

**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):
May 3, 2016

Commission File Number: 0-21660

PAPA JOHN'S INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

61-1203323

(I.R.S. Employer Identification
Number)

**2002 Papa Johns Boulevard
Louisville, Kentucky 40299-2367**
(Address of principal executive offices)

(502) 261-7272
(Registrant's telephone number, including area code)

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:

- ☐ 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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Section 2 – Financial Information

Item 2.02 Results of Operations and Financial Condition

On May 3, 2016, Papa John’s International, Inc. issued a press release announcing first quarter 2016 financial results.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Papa John’s International, Inc. press release dated May 3, 2016.

SIGNATURES

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

PAPA JOHN'S INTERNATIONAL, INC.

(Registrant)

Date: May 3, 2016

/s/ Lance F. Tucker

Lance F. Tucker

Senior Vice President, Chief Financial
Officer, Chief Administrative Officer and
Treasurer

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
99.1	Papa John's International, Inc. press release dated May 3, 2016.

Papa John's Announces First Quarter 2016 Results***First Quarter EPS Growth of 25.5%***

LOUISVILLE, Ky.--(BUSINESS WIRE)--May 3, 2016--Papa John's International, Inc. (NASDAQ: PZZA) today announced financial results for the first quarter ended March 27, 2016.

Highlights

- **First quarter earnings per diluted share of \$0.69 in 2016 compared to \$0.55 in 2015, an increase of 25.5%**
- **System-wide comparable sales increases of 0.1% for North America and 5.7% for international**
- **2016 guidance reaffirmed**

"We're pleased to have delivered another solid quarter, with excellent profitability growth in spite of a competitive promotional environment," said Papa John's founder, chairman and CEO John Schnatter. "Our continued commitment to quality, a growing domestic digital sales mix that now stands at 55%, our expanded sports partnerships and international momentum will continue to drive the Papa John's global brand in 2016 and beyond."

First quarter 2016 revenues were \$428.6 million, a 0.9% decrease from first quarter 2015 revenues of \$432.3 million. First quarter 2016 net income increased 17.7% to \$26.2 million, compared to first quarter 2015 net income of \$22.2 million. First quarter 2016 diluted earnings per share increased 25.5% to \$0.69, compared to first quarter 2015 diluted earnings per share of \$0.55.

Global Restaurant and Comparable Sales Information

	First Quarter	
	Mar. 27, 2016	Mar. 29, 2015
Global restaurant sales growth (a)	2.3%	7.4%
Global restaurant sales growth, excluding the impact of foreign currency (a)	4.2%	9.6%
Comparable sales growth (b)		
Domestic company-owned restaurants	1.0%	8.1%
North America franchised restaurants	(0.2%)	6.0%
System-wide North America restaurants	0.1%	6.5%
System-wide international restaurants	5.7%	7.7%

(a) Includes both company-owned and franchised restaurant sales.

(b) Represents the change in year-over-year sales for the same base of restaurants for the same fiscal periods. Comparable sales results for restaurants operating outside of the United States are reported on a constant dollar basis, which excludes the impact of foreign currency translation.

We believe global restaurant and comparable sales growth information, as defined in the table above, is useful in analyzing our results since our franchisees pay royalties that are based on a percentage of franchise sales. Franchise sales generate commissary revenue in the United States and in certain international markets. Global restaurant and comparable sales growth information is also useful in analyzing industry trends and the strength of our brand. Management believes the presentation of global restaurant sales growth excluding the impact of foreign currency provides investors with useful information regarding underlying sales trends by presenting sales growth excluding the external factor of foreign currency exchange. Franchise restaurant sales are not included in company revenues.

Revenue and Operating Highlights

All revenue and operating highlights below are compared to the same period of the prior year, unless otherwise noted.

We have streamlined our income statement presentation by combining certain income statement captions in the condensed income statement. We have summarized 2015 by quarter in this same format in a supplemental schedule included in this press release.

Revenue Highlights

Consolidated revenues were \$428.6 million for the first quarter of 2016, a decrease of \$3.7 million, or 0.9%. The lower revenues were primarily due to the prior year inclusion of point-of-sale system (“FOCUS”) equipment sales as well as lower PJ Food Service sales from lower commodity costs. Significant changes in revenues are as follows:

