

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 5, 2021

RUTH'S HOSPITALITY GROUP, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1030 W. Canton Avenue, Ste. 100
Winter Park, FL
(Address of Principal Executive Offices)

000-51485

(Commission File Number)

72-1060618
(IRS Employer
Identification No.)

32789
(Zip Code)

Registrant's Telephone Number, Including Area Code: (407) 333-7440

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	RUTH	Nasdaq

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate 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.

Item 2.02. Results of Operations and Financial Condition

On March 5, 2021, Ruth's Hospitality Group, Inc. (the "Company") issued a press release announcing its earnings results for its fiscal fourth quarter ended December 27, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and furnished herewith.

The information in this Item 2.02 in this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Item 2.02 of this Current Report on Form 8-K shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

Exhibit 99.1 Press Release issued by Ruth's Hospitality Group, Inc., dated March 5, 2021.

Exhibit Index

Exhibit
Number

Description

99.1	Press Release issued by Ruth's Hospitality Group, Inc., dated March 5, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RUTH'S HOSPITALITY GROUP, INC.

Date: March 5, 2021

By: _____ /s/ Kristy Chipman
Kristy Chipman
Executive Vice President and Chief Financial Officer

WINTER PARK, Fla.—(BUSINESS WIRE)—March 5, 2021—Ruth’s Hospitality Group, Inc. (the “Company”) (NASDAQ: RUTH) today provided a business update on the impact of the COVID-

Business and Liquidity Update:

- At the end of the fourth quarter of 2020, 91% (70 of 77) of company-owned and managed restaurants were open, which included 48 restaurants offering limited capacity dining service, three restaura
- 93% (67 of 72) of the Company’s franchisee-owned restaurants were open as of the end of the fourth quarter, which included 60 restaurants offering limited capacity dining service, two restaurants
- Fourth quarter comparable restaurant sales at Company-owned restaurants decreased 39.7% compared to the fourth quarter of 2019. While sales trends improved in October with comparable sales
- Fourth quarter comparable sales for Company-owned restaurants with open dining rooms decreased 24.4% compared to the fourth quarter of 2019. In 2021, comparable sales for Company-owned r
- As of December 27, 2020, the Company’s cash balance was approximately \$95.4 million, with \$115.0 million of debt outstanding under its senior credit facility and \$4.8 million of outstanding letter
- During the fourth quarter, the Company repaid \$20.2 million in debt and secured a term extension to February 2023 on its senior credit facility.
- On January 28, 2021, the Company entered into an amendment to its existing \$120.0 million credit agreement that provided for a \$10.0 million commitment reduction from the existing credit agree
- As of February 26, 2021, the Company’s cash balance was approximately \$112.0 million.

Highlights for the Fourth Quarter 2020

- Total revenue in the fourth quarter of 2020 was \$77.4 million, compared to \$135.0 million in the fourth quarter of 2019.
- Net income in the fourth quarter of 2020 was \$1.4 million, or \$0.04 per diluted share, compared to net income of \$14.5 million, or \$0.50 per diluted share, in the fourth quarter of 2019.
 - Net income in the fourth quarter of 2020 included a \$2.5 million employee retention payroll tax credit, which reduced restaurant operating expenses; \$322 thousand in severance costs and accel
 - Excluding these items, non-GAAP diluted earnings per common share was \$0.03 in the fourth quarter of 2020, compared to \$0.52 in the fourth quarter of 2019. The Company believes that non

Cheryl Henry, President and Chief Executive Officer of Ruth’s Hospitality Group, Inc., stated, “2020 was truly a challenging year for our Ruth’s Chris team and our franchisees. We managed through Henry added, “COVID has taught us flexibility and innovation, which includes new operating procedures at the restaurant level as well as a more flexible labor model, better capacity utilization, and

Review of Fourth Quarter 2020 Operating Results

Restaurant sales in the fourth quarter of 2020 were \$72.2 million compared to \$127.1 million in the fourth quarter of 2019. Average unit weekly sales for restaurants with open dining rooms were \$
Company-owned Sales

- Comparable restaurant sales at Company-owned restaurants decreased 39.7% compared to the fourth quarter of 2019, which consisted of a 34.7% decrease in traffic, as measured by entrees, and a 7
- At the end of the fourth quarter of 2020, 70 Company-owned and managed Ruth’s Chris Steak House restaurants were in operation, which included 48 restaurants offering limited capacity dining se

Franchise Income

- Franchise income in the fourth quarter of 2020 was \$3.6 million compared to \$5.0 million in the fourth quarter of 2019. The reduction in franchise income was due to a decrease in sales from franchi
- At the end of the fourth quarter of 2020, 67 franchisee-owned Ruth’s Chris Steak House restaurants were open, which included 60 restaurants offering limited capacity dining service, two restauran

