

CHEESECAKE FACTORY INC

Form 10-Q

November 04, 2010

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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 September 28, 2010

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)

Delaware

(State or other jurisdiction
of incorporation or organization)

**26901 Malibu Hills Road
Calabasas Hills, California**

(Address of principal executive offices)

51-0340466

(I.R.S. Employer
Identification No.)

91301

(Zip Code)

(818) 871-3000

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(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 October 29, 2010, 59,259,358 shares of the registrant's Common Stock, \$.01 par value, were outstanding.

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THE CHEESECAKE FACTORY INCORPORATED AND SUBSIDIARIES

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(In thousands, except share data)

	September 28, 2010 (unaudited)	December 29, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 59,794	\$ 73,715
Accounts receivable	9,744	11,352
Income tax receivable	5,874	1,875
Other receivables	16,371	27,475
Inventories	29,924	22,202
Prepaid expenses	23,232	27,871
Deferred income taxes	8,257	7,737
Total current assets	153,196	172,227
Property and equipment, net	761,422	788,402
Other assets:		
Trademarks	4,451	4,338
Prepaid rent	51,387	54,243
Other	30,256	27,541
Total other assets	86,094	86,122
Total assets	\$ 1,000,712	\$ 1,046,751
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 29,450	\$ 33,948
Other accrued expenses	143,612	166,513
Total current liabilities	173,062	200,461
Deferred income taxes	93,045	87,048
Deferred rent	66,418	64,209
Deemed landlord financing liability	50,879	51,802
Long-term debt	40,000	100,000
Other noncurrent liabilities	25,433	27,118
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 5,000,000 shares authorized; none issued	—	—
Junior participating cumulative preferred stock, \$.01 par value, 150,000 shares authorized; none issued	—	—
Common stock, \$.01 par value, 250,000,000 shares authorized; 84,126,026 and 83,377,092 issued at September 28, 2010 and December 29, 2009, respectively	841	834
Additional paid-in capital	409,004	386,562
Retained earnings	699,392	639,544
Accumulated other comprehensive loss	—	(4,619)
	(557,362)	(506,208)

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Treasury stock, 25,168,961 and 23,100,079 shares at cost at September 28, 2010 and December 29, 2009, respectively

Total stockholders' equity		551,875		516,113
Total liabilities and stockholders' equity	\$	1,000,712	\$	1,046,751

See the accompanying notes to the consolidated financial statements.

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THE CHEESECAKE FACTORY INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Thirteen Weeks Ended September 28, 2010	Thirteen Weeks Ended September 29, 2009	Thirty-Nine Weeks Ended September 28, 2010	Thirty-Nine Weeks Ended September 29, 2009
Revenues	\$ 418,352	\$ 400,640	\$ 1,242,694	\$ 1,201,378
Costs and expenses:				
Cost of sales	102,073	95,777	303,428	293,147
Labor expenses	137,268	131,987	408,475	400,370
Other operating costs and expenses	104,208	102,341		