- Domestic company-owned restaurant sales increased \$8.4 million, or 4.3%, primarily due to an increase in equivalent units, including 20 restaurants acquired from franchisees during the first quarter, and a 1.0% increase in comparable sales.
 - Domestic franchise royalties and fees increased approximately \$850,000, or 3.3%, primarily due to reduced levels of royalty incentives in the first quarter of 2016.
 - Domestic commissary and other sales decreased \$15.0 million, or 8.1%. The decrease was due to the prior year inclusion of approximately \$8.5 million of FOCUS equipment sales to franchisees. The higher levels of 2015 FOCUS equipment sales had no significant impact on 2015 operating results. Additionally, domestic commissary sales decreased by approximately \$6.4 million as revenues associated with lower pricing for certain commodities, including meats and dough, were somewhat offset by an increase in sales volumes.
 - International revenues increased approximately \$2.0 million, or 8.0%, primarily due to the first quarter of 2016 including sublease rental revenue in the United Kingdom of approximately \$1.6 million, which was shown net of the rental expenses in the prior year. The change in presentation had no impact on income before income taxes. Additionally, royalties and commissary revenues were higher due to an increase in the number of restaurants and an increase in comparable sales of 5.7%, calculated on a constant dollar basis. These increases were somewhat offset by lower China Company-owned restaurant revenues. The negative impact of foreign currency exchange rates was approximately \$1.9 million.
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Operating Highlights

The table below summarizes income before income taxes on a reporting segment basis:

(In thousands)	First Quarter		
	Mar. 27, 2016	Mar. 29, 2015	Increase (Decrease)
Domestic company-owned restaurants	\$ 20,187	\$ 18,480	\$ 1,707
Domestic commissaries	11,546	11,800	(254)
North America franchising	23,580	22,319	1,261
International	3,038	1,344	1,694
All others	51	443	(392)
Unallocated corporate expenses	(16,332)	(17,205)	873
Elimination of intersegment profits	(661)	(745)	84
Total income before income taxes	\$ 41,409	\$ 36,436	\$ 4,973

First quarter 2016 income before income taxes increased approximately \$5.0 million, or 13.6%. This increase was primarily due to the following:

- Domestic company-owned restaurants increased approximately \$1.7 million primarily due to lower commodity costs, including meats and dough.
- North America franchising increased approximately \$1.3 million primarily due to reduced royalty and development incentives.
- International income increased approximately \$1.7 million primarily due to higher royalties and an increase in United Kingdom profits. This was somewhat offset by the impact of negative foreign currency exchange rates of approximately \$700,000.
- Unallocated corporate expenses were approximately \$900,000 lower primarily due to lower legal costs and lower expenses for our annual operators' conference due to the later timing of the event in the second quarter of 2016.

These increases were partially offset by lower domestic commissaries income of approximately \$250,000 due to a lower margin, which was partially offset by higher sales volumes.

The first quarter 2016 effective income tax rate was 32.3%, representing a decrease of 1.2% from the prior year rate of 33.5%. Our effective income tax rate may fluctuate from quarter to quarter for various reasons, including the timing of various deductions and credits.

The company's free cash flow, a non-GAAP financial measure, for the first quarters of 2016 and 2015, was as follows (in thousands):

	First Quarter	
	Mar. 27, 2016	Mar. 29, 2015
Net cash provided by operating activities (a)	\$ 29,969	\$ 40,249
Purchases of property and equipment	(10,249)	(7,558)
Free cash flow	<u>\$ 19,720</u>	<u>\$ 32,691</u>

(a) The decrease of approximately \$10.3 million was primarily due to the payment of approximately \$12.5 million in the first quarter of 2016 for the previously disclosed legal settlement, partially offset by higher net income.

We define free cash flow as net cash provided by operating activities (from the consolidated statements of cash flows) less the amounts spent on the purchase of property and equipment. We view free cash flow as an important measure because it is a factor that management uses in determining the amount of cash available for discretionary investment. Free cash flow is not a term defined by GAAP, and as a result, our measure of free cash flow might not be comparable to similarly titled measures used by other companies. Free cash flow should not be construed as a substitute for or a better indicator of the company's performance than the company's GAAP measures.

See the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) for additional information concerning our operating results and cash flow for the three-month period ended March 27, 2016.

Global Restaurant Unit Data

At March 27, 2016, there were 4,903 Papa John's restaurants operating in all 50 states and in 40 international countries and territories, as follows:

	Domestic Company- owned	Franchised North America	Total North America	International	System-wide
First Quarter					
Beginning - December 27, 2015	707	2,681	3,388	1,505	4,893
Opened	2	18	20	24	44
Closed	-	(18)	(18)	(16)	(34)
Acquired (divested)	20	(20)	-	-	-
Ending - March 27, 2016	<u>729</u>	<u>2,661</u>	<u>3,390</u>	<u>1,513</u>	<u>4,903</u>
Unit growth (decline)	<u>22</u>	<u>(20)</u>	<u>2</u>	<u>8</u>	<u>10</u>
% increase (decrease)	<u>3.1%</u>	<u>-0.7%</u>	<u>0.1%</u>	<u>0.5%</u>	<u>0.2%</u>

Our development pipeline as of March 27, 2016 included approximately 1,300 restaurants (200 units in North America and 1,100 units internationally), the majority of which are scheduled to open over the next six years.

