

Buffalo Wild Wings Same-store sales increased 13.2% at company-owned and 6.5% at franchised restaurants
2007-02-15

Buffalo Wild Wings, Inc. Announces Fourth Quarter 2006 Results

Buffalo Wild Wings, Inc. (Nasdaq:BWLD), announced today financial results for the fourth quarter ended December 31, 2006. Highlights for the fourth quarter were:

- * Total revenue increased 41.3% over the prior year to \$83.3 million
- * Company-owned restaurant sales grew 41.9% over the prior year to \$74.2 million
- * Fourth quarter same-store sales increased 13.2% at company-owned restaurants and 6.5% at franchised restaurants over the prior year
- * Earnings per diluted share of \$0.77, including a fourteenth week which is estimated to have contributed \$0.16

As a reminder, Buffalo Wild Wings utilizes a 52- or 53-week fiscal year. The fiscal year ended December 31, 2006 was a 53-week year, with the fourth quarter of 2006 having fourteen weeks, while the fourth quarter of 2005 included thirteen weeks.

Sally Smith, President and Chief Executive Officer, commented, "Fourth quarter was a spectacular finish to a great year. Same-store sales trends continued strong throughout the quarter, at 13.2% for company-owned and 6.5% for franchised restaurants. Our industry-leading comps, combined with a fourteenth week in the quarter, drove total revenue 41.3% over prior year. This revenue, paired with favorable trends in cost of sales, labor and operating expenses, a lower than anticipated tax rate, and the leveraging of expenses due to the fourteenth week, propelled net income to \$0.77 per share, the largest single quarter in the history of the company. We ended the year with earnings of \$1.85 per share, an impressive increase of 81% over last year. Results like these are accomplished only through the focused execution of our franchisees and team members who have delivered on the Buffalo Wild Wings Grill & Bar brand promise to our guests: YOU HAVE TO BE HERE(TM)."

Total revenue, which includes company-owned restaurant sales and franchise royalties and fees, increased 41.3% to \$83.3 million in the fourth quarter compared to \$59.0 million in the fourth quarter of 2005. Company-owned restaurant sales for the quarter increased 41.9% to \$74.2 million driven by a company-owned same-store sales increase of 13.2% and 17 more company-owned locations in operation at the end of fourth quarter 2006 relative to the same period in 2005. Franchise royalties and fees increased 36.4% to \$9.1 million versus \$6.7 million in the prior year. This increase was due to a franchised same-store sales increase of 6.5% and 42 more franchised restaurants at the end of the period versus a year ago.

Average weekly sales for company-owned restaurants were \$38,800 for the fourth quarter of 2006 compared to \$33,953 for the same quarter last year, a 14.3% increase. Franchised restaurants averaged \$46,008 for the period versus \$42,533 in the fourth quarter a year ago, an 8.2% increase.

For the fourth quarter, earnings per diluted share were \$0.77, which included a restaurant impairment and closure charge of \$652,000 or \$0.05 per diluted share, stock-based compensation expense of \$1 million or \$.08 per diluted share, and the benefit of a fourteenth week estimated at \$0.16 per diluted share. In addition, the effective tax rate in the fourth quarter of 2006 was 27.6% due to higher than anticipated federal tax credits and favorable state apportionment factors. This compares to fourth quarter 2005 earnings per diluted share of \$0.30, which included a restaurant impairment charge of \$1.1 million or \$0.08 per diluted share, stock-based compensation expense of \$653,000 or \$0.05 per diluted share, and an effective tax rate of 36.7%.

2007 Outlook

'We continue our commitment to grow Buffalo Wild Wings to over 1000 units in the United States,' commented Ms. Smith. 'In October of 2006, we outlined our annual performance targets for the next three years: over 15% unit growth, over 20% revenue growth, and over 25% earnings growth. For 2007, earnings growth should be calculated excluding the benefit of the fourteenth week in 2006, which is estimated to be about \$0.16 of earnings per diluted share. Even without the fourteenth week, the strong fourth quarter of 2006 sets our 2007 earnings hurdle a little higher.' Ms. Smith concluded, 'With that said, I'm confident that Buffalo Wild Wings is up for the challenge. We are focused on achieving these performance targets, and the energy, dedication and passion needed to be successful exists throughout all levels of the organization. As we begin Buffalo Wild Wings' 25th year, we look forward to continued success and sharing our achievements with you.'

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article26312.html>

© 1998 - 2007 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html