
**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 15, 2019**

CHANTICLEER HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-35570

(Commission
File Number)

20-2932652

(IRS Employer
Identification No.)

**7621 Little Avenue, Suite 414
Charlotte, North Carolina 28226**
(Address of principal executive offices)

Registrant's telephone number, including area code: **(704) 366-5122**

N/A

(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:

- 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 May 15, 2019, Chanticleer Holdings Inc. (“Chanticleer” or the “Company”) issued a press release announcing its financial results for the first quarter of 2019. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Chanticleer will host a webcast and conference call on Monday, May 15, 2019 at 4:30 p.m. ET.

To access the call, dial 1-877-407-0784 approximately five minutes prior to the scheduled start time. International callers please dial 1-201-689-8560. To access the webcast, log into the following link: <http://public.viavid.com/index.php?id=134580>

A replay of the teleconference will be available until June 15, 2019 and may be accessed by dialing 1-844-512-2921. International callers may dial 1-412-317-6671. Callers should use conference PIN: 13690808.

Use of Non-GAAP Measures

Chanticleer Holdings, Inc. prepares its condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”). In addition to disclosing financial results prepared in accordance with GAAP, the Company discloses information regarding Adjusted EBITDA and Restaurant EBITDA, which differ from the term EBITDA as it is commonly used. In addition to adjusting net income (loss) from continuing operations to exclude taxes, interest, and depreciation and amortization, Adjusted EBITDA also excludes pre-opening and closing costs for our restaurants, non-cash expenses, transaction and severance related expenses, change in fair value of derivative liability and other income and expenses.

In addition, Restaurant EBITDA also excludes management fee income, franchise revenue and general and administrative expenses. Adjusted EBITDA and restaurant EBITDA are not measures of performance defined in accordance with GAAP. However, adjusted EBITDA and restaurant EBITDA are used internally in planning and evaluating the company’s operating performance and by the Company’s creditors. Accordingly, management believes that disclosure of these metrics offers investors, bankers and other stakeholders an additional view of the Company’s operations that, when coupled with the GAAP results, provides a more complete understanding of the Company’s financial results.

Adjusted EBITDA and Restaurant EBITDA should not be considered as alternatives to net loss or to net cash used in operating activities as a measure of operating results or of liquidity. It may not be comparable to similarly titled measures used by other companies, and it excludes financial information that some may consider important in evaluating the company’s performance. A reconciliation of GAAP net income (loss) to Adjusted EBITDA and Restaurant EBITDA is included in the accompanying financial schedules.

For further information, please refer to Chanticleer’s Quarterly Report on Form 10-Q to be filed with the SEC on or about May 15, 2019, available online at www.sec.gov.

ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 10, 2019, the Board of Directors of the Company appointed Frederick L. Glick, age 54, the Company’s current President, to serve as director, expanding the board to eight seats.

Mr. Glick was appointed to serve as President effective November 16, 2018.

Mr. Glick was the Vice President of Brewery Restaurants for the Karl Strauss Brewing Company brand in San Diego, California from 2013 to the present. Prior, from 2008 to 2013, Mr. Glick was the VP of Operations for Phil’s BBQ in San Diego, California. From 1991 to 2008, Mr. Glick was the President, CEO, Operating Partner of Hootwine, Inc., a Hooters franchise, in Oceanside, California. Mr. Glick graduated with a B.S. in Business Administration from Lehigh University in 1986. Each year, Mr. Glick volunteers with local service and charitable organizations and serves on the state board of directors of the California Restaurant Association and CRAF (California Restaurant Association Foundation).

There are no arrangements or understandings between the newly appointed director and any other persons pursuant to which he was appointed director. There are no family relationships between the newly appointed director and Chanticleer’s other directors or executive officers. There are no current or proposed transactions in which the newly appointed director has a direct or indirect material interest in which Chanticleer is involved and in which the amount involved exceeds the lesser of \$120,000 or one percent of the average of Chanticleer’s total assets at year-end for the last two completed fiscal years.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

99.1 [Press release of Chanticleer Holdings Inc. dated May 15, 2019.](#)

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 duly authorized.

