

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

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### FILER

#### **MONRO MUFFLER BRAKE INC**

CIK: **876427** | IRS No.: **160838627** | State of Incorpor.: **NY** | Fiscal Year End: **0331**  
Type: **8-K** | Act: **34** | File No.: **000-19357** | Film No.: **09545340**  
SIC: **7500** Automotive repair, services & parking

Business Address  
200 HOLLEDER PKWY  
ROCHESTER NY 14615-3808  
7166476400



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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

**Date of Report (Date of Earliest Event Reported):**

**January 22, 2009**

**MONRO MUFFLER BRAKE, INC.**

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(Exact name of registrant as specified in its charter)

New York

0-19357

16-0838627

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(State of Incorporation)

(Commission File Number)

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

200 Holleder Parkway, Rochester, New York

14615

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(Address of Principal Executive Offices)

(Zip Code)

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Registrant's telephone number, including area code (585) 647-6400

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Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### Item 2.02 Results of Operations and Financial Condition

On January 22, 2009, Monro Muffler Brake, Inc. (the "Company") issued a press release announcing, among other things, its operating results for the third quarter ended December 27, 2008, as well as estimated comparable store sales and diluted earnings per share for both the fourth quarter and full year of fiscal 2009. A copy of the press release is furnished herewith.

### Item 9.01 Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) The following is a list of exhibits furnished with this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release regarding results of operations and financial conditions, dated January 22, 2009.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MONRO MUFFLER BRAKE, INC.  
(Registrant)

January 22, 2009

By: /s/ Catherine D' Amico  
Catherine D' Amico  
Executive Vice President – Finance

CONTACT: Robert Gross  
Chairman and Chief Executive Officer  
(585) 647-6400

Catherine D' Amico  
Executive Vice President – Finance  
Chief Financial Officer  
(585) 647-6400

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Leigh Parrish/Caren Villarreal  
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**FOR IMMEDIATE RELEASE**

**MONRO MUFFLER BRAKE, INC. ANNOUNCES RECORD THIRD QUARTER 2009  
FINANCIAL RESULTS**

*~ Comparable Store Sales Increase 5.9% ~  
~ Third Quarter 2009 EPS Increase 12% to \$.28 ~  
~ Company Reiterates Full Year 2009 Estimated EPS Range of \$1.14 to \$1.19 ~  
~ January Month to Date Comparable Store Sales Up Approximately 15% ~*

**ROCHESTER, N.Y. – January 22, 2009** – Monro Muffler Brake, Inc. (Nasdaq: MNRO), a leading provider of automotive undercar repair and tire services, today announced record financial results for its fiscal 2009 third quarter ended December 27, 2008.

**Third Quarter Results**

Sales for the third quarter of fiscal 2009 increased 5.5% to a record \$118.7 million compared to \$112.5 million for the third quarter of fiscal 2008. Sales were driven largely by strong in-store sales execution, especially in the maintenance service and tire categories, as well as continued effective advertising campaigns. Comparable store sales increased 5.9%, exceeding the Company's previously estimated range of 2% to 4%. Comparable store sales for the third quarter of fiscal 2009 include a comparable store sales increase of 9.3% for the former ProCare stores. For specific product categories, comparable store sales increased approximately 3% for brakes, 10% for maintenance services, 12% for alignments and 7% for tires.

The total sales for the quarter included an increase in sales from new stores of \$2.4 million. The 19 former Craven and Valley Forge stores acquired in July 2007 and the seven former Broad Elm group stores acquired in January 2008 contributed \$1.7 million of the increase. The total sales for these acquired stores were \$7.2 million in the third quarter of fiscal 2009 as compared to \$5.5 million in the prior year third quarter.

Gross margin was 38.1% in the third quarter compared to 37.7% in the prior year quarter and was driven primarily by price increases that were implemented in response to increased material costs, improved labor productivity and leveraging of fixed occupancy costs included in cost of sales. The expansion in gross margin was partially offset by the shift in sales mix towards the lower-margin tire and maintenance services categories. Total operating expenses were \$35.3 million, or 29.7% of sales, compared with 29.8% of sales for the same period of the prior year.

