

Burger King Holdings Reports Strong Third Quarter Fiscal 2008 Results Led by Global Business Momentum, Raises Fiscal Year Guidance

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Third quarter fiscal 2008 highlights:

- 17th consecutive quarter of worldwide positive comparable sales, 5.8 percent
- 16th consecutive quarter of United States and Canada positive comparable sales, 5.4 percent
- Revenues up 10 percent, to \$594 million
- Earnings per share increases by 20 percent to \$0.30

Burger King Holdings Inc. continued its strong financial performance and reported solid worldwide results for the third quarter of fiscal 2008. Strong comparable sales in each reporting segment and net new restaurant growth primarily drove this quarter's substantial improvements in revenue and earnings over the prior year period.

Worldwide comparable sales were up 5.8 percent, making this the 17th consecutive quarter of positive comparable sales growth. In the United States and Canada, comparable sales were up 5.4 percent, the 16th consecutive quarter of positive comparable sales growth. As a result, the company posted strong third quarter fiscal 2008 revenues of \$594 million, up 10 percent from \$539 million in the same quarter last year.

'This quarter we delivered on our global growth strategies, with all segments contributing to top and bottom line expansion,' said John Chidsey, chief executive officer. 'We leveraged our product pipeline and marketing initiatives around the world while creating a consistent and positive guest experience at our restaurants.'

'In the U.S., the innovative Whopper(R) Freakout media campaign continued to drive positive comps,' Chidsey continued. 'During the quarter, guests seeking indulgence savored the BBQ Bacon Tendercrisp(R) sandwich. The company also promoted its Spicy Chick'n Crisp(TM) sandwich and Whopper Jr.(R) sandwich value menu offerings. Furthermore, we drove family traffic throughout the quarter by promoting classic children's characters such as Snoopy(R) and SpongeBob SquarePantsTM.'

'In Europe, the Middle East and Africa (EMEA), we have responded to consumer demand for indulgent products. Our premium menu offerings, such as the Three Pepper Angus Burger and the Double Angus Burger, and limited time offers such as the Chorizo Angus contributed significantly to sales resulting in 6.8 percent comps in the EMEA/APAC segment. In Asia Pacific (APAC), we have elevated operations excellence, improved food quality and standardized menu offerings. Franchisees are taking advantage of our momentum and developing existing and new markets.'

Chidsey concluded: 'In Latin America, our brand's value proposition continues to resonate with consumers, resulting in strong 5.8 percent comps for the region.'

Trailing 12-month system-wide and company restaurant average restaurant sales (ARS) reached record highs of \$1.27 million and \$1.36 million, respectively. For the third quarter of fiscal 2008, system-wide ARS increased 10 percent to \$313,000, compared to \$284,000 in the same quarter last year, and company restaurant ARS increased 8 percent to \$337,000, compared to \$311,000 in the same quarter last year.

Worldwide company restaurant margin decreased 80 basis points to 13.2 percent from 14.0 percent in the year ago period. The decrease was primarily driven by higher commodity costs and expenses associated with the company's previously announced reimagining program. The company's reimagining program, encompassing rebuilds and remodels of existing restaurants, is forecasted to increase traffic and sales by enhancing the overall guest experience. Robust comparable sales in all reporting segments minimized the impact of higher costs on company restaurant margin.

In the U.S. and Canada, company restaurant margin decreased by 250 basis points to 13.1 percent from 15.6 percent over the prior year period. The decrease was impacted by 190 basis points from increased food, paper and products costs and approximately 120 basis points from expenses associated with restaurants in the reimagining program. Higher comparable sales partially offset increased costs.

EMEA/APAC company restaurant margin increased 230 basis points to 12.0 percent from 9.7 percent over the prior year period due to the success of the region's premium menu strategy, strategic portfolio management and operations improvements. Latin America company restaurant margin remained unchanged from the prior year period at 23.6 percent.

For the quarter, diluted earnings per share increased 20 percent to \$0.30 from \$0.25 during the same period last year.

Uses of Cash

'In the third quarter, we used our cash for each of our identified strategic purposes, including our reimagining program, share repurchases and dividend payment,' said Ben Wells, chief financial officer. 'I am pleased to note that the company repurchased \$26 million or approximately one million shares under our previously announced \$100 million share repurchase program, leaving \$68 million worth of shares available for repurchase. We also declared and paid a cash dividend of \$0.0625 per share.'

Wells concluded: 'I am also pleased to report that we acquired 56 restaurants in April from one of our largest U.S. franchisees, Heartland. This transaction enables us to develop and grow our company restaurant portfolio in the Carolinas by leveraging our established brand presence and existing infrastructure.'

Future Growth

The brand continued its global expansion in the third quarter including the opening of the first restaurant in Colombia and three franchised airport locations in China. 'Our high visibility restaurant in the Beijing airport will expose millions of passengers to our brand this summer in connection with the 2008 Olympics,' Chidsey said. 'Gateway airport locations throughout the Asia Pacific region are projecting our brand presence worldwide.'

'We increased our net restaurant count in the third quarter with the opening of 60 new restaurants, increasing our worldwide restaurant count by 254 during the last twelve months,' Chidsey said. 'We are confident in our ability to meet our development objectives for the year. As of April, we now have more restaurants open than at any time in the history of the brand. In addition, we plan to use proactive portfolio management, including the closure of under-performing restaurants and strategic refranchisings and acquisitions, to help achieve our forecasted financial and development objectives.'

In the fourth quarter, the company launched innovative new products that drive the brand's barbell menu strategy. The Steakhouse Burger platform, featuring steakhouse quality ingredients, offers guests the indulgence of a premium steak dinner. The company's new addition to its BK(TM) Breakfast Value Menu, the Cheesy Bacon BK Wrapper(TM), is aimed at driving traffic and sales during the breakfast daypart.

'We are excited to present our guests with a summer of adventure,' Chidsey commented. 'We will unveil our Indy Whopper(R) sandwich and Indiana Jones gaming promotion in May alongside the highly-anticipated movie premiere of Indiana Jones™ 'The Kingdom of the Crystal Skull.' We also continue to innovate around the snacking category, with our Oreo(R) BK™ Sundae Shake and Mocha BK Joe(R) Iced Coffee.'

'In spite of challenging macro-economic conditions, we continue to grow the brand globally,' Chidsey remarked. 'More than ever, consumers around the world are seeking convenience and value, and they are taking advantage of our elevated quality and affordability. We remain committed to delivering top of industry financial performance, and are raising our full fiscal year 2008 guidance on revenue and earnings per share year over year growth to 10% and 20% plus, respectively. Earnings per share are expected to be in the range of \$1.33 - \$1.35 for the fiscal year.'

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