

DineEquity, Inc
Form 10-Q
October 29, 2013
Table of Contents

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 September 30, 2013

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 001-15283

DineEquity, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-3038279

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

450 North Brand Boulevard,
Glendale, California

(Address of principal executive offices)

91203-1903

(Zip Code)

(818) 240-6055

(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 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

Smaller reporting company

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 25, 2013
Common Stock, \$0.01 par value	19,026,864

Table of Contents

DineEquity, Inc. and Subsidiaries
Index

	Page
<u>PART I. FINANCIAL INFORMATION</u>	<u>2</u>
<u>Item 1—Financial Statements</u>	<u>2</u>
<u>Consolidated Balance Sheets—September 30, 2013 (unaudited) and December 31, 2012</u>	<u>2</u>
<u>Consolidated Statements of Comprehensive Income (unaudited)—Three and Nine Months Ended September 30, 2013 and 2012</u>	<u>3</u>
<u>Consolidated Statements of Cash Flows (unaudited)—Nine Months Ended September 30, 2013 and 2012</u>	<u>4</u>
<u>Notes to Consolidated Financial Statements</u>	<u>5</u>
<u>Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>19</u>
<u>Item 3—Quantitative and Qualitative Disclosures about Market Risk</u>	<u>38</u>
<u>Item 4—Controls and Procedures</u>	<u>38</u>
<u>PART II. OTHER INFORMATION</u>	<u>39</u>
<u>Item 1—Legal Proceedings</u>	<u>39</u>
<u>Item 1A—Risk Factors</u>	<u>39</u>
<u>Item 2—Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>39</u>
<u>Item 3—Defaults Upon Senior Securities</u>	<u>39</u>
<u>Item 4—Mine Safety Disclosures</u>	<u>39</u>
<u>Item 5—Other Information</u>	<u>39</u>
<u>Item 6—Exhibits</u>	<u>40</u>
<u>Signatures</u>	<u>41</u>

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

DineEquity, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share and per share amounts)

	September 30, 2013 (Unaudited)	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$95,535	\$64,537
Receivables, net	87,276	128,610
Prepaid income taxes	3,619	16,080
Prepaid gift cards	42,840	50,242
Deferred income taxes	24,811	21,772
Other current assets	7,683	13,214
Total current assets	261,764	294,455
Long-term receivables	201,080	212,269
Property and equipment, net	281,432	294,375
Goodwill	697,470	697,470
Other intangible assets, net	797,061	806,093
Other assets, net	108,909	110,738
Total assets	\$2,347,716	\$2,415,400
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt	\$4,720	\$7,420
Accounts payable	33,339	30,751
Gift card liability	93,198	161,689
Accrued employee compensation and benefits	18,063	22,435
Accrued interest payable	35,825	13,236
Current maturities of capital lease and financing obligations	11,974	10,878
Other accrued expenses	20,201	21,351
Total current liabilities	217,320	267,760
Long-term debt, less current maturities	1,204,998	1,202,063
Capital lease obligations, less current maturities	115,351	124,375
Financing obligations, less current maturities	51,930	52,049
Deferred income taxes	349,202	362,171
Other liabilities	98,919	98,177
Total liabilities	2,037,720	2,106,595
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value, shares: 40,000,000 authorized; September 30, 2013 - 25,308,295 issued, 19,029,164 outstanding; December 31, 2012 - 25,362,946 issued, 19,197,899 outstanding	253	254
Additional paid-in-capital	270,799	264,342
Retained earnings	332,740	322,045
Accumulated other comprehensive loss	(157)	(152)
	(293,639)	(277,684)

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Treasury stock, at cost; shares: September 30, 2013 - 6,279,131; December 31, 2012
- 6,165,047

Total stockholders' equity	309,996	308,805
Total liabilities and stockholders' equity	\$2,347,716	\$2,415,400

See the accompanying Notes to Consolidated Financial Statements.

2

Table of Contents

DineEquity, Inc. and Subsidiaries
 Consolidated Statements of Comprehensive Income
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Segment Revenues:				
Franchise and restaurant revenues	\$ 127,137	\$ 182,246	\$ 379,619	\$ 587,801
Rental revenues	30,990	30,920	92,724	92,096
Financing revenues	3,156	3,152	10,223	11,394
Total segment revenues	161,283	216,318	482,566	691,291
Segment Expenses:				