

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): July 31, 2020

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 July 31, 2020, Ruth's Hospitality Group, Inc. (the "Company") issued a press release announcing its earnings results for its fiscal second quarter ended June 28, 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 July 31, 2020.

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Exhibit Index

Exhibit  
Number  
99.1

[Press Release issued by Ruth's Hospitality Group, Inc., dated July 31, 2020.](#)

Description

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Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**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: July 31, 2020

By: \_\_\_\_\_ /s/ Arne G. Haak  
**Arne G. Haak**  
**Executive Vice President and Chief Financial Officer**









## Ruth's Hospitality Group, Inc. Provides Business Update Related to COVID-19 and Reports Second Quarter 2020 Financial Results

WINTER PARK, Fla.—(BUSINESS WIRE)—July 31, 2020—Ruth's Hospitality Group, Inc. (the "Company") (NASDAQ: RUTH) today provided a business update on the impact of the COVID-19

### COVID-19 Business Update:

- During the second quarter of 2020, the COVID-19 pandemic continued to impact overall sales and traffic. As previously reported, Company-operated Ruth's Chris dining rooms were closed in all
- The 24 Company restaurants that operated with open dining rooms for the full month of June experienced sales at 81% of 2019 levels. Additionally, all 24 restaurants had positive cash flows, as w

(\$ in thousands)	April	May	June	Q2
Comparable Sales for All Restaurants (Open and Closed)	(87%)	(80%)	(54%)	(74%)
Average Weekly Sales per Open Restaurant (All Formats)	\$19,200	\$30,500	\$60,000	\$36,300
Average Number of Restaurants with Open Dining Rooms	0	12	44	17
Average Weekly Sales for Restaurants with Open Dining Rooms	\$0	\$70,750	\$84,000	\$81,900
Comparable Sales for Restaurants with Open Dining Rooms	0%	(23%)	(19%)	(19%)

Over the past several weeks, while some states have begun to re-tighten their dining room restrictions, the Company's sales performance has continued to improve. Through July 28<sup>th</sup>, month-to-date As of July 28<sup>th</sup>, the Company's restaurants are operating in several different modes. Currently, 88% (71 of 81) of Company-owned and managed restaurants are open and 10 remain closed. Of the 7 Currently, 93% (68 of 72) of the Company's franchisee-owned restaurants are open and four remain closed. Of the 68 franchisee-owned restaurants that are open, 66 have open dining rooms with ca Cheryl Henry, President and Chief Executive Officer of Ruth's Hospitality Group, Inc., stated, "While the past several months have been a test of resiliency, the tireless efforts of our Ruth's Chris tea Henry concluded, "While there is continued uncertainty surrounding COVID-19, it is clear to me that there is solid consumer demand for eating in our dining rooms when we are able to re-open. W

### Highlights for the second quarter of 2020 were as follows:

- Total revenue in the second quarter of 2020 was \$28.4 million, compared to \$110.2 million in the second quarter of 2019.
- Net loss in the second quarter of 2020 was \$17.6 million, or (\$0.59) per diluted share, compared to net income of \$9.3 million, or \$0.31 per diluted share, in the second quarter of 2019.
  - Net loss in the second quarter of 2020 included \$330 thousand in one-time severance payments, \$488 thousand in gains related to lease modifications, a \$4.3 million impairment loss related to 1
  - Excluding these items, non-GAAP diluted loss per common share was (\$0.48) in the second quarter of 2020, compared to a non-GAAP diluted earnings per common share of \$0.31 in the second

Due to the fluid nature of the COVID-19 pandemic, the Company has taken actions to enhance its financial flexibility and increase available liquidity. Highlights include the following:

- During the second quarter, the Company completed its previously announced common stock offering, which resulted in approximately \$49.6 million in proceeds, net of underwriting discounts, con
- The Company's cash balance as of June 28, 2020 was approximately \$96.1 million; at the end of the second quarter, the Company had \$135.2 million in debt outstanding under its senior credit faci
- As previously announced, the Company has suspended all new restaurant construction and non-essential capital expenditures, which is expected to lower 2020 capital expenditures by over \$35 mil
- As a result of these actions, the Company's average weekly cash-burn rate during the second quarter was approximately \$1.2 million per week, which includes approximately \$3.0 million in rent pa

### Review of second quarter 2020 operating results

Restaurant sales in the second quarter of 2020 were \$27.0 million compared to \$104.0 million in the second quarter of 2019.

#### Company-owned Sales

- Comparable restaurant sales at Company-owned restaurants decreased 74.1% compared to the second quarter of 2019, which consisted of a 68.6% decrease in traffic, as measured by entrees, and a
- At the end of the second quarter, 71 Company-owned Ruth's Chris Steak House restaurants were in operation, which included 59 restaurants offering limited capacity dining room service and 12 re

#### Franchise Income

- Franchise income in the second quarter of 2020 was \$1.0 million compared to \$4.4 million in the second quarter of 2019. The reduction in franchise income was due to decreased franchise operatio
- At the end of the second quarter, 66 franchisee-owned Ruth's Chris Steak House restaurants were in operation including 64 restaurants offering limited capacity dining room service and 2 restauran

