

J. Alexander's Holdings, Inc.  
Form 10-Q  
November 09, 2015

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 quarterly period ended September 27, 2015

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: 1-37473

J. Alexander's Holdings, Inc.

(Exact name of registrant as specified in its charter)

Tennessee (State or other jurisdiction of incorporation or organization)	47-1608715 (I.R.S. Employer Identification No.)
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3401 West End Avenue, Suite 260 Nashville, Tennessee (Address of principal executive offices)	37203 (Zip Code)
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Registrant's telephone number, including area code: (615) 269-1900

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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, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer", "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one):

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 November 9, 2015, 15,000,235 shares of the registrant's Common Stock, \$0.001 par value, were outstanding.

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<p>The financial statements of J. Alexander's Holdings, Inc. have been omitted from this presentation because through September 27, 2015, the entity had not commenced operations, and had no activities except in connection with its formation. The issuer was incorporated in the State of Tennessee on August 15, 2014, for the initial purpose of engaging in an initial public offering, and has engaged only in activities in contemplation of such offering and the distribution transactions described in Note 9 – Subsequent Events to the Financial Statements of J. Alexander's Holdings, LLC included herein. Upon its formation, 1,000 shares of common stock were issued to Fidelity National Financial Ventures, LLC in exchange for a nominal cash purchase price equal to the par value of such shares.</p>	
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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## J. Alexander's Holdings, LLC

## Condensed Consolidated Balance Sheets

(Unaudited in thousands)

	September 27 2015	December 28 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,765	\$ 13,301
Accounts and notes receivable	244	250
Accounts receivable from related party	26	-
Inventories	2,100	2,306
Prepaid expenses and other current assets	2,553	3,003
Total current assets	17,688	18,860
Other assets	4,094	4,405
Property and equipment, at cost, less accumulated depreciation and amortization of \$23,650 and \$17,662 as of September 27, 2015 and December 28, 2014, respectively	86,815	86,263
Goodwill	15,737	15,737
Tradename and other indefinite-lived assets	25,155	25,155
Deferred charges, less accumulated amortization of \$199 and \$104 as of September 27, 2015 and December 28, 2014, respectively	581	488
Total assets	\$ 150,070	\$ 150,908
Liabilities and Membership Equity		
Current liabilities:		
Accounts payable	\$ 5,096	\$ 5,719
Accrued expenses and other current liabilities	10,766	12,014
Accrued expenses due to related party	-	92
Unearned revenue	2,191	3,466
Current portion of long-term debt and obligations under capital leases	1,667	1,671
Total current liabilities	19,720	22,962
Long-term debt and obligations under capital leases, net of portion classified as current	20,000	11,250
Long-term debt due to related party	-	10,000
Deferred compensation obligations	5,745	5,555
Other long-term liabilities	4,362	4,252
Total liabilities	49,827	54,019
Membership equity	100,243	96,889

Total liabilities and membership equity	\$ 150,070	\$ 150,908
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See accompanying notes to condensed consolidated financial statements.

## J. Alexander's Holdings, LLC

## Condensed Consolidated Statements of Operations

(Unaudited in thousands)

	Quarter Ended		Nine Months Ended	
	September 27, 2015	September 28, 2014	September 27, 2015	September 28, 2014
Net sales	\$49,335	\$ 46,725	\$158,610	\$ 148,921
Costs and expenses:				
Cost of sales	15,581	15,101	50,177	47,440
Restaurant labor and related costs	15,819	15,032	48,455	45,743
Depreciation and amortization of restaurant property and equipment	2,088	1,926	6,128	5,703
Other operating expenses	10,516	9,839	32,066	30,330
Total restaurant operating expenses	44,004	41,898	136,826	129,216
Transaction and integration expenses	4,197	224	6,311	326
General and administrative expenses	3,377	3,734	11,240	10,271
Asset impairment charges and restaurant closing costs	1	-	2	4
Pre-opening expenses	21	141	23	162
Total operating expenses	51,600	45,997	154,402	139,979
Operating income (loss)	(2,265 )	728	4,208	8,942
Other income (expense):				
Interest expense	(193 )	(732 )	(970 )	(2,223 )
Other, net	21	20	68	96
Total other income (expense)	(172 )	(712 )	(902 )	(2,127 )
Income (loss) from continuing operations before income taxes	(2,437 )	16	3,306	6,815
Income tax (expense) benefit	66	(124 )	45	(161 )
Loss from discontinued operations, net	(106 )	(107 )	(317 )	(331 )
Net income (loss)	\$(2,477 )	\$ (215 )	\$3,034	\$ 6,323

See notes to condensed consolidated financial statements.

## J. Alexander's Holdings, LLC

## Condensed Consolidated Statements of Cash Flows

(Unaudited in thousands)

	Nine-Month Period Ended	
	September 27, 2015	September 28, 2014
Cash flows from operating activities:		
Net income	\$3,034	\$ 6,323
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	6,356	5,920
Equity-based compensation expense	388	-
Other, net	403	951
Changes in operating assets and liabilities:		
Accounts and notes receivable	(20 )	282
Prepaid expenses and other current assets	450	(837 )
Accounts payable	(469 )	23
Accrued expenses and other current liabilities	(1,385)	1,398
Other assets and liabilities, net	(506 )	(1,627 )
Net cash provided by operating activities	8,251	12,433
Cash flows from investing activities:		
Purchase of property and equipment	(7,287)	(6,062 )
Other investing activities	(58 )	