Chanticleer Holdings, Inc.,
a Delaware corporation
(Registrant)

Date: May 15, 2019

By: /s/ Michael D. Pruitt
Name: Michael D. Pruitt
Title: Chief Executive Officer

Chanticleer Holdings Reports Operating Results for the Quarter Ended March 31, 2019

CHARLOTTE, NC – May 15, 2019 – Chanticleer Holdings, Inc. (NASDAQ: BURG) (“Chanticleer,” or the “Company”), owner, operator and franchisor of multiple branded restaurants in the U.S. and abroad, today announced financial results for the quarter ended March 31, 2019.

Financial Highlights for the Quarter Ended March 31, 2019

- Revenue for the year was \$10.2 million in the first quarter of 2019 compared with \$10.0 million in the first quarter of 2018.
- Cost of sales as a percentage of restaurant sales improved to 33.1% in the first quarter of 2019 compared to 33.5% in the first quarter of 2018.
- Operating loss was \$1.7 million in the first quarter of 2019 compared to \$2.4 million in the first quarter of 2018.
- Net loss attributable to Common Shareholders was \$1.9 million, (\$0.51) per share in the first quarter of 2019, compared to net loss of \$2.6 million, (\$0.83) per share in the first quarter of 2018.
- Non-GAAP Restaurant EBITDA was \$560,000 in the first quarter of 2019 compared to \$1.1 million in the first quarter of 2018.
- Non-GAAP Adjusted EBITDA was negative \$766,000 in the first quarter of 2019 compared to \$10,000 in the first quarter of 2018.
- During the first quarter of 2019, the Company opened one new Little Big Burger location. The Company expects to open another two Little Big Burger restaurant locations in 2019 and, announced in May 2019, the opening of a Little Big Burger in the concession area at the Charlotte Motor Speedway.
- The Company also sold one underperforming company-owned location in in the first quarter of 2019 which resulted in non-cash impairment charges and is expected to contribute to improved operating performance in future periods.

Mike Pruitt, Chairman and CEO of Chanticleer commented, “With the recent additions of Fred, Patrick and Troy, I continue to believe we have put together an outstanding executive team capable of stewarding the company’s future growth both operationally and financially. We expect to report meaningful increases in both revenues and EBITDA throughout the balance of 2019 as recent partnerships, systems and processes begin to contribute tangible top line and bottom results.

We look forward to also hosting a conference call near term to specially discuss the recently proposed acquisition of a highly complementary better burger brand with industry leading metrics. The target company has reported revenues of \$10 million per year and historically demonstrated store level EBITDA of approximately 20%.”

Conference Call

The Company will host a webcast and conference call on Monday, May 15, 2019 at 4:30 p.m. ET.

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Adjusted EBITDA and Restaurant EBITDA should not be considered as alternatives to net loss or to net cash used in operating activities as a measure of operating results or of liquidity. It may not be comparable to similarly titled measures used by other companies, and it excludes financial information that some may consider important in evaluating the company’s performance. A reconciliation of GAAP net income (loss) to Adjusted EBITDA and Restaurant EBITDA is included in the accompanying financial schedules.

For further information, please refer to Chanticleer’s Quarterly Report on Form 10-Q to be filed with the SEC on or about May 15, 2019, available online www.sec.gov.

About Chanticleer Holdings, Inc.

Headquartered in Charlotte, NC, Chanticleer Holdings (BURG), owns, operates and franchises fast casual and full-service restaurant brands, including American Burger Company, BGR – Burgers Grilled Right, Little Big Burger, Just Fresh and Hooters.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include projections, predictions, expectations or statements as to beliefs or future events or results or refer to other matters that are not historical facts. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from those contemplated by these statements. The forward-looking statements contained in this press release are based on various factors and were derived using numerous assumptions. In some cases, you can identify these forward-looking statements by the words “anticipate”, “estimate”, “plan”, “project”, “continuing”, “ongoing”, “target”, “aim”, “expect”, “believe”, “intend”, “may”, “will”, “should”, “could”, or the negative of those words and other comparable words.

Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Forward-looking statements in this press release include, without limitation, statements reflecting management’s expectations for future financial performance and operating expenditures, expected growth, profitability and business outlook, increased sales and marketing expenses, and the expected results from the integration of our acquisitions.

Forward-looking statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from those anticipated by such statements. These factors include, but are not limited to, the Company’s ability to manage growth; integrate acquisitions; manage debt; meet development goals; and other important risks and uncertainties referenced and discussed under the heading titled “Risk Factors” in the Company’s filings with the Securities and Exchange Commission. Although we believe that the expectations reflected in the forward-looking statements contained in this press release are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements.