Operating income for the quarter increased 11.1% to \$9.9 million from \$8.9 million in the third quarter of fiscal year 2008. Interest expense was \$1.5 million, relatively unchanged from the prior year's third quarter.

Net income for the third quarter increased 5.2% to a record \$5.6 million compared to \$5.3 million for the prior year period. Diluted earnings per share for the quarter increased 12% to \$.28, compared to diluted earnings per share of \$.25 in the third quarter of fiscal 2008 and were in line with the Company's previously estimated range. Net income for the third quarter reflects an effective tax rate of 34% compared with 30% for the prior year period. Pre-tax income for the third quarter increased to \$8.5 million, a 12.6% increase over the prior year period.

The Company opened three locations and closed one during the quarter, ending the third quarter of fiscal 2009 with 711 stores.

Robert G. Gross, Chairman and Chief Executive Officer stated, "We are pleased to have delivered another quarter of record performance and our third straight quarter of industry-leading comparable store sales increases in the mid-single digits. For the third quarter, we continued to reap the rewards of our effective advertising and promotions and our aggressive efforts to gain market share during a challenging time for many of our competitors. In addition, we are particularly pleased that our customers continue to return to us as their trusted service provider as tough economic conditions have, in many cases, caused them to extend the lives of their vehicles, thereby requiring more frequent and larger repairs."



### **First Nine Month Results**

For the nine-month period, net sales increased 8.1% to \$359.0 million from \$332.2 million in the same period of the prior year. Net income for the first nine months of fiscal 2009 was a record \$21.0 million, or \$1.05 per diluted share, compared with \$20.0 million, or \$.89 per share in the comparable period of fiscal 2008.

### **Company Outlook**

Based on year-to-date performance and current business trends, the Company anticipates fourth quarter comparable store sales growth to be in the range of 4% to 7% and diluted earnings per share to be in the range of \$.09 to \$.14, compared to \$.10 for the fourth quarter of fiscal 2008, which included a gain on property sales of \$1 million and an income tax benefit of \$300,000.

For fiscal 2009, the Company now anticipates sales in the range of \$467 million to \$471 million and comparable store sales growth of 5% to 6%. This compares with its previously expected sales of \$460 million to \$465 million and comparable store sales growth of 3% to 4%. The Company reiterated its expected full year diluted earnings per share range of \$1.14 to \$1.19. The estimates are based on 20.2 million weighted average shares outstanding and exclude the impact of any potential acquisitions.

Mr. Gross concluded, "We are very encouraged by our performance through the first nine months of fiscal 2009. Our business continues to perform well into the new calendar year with comparable store sale increases for January of 15%, with only three days left in the month. Notably, we remain on track to deliver our eighth consecutive year of positive comparable store sales results, highlighting our Company's ability to thrive during both strong and weak economies. That said, while we are certainly pleased with our performance to date this year, we recognize that we are operating in an environment of a weak economy and consumer confidence, and therefore remain cautiously optimistic about our prospects for the remainder of the fiscal year 2009. In addition, we will continue to actively evaluate the competitive landscape and pursue additional acquisitions when we believe that purchase prices are at appropriate levels."

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## **Webcast and Earnings Conference Call**

The Company will host a conference call and audio webcast on January 22, 2009 at 11:00 a.m. Eastern Time. The conference call may be accessed by dialing 800-811-8824 and using the required pass code 5694885. A replay will be available approximately one hour after the recording through Thursday, January 29, 2009 and can be accessed by dialing 888-203-1112. The live conference call and replay can also be accessed via audio webcast at the "Investor Info" section of the Company's website, located at [www.monro.com](http://www.monro.com). An archive will be available at this website through January 29, 2009.

## **About Monro Muffler Brake**

Monro Muffler Brake operates a chain of stores providing automotive undercar repair and tire services in the United States, operating under the brand names of Monro Muffler Brake and Service, Mr. Tire and Tread Quarters Discount Tires. The Company currently operates 711 stores and has 14 dealer locations in New York, Pennsylvania, Ohio, Connecticut, Massachusetts, West Virginia, Virginia, Maryland, Vermont, New Hampshire, New Jersey, North Carolina, South Carolina, Indiana, Rhode Island, Delaware, Maine and Michigan. Monro's stores provide a full range of services for brake systems, steering and suspension systems, tires, exhaust systems and many vehicle maintenance services.

