
**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): March 20, 2020

NOODLES & COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-35987
(Commission File Number)

84-1303469
(I.R.S. Employer
Identification No.)

520 Zang Street, Suite D
Broomfield, CO
(Address of principal executive offices)

80021
(Zip
Code)

Registrant's Telephone Number, Including Area Code: (720) 214-1900

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))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|----------------------------|--------------------------|--|
| Class A common stock | NDLS | Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

As previously disclosed, Noodles & Company (the “Company,” “we,” or “our”) on November 20, 2019, amended its 2018 Credit Facility by entering into the First Amendment to the Credit Facility (the “Amended Credit Facility”). The Amended Credit Facility includes a revolving credit agreement under which we can borrow up to \$75.0 million. The material terms of the Amended Credit Facility are described under “Note 4 – Long-Term Debt” of the Notes to Consolidated Financial Statements for Noodles & Company which is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the Securities and Exchange Commission on February 26, 2020, and which description is incorporated herein by reference.

As of December 31, 2019, the Company had \$42.6 million of indebtedness (excluding \$1.4 million of unamortized debt issuance costs) and \$3.2 million of letters of credit outstanding under the Amended Credit Facility.

On March 20, 2020 and as a precautionary measure, we provided notice to the lenders under the Amended Credit Facility of our desire to borrow an incremental \$20.0 million under the credit facility. With the draw down and existing cash, the Company currently has over \$25.0 million of cash and cash equivalents on hand. As of the date of this Current Report on Form 8-K, we remain in compliance with all financial covenants set forth in the Amended Credit Facility.

In light of the current uncertainty in the global markets resulting from the COVID-19 outbreak and notwithstanding our healthy cash balance previously described in our Annual Report on Form 10-K for fiscal year ended December 31, 2019, we increased our borrowing as a precautionary measure in order to bolster our cash position and enhance financial flexibility. The proceeds from these borrowings are being held on our balance sheet and may in the future be used for general corporate purposes, including, without limitation, working capital, capital expenditures in the ordinary course of business, or other lawful corporate purposes, all in accordance with and subject to the terms and conditions of the Amended Credit Facility.

Item 7.01. Regulation FD Disclosure.

Due to the current unprecedented global market and economic conditions in the United States and around the world, we are withdrawing financial guidance for the fiscal year ended December 29, 2020. We plan to provide an update on the business on our First Quarter earnings call and will provide updated financial guidance to the extent we can reasonably estimate the impact of the outbreak and changing market conditions. For additional information, see the Press Release issued on March 20, 2020, and furnished as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Noodles & Company Press Release dated March 20, 2020 |
| 104 | Cover Page Interactive Data File. The cover page XBRL tags are embedded within the Inline XBRL document. |

SIGNATURE

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 hereunto duly authorized.

Noodles & Company

DATE: March 20, 2020

By: /s/ KEN KUICK
Name: Ken Kuick
Title: Chief Financial Officer



Noodles & Company Leveraging Expanded Delivery and To-Go Service Options in Response to COVID-19

Company Increases Cash Reserves

BROOMFIELD, Colo., March 20, 2020 (Globe Newswire) - Noodles & Company (NASDAQ:NDLS), known for serving classic noodle, Zoodle and Caulifloodle dishes from around the world, has announced it now offers free direct delivery through Noodles.com and the Noodles & Company app. Historically, over half of Noodles & Company's sales have been through to-go and delivery offerings, and our expanded delivery options will allow the company to leverage this strong capability during this uncertain time. Noodles & Company will offer free delivery on all orders of \$15 or more placed via Noodles.com or on the Noodles Rewards app through March 31, 2020 at participating locations. Additionally, Noodles is offering free delivery nationwide via DoorDash and its newly announced national expansion with Uber Eats.

"The safety and well-being of our guests and our team members is our top priority during this unprecedented time, and we have taken every measure and precaution possible to safely serve and deliver our food to our guests," said Dave Boennighausen, chief executive officer at Noodles & Company. "Our food travels incredibly well and through our delivery and to-go options, our guests can continue to safely enjoy the Noodles they know and love within the comfort of their own home."

Increasing Cash Reserves

The Company has enhanced its existing cash position with a draw down under its \$100.0 million credit facility to address near term volatility in current market conditions.

The increased borrowing was taken as a precautionary measure to provide enhanced financial flexibility considering the uncertain market conditions arising from the COVID-19/Coronavirus pandemic.

2020 Outlook

As previously announced, due to the current unprecedented market conditions, Noodles & Company has withdrawn its financial guidance for fiscal year 2020 and expects to provide an update on the business on its first quarter 2020 earnings call.

About Noodles & Company

Since 1995, Noodles & Company has been serving noodles your way, with noodles and flavors that you know and love as well as new ones you're about to discover. From indulgent Wisconsin Mac & Cheese to better-for-you Zoodles and Other Noodles, the company serves a world of flavor in every bowl. Made up of more than 450 restaurants and thousands of passionate team members, Noodles was named one of the Best Places to Work by the Denver Business Journal for its unique culture built on the value of "Loving Life," which begins by nourishing and inspiring every team member and guest who walks through the door. To learn more or find the location nearest you, visit www.noodles.com.

Forward Looking Statements

In addition to historical information, this press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties such as the number of restaurants we intend to open, projected capital expenditures and estimates of our effective tax rates. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "plan" or the negative of these terms and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on currently available operating, financial and competitive information. Examples of forward-looking statements include all matters that are not historical facts, such as statements regarding estimated costs associated with our closure of underperforming restaurants, the implementation and results of strategic initiatives and our future financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements due to reasons including, but not limited to, conditions beyond our control such as weather, natural disasters, disease outbreaks, epidemics or pandemics impacting our customers or food supplies; our ability to achieve and maintain increases in comparable restaurant sales and to successfully execute our business strategy, including new restaurant initiatives and operational strategies to improve the performance of our restaurant portfolio; our ability to maintain compliance with debt covenants and continue to access financing necessary to execute our business strategy; the success of our marketing efforts; our ability to open new restaurants on schedule; current economic conditions; price and availability of commodities; our ability to adequately staff our restaurants; changes in labor costs; consumer confidence and spending patterns; consumer reaction to industry related public health issues and perceptions of food safety; seasonal factors; and weather. For additional information on these and other factors that could affect the Company's forward-looking statements, see the Company's risk factors, as they may be amended from time to time, set forth in its filings with the SEC, included in our most recently filed Annual Report on Form 10-K, and, from time to time, in our subsequently filed Quarterly Reports on Form 10-Q. The Company disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as may be required by applicable law or regulation.

Contacts:

Investor Relations

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