The statements in this press release are made as of the date of this press release, even if subsequently made available by the Company on its website or otherwise. The Company does not assume any obligations to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

Contact:

Investor Relations
Jason Assad
678-570-6791
Ja@chanticleerholdings.com

Chanticleer Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

| ASSETS | (Unaudited) March 31, 2019 | December 31, 2018 |
|--|---|--------------------------|
| Current assets: | | |
| Cash | \$ 561,754 | \$ 629,871 |
| Restricted cash | 335 | 335 |
| Accounts and other receivables, net | 523,437 | 387,239 |
| Inventories | 424,585 | 478,314 |
| Prepaid expenses and other current assets | 192,973 | 179,377 |
| TOTAL CURRENT ASSETS | 1,703,084 | 1,675,136 |
| Property and equipment, net | 10,156,579 | 10,467,841 |
| Operating lease assets | 18,662,935 | - |
| Goodwill | 11,312,980 | 11,280,465 |
| Intangible assets, net | 5,002,878 | 5,123,159 |
| Investments | 800,000 | 800,000 |
| Deposits and other assets | 447,809 | 446,639 |
| TOTAL ASSETS | \$ 48,086,265 | \$ 29,793,240 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 8,266,821 | \$ 7,386,506 |
| Current maturities of long-term debt and notes payable | 6,772,324 | 3,740,101 |
| Current maturities of convertible notes payable | 3,000,000 | 3,000,000 |
| Current operating lease liabilities | 3,750,175 | - |
| Due to related parties | 185,726 | 185,726 |
| TOTAL CURRENT LIABILITIES | 21,975,046 | 14,312,333 |
| Long-term debt | - | 3,000,000 |
| Redeemable preferred stock: no par value, 62,876 shares issued and outstanding, net of discount of \$165,219 and \$173,914, respectively | 683,607 | 674,912 |
| Deferred rent | - | 2,297,199 |
| Long-term operating lease liabilities | 17,228,799 | - |
| Deferred revenue | 1,115,574 | 1,174,506 |
| Deferred tax liabilities | 119,915 | 76,765 |
| TOTAL LIABILITIES | 41,122,941 | 21,535,715 |
| Commitments and contingencies (see Note 13) | | |
| Equity: | | |
| Preferred stock: no par value; authorized 5,000,000 shares; 62,876 issued and outstanding | - | - |
| Common stock: \$0.0001 par value; authorized 45,000,000 shares; issued and outstanding 3,731,786 and 3,715,444 shares, respectively | 374 | 373 |
| Additional paid in capital | 65,126,235 | 64,756,903 |
| Accumulated other comprehensive loss | (164,283) | (202,115) |
| Accumulated deficit | (59,025,540) | (57,124,673) |
| Total Chanticleer Holdings, Inc. Stockholders' Equity | 5,936,786 | 7,430,488 |
| Non-Controlling Interests | 1,026,538 | 827,037 |
| TOTAL EQUITY | 6,963,324 | 8,257,525 |
| TOTAL LIABILITIES AND EQUITY | \$ 48,086,265 | \$ 29,793,240 |

Chanticleer Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)

| | Three Months Ended | |
|---|---------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Revenue: | | |
| Restaurant sales, net | \$ 9,910,028 | \$ 9,769,508 |
| Gaming income, net | 116,085 | 93,155 |
| Management fee income | 25,000 | 25,000 |
| Franchise income | 146,657 | 107,853 |
| Total revenue | 10,197,770 | 9,995,516 |
| Expenses: | | |
| Restaurant cost of sales | 3,277,579 | 3,276,175 |
| Restaurant operating expenses | 6,430,544 | 5,586,149 |
| Restaurant pre-opening and closing expenses | 66,175 | 102,882 |
| General and administrative expenses | 1,497,618 | 1,193,417 |
| Asset impairment charge | 91,491 | 1,677,055 |
| Depreciation and amortization | 542,401 | 540,679 |
| Total expenses | 11,905,808 | 12,376,357 |
| Operating loss | (1,708,038) | (2,380,841) |
| Other expense | | |
| Interest expense | (211,770) | (635,081) |
| Other income (expense) | (18,274) | (2,114) |
| Total other expense | (230,044) | (637,195) |
| Loss before income taxes | (1,938,082) | (3,018,036) |
| Income tax benefit (expense) | (50,581) | 336,197 |
| Consolidated net loss | (1,988,663) | (2,681,839) |
| Less: Net loss attributable to non-controlling interests | 115,591 | 84,407 |
| Net loss attributable to Chanticleer Holdings, Inc. | \$ (1,873,072) | \$ (2,597,432) |
| Dividends on redeemable preferred stock | (27,794) | (27,794) |
| Net loss attributable to common shareholders of Chanticleer Holdings, Inc. | \$ (1,900,866) | \$ (2,625,226) |
| Net loss attributable to Chanticleer Holdings, Inc. per common share, basic and diluted: | | |
| | \$ (0.51) | \$ (0.83) |
| Weighted average shares outstanding, basic and diluted | 3,721,436 | 3,165,972 |

