



CreditRiskMonitor’s warning of CEC Entertainment Inc.’s (“CEC Entertainment”) bankruptcy risk was determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score has been warning of financial stress at CEC Entertainment for more than a year. The company was also featured in an [industry report](#) as the next restaurant chain most likely to enter Chapter 11. **The company ultimately filed for bankruptcy on June 24, 2020.**

David Rappaport, Vice President, Controller, and principal accounting officer resigned to pursue opportunities elsewhere.

CEC Entertainment fails to merge with shell company Queso Holding, inhibiting the possibility of an IPO in public equity markets.

CEC Entertainment's CEO, Tom Leverton, resigned from his position and would be replaced effective immediately.

Business Name	2019							2020					
	J	J	A	S	O	N	D	J	F	M	A	M	J
CEC Entertainment, Inc.	4	4	3	3	3	3	3	3	3	1	1	1	1

BANKRUPT!

Q2 2019 sales declined, net losses continued compared to previous year, and working capital decreased by 70%.

Moody's downgraded its corporate family rating from Caa1 to Caa3, and the outlook remained negative.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® SCORE: PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

	FRISK®	FROM	TO
BEST	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
WORST	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. **A FRISK® score of 5 or less is an important warning sign.**

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

DO NOT MISS THIS – MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Making misleading or fraudulent statements in an MD&A is against the law – and Sarbanes-Oxley subjects CEOs and CFOs to heavy fines or even jail time for doing so. A vital feature of the CreditRiskMonitor service is the ability to quickly access a Company’s Management Discussion and Analysis (MD&A) history. Let it sink in: there are no two people in the world with better knowledge of a company’s liquidity risk than the CEO and CFO. More than any credit manager. More than any trade group. And they’re personally liable if they’re lying.

According to the Financial Accounting Standards Board (FASB), “MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed.”

Report

- Overview
- Company News
- Risk Ratings
- Important Information
- Annual Financials
- Year/Year Interim
- Sequential Quarters
- Liquidity (MD&A)**
- SEC Filings
- Peer Analysis
- Payments
- Public Filings
- General Info
- Access History
- Credit Limit
- Update Portfolio
- Print/Save Report
- Currency Converter
- Send This to a Colleague

CEC Entertainment Inc.
1707 Market Place Boulevard
Suite 200
Irving, TX 75063 United States
Phone: (972) 258-5474

Filed for Bankruptcy on 6/24/2020
This company was Merged or Acquired on 2/14/2014.
This company ceased filing statements with the SEC on 6/25/2020.
Case #20-33163, filed in the U.S. Bankruptcy Court for the Southern District of Texas
This is a Subsidiary, click [here](#) for the Parent Company

Management Discussion and Analysis History

2019 Revolving Credit Facility:
Net Total Leverage Ratio Revolver - Base Rate Loans Revolver - LIBOR Loans
Greater than 4.80 to 1.00 5.50% 6.50%

