

MARCUS CORP
Form 10-Q
January 03, 2012

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 November 24, 2011

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 1-12604

THE MARCUS CORPORATION
(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction of
incorporation or organization)

39-1139844
(I.R.S. Employer
Identification No.)

100 East Wisconsin Avenue, Suite 1900
Milwaukee, Wisconsin
(Address of principal executive offices)

53202-4125
(Zip Code)

Registrant's telephone number, including area code: (414) 905-1000

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 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

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company” in Rule 12b-2 of the Exchange Act (Check One).

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a 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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

COMMON STOCK OUTSTANDING AT DECEMBER 28, 2011 – 20,413,431
CLASS B COMMON STOCK OUTSTANDING AT DECEMBER 28, 2011 – 8,833,317

THE MARCUS CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

THE MARCUS CORPORATION
Consolidated Balance Sheets

(in thousands, except share and per share data)	(Unaudited) November 24, 2011	(Audited) May 26, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,235	\$8,890
Accounts and notes receivable, net of reserves of \$1,009 and \$880, respectively	10,523	8,083
Refundable income taxes	–	2,629
Deferred income taxes	2,554	2,512
Other current assets	6,074	10,043
Total current assets	30,386	32,157
Property and equipment:		
Land and improvements	95,102	94,772
Buildings and improvements	533,407	532,789
Leasehold improvements	61,405	61,395
Furniture, fixtures and equipment	256,375	220,559
Construction in progress	10,041	3,300
Total property and equipment	956,330	912,815
Less accumulated depreciation and amortization	343,863	335,118
Net property and equipment	612,467	577,697
Other assets:		
Investments in joint ventures	2,989	2,921
Goodwill	44,205	44,274
Condominium units	3,508	3,508
Other	34,247	33,889
Total other assets	84,949	84,592
TOTAL ASSETS	\$ 727,802	\$694,446

See accompanying notes to consolidated financial statements.

THE MARCUS CORPORATION
Consolidated Balance Sheets

(in thousands, except share and per share data)	(Unaudited) November 24, 2011	(Audited) May 26, 2011
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 221	\$221
Accounts payable	16,903	20,721
Income taxes	2,201	–
Taxes other than income taxes	14,436	12,240
Accrued compensation	4,404	5,590
Other accrued liabilities	23,167	26,652
Current portion of capital lease obligation	3,319	–
Current maturities of long-term debt	14,765	17,770
Total current liabilities	79,416	83,194
Capital lease obligation	35,121	–
Long-term debt	190,880	197,232
Deferred income taxes	44,224	44,125
Deferred compensation and other	31,382	30,415
Shareholders' equity:		
Preferred Stock, \$1 par; authorized 1,000,000 shares; none issued	–	–
Common Stock, \$1 par; authorized 50,000,000 shares; issued 22,356,196 shares at November 24, 2011 and May 26, 2011	22,356	22,356
Class B Common Stock, \$1 par; authorized 33,000,000 shares; issued and outstanding 8,833,317 shares at November 24, 2011 and May 26, 2011	8,834	8,834
Capital in excess of par	50,404	49,437
Retained earnings	294,039	283,617
Accumulated other comprehensive loss	(2,577)	(2,565)
	373,056	361,679
Less cost of Common Stock in treasury (1,943,389 shares at November 24, 2011 and 1,453,167 shares at May 26, 2011)	(26,277)	(22,199)
Total shareholders' equity	346,779	339,480
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 727,802	\$694,446

See accompanying notes to consolidated financial statements.

THE MARCUS CORPORATION
Consolidated Statements of Earnings (Unaudited)

(in thousands, except per share data)	November 24, 2011		November 25, 2010	
	13 Weeks	26 Weeks	13 Weeks	26 Weeks
Revenues:				
Theatre admissions	\$25,339	\$69,513	\$27,077	\$69,044
Rooms	25,401	54,319	23,274	49,634
Theatre concessions	13,243	36,112	12,589	32,235
Food and beverage	14,650	29,346	13,322	26,633
Other revenues	11,436	24,686	10,473	23,145
Total revenues	90,069	213,976	86,735	200,691
Costs and expenses:				
Theatre operations	22,438	58,639	23,829	58,491
Rooms	8,994	18,405	8,507	17,267
Theatre concessions	3,552	9,089	3,369	8,154
Food and beverage	10,323	20,788	9,672	19,225
Advertising and marketing	5,792	11,647	5,491	10,957
Administrative	10,741	21,556	9,568	19,617
Depreciation and amortization	8,910	17,830	8,315	16,657
Rent	2,008	4,131	2,103	4,150
Property taxes	3,528	6,756	3,450	6,987
Other operating expenses	7,522	15,526	7,025	14,356
Total costs and expenses	83,808	184,367	81,329	175,861
Operating income	6,261	29,609	5,406	24,830
Other income (expense):				
Investment income	25	169	58	110
Interest expense	(2,300)	(4,651)	(2,581)	(5,239)
Gain (loss) on disposition of property, equipment and other assets	2	(179)	(1)	(2)
Equity earnings (losses) from unconsolidated joint ventures, net	34	(37)	(17)	(86)
	(2,239)	(4,698)	(2,541)	(5,217)
Earnings before income taxes	4,022	24,911	2,865	19,613
Income taxes	1,198	9,610	781	7,509
Net earnings	\$2,824	\$15,301	\$2,084	\$12,104
Net earnings per share – basic:				
Common Stock	\$0.10	\$0.53	\$0.07	\$0.42
Class B Common Stock	\$0.09	\$0.49	\$0.07	\$0.38
Net earnings per share – diluted:				
Common Stock	\$0.10	\$0.52	\$0.07	\$0.41
Class B Common Stock	\$0.09	\$0.49	\$0.07	