*The statements contained in this press release that are not historical facts may contain statements of future expectations and other forward-looking statements made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed. These factors include, but are not necessarily limited to, product demand, dependence on and competition within the primary markets in which the Company's stores are located, the need for and costs associated with store renovations and other capital expenditures, the effect of economic conditions, the impact of competitive services and pricing, product development, parts supply restraints or difficulties, industry regulation, risks relating to leverage and debt service (including sensitivity to fluctuations in interest rates), continued availability of capital resources and financing, risks relating to integration of acquired businesses and other factors set forth elsewhere herein and in the Company's Securities and Exchange Commission filings, including the report on Form 10-K for the fiscal year ended March 29, 2008.*

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**MONRO MUFFLER BRAKE, INC.**  
Financial Highlights  
(Unaudited)  
(Dollars and share counts in thousands)

	<b>Quarter Ended Fiscal December</b>		
	<b>2008</b>	<b>2007</b>	<b>% Change</b>
Sales	\$118,680	\$112,513	5.5 %
Cost of sales, including distribution and occupancy costs	73,465	70,064	4.9
Gross profit	45,215	42,449	6.5
Operating, selling, general and administrative expenses	35,694	34,377	3.8
Intangible amortization	112	149	(24.9 )
Gain on disposal of assets	(510 )	(1,006 )	(49.3 )
Total operating expenses	35,296	33,520	5.3
Operating income	9,919	8,929	11.1
Interest expense, net	1,536	1,508	1.9
Other income, net	(99 )	(114 )	(12.4 )
Income before provision for income taxes	8,482	7,535	12.6
Provision for income taxes	2,904	2,233	30.0
Net income	<u>\$5,578</u>	<u>\$5,302</u>	5.2
Diluted earnings per share	<u>\$.28</u>	<u>\$.25</u>	12.0 %
Weighted average number of diluted shares outstanding	20,127	21,553	
Number of stores open (at end of quarter)	711	713	

**MONRO MUFFLER BRAKE, INC.**  
 Financial Highlights  
 (Unaudited)  
 (Dollars and share counts in thousands)

	Nine Months Ended Fiscal December		
	2008	2007	% Change
Sales	\$358,961	\$332,178	8.1 %
Cost of sales, including distribution and occupancy costs	212,456	197,514	7.6
Gross profit	146,505	134,664	8.8
Operating, selling, general and administrative expenses	109,332	100,865	8.4
Intangible amortization	368	413	(10.8 )
Gain on disposal of assets	(828 )	(851 )	(2.7 )
Total operating expenses	108,872	100,427	8.4
Operating income	37,633	34,237	9.9
Interest expense, net	4,648	3,951	17.6
Other income, net	(360 )	(684 )	(47.4 )
Income before provision for income taxes	33,345	30,970	7.7
Provision for income taxes	12,301	10,985	12.0
Net income	\$21,044	\$19,985	5.3
Diluted earnings per share	\$1.05	\$.89	18.0 %
Weighted average number of diluted shares outstanding	20,096	22,417	

**MONRO MUFFLER BRAKE, INC.**

Financial Highlights

(Unaudited)

(Dollars in thousands)

	<u>December 27, 2008</u>	<u>March 29, 2008</u>
<b>Current assets</b>		
Cash	\$ 3,406	\$2,108
Inventories	69,619	66,183
Other current assets	<u>25,169</u>	<u>24,582</u>
Total current assets	98,194	92,873
Property, plant and equipment, net	184,049	184,184
Other noncurrent assets	<u>91,002</u>	<u>93,412</u>
Total assets	<u>\$ 373,245</u>	<u>\$370,469</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities	\$ 72,035	\$58,311
Long-term debt	93,093	122,585
Other long term liabilities	<u>14,379</u>	<u>14,725</u>
Total liabilities	179,507	195,621
Total shareholders' equity	<u>193,738</u>	<u>174,848</u>
Total liabilities and shareholders' equity	<u>\$ 373,245</u>	<u>\$370,469</u>