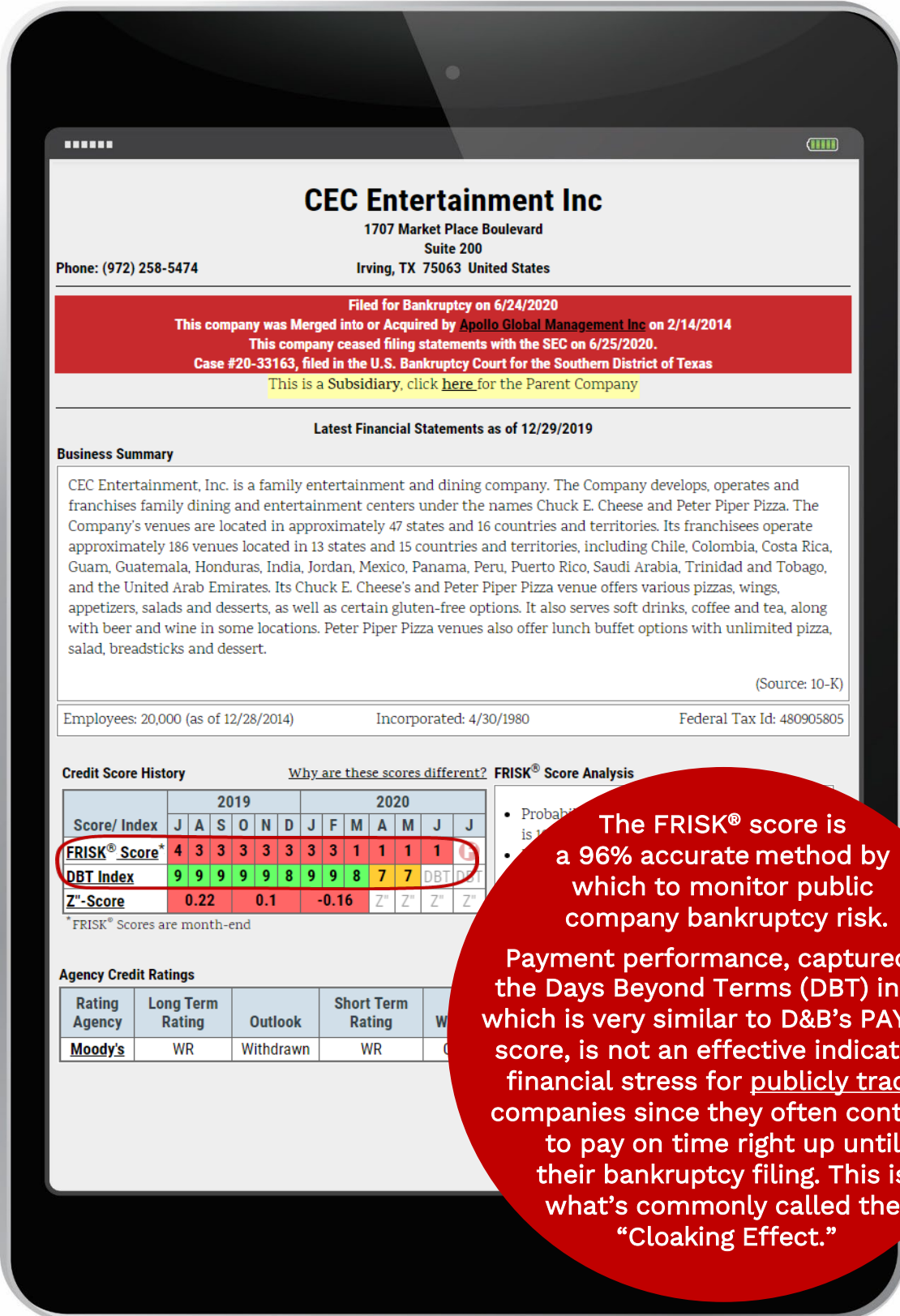
During the period from August 30, 2019 through December 29, 2019 the applicable margin for LIBOR borrowings under the 2019 Secured Credit Facilities was 6.50%. During the period from December 30, 2018 through August 29, 2019 and for the 2018 fiscal year, the applicable margin for LIBOR borrowings under the 2014 Secured Credit Facilities was 3.25%.

Senior Unsecured Notes
Our senior unsecured debt includes Senior Notes due 2022 (the "Senior Notes") with a weighted average interest rate of 8.2%. During the fourth quarter of Fiscal 2019, we reported a net leverage ratio of 4.8x, which exceeded the maximum net leverage ratio of 4.0x set forth in the indentures governing our Senior Notes. We recorded a gain on extinguishment of \$1.2 million during the fourth quarter of Fiscal 2019. The weighted average interest rate on our Senior Notes was 8.2% for the 2019 fiscal year, and 8.2% for the 2018 fiscal year. We cannot assure you that we will be able to draw under our revolving credit facilities to satisfy our debt obligations, including the payment of principal and interest on our Senior Notes.

You MUST understand trends, commitments, demands and uncertainties likely to result in a material change in Liquidity and Capital Resources, like if they can continue as a going concern. If you don't, you need help.

Management disclosed the company's net leverage ratio exceeded 4.8x, borrowings under its senior notes were 8.2%, and assurance could not be provided where operating cash flow would satisfy debt obligations. Contact your account manager to discuss these important red flags.

