

CHEESECAKE FACTORY INC
Form 10-Q
May 05, 2016
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**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 March 29, 2016

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)

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Delaware
(State or other jurisdiction
of incorporation or organization)

51-0340466
(I.R.S. Employer
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 April 27, 2016, 48,500,862 shares of the registrant's Common Stock, \$.01 par value per share, were outstanding.

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THE CHEESECAKE FACTORY INCORPORATED AND SUBSIDIARIES

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(In thousands, except share data)

(Unaudited)

	March 29, 2016	December 29, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 53,922	\$ 43,854
Accounts receivable	13,079	14,159
Income tax receivable	16,021	18,739
Other receivables	30,588	72,658
Inventories	35,543	34,010
Prepaid expenses	40,637	41,976
Total current assets	189,790	225,396
Property and equipment, net	885,964	892,191
Other assets:		
Intangible assets, net	22,471	21,972
Prepaid rent	45,521	46,881
Other	48,905	46,906
Total other assets	116,897	115,759
Total assets	\$ 1,192,651	\$ 1,233,346
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 38,363	\$ 47,770
Other accrued expenses	267,857	302,456
Total current liabilities	306,220	350,226
Deferred income taxes	85,685	82,524
Deferred rent	72,580	72,911
Deemed landlord financing liability	89,173	87,841
Other noncurrent liabilities	53,433	51,305
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock, \$.01 par value, 5,000,000 shares authorized; none issued		
Common stock, \$.01 par value, 250,000,000 shares authorized; 93,806,826 and 93,126,667 issued at March 29, 2016 and December 29, 2015, respectively	938	931
Additional paid-in capital	733,078	710,242
Retained earnings	1,165,012	1,140,788
Treasury stock, 45,101,139 and 44,064,322 shares at cost at March 29, 2016 and December 29, 2015, respectively	(1,313,468)	(1,263,422)

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Total stockholders' equity		585,560		588,539
Total liabilities and stockholders' equity	\$	1,192,651	\$	1,233,346

See the accompanying notes to the consolidated financial statements.

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	Thirteen Weeks Ended March 29, 2016	Thirteen Weeks Ended March 31, 2015
Revenues	\$ 553,693	\$ 517,973
Costs and expenses:		
Cost of sales	130,773	126,612
Labor expenses	185,658	171,169
Other operating costs and expenses	129,557	123,435
General and administrative expenses	35,337	33,075
Depreciation and amortization expenses	21,464	21,177
Preopening costs	2,310	1,451
Total costs and expenses	505,099	476,919
Income from operations	48,594	41,054
Interest and other expense, net	(2,304)	(1,895)
Income before income taxes	46,290	39,159
Income tax provision	12,336	10,736
Net income	\$ 33,954	\$ 28,423
Net income per share:		
Basic	&nbs	