

BJs RESTAURANTS INC  
Form 10-Q  
May 06, 2013  
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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 April 2, 2013

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 0-21423

**BJ S RESTAURANTS, INC.**

(Exact name of registrant as specified in its charter)

**California**  
(State or other jurisdiction of  
incorporation or organization)

**33-0485615**  
(I.R.S. Employer  
Identification Number)

**7755 Center Avenue**

**Suite 300**

**Huntington Beach, California 92647**

**(714) 500-2400**

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

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 website, 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

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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 definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (do not check if 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 Act). Yes  No .

As of May 3, 2013, there were 28,162,908 shares of Common Stock of the Registrant outstanding.

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**For the thirteen weeks ended April 2, 2013**

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. CONSOLIDATED FINANCIAL STATEMENTS****BJ'S RESTAURANTS, INC.****CONSOLIDATED BALANCE SHEETS****(In thousands)**

	<b>April 2, 2013</b>	<b>January 1, 2013</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$23,886	\$15,074
Marketable securities	16,560	18,316
Accounts and other receivables	11,045	18,929
Inventories	6,492	6,061
Prepays and other current assets	7,544	8,619
Deferred income taxes	15,612	15,721
<b>Total current assets</b>	<b>81,139</b>	<b>82,720</b>
Property and equipment, net	467,791	457,499
Long-term marketable securities	7,734	7,534
Goodwill	4,673	4,673
Notes receivable		110
Other assets, net	14,745	14,340
<b>Total assets</b>	<b>\$576,082</b>	<b>\$566,876</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$21,287	\$25,665
Accrued expenses	56,404	56,819
<b>Total current liabilities</b>	<b>77,691</b>	<b>82,484</b>
Deferred income taxes	42,806	40,847
Deferred rent	19,555	18,645
Deferred lease incentives	49,465	48,422
Other liabilities	4,972	4,644
<b>Total liabilities</b>	<b>194,489</b>	<b>195,042</b>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, 5,000 shares authorized, none issued or outstanding	181,091	180,940

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Common stock, no par value, 125,000 shares authorized and 28,149 and 28,072 shares issued and outstanding as of April 2, 2013 and January 1, 2013, respectively		
Capital surplus	40,147	38,812
Retained earnings	160,355	152,082
Total shareholders' equity	381,593	371,834
Total liabilities and shareholders' equity	\$576,082	\$566,876

See accompanying notes to unaudited consolidated financial statements.

**Table of Contents****BJ S RESTAURANTS, INC.****UNAUDITED CONSOLIDATED STATEMENTS OF INCOME****(In thousands, except per share data)**

	<b>For The Thirteen Weeks Ended</b>	
	<b>April 2, 2013</b>	<b>April 3, 2012</b>
Revenues	\$188,625	\$167,604
Costs and expenses:		
Cost of sales	46,294	41,191
Labor and benefits	65,933	58,516
Occupancy and operating	40,576	34,762
General and administrative	12,709	10,713
Depreciation and amortization	11,469	9,526
Restaurant opening	712	1,079
Loss on disposal of assets	100	54
Total costs and expenses	177,793	155,841
Income from operations	10,832	11,763
Other income (expense):		
Interest income	57	69
Interest expense	(10)	(24)
Other income, net	324	333
Total other income	371	378
Income before income taxes	11,203	12,141
Income tax expense	2,930	3,526
Net income	\$8,273	\$8,615
Net income per share:		
Basic	\$0.29	\$0.31
Diluted	\$0.29	\$0.30
Weighted average number of shares outstanding:		
Basic	28,139	27,908
Diluted	28,838	29,010

See accompanying notes to unaudited consolidated financial statements.



**Table of Contents****BJ S RESTAURANTS, INC.****UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS****(In thousands)**

	<b>For The Thirteen Weeks Ended</b>	
	<b>April 2, 2013</b>	<b>April 3, 2012</b>
<b>Cash flows from operating activities:</b>		
Net income	\$8,273	\$8,615
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization	11,469	9,526
Deferred income taxes	2,068	1,828
Stock-based compensation expense	1,167	1,075
Loss on disposal of assets	100	54
<b>Changes in assets and liabilities:</b>		
Accounts and other receivables	7,884	1,320
Inventories	(431)	515
Prepays and other current assets	1,075	1,455
Other assets, net	(410)	(893)
Accounts payable	4,064	(3,428)
Accrued expenses	(415)	(2,465)
Deferred rent	910	590
Deferred lease incentives	1,043	2,883
Other liabilities	328	452
<b>Net cash provided by operating activities</b>	<b>37,125</b>	<b>21,527</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(30,260)	(18,027)
Proceeds from sale of assets	14	
Proceeds from marketable securities sold	8,054	9,730
Purchases of marketable securities	(6,498)	(10,977)
Collection of notes receivable	110	27
<b>Net cash used in investing activities</b>	<b>(28,580)</b>	<b>(19,247)</b>
<b>Cash flows from financing activities:</b>		
Excess tax benefit from stock-based compensation	328	414
Taxes paid on vested stock units under employee plans	(212)	(15)
Proceeds from exercise of stock options	151	663
Landlord contribution for tenant improvements, net		(2,844)
<b>Net cash provided by (used in) financing activities</b>	<b>267</b>	<b>(1,782)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,812</b>	<b>498</b>
Cash and cash equivalents, beginning of period	15,074	22,391
Cash and cash equivalents, end of period	\$23,886	\$22,889

**Supplemental disclosure of cash flow information:**



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Cash paid for interest, net of capitalized interest	\$	\$
Cash paid for income taxes	\$1,423	\$383
<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
Fixed assets acquired by accounts payable	\$1,535	\$705
Stock-based compensation capitalized	\$52	\$52

See accompanying notes to unaudited consolidated financial statements.

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**BJ'S RESTAURANTS, INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**1. BASIS OF PRESENTATION**

The accompanying unaudited consolidated financial statements include the accounts of BJ's Restaurants, Inc. (referred to herein as the Company or in the first person notations we, us and our) and our wholly owned subsidiaries. The financial statements presented herein include all material adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the financial condition, results of operations and cash flows for the period. Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The preparation of financial statements in accordance with U.S. GAAP requires us to make certain estimates and assumptions for the reporting periods covered by the financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual amounts could differ from these estimates.

Certain information and footnote disclosures normally included in consolidated financial statements in accordance with U.S. GAAP have been omitted pursuant to requirements of the U.S. Securities and Exchange Commission (SEC). A description of our accounting policies and other financial information is included in our audited consolidated financial statements as filed with the SEC on Form 10-K for the year ended January 1, 2013. We believe that the disclosures included in our accompanying interim financial statements and footnotes are adequate to make the information not misleading, but should be read in conjunction with our consolidated financial statements and notes thereto included in the Annual Report on Form 10-K. The accompanying consolidated balance sheet as of January 1, 2013, has been derived from our audited consolidated financial statements.

***Reclassifications***

Certain reclassifications of prior periods financial statement amounts have been made to conform to the current periods format.

**2. MARKETABLE SECURITIES**

Our investment policy restricts the investment of our excess cash balances to instruments with historically minimal volatility, such as money market funds, U.S. Treasury and direct agency obligations, municipal and bank securities, and investment-grade corporate debt securities. All highly liquid investments with maturities of three months or less at the date of