258	\$5,921
Accrued liabilities	13,602	10,397
Deferred lease incentives	1,689	1,419
Current deferred tax liability	231	231
Total current liabilities	21,780	17,968
Deferred tax liability	9,260	6,976
Accrued deferred rent	6,027	5,252
Deferred lease incentives, less current portion	22,914	22,078
Long-term debt	—	8,750
Total liabilities	59,981	61,024
Commitments and contingencies		
Stockholders' equity		
Common stock, \$0.01 par value; 60,000,000 shares authorized; 16,474,069 shares issued and outstanding at June 28, 2015 and 16,440,906 shares issued and outstanding at December 28, 2014	165	164
Preferred stock, \$0.01 par value; 15,000,000 shares authorized and no shares issued or outstanding at June 28, 2015 and December 28, 2014	—	—
Paid-in capital	89,278	88,467
Retained earnings	38,165	29,557
Total stockholders' equity	127,608	118,188
Total liabilities and stockholders' equity	\$187,589	\$179,212

See notes to the Unaudited Condensed Consolidated Financial Statements

3

Table of Contents

Unaudited Condensed Consolidated Income Statements

(In thousands, except share and per share data)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 28, 2015	June 29, 2014	June 28, 2015	June 29, 2014
Revenue	\$75,362	\$63,284	\$142,191	\$119,235
Costs and expenses:				
Cost of sales	19,802	17,980	37,346	33,508
Labor	24,127	20,806	46,273	39,516
Operating	10,168	8,595	19,499	16,156
Occupancy	4,867	3,804	9,347	7,358
General and administrative	4,299	2,939	8,383	5,862
Marketing	609	483	1,144	905
Restaurant pre-opening	699	1,305	1,807	2,460
Depreciation and amortization	3,194	2,439	6,192	4,755
Total costs and expenses	67,765	58,351	129,991	110,520
Income from operations	7,597	4,933	12,200	8,715
Interest expense	30	19	77	41
Income before income taxes	7,567	4,914	12,123	8,674
Income tax expense	2,194	1,468	3,515	2,596
Net income	\$5,373	\$3,446	8,608	6,078
Net income per common share:				
Basic	\$0.33			