COMPANY REPORT DETAIL



CEC Entertainment Inc

1707 Market Place Boulevard
Suite 200
Irving, TX 75063 United States

Phone: (972) 258-5474

Filed for Bankruptcy on 6/24/2020
This company was Merged into or Acquired by Apollo Global Management Inc on 2/14/2014
This company ceased filing statements with the SEC on 6/25/2020.
Case #20-33163, filed in the U.S. Bankruptcy Court for the Southern District of Texas
 This is a Subsidiary, click [here](#) for the Parent Company

Latest Financial Statements as of 12/29/2019

Business Summary

CEC Entertainment, Inc. is a family entertainment and dining company. The Company develops, operates and franchises family dining and entertainment centers under the names Chuck E. Cheese and Peter Piper Pizza. The Company's venues are located in approximately 47 states and 16 countries and territories. Its franchisees operate approximately 186 venues located in 13 states and 15 countries and territories, including Chile, Colombia, Costa Rica, Guam, Guatemala, Honduras, India, Jordan, Mexico, Panama, Peru, Puerto Rico, Saudi Arabia, Trinidad and Tobago, and the United Arab Emirates. Its Chuck E. Cheese's and Peter Piper Pizza venue offers various pizzas, wings, appetizers, salads and desserts, as well as certain gluten-free options. It also serves soft drinks, coffee and tea, along with beer and wine in some locations. Peter Piper Pizza venues also offer lunch buffet options with unlimited pizza, salad, breadsticks and dessert.

(Source: 10-K)

Employees: 20,000 (as of 12/28/2014) Incorporated: 4/30/1980 Federal Tax Id: 480905805

Credit Score History

[Why are these scores different?](#) **FRISK® Score Analysis**

Score/ Index	2019					2020							
	J	A	S	O	N	D	J	F	M	A	M	J	J
FRISK® Score*	4	3	3	3	3	3	3	1	1	1	1	1	0
DBT Index	9	9	9	9	8	9	9	8	7	7	DBT	DBT	
Z"-Score	0.22		0.1			-0.16			Z"	Z"	Z"	Z"	

*FRISK® Scores are month-end

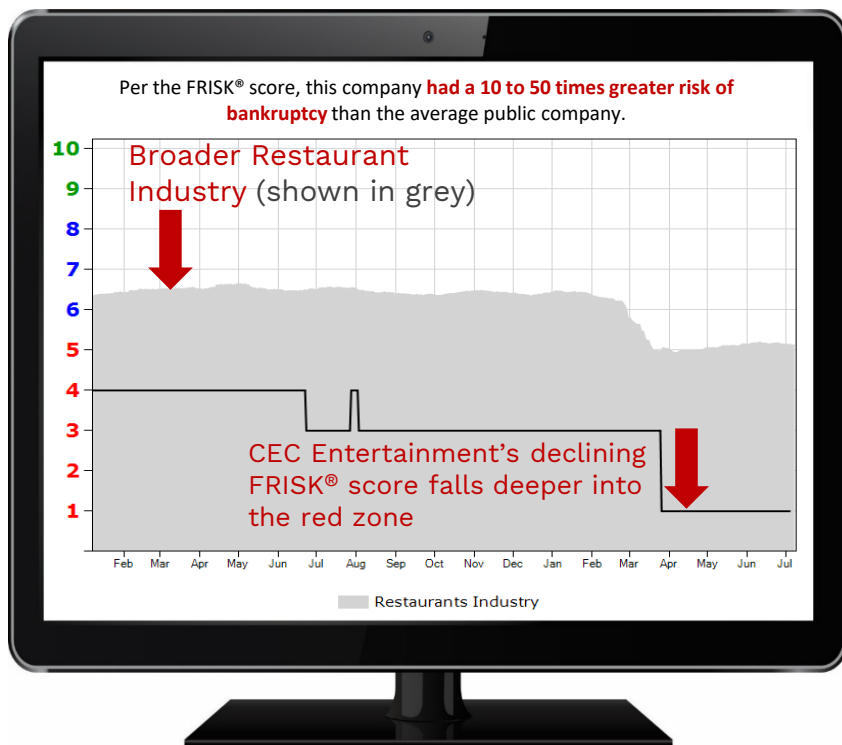
Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	W
Moody's	WR	Withdrawn	WR	C

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

FRISK® DEEP DIVE



The FRISK® score relative to the broader Restaurant industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

