

ISLE OF CAPRI CASINOS INC
Form 10-Q
December 01, 2016

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 October 23, 2016

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 0-20538

ISLE OF CAPRI CASINOS, INC.

Delaware

(State or other jurisdiction of
incorporation or organization)

41-1659606

(I.R.S. Employer
Identification Number)

600 Emerson Road, Suite 300, Saint Louis, Missouri

(Address of principal executive offices)

63141

(Zip Code)

Registrant's telephone number, including area code: **(314) 813-9200**

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 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, or a non-accelerated filer, or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

As of November 30, 2016, the Company had a total of 41,356,919 shares of Common Stock outstanding (which excludes 709,229 shares held by us in treasury).

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ISLE OF CAPRI CASINOS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

(Unaudited)

	October 23, 2016	April 24, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 53,927	\$ 62,126
Restricted cash	22,172	461
Marketable securities	19,023	19,338
Accounts receivable, net	9,677	12,484
Inventory	5,631	5,580
Prepaid expenses and other assets	13,907	10,545
Assets held for sale	138,671	2,361
Total current assets	263,008	112,895
Property and equipment, net	815,532	810,450
Other assets:		
Goodwill	79,776	79,776
Other intangible assets, net	31,819	32,237
Deferred financing costs, net	2,842	3,777
Restricted cash and investments	9,869	9,819
Prepaid deposits and other	4,716	4,996
Deferred income taxes	794	1,144
Long-term assets held for sale		139,130
Total assets	\$ 1,208,356	\$ 1,194,224
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 83	\$ 80
Accounts payable	21,630	27,432
Accrued liabilities:		
Payroll and related	31,992	34,743
Property and other taxes	21,063	18,814
Income tax payable	50	123
Interest	14,485	14,678
Progressive jackpots and slot club awards	14,550	13,705
Deferred proceeds for assets held for sale	22,000	
Other	24,878	20,646
Liabilities related to assets held for sale	8,347	7,326
Total current liabilities	159,078	137,547
Long-term debt, less current maturities and net deferred financing costs	887,399	911,688
Deferred income taxes	21,929	37,902
Other accrued liabilities	17,416	17,557
Other long-term liabilities	13,912	13,912
Stockholders equity:		

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Preferred stock, \$.01 par value; 2,000,000 shares authorized; none issued		
Common stock, \$.01 par value; 60,000,000 shares authorized; shares issued:		
42,066,148 at October 23, 2016 and April 24, 2016	421	421
Class B common stock, \$.01 par value; 3,000,000 shares authorized; none issued		
Additional paid-in capital	239,540	244,472
Retained earnings (deficit)	(121,674)	(152,868)
	118,287	92,025
Treasury stock, 710,846 shares at October 23, 2016 and 1,300,955 at April 24, 2016	(9,665)	(16,407)
Total stockholders' equity	108,622	75,618
Total liabilities and stockholders' equity	\$ 1,208,356	\$ 1,194,224

See notes to the consolidated financial statements.

ISLE OF CAPRI CASINOS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	October 23, 2016	October 25, 2015	October 23, 2016	October 25, 2015
Revenues:				
Casino	\$ 209,439	\$ 210,197	\$ 427,420	\$ 428,039
Rooms	5,897	5,624	11,614	11,235
Food, beverage, pari-mutuel and other	25,518	26,457	52,484	53,808
Gross revenues	240,854	242,278	491,518	493,082
Less promotional allowances	(42,292)	(41,824)	(87,310)	(84,400)
Net revenues	198,562	200,454	404,208	408,682
Operating expenses:				
Casino	29,767	30,793	60,768	62,078
Gaming taxes	53,187	53,503	108,437	108,994