

Granite City Food & Brewery Ltd. Reports Strong Financial Results for the Fourth Quarter and Full
Year of 2006
2007-02-21

Comparable restaurant sales increase 8.3% and comparable restaurant-level EBITDA margin rises to 19.1%

Granite City Food & Brewery Ltd., (Nasdaq:GCFB) a Modern American upscale casual restaurant chain, today reported the results for the fiscal fourth quarter and full year ended December 26, 2006.

Financial and Company highlights for the fiscal fourth quarter (13 weeks) ended December 26, 2006, compared to the fiscal fourth quarter (13 weeks) ended December 27, 2005, were as follows:

- œ Total revenues increased 68.3% to \$17.0 million
- œ Comparable restaurant sales increased 8.3%
- œ Restaurant-level EBITDA increased 122.5% to \$2.7 million
- œ Comparable restaurant-level EBITDA margin increased to 19.1% from 13.6%
- œ General & administrative expenses declined by 560 bps to 9.6% of sales from 15.2% of sales
- œ Obtained federal patent protection for proprietary brewing process
- œ Opened three new restaurants in Omaha, Nebraska; Roseville, Minnesota; and Madison, Wisconsin

Financial and Company highlights for the 52 weeks ended December 26, 2006, compared to the 52 weeks ended December 27, 2005 were as follows:

- œ Total revenues increased 61.1% to \$58.3 million
- œ Comparable restaurant sales increased 5.5%
- œ Restaurant-level EBITDA increased 71.2% to \$9.6 million
- œ Comparable restaurant-level EBITDA margin increased to 18.8% from 17.1%
- œ General & administrative expenses declined by 380 bps to 9.9% of sales from 13.7% of sales
- œ Opened seven new restaurants in Kansas (3), Minnesota (2), Nebraska (1) and Wisconsin (1)

'We are very pleased with both the fourth quarter and 2006 overall,' said Steve Wagenheim, President and Chief Executive Officer. 'In the fourth quarter we saw the successful opening of three new restaurants, had a comp store sales increase of 8.3%, and our restaurant-level EBITDA margins were extremely strong. Additionally, we completed our plan of opening seven restaurants in 2006. Overall, fiscal 2006 was a year that saw us continue to expand our footprint with our Modern American Granite City Food & Brewery concept that has been well received in each community we have entered. Our plan is to open another eight restaurants in 2007. We believe we are well positioned for continued growth in 2007 and beyond.'

Fourth Quarter 2006 Financial Results

Total revenues for the fourth quarter 2006 rose by 68.3% to \$17.0 million compared to \$10.1 million for the fourth quarter of 2005. Comparable restaurant sales increased 8.3% during the fourth quarter of 2006. The comparable restaurant sales increase was due primarily to higher guest counts, and included a 2.1% price increase in the food portion of its menu on November 29, 2006 the first price increase since May 2005.

Net loss was \$1.8 million or \$(0.13) per share for the fourth quarter of 2006 compared to a net loss of \$1.7 million or \$(0.14) per share for the fourth quarter of 2005, including non-cash stock compensation expense of \$479,186 in the fourth quarter of 2006 due to the adoption of SFAS No. 123 (Revised) at the beginning of fiscal 2006. The Company did not record non-cash stock compensation expense for the fourth quarter of 2005.

Restaurant-level EBITDA rose 122.5% to \$2.7 million for the fourth quarter of 2006 compared to \$1.2 million for the fourth quarter of 2005. For comparable restaurants, the restaurant-level EBITDA margin was 19.1% for the fourth quarter of 2006, compared to 13.6% for the fourth quarter of 2005. For all restaurants, restaurant-level EBITDA margin was 15.7% for the fourth quarter of 2006 compared to 11.9% for the fourth quarter of 2005.

General and administrative expenses fell to 9.5% of sales (excluding non-cash stock compensation expense of \$479,186) for the fourth quarter of 2006 compared to 15.2% for the fourth quarter of 2005. This decline represented continued progress in leveraging corporate G&A expense across a greater number of restaurants.

Fiscal Year 2006 Financial Results

Total revenues rose 61.1% to \$58.3 million for the fiscal year ended December 26, 2006 compared to \$36.2 million for fiscal year 2005, aided by the 7 new restaurants added in 2006 and a 5.5% increase in comparable sales for the full year. Average weekly sales for restaurants in the comparable base were \$83,325 for fiscal 2006 compared to \$78,990 in the prior year.

General and administrative expenses fell to 9.9% of sales (excluding non-cash stock compensation expense of \$1,030,034) for fiscal 2006 compared to 13.7% for fiscal 2005. This decline represented continued progress in leveraging G&A expense across a greater number of restaurants.

The net loss for the year ended December 26, 2006 was \$5.5 million or \$(0.42) per share compared to a net loss of \$3.7 million or \$(0.31) per share in the prior year. For the year ended December 26, 2006, the net loss included non-cash stock compensation expense of \$1,030,034 compared to a non-cash stock compensation expense of \$12,780 for the prior year as a result of the adoption of SFAS No. 123 (Revised).

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article26359.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