

Ruths Hospitality Group, Inc.  
Form 10-Q  
November 03, 2017

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 24, 2017

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 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, 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 (Do not check if a smaller reporting company) 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 31, 2017 was 31,278,209, which includes 1,184,629 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<br>24,<br>2017 | December 25,<br>2016 |
|--------------------------------------------------------------------------------------|--------------------------|----------------------|
| <b>Assets</b>                                                                        |                          |                      |
| <b>Current assets:</b>                                                               |                          |                      |
| Cash and cash equivalents                                                            | \$4,862                  | \$ 3,788             |
| Accounts receivable, less allowance for doubtful accounts 2017 - \$236; 2016 - \$729 | 9,789                    | 20,790               |
| Inventory                                                                            | 7,247                    | 7,396                |
| Prepaid expenses and other                                                           | 2,232                    | 2,446                |
| <b>Total current assets</b>                                                          | <b>24,130</b>            | <b>34,420</b>        |
| Property and equipment, net of accumulated depreciation 2017 - \$143,034; 2016 -     |                          |                      |
| \$132,817                                                                            | 103,518                  | 103,041              |
| Goodwill                                                                             | 24,293                   | 24,293               |
| Franchise rights, net of accumulated amortization 2017 - \$218; 2016 - \$218         | 32,200                   | 32,200               |
| Other intangibles, net of accumulated amortization 2017 - \$1,238; 2016 - \$1,179    | 2,836                    | 2,895                |
| Deferred income taxes                                                                | 5,452                    | 9,924                |
| Other assets                                                                         | 643                      | 699                  |
| <b>Total assets</b>                                                                  | <b>\$ 193,072</b>        | <b>\$ 207,472</b>    |
| <b>Liabilities and Shareholders' Equity</b>                                          |                          |                      |
| <b>Current liabilities:</b>                                                          |                          |                      |
| Accounts payable                                                                     | \$7,642                  | \$ 7,064             |
| Accrued payroll                                                                      |                          |                      |