Operating Expenses

- Food and beverage costs, as a percentage of restaurant sales, decreased 34 basis points to 29.5% compared to the fourth quarter of 2019. Total beef costs decreased 2.0% compared to the fourth qu
- Restaurant operating expenses, as a percentage of restaurant sales, decreased 19 basis points to 46.0% compared to the fourth quarter of 2019. Restaurant operating expenses in the fourth quarter of
- Marketing and advertising costs decreased \$2.9 million (65.1%) from the fourth quarter of 2019.
- General and administrative expenses increased \$2.0 million to \$10.6 million compared to the fourth quarter of 2019. The increase was largely due to the timing of the accrual of bonus expense for l
- Pre-opening costs were \$448 thousand in the fourth quarter of 2020, compared to \$948 thousand in the fourth quarter of 2019. The pre-opening costs in 2020 were related to rent accruals for unopen

Highlights for Fiscal Year 2020

- Total revenues in 2020 decreased 40.7% to \$277.7 million, compared to \$468.0 million in 2019.
- Net loss in 2020 was \$25.3 million, or (\$0.80) per diluted share, compared to net income of \$42.2 million, or \$1.44 per diluted share, in 2019.
 - Net loss in 2020 included a \$2.5 million employee retention payroll tax credit; \$1.8 million in severance costs and accelerated stock expense; \$0.2 million in gain related to lease modifications;
 - Excluding these adjustments, as well as the results from discontinued operations and certain discrete income tax items, non-GAAP diluted loss per common share was (\$0.38) in 2020, compare

Review of Fiscal Year 2020 Operating Results

Restaurant sales in 2020 were \$260.8 million compared to \$441.4 million in 2019.

Company-owned Sales

- Comparable restaurant sales at Company-owned restaurants decreased 40.2% compared to 2019, which consisted of a 36.1% decrease in traffic, as measured by entrees, and an average check decre

Franchise Income

- Franchise income in 2020 was \$11.7 million compared to \$17.9 million compared to 2019. The reduction in franchise income was due to a decrease in sales from franchise operations.

Operating Expenses

- Food and beverage costs, as a percentage of restaurant sales, increased 17 basis points to 29.1%. Total beef costs decreased 1.6% compared to 2019.
- Restaurant operating expenses, as a percentage of restaurant sales, increased to 57.7% compared to 48.6% in 2019, primarily due to the impact of fixed costs on lower restaurant sales in 2020.
- Marketing and advertising costs decreased \$8.6 million (55.6%) from 2019.
- General and administrative expenses decreased \$1.4 million to \$33.2 million compared to 2019. The decrease in G&A expenses was primarily due to lower compensation related expenses.
- Pre-opening costs were \$1.6 million in 2020, compared to \$1.8 million in 2019.

Development Update

The Company currently expects to open a new restaurant in 2021 in Short Hills, NJ early in the third quarter. The Company will begin construction of a new restaurant in Aventura, FL in 2021 with

Leadership Update

The Company today announced that the Board of Directors has appointed Cheryl J. Henry, the Company’s President and Chief Executive Officer, to the role of Chairperson effective upon her re-elec Henry said, “On behalf of the Company, I would like to thank Mike for his leadership and the contribution he has made as Chairman. I am very proud to have been asked by the Board to serve as Ch

Financial Outlook

Due to the ongoing uncertainty around the duration and severity of the COVID-19 pandemic, the Company will not be providing financial guidance for fiscal year 2021 at this time.

The foregoing statements are not guarantees of future performance, and therefore, undue reliance should not be placed upon them. We refer you to the “Cautionary Note Regarding Forward-Looking

Conference Call

The Company will host a conference call to discuss fourth quarter 2020 and fiscal year 2020 financial results today at 8:30 AM Eastern Time. Hosting the call will be Cheryl J. Henry, President and
The conference call can be accessed live over the phone by dialing 201-689-8470. A replay will be available one hour after the call and can be accessed by dialing 412-317-6671; the password is 13:

About Ruth’s Hospitality Group, Inc.

Ruth’s Hospitality Group, Inc., headquartered in Winter Park, Florida, is the largest fine dining steakhouse company in the U.S. as measured by the total number of Company-owned and franchisee-c
For information about our restaurants or to purchase gift cards, please visit www.RuthsChris.com. For more information about Ruth’s Hospitality Group, Inc., please visit www.rhgi.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains “forward-looking statements” that reflect, when made, the Company’s expectations or beliefs concerning future events that involve risks and uncertainties. Forward-lookin
Unless the context otherwise indicates, all references in this report to the “Company,” “Ruth’s,” “we,” “us”, “our” or similar words are to Ruth’s Hospitality Group, Inc. and its subsidiaries. Ruth’s F

Investor Relations

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RUTH'S HOSPITALITY GROUP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations – Preliminary and Unaudited
(Amounts in thousands, except share and per share data)

