

CRACKER BARREL OLD COUNTRY STORE, INC
Form 10-Q
February 20, 2018

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 January 26, 2018

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: 001 25225

Cracker Barrel Old Country Store, Inc.
(Exact name of registrant as specified in its charter)

Tennessee 62 0812904
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

305 Hartmann Drive 37087-4779
Lebanon, Tennessee (Zip code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (615) 444-5533

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

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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 Act).

Yes No

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

24,003,611 Shares of Common Stock

Outstanding as of February 13, 2018

CRACKER BARREL OLD COUNTRY STORE, INC.

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For the Quarter Ended January 26, 2018

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PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

CRACKER BARREL OLD COUNTRY STORE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

(Unaudited)

	January 26, 2018	July 28, 2017*
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 168,808	\$ 161,001
Accounts receivable	21,259	18,116
Income taxes receivable	2,756	4,265
Inventories	159,583	156,367
Prepaid expenses and other current assets	20,572	16,047
Deferred income taxes	--	3,061
Total current assets	372,978	358,857
Property and equipment	2,143,787	2,093,448
Less: Accumulated depreciation and amortization of capital leases	1,029,547	995,351
Property and equipment – net	1,114,240	1,098,097
Other assets	69,725	64,988
Total assets	\$ 1,556,943	\$ 1,521,942
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 106,502	\$ 118,395
Taxes withheld and accrued	27,235	36,725
Deferred revenue	102,912	72,376
Other current liabilities	128,456	148,332
Total current liabilities	365,105	375,828
Long-term debt	400,000	400,000
Long-term interest rate swap liability	1,706	6,833
Other long-term obligations	130,933	129,353
Deferred income taxes	43,574	65,421
Commitments and Contingencies (Note 12)		
Shareholders' Equity:		
Preferred stock – 100,000,000 shares of \$.01 par value authorized; 300,000 shares designated as Series A Junior Participating Preferred Stock; no shares issued	--	--
Common stock – 400,000,000 shares of \$.01 par value authorized; 24,003,611 shares issued and outstanding at January 26, 2018, and 24,055,682 shares issued and outstanding at July 28, 2017	240	241
Additional paid-in capital	41,849	55,659
Accumulated other comprehensive income (loss)	1,197	(4,229)
Retained earnings	572,339	492,836
Total shareholders' equity	615,625	544,507
Total liabilities and shareholders' equity	\$ 1,556,943	\$ 1,521,942

See Notes to unaudited Condensed Consolidated Financial Statements.

* This Condensed Consolidated Balance Sheet has been derived from the audited Consolidated Balance Sheet as of July 28, 2017, as filed with the Securities and Exchange Commission in the Company's Annual Report on Form 10-K for the fiscal year ended July 28, 2017.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME(In thousands, except share data)
(Unaudited)

	Quarter Ended		Six Months Ended	
	January 26, 2018	January 27, 2017	January 26, 2018	January 27, 2017
Total revenue	\$787,771	\$ 772,682	\$1,498,139	\$1,482,653
Cost of goods sold (exclusive of depreciation and rent)	260,952	254,920	471,701	468,029
Labor and other related expenses	263,726	259,270	511,794	508,374
Other store operating expenses	150,407	140,979	294,227	278,905
Store operating income	112,686	117,513	220,417	227,345
General and administrative expenses	36,012	34,817	72,905	68,905
Operating income	76,674	82,696	147,512	158,440
Interest expense	3,680	3,638	7,298	7,314
Income before income taxes	72,994	79,058	140,214	151,126
Provision for income taxes	(18,145)	26,331	2,695	50,044
Net income	\$91,139	\$ 52,727	\$137,519	\$101,082
Net income per share:				
Basic	\$3.80	\$ 2.19	\$5.73	\$4.21
Diluted	\$3.79	\$ 2.19	\$5.71	