

DineEquity, Inc
Form 10-Q
October 28, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-15283

DineEquity, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-3038279

(I.R.S. Employer Identification No.)

450 North Brand Boulevard,
Glendale, California

(Address of principal executive offices)

91203-1903

(Zip Code)

(818) 240-6055

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 24, 2014
Common Stock, \$0.01 par value	18,954,883

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

DineEquity, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share and per share amounts)

	September 30, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$132,859	\$106,011
Receivables, net	91,292	144,137
Prepaid gift cards	41,125	49,223
Prepaid income taxes	—	4,708
Deferred income taxes	32,517	23,853
Other current assets	10,788	3,650
Total current assets	308,581	331,582
Long-term receivables, net	186,079	197,153
Property and equipment, net	252,673	274,295
Goodwill	697,470	697,470
Other intangible assets, net	785,078	794,057
Other assets, net	112,877	110,085
Total assets	\$2,342,758	\$2,404,642
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt	\$4,720	\$4,720
Accounts payable	35,244	40,050
Gift card liability	100,688	171,955
Accrued employee compensation and benefits	17,282	24,956
Accrued interest payable	31,618	13,575
Income taxes payable	14,829	—
Current maturities of capital lease and financing obligations	13,215	12,247
Other accrued expenses	34,669	16,770
Total current liabilities	252,265	284,273
Long-term debt, net (less current maturities)	1,202,759	1,203,517
Capital lease obligations (less current maturities)	101,832	111,707
Financing obligations (less current maturities)	42,565	48,843
Deferred income taxes	328,267	341,578
Other liabilities	97,695	99,545
Total liabilities	2,025,383	2,089,463
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value, shares: 40,000,000 authorized; September 30, 2014 - 25,251,933 issued, 18,957,602 outstanding; December 31, 2013 - 25,299,315 issued, 19,040,890 outstanding	253	253
Additional paid-in-capital	278,213	274,202
Retained earnings	352,685	336,578
Accumulated other comprehensive loss	(65) (164

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Treasury stock, at cost; shares: September 30, 2014 - 6,294,331; December 31, 2013 - 6,258,425	(313,711) (295,690)
Total stockholders' equity	317,375	315,179	
Total liabilities and stockholders' equity	\$2,342,758	\$2,404,642	

See the accompanying Notes to Consolidated Financial Statements.

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DineEquity, Inc. and Subsidiaries
 Consolidated Statements of Comprehensive Income
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Segment Revenues:				
Franchise and restaurant revenues	\$ 129,334	\$ 127,137	\$ 387,573	\$ 379,619
Rental revenues	30,761	30,990	92,223	92,724
Financing revenues	2,758	3,156	10,779	10,223
Total segment revenues	162,853	161,283	490,575	482,566
Segment Expenses:				