

BIGLARI HOLDINGS INC.
Form 10-Q
May 16, 2014

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 April 9, 2014

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: 0-8445

BIGLARI HOLDINGS INC.

(Exact name of registrant as specified in its charter)

INDIANA
(State or other jurisdiction of incorporation or organization)

37-0684070
(I.R.S. Employer Identification No.)

17802 IH 10 West, Suite 400
San Antonio, Texas
(Address of principal executive offices)

78257
(Zip Code)

(210) 344-3400
(Registrant's telephone number, including area code)

Not Applicable
(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

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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 (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 May 13, 2014, 1,720,889 shares of the registrant’s Common Stock, \$.50 stated value, were outstanding.

BIGLARI HOLDINGS INC.
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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

BIGLARI HOLDINGS INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)	April 9, 2014 (Unaudited)	September 25, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 112,970	\$ 94,626
Investments	21,509	85,479
Receivables, net of allowance of \$782 and \$804, respectively	9,038	7,055
Inventories	7,156	6,475
Deferred income taxes	7,761	-
Assets held for sale	461	561
Other current assets	7,267	3,290
Total current assets	166,162	197,486
Property and equipment, net	345,554	346,147
Goodwill	40,137	28,251
Other intangible assets, net	23,301	7,721
Other assets	13,593	11,239
Investment partnerships	477,110	397,699
Total assets	\$ 1,065,857	\$ 988,543
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
Accounts payable	45,227	37,511
Accrued expenses	56,860	54,003
Deferred income taxes	-	5,511
Current portion of obligations under leases	6,468	6,239
Current portion of long-term debt	2,200	9,750
Total current liabilities	110,755	113,014
Deferred income taxes	82,995	84,525
Obligations under leases	102,369	106,247
Long-term debt	215,616	110,500
Other long-term liabilities	10,304	9,668
Total liabilities	522,039	423,954
Shareholders' equity		
Common stock – \$0.50 stated value, 2,500,000 shares authorized – 1,797,941 shares issued at April 9, 2014 and September 25, 2013, 1,566,738 and 1,588,376 shares outstanding (net of treasury stock), respectively	899	899
Additional paid-in capital	269,810	269,810
Retained earnings	359,027	348,339
Accumulated other comprehensive income	186	21,457

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Treasury stock – at cost: 231,203 and 209,565 shares (includes 154,151 and 132,406 shares held by investment partnerships) at April 9, 2014 and September 25, 2013, respectively

	(86,104)	(75,916)
Biglari Holdings Inc. shareholders' equity	543,818	564,589
Total liabilities and shareholders' equity	\$ 1,065,857	\$ 988,543

See accompanying Notes to Consolidated Financial Statements.

BIGLARI HOLDINGS INC.

CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

(In thousands, except share and per share data)	Sixteen Weeks Ended		Twenty-Eight Weeks Ended	
	April 9, 2014	April 10, 2013	April 9, 2014	April 10, 2013
Net revenues				
Restaurant Operations:				
Net sales	\$226,701	\$218,737	\$395,504	\$382,476
Franchise royalties and fees	4,806	3,281	7,614	5,755
Other revenue	1,078	797	1,806	1,322
Total	232,585	222,815		