

Good Times Restaurants Inc.
Form 10-Q
August 11, 2017

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 June 27, 2017

OR

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

Commission File Number: 0-18590

(Exact Name of Registrant as Specified in Its Charter)

NEVADA 84-1133368
(State or Other Jurisdiction of (I.R.S. Employer Identification Number)
Incorporation or Organization)

141 UNION BLVD, SUITE 400, LAKEWOOD, CO 80228
(Address of Principal Executive Offices, Including Zip Code)
(303) 384-1400
(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 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, a smaller reporting company or, an emerging

growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company”, and “emerging growth company”, in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if smaller reporting company)	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicated by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 August 11, 2017, there were 12,427,280 shares of the Registrant's common stock, par value \$0.001 per share, issued and outstanding.

Form 10-Q
 Quarter Ended June 27, 2017

<u>INDEX</u>	<u>PAGE</u>
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements	
<u>Condensed Consolidated Balance Sheets (unaudited) – June 27, 2017 and September 27, 2016</u>	3
<u>Condensed Consolidated Statements of Operations (unaudited) for the three fiscal quarters ended June 27, 2017 and June 30, 2016</u>	4
<u>Condensed Consolidated Statements of Cash Flows (unaudited) for the fiscal year to date periods ended June 27, 2017 and June 30, 2016</u>	5
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	6 – 12
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13 – 22
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	22
Item 4T. <u>Controls and Procedures</u>	22
PART II - OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	23
Item 1A. <u>Risk Factors</u>	23
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	23
Item 3. <u>Defaults Upon Senior Securities</u>	23
Item 4. <u>Mine Safety Disclosures</u>	23
Item 5. <u>Other Information</u>	23
Item 6. <u>Exhibits</u>	23
<u>SIGNATURES</u>	24
CERTIFICATIONS	

Table of ContentsPART I. - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Good Times Restaurants Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)
(In thousands, except share and per share data)

	<u>Jun 27, 2017</u>	<u>Sep 27, 2016</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,084	\$ 6,330
Receivables, net of allowance for doubtful accounts of \$0	1,071	425
Prepaid expenses and other	468	349
Inventories	788	631
Notes receivable	13	58
Total current assets	6,424	7,793
PROPERTY AND EQUIPMENT:		
Land and building	5,002	5,069
Leasehold improvements	19,335	14,726
Fixtures and equipment	19,456	15,316
Total property and equipment	43,793	35,111
Less accumulated depreciation and amortization	(17,569)	(15,512)
Total net property and equipment	26,224	19,599
Assets held for sale	1,221	93
OTHER ASSETS:		
Notes receivable, net of current portion	49	59
Deposits and other assets	229	268
Trademarks	3,900	3,900
Other intangibles, net	67	89
Goodwill	15,150	15,076
Total other assets	19,395	19,392
TOTAL ASSETS:	\$ 53,264	\$ 46,877
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Current maturities of long-term debt and capital lease obligations	\$ 17	\$ 19
Accounts payable	3,301	1,918
Deferred income	26	23
Other accrued liabilities	3,022	3,162
Total current liabilities	6,366	5,122
LONG-TERM LIABILITIES:		
Maturities of long-term debt and capital lease obligations due after one year	\$ 4,144	\$ 19
Deferred and other liabilities	5,378	3,938
Total long-term liabilities	9,522	3,957
STOCKHOLDERS' EQUITY:		
Good Times Restaurants Inc. stockholders' equity:		
Preferred stock, \$.01 par value; 5,000,000 shares authorized, no shares issued and outstanding as of 6/27/17 and 09/27/2016	0	0

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Common stock, \$.001 par value; 50,000,000 shares authorized, 12,303,440 and 12,282,625 shares issued and outstanding as of 6/27/17 and 09/27/16, respectively	12	12
Capital contributed in excess of par value	58,800	58,191
Accumulated deficit	(23,716)	(22,125)
Total Good Times Restaurants Inc. stockholders' equity	35,096	36,078
Non-controlling interests	2,280	1,720
Total stockholders' equity	37,376	37,798
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 53,264	\$ 46,877

See accompanying notes to condensed consolidated financial statements

3

Table of Contents

Good Times Restaurants Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands except share and per share data)

	Quarter Ended		Year to Date	
	<u>Jun 27,</u>		<u>Jun 27,</u>	
	<u>2017</u>	<u>Jun 30, 2016</u>	<u>2017</u>	<u>Jun 30, 2016</u>
NET REVENUES:				
Restaurant sales	\$21,518	\$ 17,879	\$55,981	\$ 46,676
Franchise royalties	184	187	515	546
Total net revenues	21,702	18,066	56,496	47,222
RESTAURANT OPERATING COSTS:				
Food and packaging costs	6,822	5,563	17,591	14,853
Payroll and other employee benefit costs	7,546	6,064	20,216	16,230
Restaurant occupancy costs	1,484	1,309	4,207	3,603
Other restaurant operating costs	1,896	1,546	5,003	4,129
Preopening costs	819	127	1,737	1,428
Depreciation and amortization	753			