Share Repurchase Activity

The following table reflects our repurchases for the first quarter of 2016 and subsequent repurchases through April 26, 2016 (in thousands):

Period	Number of Shares	Cost	
First Quarter 2016	1,286	\$	66,033
March 27, 2016 through April 26, 2016	262	\$	14,625

There were 38.3 million diluted weighted average shares outstanding for the first quarter of 2016, representing a decrease of 5.5% over the prior year first quarter. Approximately 37.5 million actual shares of the company's common stock were outstanding as of March 27, 2016.

2016 Guidance

The company is reaffirming its previously issued 2016 guidance.

Conference Call

A conference call is scheduled for May 4, 2016 at 10:00 a.m. Eastern Time to review our first quarter 2016 earnings results. The call can be accessed from the company's web page at www.papajohns.com in a listen-only mode, or dial 877-312-8816 (U.S. and Canada) or 253-237-1189 (international). The conference call will be available for replay, including by downloadable podcast, from the company's web site at www.papajohns.com. The Conference ID is 87333910.

Investors and others should note that we announce material financial information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. We intend to use our investor relations website as a means of disclosing information about our business, our financial condition and results of operations and other matters and for complying with our disclosure obligations under Regulation FD. The information we post on our investor relations website, including information contained in investor presentations, may be deemed material. Accordingly, investors should monitor our investor relations website, in addition to following our press releases, SEC filings and public conference calls and webcasts. We encourage investors and others to sign up for email alerts at our investor relations page under Shareholder Tools at the bottom right side of the page. These email alerts are intended to help investors and others to monitor our investor relations website by notifying them when new information is posted on the site.

Forward-Looking Statements

Certain matters discussed in this press release and other company communications constitute forward-looking statements within the meaning of the federal securities laws. Generally, the use of words such as “expect,” “intend,” “estimate,” “believe,” “anticipate,” “will,” “forecast,” “plan,” “project,” or similar words identify forward-looking statements that we intend to be included within the safe harbor protections provided by the federal securities laws. Such forward-looking statements may relate to projections or guidance concerning business performance, revenue, earnings, cash flow, contingent liabilities, resolution of litigation, commodity costs, profit margins, unit growth, unit level performance, capital expenditures, and other financial and operational measures. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control. Therefore, actual outcomes and results may differ materially from those matters expressed or implied in such forward-looking statements. The risks, uncertainties and assumptions that are involved in our forward-looking statements include, but are not limited to:

- aggressive changes in pricing or other marketing or promotional strategies by competitors, which may adversely affect sales and profitability; and new product and concept developments by food industry competitors;
- changes in consumer preferences or consumer buying habits, including changes in general economic conditions or other factors that may affect consumer confidence and discretionary spending;
- the adverse impact on the company or our results caused by product recalls, food quality or safety issues, incidences of foodborne illness, food contamination and other general public health concerns about our company-owned or franchised restaurants or others in the restaurant industry;
- failure to maintain our brand strength, quality reputation and consumer enthusiasm for our better ingredients marketing and advertising strategy;
- the ability of the company and its franchisees to meet planned growth targets and operate new and existing restaurants profitably, including difficulties finding qualified franchisees, store level employees or suitable sites;
- increases in food costs or sustained higher other operating costs. This could include increased employee compensation, benefits, insurance, tax rates, new regulatory requirements or increasing compliance costs;
- increases in insurance claims and related costs for programs funded by the company up to certain retention limits, including medical, owned and non-owned automobiles, workers’ compensation, general liability and property;
- disruption of our supply chain or commissary operations which could be caused by our sole source of supply of cheese or limited source of suppliers for other key ingredients or more generally due to weather, natural disasters including drought, disease, geopolitical or other disruptions beyond our control;
- increased risks associated with our international operations, including economic and political conditions, instability in our international markets, especially emerging markets, fluctuations in currency exchange rates, and difficulty in meeting planned sales targets and new store growth;
- the impact of current or future claims and litigation, including labor and employment-related claims;
- current or proposed legislation impacting our business;
- failure to effectively execute succession planning, and our reliance on the multiple roles of our founder, chairman and chief executive officer, who also serves as our brand spokesperson; and
- disruption of critical business or information technology systems, or those of our suppliers, and risks associated with systems failures and data privacy and security breaches, including theft of confidential company, employee and customer information, including payment cards.

