

PAPA JOHNS INTERNATIONAL INC

Form 10-Q

May 03, 2016

Table of Contents

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 March 27, 2016

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-21660

PAPA JOHN'S INTERNATIONAL, INC.

Edgar Filing: PAPA JOHNS INTERNATIONAL INC - Form 10-Q

(Exact name of registrant as specified in its charter)

Delaware	61-1203323
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification number)

2002 Papa Johns Boulevard

Louisville, Kentucky 40299-2367

(Address of principal executive offices)

(502) 261-7272

(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 (Section 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	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

At April 26, 2016, there were outstanding 37,242,152 shares of the registrant's common stock, par value \$0.01 per share.

Table of Contents

INDEX

	Page No.
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets — March 27, 2016 and December 27, 2015</u>	3
<u>Condensed Consolidated Statements of Income — Three Months Ended March 27, 2016 and March 29, 2015</u>	4
<u>Consolidated Statements of Comprehensive Income — Three Months Ended March 27, 2016 and March 29, 2015</u>	5
<u>Consolidated Statements of Cash Flows — Three Months Ended March 27, 2016 and March 29, 2015</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	15
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	21
<u>Item 4. Controls and Procedures</u>	23
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	23
<u>Item 1A. Risk Factors</u>	23
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	23
<u>Item 6. Exhibits</u>	24

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Papa John's International, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, except per share amounts)	March 27, 2016 (Unaudited)	December 27, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,272	\$ 21,006
Accounts receivable, net	56,683	63,320
Notes receivable, net	7,049	7,816
Income taxes receivable	48	272
Inventories	22,267	21,564
Prepaid expenses	18,450	20,372
Other current assets	9,460	8,941
Assets held for sale	9,094	9,299
Total current assets	140,323	152,590
Property and equipment, net	213,296	214,044
Notes receivable, less current portion, net	11,126	11,105
Goodwill	87,740	79,657
Deferred income taxes	2,041	2,415
Other assets	36,453	34,247
Total assets	\$ 490,979	\$ 494,058
Liabilities and stockholders' (deficit) equity		
Current liabilities:		
Accounts payable	\$ 33,582	\$ 43,492
Income and other taxes payable	8,805	8,527
Accrued expenses and other current liabilities	62,579	80,918
Total current liabilities	104,966	132,937
Deferred revenue	3,847	3,190
Long-term debt	316,717	255,146
Deferred income taxes	9,394	4,610
Other long-term liabilities	52,862	47,606
Total liabilities	487,786	