Chanticleer Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

| | Three Months Ended | |
|--|---------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Cash flows from operating activities: | | |
| Net loss | \$ (1,988,663) | \$ (2,681,839) |
| Adjustments to reconcile net loss to net cash flows from operating activities: | | |
| Depreciation and amortization | 542,401 | 540,679 |
| Amortization of operating lease assets | 461,009 | - |
| Asset impairment charge | 91,491 | 1,677,055 |
| Stock based compensation | 100,707 | - |
| Gain on investments | (4,270) | - |
| Amortization of debt discount and discount on preferred stock | 8,695 | 289,787 |
| Change in assets and liabilities: | | |
| Accounts and other receivables | (142,296) | 148,427 |
| Prepaid and other assets | (20,546) | 48,238 |
| Inventory | 44,275 | 12,556 |
| Accounts payable and accrued liabilities | 739,787 | 470,496 |
| Deferred income taxes | 43,150 | (336,196) |
| Operating lease liabilities | (463,279) | - |
| Deferred revenue | (58,932) | - |
| Deferred rent | - | (49,205) |
| Net cash flows from operating activities | <u>(646,471)</u> | <u>119,998</u> |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (334,630) | (166,589) |
| Proceeds from tenant improvement allowances | 141,860 | - |
| Cash paid for acquisitions | - | (30,000) |
| Proceeds from sale of assets | 173,977 | - |
| Net cash flows from investing activities | <u>(18,793)</u> | <u>(196,589)</u> |
| Cash flows from financing activities: | | |
| Proceeds from sale of common stock and warrants | - | 290,000 |
| Loan proceeds | 197,438 | - |
| Loan repayments | (164,769) | (134,229) |
| Distributions to non-controlling interest | (10,804) | - |
| Contributions from non-controlling interest | 575,000 | - |
| Net cash flows from financing activities | <u>596,865</u> | <u>155,771</u> |
| Effect of exchange rate changes on cash | <u>282</u> | <u>(4,008)</u> |
| Net increase (decrease) in cash and restricted cash | (68,117) | 75,172 |
| Cash and restricted cash, beginning of period | 630,206 | 438,493 |
| Cash and restricted cash, end of period | \$ 562,089 | \$ 513,665 |

Chanticleer Holdings, Inc. and Subsidiaries
Reconciliation of Net Loss to EBITDA
(Unaudited)

| | Three Months Ended | |
|--|-----------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Consolidated net loss | \$ (1,988,663) | \$ (2,681,839) |
| Interest expense | 211,770 | 635,081 |
| Income tax | 50,581 | (336,197) |
| Depreciation and amortization | 542,401 | 540,679 |
| EBITDA | \$ (1,183,911) | \$ (1,842,276) |
| Restaurant pre-opening and closing expenses | 66,175 | 102,882 |
| Operating results of restaurants closed in period | 50,536 | 69,896 |
| Additional non-cash expenses impacting operating results | 191,125 | - |
| Asset impairment charge | 91,491 | 1,677,055 |
| Other income (expense) | 18,274 | 2,114 |
| Adjusted EBITDA | \$ (766,310) | \$ 9,671 |
| General and administrative expenses | 1,497,618 | 1,193,417 |
| Franchise revenues | (146,657) | (107,853) |
| Management fee revenue | (25,000) | (25,000) |
| Restaurant EBITDA | \$ 559,651 | \$ 1,070,235 |