	13 Weeks Ended		52 Weeks Ended	
	December 27, 2020	December 29, 2019	December 27, 2020	December 29, 2019
Revenues:				
Restaurant sales	\$ 72,151	\$ 127,132	\$ 260,763	\$ 441,361
Franchise income	3,644	4,972	11,737	17,879
Other operating income	1,577	2,929	5,248	8,786
Total revenues	77,372	135,033	277,748	468,026
Costs and expenses:				
Food and beverage costs	21,268	37,909	75,831	127,597
Restaurant operating expenses	33,195	58,740	150,420	214,715
Marketing and advertising	1,574	4,508	6,859	15,432
General and administrative costs	10,581	8,627	33,248	34,643
Depreciation and amortization expenses	5,304	5,901	21,964	21,354
Pre-opening costs	448	948	1,633	1,824
Gain on lease modifications	(28)	—	(206)	—
Loss on impairment	295	—	16,548	—
Total costs and expenses	72,637	116,633	306,297	415,565
Operating income (loss)	4,735	18,400	(28,549)	52,461
Other income (expense):				
Interest expense, net	(1,340)	(737)	(4,681)	(2,197)
Other	38	82	26	115
Income (loss) before income taxes	3,433	17,745	(33,204)	50,379
Income tax expense (benefit)	2,010	3,287	(7,910)	8,173
Net income (loss)	\$ 1,423	\$ 14,458	\$ (25,294)	\$ 42,206
Basic earnings (loss) per share				
Basic earnings (loss) per share	\$ 0.04	\$ 0.51	\$ (0.80)	\$ 1.46
Diluted earnings (loss) per share				
Diluted earnings (loss) per share	\$ 0.04	\$ 0.50	\$ (0.80)	\$ 1.44
Shares used in computing net income per common share:				
Basic	34,256,769	28,513,764	31,683,920	28,998,382
Diluted	34,396,700	28,835,275	31,683,920	29,376,980
Dividends declared per common share	\$ -	\$ 0.13	\$ 0.15	\$ 0.52

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Within our press release, we make reference to non-GAAP diluted earnings per common share. This non-measurement was calculated by excluding acquisition costs, employee retention payroll tax credit, accelerated stock compensation and severance payments, gain on lease modifications, loss on impairment and restaurant closure costs and certain discrete income tax items. We exclude the impact of the acquisition costs, employee retention payroll tax credit, accelerated stock compensation and severance payments, gain on lease modifications, impairment and restaurant closure costs and certain discrete income tax items to improve comparability of diluted earnings per common share between periods. This non-GAAP measurement has been included as supplementary information. We believe that this measure represents a useful internal measure of performance. Accordingly, where this non-GAAP measure is provided, it is done so that investors have the same financial data that management is using in evaluating performance with the belief that it will assist the investment community in assessing our underlying performance on a quarter-over-quarter basis. However, because this measure is not determined in accordance with GAAP, such a measure is susceptible to varying calculations and not all companies calculate the measure in the same manner. As a result, the aforementioned measure as presented may not be directly comparable to a measure presented by other companies. This non-GAAP financial measure is presented as supplemental information and not as an alternative to diluted earnings per share as calculated in accordance with GAAP.

Reconciliation of Non-GAAP Financial Measure – Unaudited
(Amounts in thousands, except share data)

	13 Weeks Ended		52 Weeks Ended	
	December 27, 2020	December 29, 2019	December 27, 2020	December 29, 2019
GAAP Net income (loss)	\$ 1,423	\$ 14,458	\$ (25,294)	\$ 42,206
GAAP Income tax expense (benefit)	2,010	3,287	(7,910)	8,173
GAAP Income (loss) from continuing operations before income taxes	3,433	17,745	(33,204)	50,379
Adjustments:				
Franchisee acquisition costs	—	124	—	536
Employee retention payroll tax credit	(2,525)	—	(2,525)	—
Accelerated stock compensation and severance payments	322	—	1,824	—
Gain on lease modifications	(28)	—	(206)	—
Loss on impairment and restaurant closure costs	295	374	16,548	374
Adjusted net income before income taxes	1,497	18,243	(17,563)	51,289
Adjusted income tax benefit (expense) (1)	(1,526)	(3,411)	4,000	(8,400)
Impact of excluding certain discrete income tax items	1,142	36	1,455	(849)
Non-GAAP Net income (loss)	\$ 1,113	\$ 14,868	\$ (12,108)	\$ 42,040
GAAP Diluted earnings (loss) per common share	\$ 0.04	\$ 0.50	\$ (0.80)	\$ 1.44
Non-GAAP Diluted earnings (loss) per common share	\$ 0.03	\$ 0.52	\$ (0.38)	\$ 1.43
Weighted-average number of common shares outstanding - diluted	34,396,700	28,835,275	31,683,920	29,376,980

(1) Adjusted income tax is calculated by multiplying the Non-GAAP adjustments by our marginal federal and state income tax rates and adding or subtracting the result to/from our GAAP income tax expense.