

JACK IN THE BOX INC /NEW/
Form 10-Q
May 12, 2016

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 the quarterly period ended April 10, 2016
Commission File Number: 1-9390

DELAWARE 95-2698708
(State of Incorporation) (I.R.S. Employer Identification No.)

9330 BALBOA AVENUE, SAN DIEGO, CA 92123
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code (858) 571-2121

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 the close of business May 6, 2016, 32,540,996 shares of the registrant's common stock were outstanding.

JACK IN THE BOX INC. AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JACK IN THE BOX INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

(Unaudited)

	April 10, 2016	September 27, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$8,799	\$ 17,743
Accounts and other receivables, net	71,948	47,975
Inventories	7,873	7,376
Prepaid expenses	24,786	16,240
Assets held for sale	19,682	15,516
Other current assets	2,616	3,106
Total current assets	135,704	107,956
Property and equipment, at cost	1,576,974	1,563,377
Less accumulated depreciation and amortization	(862,552)	(835,114)
Property and equipment, net	714,422	728,263
Intangible assets, net	14,364	14,765
Goodwill	149,012	149,027
Other assets, net	287,962	303,968
	\$1,301,464	\$ 1,303,979
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$26,272	\$ 26,677
Accounts payable	28,095	32,137
Accrued liabilities	165,091	170,575
Total current liabilities	219,458	229,389
Long-term debt, net of current maturities	909,388	688,579
Other long-term liabilities	363,235	370,058
Stockholders' (deficit) equity:		
Preferred stock \$0.01 par value, 15,000,000 shares authorized, none issued	—	—
Common stock \$0.01 par value, 175,000,000 shares authorized, 81,306,567 and 81,096,156 issued, respectively	813	811
Capital in excess of par value	414,816	402,986
Retained earnings	1,357,178	1,316,119
Accumulated other comprehensive loss	(141,991)	(132,530)
Treasury stock, at cost, 48,765,738 and 45,314,529 shares, respectively	(1,821,433)	(1,571,433)
Total stockholders' (deficit) equity	(190,617)	15,953
	\$1,301,464	\$ 1,303,979

See accompanying notes to condensed consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)
 (Unaudited)

	Quarter		Year-to-date	
	April 10, 2016	April 12, 2015	April 10, 2016	April 12, 2015
Revenues:				
Company restaurant sales	\$271,792	\$268,904	\$625,013	\$620,800
Franchise rental revenues	52,602	52,215	122,340	121,661
Franchise royalties and other	36,757	37,003	84,621	84,282
	361,151	358,122	831,974	826,743
Operating costs and expenses, net:				
Company restaurant costs:				
Food and packaging	82,066	84,032	190,977	197,141
Payroll and employee benefits	76,137	73,073	174,044	168,752
Occupancy and other	59,527	56,468	137,226	131,499
Total company restaurant costs	217,730	213,573	502,247	497,392
Franchise occupancy expenses	37,408	39,316	89,627	91,734
Franchise support and other costs	3,907	3,743	8,769	8,466
Selling, general and administrative expenses	46,895	52,472	112,767	115,567
Impairment and other charges, net	2,422	2,130	4,079	4,310
Losses (gains) on the sale of company-operated restaurants	3	5,020	(815)	4,170
	308,365	316,254	716,674	721,639
Earnings from operations	52,786			