These and other risk factors are discussed in detail in “Part I. Item 1A. – Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 27, 2015. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise, except as required by law.

For more information about the company, please visit www.papajohns.com.

Papa John's International, Inc. and Subsidiaries
Condensed Consolidated Statements of Income

(In thousands, except per share amounts)

Revenues:

Domestic company-owned restaurant sales
Domestic franchise royalties and fees
Domestic commissary and other sales
International

Total revenues

Costs and expenses:

Operating costs (excluding depreciation and amortization shown separately below):
Domestic company-owned restaurant expenses
Domestic commissary and other expenses
International expenses
General and administrative expenses
Depreciation and amortization

Total costs and expenses

Operating income

Net interest (expense) income

Income before income taxes

Income tax expense

Net income before attribution to noncontrolling interests

Income attributable to noncontrolling interests

Net income attributable to the company

Calculation of income for earnings per share:

Net income attributable to the company
Change in noncontrolling interest redemption value
Net income attributable to participating securities
Net income attributable to common shareholders

Basic earnings per common share

Diluted earnings per common share

Basic weighted average common shares outstanding

Diluted weighted average common shares outstanding

Dividends declared per common share

Three Months Ended			
March 27, 2016		March 29, 2015	
(Unaudited)		(Unaudited)	
\$	205,679	\$	197,287
	26,476		25,624
	168,985		183,947
	27,455		25,426
	428,595		432,284
	161,310		155,032
	156,806		170,339
	17,590		15,478
	40,247		43,749
	9,744		10,041
	385,697		394,639
	42,898		37,645
	(1,489)		(1,209)
	41,409		36,436
	13,358		12,197
	28,051		24,239
	(1,869)		(2,003)
\$	26,182	\$	22,236
\$	26,182	\$	22,236
	220		70
	(110)		(100)
\$	26,292	\$	22,206
\$	0.69	\$	0.56
\$	0.69	\$	0.55
	37,931		39,827
	38,297		40,510
\$	0.175	\$	0.14

Papa John's International, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	March 27, 2016	December 27, 2015
	(Unaudited)	(Note)
(In thousands)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,272	\$ 21,006
Accounts receivable, net	56,683	63,320
Notes receivable, net	7,049	7,816
Income taxes receivable	48	272
Inventories	22,267	21,564
Prepaid expenses and other current assets	27,910	29,313
Assets held for sale	9,094	9,299
Total current assets	<u>140,323</u>	<u>152,590</u>
Property and equipment, net	213,296	214,044
Notes receivable, less current portion, net	11,126	11,105
Goodwill	87,740	79,657
Deferred income taxes	2,041	2,415
Other assets	36,453	34,247
Total assets	<u><u>\$ 490,979</u></u>	<u><u>\$ 494,058</u></u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 33,582	\$ 43,492
Income and other taxes payable	8,805	8,527
Accrued expenses and other current liabilities	62,579	80,918
Total current liabilities	<u>104,966</u>	<u>132,937</u>
Deferred revenue	3,847	3,190
Long-term debt	316,717	255,146
Deferred income taxes	9,394	4,610
Other long-term liabilities	52,862	47,606
Total liabilities	<u>487,786</u>	<u>443,489</u>
Redeemable noncontrolling interests	8,887	8,363
Total stockholders' equity	<u>(5,694)</u>	<u>42,206</u>
Total liabilities, redeemable noncontrolling interests and stockholders' equity	<u><u>\$ 490,979</u></u>	<u><u>\$ 494,058</u></u>

Note: The Condensed Consolidated Balance Sheet has been derived from the audited consolidated financial statements, but does not include all information and footnotes required by accounting principles generally accepted in the United States for a complete set of financial statements.

Papa John's International, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

(In thousands)

Operating activities

Net income before attribution to noncontrolling interests
Adjustments to reconcile net income to net cash provided by operating activities:

Provision for uncollectible accounts and notes receivable
Depreciation and amortization
Deferred income taxes
Stock-based compensation expense
Other
Changes in operating assets and liabilities, net of acquisitions:
Accounts receivable
Income taxes receivable
Inventories
Prepaid expenses and other current assets
Other assets and liabilities
Accounts payable
Income and other taxes payable
Accrued expenses and other current liabilities
Deferred revenue

Net cash provided by operating activities

Investing activities

Purchases of property and equipment
Loans issued
Repayments of loans issued
Acquisitions, net of cash acquired
Other

