

Rubio's Restaurants, Inc. Reports 2008 Second Quarter Results

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Revenues rose 4.9% to \$45.1 million, from \$43.0 million for the same quarter last year.

Rubio's(R) Restaurants, Inc. (NASDAQ:RUBO) today announced financial results for the second quarter and year-to-date period ended June 29, 2008.

Second Quarter Results

Revenues rose 4.9% to \$45.1 million, from \$43.0 million for the same quarter last year.

Comparable store sales decreased 3.9%, versus a comparable store sales increase of 7.8% for the same quarter last year. Transactions decreased 5.4% and check average increased 1.6% from the same quarter last year.

Net income decreased 33.4% to \$335,000 from \$503,000 for the same quarter last year.

Earnings per share were \$0.03 per diluted share as compared to \$0.05 per diluted share for the same quarter last year.

Restaurant operating margins (see definition below) declined 10 basis points to 16.9%, from 17.0% for the same quarter last year. As a percentage of restaurant sales, restaurant labor decreased by 70 basis points, while cost of sales increased by 30 basis points and restaurant occupancy and other increased by 50 basis points.

Adjusted EBITDA (see table below) was \$3.4 million as compared to \$3.3 million for the same quarter last year, an increase of 4.8%.

Average unit volume for restaurants in our comp base for the trailing 52 weeks was \$1,018,000.

Year-to-Date Results

Revenues rose 3.9% to \$87.3 million, from \$84.0 million for the same two quarters last year.

Comparable store sales decreased 3.6%, versus a comparable store sales increase of 8.0% for the same two quarters last year. Transactions decreased 5.5% and check average increased 2.0% from the same two quarters last year.

Net loss was \$(410,000) as compared to net income of \$698,000 for the same two quarters last year.

Earnings per share was a loss of \$(0.04) per diluted share as compared to earnings of \$0.07 per diluted share for the same two quarters last year.

Restaurant operating margins (see definition below) decreased 80 basis points to 15.4% from 16.2% for the comparable period last year. As a percentage of restaurant sales, restaurant labor decreased by 50 basis points, while cost of sales increased by 30 basis points and restaurant occupancy and other increased by 100 basis points.

Adjusted EBITDA (see table below) was \$4.8 million as compared to \$6.0 million for the same two quarters of last year, a decrease of 20.4%.

"Despite a challenging economic environment, we are pleased by our second quarter earnings which reflect our intense focus on tightly managing food and labor costs as well as general and administrative expenses. Revenues for the second quarter continued to be negatively impacted by high gas prices and the weak economy, especially in the communities hit hard with subprime problems. However, we are optimistic about the introduction in July of our new menu that introduced several new products, including Grilled Gourmet Tacos. Our guests' response to the Grilled Gourmet Tacos has been very positive. The higher ticket price of the new items, combined with a price increase, has improved comparable store sales trends early in the third quarter. We believe we have made adjustments in our strategy to respond to the challenges of the weak economy and well positioned Rubio's for when the economy improves," said Dan Pittard, Rubio's President and CEO.

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