

J. Alexander's Holdings, Inc.
Form 10-Q
August 11, 2017

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 quarterly period ended July 2, 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: 1-37473

J. Alexander's Holdings, Inc.

(Exact name of registrant as specified in its charter)

Tennessee (State or other jurisdiction of incorporation or organization)	47-1608715 (I.R.S. Employer Identification No.)
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3401 West End Avenue, Suite 260 Nashville, Tennessee (Address of principal executive offices)	37203 (Zip Code)
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Registrant's telephone number, including area code: (615) 269-1900

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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 definitions of "large accelerated filer", "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

As of August 10, 2017, 14,695,176 shares of the registrant's Common Stock, \$0.001 par value, were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

J. Alexander's Holdings, Inc.

Condensed Consolidated Balance Sheets

(Unaudited in thousands, except share amounts)

	July 2, 2017	January 1, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$6,753	\$6,632
Accounts and notes receivable	2,644	1,555
Inventories	2,611	2,538
Prepaid expenses and other current assets	3,736	3,648
Total current assets	15,744	14,373
Other assets	6,017	6,012
Property and equipment, at cost, less accumulated depreciation and amortization of \$38,598 and \$34,164 as of July 2, 2017 and January 1, 2017, respectively	101,340	101,470
Goodwill	15,737	15,737
Tradename and other indefinite-lived assets	25,160	25,155
Deferred charges, less accumulated amortization of \$221 and \$197 as of July 2, 2017 and January 1, 2017, respectively	209	291
Total assets	\$164,207	\$163,038
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$4,450	\$6,929
Accrued expenses and other current liabilities	9,148	9,486
Unearned revenue	2,490	3,400
Current portion of long-term debt	9,000	7,889
Total current liabilities	25,088	27,704
Long-term debt, net of portion classified as current and deferred loan costs	13,237	15,418
Deferred compensation obligations	6,186	6,010
Deferred income taxes	3,698	4,031
Other long-term liabilities	6,500	5,555
Total liabilities	54,709	58,718
Stockholders' Equity:		

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Common stock, par value \$0.001 per share: Authorized 30,000,000 shares; issued and outstanding 14,695,176 shares as of July 2, 2017 and January 1, 2017, respectively	15	15
Preferred stock, par value \$0.001 per share: Authorized 10,000,000 shares; no shares issued and outstanding as of July 2, 2017 or January 1, 2017	-	-
Additional paid-in-capital	94,778	94,404
Retained earnings	9,031	6,161
Total stockholders' equity attributable to J. Alexander's Holdings, Inc.	103,824	100,580
Non-controlling interests	5,674	3,740
Total stockholders' equity	109,498	104,320
Commitments and contingencies		
Total liabilities and stockholders' equity	\$ 164,207	\$ 163,038
See accompanying Notes to Condensed Consolidated Financial Statements.		

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J. Alexander's Holdings, Inc.

Condensed Consolidated Statements of Income and Comprehensive Income

(Unaudited in thousands, except per share amounts)

	Quarter Ended		Six Months Ended	
	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
Net sales	\$58,216	\$53,921	\$118,038	\$110,800
Costs and expenses:				
Cost of sales	19,197	17,353	37,628	35,443
Restaurant labor and related costs	17,959	16,608	35,904	33,547
Depreciation and amortization of restaurant property and equipment	2,500	2,232	4,878	4,404
Other operating expenses	11,539	11,064	23,109	22,076
Total restaurant operating expenses	51,195	47,257	101,519	95,470
Transaction and integration expenses	460	15	460	62
General and administrative expenses	6,336			