

CHEESECAKE FACTORY INC
Form 10-Q
August 09, 2013
[Table of Contents](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

- x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended July 2, 2013

or

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

Commission File Number: 0-20574

THE CHEESECAKE FACTORY INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction)

51-0340466
(I.R.S. Employer)

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of incorporation or organization)

Identification No.)

26901 Malibu Hills Road
Calabasas Hills, California
(Address of principal executive offices)

91301
(Zip Code)

(818) 871-3000

(Registrant's telephone number, including area code)

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.

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 ☒

As of July 31, 2013, 53,838,117 shares of the registrant's Common Stock, \$.01 par value, were outstanding.

Table of Contents

THE CHEESECAKE FACTORY INCORPORATED AND SUBSIDIARIES

INDEX

	Page Number
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Unaudited Financial Statements:</u>	
<u>Consolidated Balance Sheets</u>	3
<u>Consolidated Statements of Comprehensive Income</u>	4
<u>Consolidated Statement of Stockholders' Equity</u>	5
<u>Consolidated Statements of Cash Flows</u>	6
<u>Notes to Consolidated Financial Statements</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	21
<u>Item 4. Controls and Procedures</u>	22
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	22
<u>Item 1A. Risk Factors</u>	22
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	22
<u>Item 6. Exhibits</u>	23
<u>Signatures</u>	24

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****THE CHEESECAKE FACTORY INCORPORATED AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(In thousands, except share data)****(Unaudited)**

	July 2, 2013	January 1, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 130,623	\$ 83,569
Accounts receivable	10,944	14,558
Income tax receivable	1,897	—
Other receivables	27,849	48,100
Inventories	35,690	28,836
Prepaid expenses	38,122	39,887
Deferred income taxes	16,577	15,257
Total current assets	261,702	230,207
Property and equipment, net	765,620	764,418
Other assets:		
Intangible assets, net	18,429	17,829
Prepaid rent	46,933	50,793
Other	32,203	28,920
Total other assets	97,565	97,542
Total assets	\$ 1,124,887	\$ 1,092,167
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 35,635	\$ 46,998
Income tax payable	—	1,213
Other accrued expenses	182,723	204,823
Total current liabilities	218,358	253,034
Deferred income taxes	97,890	91,852
Deferred rent	75,130	76,144
Deemed landlord financing liability	59,594	55,123
Other noncurrent liabilities	39,619	36,288
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 5,000,000 shares authorized; none issued; inclusive of Series A junior participating cumulative preferred stock, \$.01 par value, 150,000 shares authorized; none issued	—	—
Common stock, \$.01 par value, 250,000,000 shares authorized; 89,659,216 and 87,812,022 issued and outstanding at July 2, 2013 and January 1, 2013, respectively	897	878
Additional paid-in capital	566,805	508,130
Retained earnings	943,691	902,532

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Treasury stock, 35,742,652 and 34,414,222 shares at cost at July 2, 2013 and January 1, 2013, respectively

		(877,097)		(831,814)
Total stockholders' equity		634,296		579,726
Total liabilities and stockholders' equity	\$	1,124,887	\$	1,092,167

See the accompanying notes to the consolidated financial statements.

Table of Contents

THE CHEESECAKE FACTORY INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands, except per share data)

(Unaudited)

	Thirteen Weeks Ended July 2, 2013	Thirteen Weeks Ended July 3, 2012	Twenty-Six Weeks Ended July 2, 2013	Twenty-Six Weeks Ended July 3, 2012
Revenues	\$ 470,118	\$ 454,749	\$ 933,136	\$ 890,503
Costs and expenses:				
Cost of sales	112,947	111,019	227,240	218,617
Labor expenses	151,162	146,086	302,145	289,066
Other operating costs and expenses	113,805	108,870	224,783	214,758
General and administrative expenses	27,811	26,278	56,600	54,943
Depreciation and amortization expenses	19,215	18,509	38,445	36,807