

NATHANS FAMOUS INC
Form 10-Q
February 04, 2010

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended December 27, 2009.

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 0-3189

NATHAN'S FAMOUS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

11-3166443
(I.R.S. Employer
Identification No.)

One Jericho Plaza, Second Floor – Wing A, Jericho, New York 11753
(Address of principal executive offices)
(Zip Code)

(516) 338-8500
(Registrant's telephone number, including area code)

1400 Old Country Road, Suite 400, Westbury, New York, 11590
(Former name, former address and former fiscal year, if changed since last report)

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. (Check One):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
" No x

At February 4, 2010, an aggregate of 5,640,919 shares of the registrant's common stock, par value of \$.01, were outstanding.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES

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Nathan's Famous, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
 December 27, 2009 and March 29, 2009
 (in thousands, except share and per share amounts)

Item 1. Financial Statements.

	December 27, 2009 (Unaudited)	March 29, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 9,004	\$ 8,679
Marketable securities	24,918	25,670
Accounts and other receivables, net	6,417	4,869
Note receivable	308	290
Inventories	693	668
Prepaid expenses and other current assets	1,184	1,326
Deferred income taxes	696	696
Total current assets	43,220	42,198
Note receivable	1,232	1,466
Property and equipment, net	5,504	4,126
Goodwill	95	95
Intangible asset	1,353	1,353
Deferred income taxes	356	428
Other assets	368	158
	\$ 52,128	\$ 49,824
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 2,483	\$ 2,857
Accrued expenses and other current liabilities	3,791	3,867
Deferred franchise fees	205	171
Total current liabilities	6,479	6,895
Other liabilities	1,472	1,080
Total liabilities	7,951	7,975
COMMITMENTS AND CONTINGENCIES (Note J)		
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value; 30,000,000 shares authorized; 8,773,241 and 8,305,683 shares issued; 5,640,919 and 5,611,877 shares outstanding at December 27, 2009 and March 29, 2009, respectively.	88	83
Additional paid-in capital	51,946	49,001

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Retained earnings	16,006	11,228
Accumulated other comprehensive income	636	335
	68,676	60,647
Treasury stock, at cost, 3,132,322 and 2,693,806 shares at December 27, 2009 and March 29, 2009, respectively.	(24,499)	(18,798)
Total stockholders' equity	44,177	41,849
	\$ 52,128	\$ 49,824

The accompanying notes are an integral part of these statements.

Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS
 Thirteen weeks ended December 27, 2009 and December 28, 2008
 (in thousands, except share and per share amounts)
 (Unaudited)

	December 27, 2009	December 28, 2008
REVENUES		
Sales	\$ 8,375	\$ 7,949
Franchise fees and royalties	1,313	1,188
License royalties	1,297	1,182
Interest income	224	288
Other income	15	13
Total revenues	11,224	10,620
COSTS AND EXPENSES		
Cost of sales	6,235	6,297
Restaurant operating expenses	805	710
Depreciation and amortization	214	210
General and administrative expenses	2,408	2,135
Total costs and expenses	9,662	9,352
Income before provision for income taxes	1,562	1,268
Provision for income taxes	510	411
Net income	\$ 1,052	\$ 857
PER SHARE INFORMATION		
Basic income per share:		
Net income	\$.19	\$.15
Diluted income per share:		
Net income	\$.19	\$.14
Weighted average shares used in computing income per share		
Basic	5,603,000	5,756,000
Diluted	5,680,000	6,022,000

The accompanying notes are an integral part of these statements.

Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS
 Thirty-nine weeks ended December 27, 2009 and December 28, 2008
 (in thousands, except share and per share amounts)
 (Unaudited)

	December 27, 2009	December 28, 2008
REVENUES		
Sales	\$ 31,148	\$ 30,383
Franchise fees and royalties	3,779	3,531
License royalties	4,672	4,425
Interest income	704	810
Other income	49	38
Total revenues	40,352	39,187
COSTS AND EXPENSES		
Cost of sales	22,437	23,230
Restaurant operating expenses	2,601	2,586
Depreciation and amortization	614	608
General and administrative expenses	7,275	6,829
Recovery of property taxes	-	(441)
Total costs and expenses	32,927	32,812
Income from continuing operations before provision for income taxes	7,425	6,375
Provision for income taxes	2,647	2,304
Income from continuing operations	4,778	4,071
Income from discontinued operations, including gains on disposal of discontinued operations before income taxes of \$3,906 in 2008	-	3,914
Provision for income taxes	-	1,447
Income from discontinued operations	-	2,467
Net income	\$ 4,778	\$ 6,538
PER SHARE INFORMATION		
Basic income per share:		
Income from continuing operations	\$.86	\$.68
Income from discontinued operations	-	.42
Net income	\$.86	\$ 1.10
Diluted income per share:		
Income from continuing operations	\$.84	\$.65
Income from discontinued operations	-	.39
Net income	\$.84	\$ 1.04
Weighted average shares used in computing income per share		

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Basic	5,545,000	5,968,000
Diluted	5,718,000	6,268,000

The accompanying notes are an integral part of these statements.

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Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Thirty-nine weeks ended December 27, 2009

(in thousands, except share amounts)

(Unaudited)

	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Shares	Stock, at Cost Amount	Total Stockholders' Equity
Balance, March 29, 2009	8,305,683	\$ 83	\$ 49,001	\$ 11,228	\$ 335	2,693,806	\$ (18,798)	\$ 41,849
Shares issued in connection with the exercise of employee stock options	467,558	5	1,528	-	-	-	-	1,533
Repurchase of common stock	-	-	-	-	-	438,516	(5,701)	(5,701)
Income tax benefit on stock option exercises	-	-	1,096	-	-	-	-	1,096
Share-based compensation	-	-	321	-	-	-	-	321
Other comprehensive income, net - Unrealized gains on available for sale securities, net of deferred income tax of \$200	-	-	-	-	301	-	-	301
Net income	-	-	-	4,778	-	-	-	4,778
Balance, December 27, 2009	8,773,241	\$ 88	\$ 51,946	\$ 16,006	\$			