Net cash used in investing activities

Financing activities

Net proceeds on line of credit facility
Cash dividends paid
Excess tax benefit on equity awards
Tax payments for equity award issuances
Proceeds from exercise of stock options
Acquisition of Company common stock
Contributions from noncontrolling interest holders
Distributions to noncontrolling interest holders
Other

Net cash used in financing activities

Effect of exchange rate changes on cash and cash equivalents
Change in cash and cash equivalents
Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

Three Months Ended			
March 27, 2016		March 29, 2015	
(Unaudited)		(Unaudited)	
\$	28,051	\$	24,239
	216		659
	9,744		10,041
	7,141		(36)
	2,172		2,264
	1,101		1,180
	6,457		(1,312)
	223		5,899
	(612)		1,043
	1,624		2,452
	(614)		(154)
	(10,007)		(3,828)
	277		167
	(16,738)		(2,291)
	934		(74)
	29,969		40,249
	(10,249)		(7,558)
	(917)		(506)
	1,275		1,083
	(11,202)		(341)
	159		20
	(20,934)		(7,302)
	61,500		549
	(6,628)		(5,545)
	3,884		5,091
	(5,670)		(5,557)
	922		2,210
	(66,033)		(24,765)
	120		-
	(1,100)		(1,705)
	294		253
	(12,711)		(29,469)
	(58)		(76)
	(3,734)		3,402
	21,006		20,122
\$	17,272	\$	23,524

The following schedule provides the condensed consolidated statements of income by quarter and for the full year 2015 in the new format.

Papa John's International, Inc. and Subsidiaries
2015 Condensed Consolidated Statements of Income

	Quarter Ended (Unaudited)				Full Year Ended
	Mar. 29, 2015	Jun. 28, 2015	Sep. 27, 2015	Dec. 27, 2015	Dec. 27, 2015
(In thousands, except per share amounts)					
Revenues:					
Domestic company-owned restaurant sales	\$ 197,287	\$ 185,962	\$ 180,059	\$ 192,999	\$ 756,307
Domestic franchise royalties and fees	25,624	23,276	22,285	24,871	96,056
Domestic commissary and other sales	183,947	163,427	159,939	173,008	680,321
International	25,426	26,326	27,001	25,938	104,691
Total revenues	432,284	398,991	389,284	416,816	1,637,375
Costs and expenses:					
Operating costs (excluding depreciation and amortization shown separately below):					
Domestic company-owned restaurant expenses	155,032	147,356	148,536	153,282	604,206
Domestic commissary and other expenses	170,339	151,206	148,709	159,169	629,423
International expenses	15,478	16,250	16,481	15,297	63,506
General and administrative expenses	43,749	43,047	37,660	39,170	163,626
Depreciation and amortization	10,041	10,136	10,461	9,669	40,307
Total costs and expenses	394,639	367,995	361,847	376,587	1,501,068
Operating income	37,645	30,996	27,437	40,229	136,307
Legal settlement expense	-	(12,278)	-	-	(12,278)
Net interest (expense) income	(1,209)	(1,187)	(1,180)	(1,306)	(4,882)
Income before income taxes	36,436	17,531	26,257	38,923	119,147
Income tax expense	12,197	5,063	7,281	12,642	37,183
Net income before attribution to noncontrolling interests	24,239	12,468	18,976	26,281	81,964
Income attributable to noncontrolling interests	(2,003)	(1,688)	(1,005)	(1,586)	(6,282)
Net income attributable to the company	\$ 22,236	\$ 10,780	\$ 17,971	\$ 24,695	\$ 75,682
Calculation of income for earnings per share:					
Net income attributable to the company	\$ 22,236	\$ 10,780	\$ 17,971	\$ 24,695	\$ 75,682
Change in noncontrolling interest redemption value	70	73	49	(127)	65
Net income attributable to participating securities	(100)	(50)	(73)	(102)	(325)
Net income attributable to common shareholders	\$ 22,206	\$ 10,803	\$ 17,947	\$ 24,466	\$ 75,422
Basic earnings per common share	\$ 0.56	\$ 0.27	\$ 0.46	\$ 0.63	\$ 1.91
Diluted earnings per common share	\$ 0.55	\$ 0.27	\$ 0.45	\$ 0.62	\$ 1.89
Basic weighted average common shares outstanding	39,827	39,692	39,394	38,909	39,458
Diluted weighted average common shares outstanding	40,510	40,217	39,895	39,367	40,000
Dividends declared per common share	\$ 0.14	\$ 0.14	\$ 0.175	\$ 0.175	\$ 0.63

CONTACT:
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Lance Tucker, 502-261-7272
Chief Financial Officer