#### Operating Expenses

- Food and beverage costs decreased \$21.0 million (72.3%) from the second quarter of 2019. As a percentage of restaurant sales, food and beverage costs were 29.8% as compared to 27.9% in the se
- Restaurant operating expenses decreased \$24.9 million (48.6%) from the second quarter of 2019.
- Marketing and advertising costs decreased \$2.6 million (63.9%) from the second quarter of 2019.
- General and administrative expenses decreased \$1.9 million (20.9%) from the second quarter of 2019.
- Pre-opening costs were \$304 thousand in the second quarter of 2020, compared to \$244 thousand in the second quarter of 2019. The pre-opening costs in 2020 were related to rent accruals for uno

### Financial Outlook

Due to the ongoing uncertainty around the duration and severity of the COVID-19 pandemic, the Company has withdrawn its financial guidance for fiscal year 2020. As of July 28<sup>th</sup>, the Company's 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 second quarter 2020 financial results today at 8:30 AM Eastern Time. Hosting the call will be Cheryl J. Henry, President and Chief Executive Of 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](http://www.RuthsChris.com). For more information about Ruth's Hospitality Group, Inc., please visit [www.rhgi.com](http://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-looking staten

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 Hospitality

**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		26 Weeks Ended	
	June 28, 2020	June 30, 2019	June 28, 2020	June 30, 2019
<b>Revenues:</b>				
Restaurant sales	\$ 26,978	\$ 104,017	\$ 130,018	\$ 217,003
Franchise income	956	4,421	4,582	8,979
Other operating income	483	1,805	2,353	4,002
<b>Total revenues</b>	<b>28,417</b>	<b>110,243</b>	<b>136,953</b>	<b>229,984</b>
<b>Costs and expenses:</b>				
Food and beverage costs	8,030	29,023	38,657	60,871
Restaurant operating expenses	26,273	51,156	81,827	104,759
Marketing and advertising	1,487	4,121	4,925	7,751
General and administrative costs	7,066	8,929	15,095	17,681
Depreciation and amortization expenses	5,522	5,124	11,345	10,092
Pre-opening costs	304	244	781	341
Gain on lease modifications	(488)	—	(488)	—
Loss on impairment	4,283	—	12,980	—
<b>Total costs and expenses</b>	<b>52,477</b>	<b>98,597</b>	<b>165,122</b>	<b>201,495</b>
Operating income (loss)	(24,060)	11,646	(28,169)	28,489
<b>Other income (expense):</b>				
Interest expense, net	(1,291)	(417)	(1,919)	(822)
Other	3	13	36	15
Income (loss) before income taxes	(25,348)	11,242	(30,052)	27,682
Income tax expense (benefit)	(7,750)	1,933	(8,636)	4,462
<b>Net income (loss)</b>	<b>\$ (17,598)</b>	<b>\$ 9,309</b>	<b>\$ (21,416)</b>	<b>\$ 23,220</b>
<b>Basic earnings (loss) per share</b>				
	\$ (0.59)	\$ 0.32	\$ (0.74)	\$ 0.79
<b>Diluted earnings (loss) per share</b>				
	\$ (0.59)	\$ 0.31	\$ (0.74)	\$ 0.78
<b>Shares used in computing net income per common share:</b>				
Basic	29,951,332	29,252,651	29,119,296	29,264,076
Diluted	29,951,332	29,726,102	29,119,296	29,768,702
<b>Dividends declared per common share</b>	<b>\$ -</b>	<b>\$ 0.13</b>	<b>\$ 0.15</b>	<b>\$ 0.26</b>

**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-GAAP measure is derived by excluding loss on impairments, acquisition costs, severance payments, gain on lease modifications and certain discrete income tax items. We exclude the impact of the acquisition related costs and loss on impairment, and the impact of income tax items because these items are not reflective of the ongoing operations of our business. This non-GAAP measurement has been included as supplemental information. We believe that this measure represents a useful internal measure of our underlying performance. Accordingly, where this non-GAAP measure is provided, it is done so that investors have the same financial data that management uses in evaluating performance with the belief that it will assist the investment community in understanding 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 similarly titled measure presented by other companies. This non-GAAP financial measure is presented as supplemental information and not as an alternative measure of 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		26 Weeks Ended	
	June 28, 2020	June 30, 2019	June 28, 2020	June 30, 2019
<b>GAAP Net income (loss)</b>	\$ (17,598)	\$ 9,309	\$ (21,416)	\$ 23,220
GAAP Income tax expense (benefit)	(7,750)	1,933	(8,636)	4,462
GAAP Income from continuing operations before income taxes	(25,348)	11,242	(30,052)	27,682
Adjustments:				
Franchisee acquisition costs	—	71	—	110
Severance payments	330	—	330	—
Gain on lease modifications	(488)	—	(488)	—
Loss on impairment	4,283	—	12,980	—
Adjusted net income before income taxes	(21,223)	11,313	(17,230)	27,792
Adjusted income tax expense (1)	6,712	(1,950)	5,412	(4,488)
Impact of excluding certain discrete income tax items	175	(122)	96	(605)
<b>Non-GAAP net income</b>	<b>\$ (14,336)</b>	<b>\$ 9,241</b>	<b>\$ (11,722)</b>	<b>\$ 22,699</b>
<b>GAAP diluted earnings (loss) per common share</b>	<b>\$ (0.59)</b>	<b>\$ 0.31</b>	<b>\$ (0.74)</b>	<b>\$ 0.78</b>
<b>Non-GAAP diluted earnings per common share</b>	<b>\$ (0.48)</b>	<b>\$ 0.31</b>	<b>\$ (0.40)</b>	<b>\$ 0.76</b>
Weighted-average number of common shares outstanding - diluted	29,951,332	29,726,102	29,119,296	29,768,702

(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.