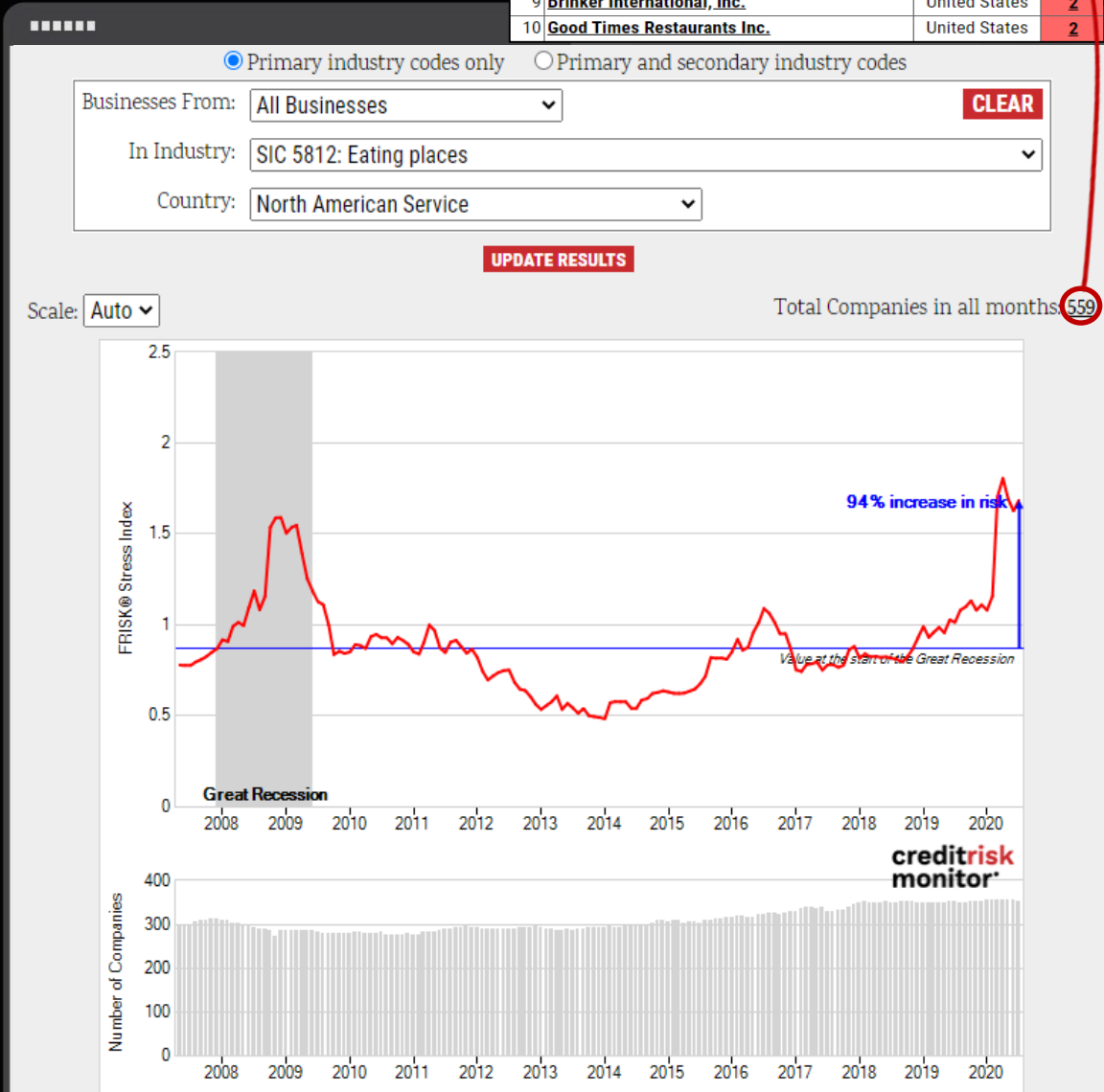
The Restaurant industry's average FRISK® score would decline from over "6" to a "5" heading into the spring of 2020, representing an aggregated increase in financial risk. However, CEC Entertainment exhibited a 10 to 50 times greater risk of bankruptcy compared to the average restaurant as shown by its bottom-rung FRISK® score of "1."

CEC Entertainment's FRISK® score computation primarily utilized the input factors of financial statement ratios, bond agency ratings, and proprietary subscriber crowdsourcing. Crowdsourcing sent a negative signal after the company released its second quarter earnings of 2019 and revealed that it would no longer be going public on the NYSE.

Since subscriber crowdsourcing data is derived from a diverse risk management user group, it effectively provides unique, real-time insight for credit assessments on public companies.

FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	Chinese Food and Beverage Group Ltd	Bermuda	2
2	CEC Entertainment Inc	United States	1
3	Bloomin' Brands Inc	United States	2
4	Potbelly Corp	United States	1
5	SPoT Coffee (Canada) Ltd	Canada	2
6	Dave & Buster's Entertainment Inc	United States	2
7	Star Buffet, Inc.	United States	1
8	Recipe Unlimited Corp	Canada	2
9	Brinker International, Inc.	United States	2
10	Good Times Restaurants Inc.	United States	2



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 5812 (Eating places) has increased 94% since 2007. CEC Entertainment was among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Peer Group: 3099	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	716	861	-0.16	-11,909.84	2.23	1,216.82
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	36	77	206,782	0	157,096	141,671,000
Gross Margin % Of Sales	299	879	53.96	-814.29	40.07	282.29
Gross Margin % Of Sales -- TTM	295	890	56.68	-430.52	41.27	100.00
SGA % Of Sales	583	871	40.56	0.00	28.09	2,747.34
SGA % Of Sales -- TTM	589	889	37.85	0.01	27.14	1,738.05
Operating Margin % Of Sales	728	903	5.03	-2,712.08	4.50	13,452.05
Operating Margin % Of Sales -- TTM	435	908				
EBITDA Margin Of Sales	300	432				
EBITDA Margin Of Sales -- TTM	254	590				
Net Profit Margin % Of Sales	762	903				
Net Profit Margin % Of Sales -- TTM	724	908				
Pre-tax Income % Of Sales	781	903				
Effective Tax Rate	543	874				
Depreciation % Of Prop/Plant/Equipment	381	828				
Capital Expense % Of Prop/Plant/Equipment	268	527				
Interest Coverage	316	384	0.56	-646.45	6.49	7,031.75
Interest Coverage -- TTM	441	547	1.67	-177.16	6.69	23,047.18
Liquidity ratios:						
Cash Ratio	613	866	0.20	0.00	0.40	23.58
Quick Ratio	644	833	0.36	-1.58	0.72	54.13
Current Ratio	714	866	0.61	0.00	1.18	58.17
Efficiency ratios:						
Accounts Receivable Turnover	231	873	35.26	-420.11	15.85	4,833.23
Days Sales Outstanding	270	903				
% of Inventory Financed by Vendors	459	736				
% of Inventory Financed by Vendors -- TTM	442	773				
Inventory Turnover	444	872				
Inventory Turnover -- TTM	411	873				
Days Sales in Inventory	447	856				
Inventory to Working Capital	622	831				
Accounts Payable Turnover	326	800				
Accounts Payable Turnover -- TTM	297	905				
Leverage & debt coverage:						
Total Debt to Equity Ratio	730	773	4.41	0.00	0.56	293.80
Debt to Tangible Equity Ratio		707		0.00	0.58	2,476.59
Total Debt to Assets Ratio	621	806	0.44	0.00	0.26	508.89
Short-Term Debt % of Total Debt	25	773	0.89	0.00	33.91	100.00
Short-Term Debt % of Working Capital	756	780	-12.74	-7,237.28	3.05	10,903.11
Liabilities to Net Worth Ratio		770		0.00	1.06	4,362.08
Total Liabilities to Equity Ratio	809	837	8.91	0.00	1.07	477.62
TTM EBITDA to Total Debt	376	546	0.15	-170.06	0.27	6,646.81
Net Debt to TTM EBITDA	412	486	6.23	-57.29	2.10	106.74

Rank	Company Name
1	Chuy's Holdings Inc
2	Shake Shack Inc
3	The Habit Restaurants, Inc.
4	Potbelly Corp
5	J Alexanders Holdings Inc

Rank	Company Name
1	The Habit Restaurants, Inc.
2	Madison Square Garden Entertainment Corp
3	Shake Shack Inc
4	Healthcare Services Group, Inc.
5	Kura Sushi USA Inc

Green - Ranked in Upper Quartile of Peer Group	
White - Ranked in the Middle Two Quartiles of Peer Group	
Red - Ranked in Lower Quartile of Peer Group	
Orange - Confidential	
Grey - Data is Not Available	

TTM = trailing 12 months
N/A = Not Available

CEC Entertainment demonstrated bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Thin EBIT margins turn negative; net losses in four of last five quarters

Poor interest coverage ratio & marginally breakeven cumulative cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 12/29/2019	13 weeks 9/29/2019	13 weeks 6/30/2019	13 weeks 3/31/2019	13 weeks 12/30/2018
Net Sales \$	\$206,782	\$217,594	\$215,176	\$273,312	\$202,858
% change	-4.97%	1.12%	-21.27%	34.73%	-8.19%
Gross Margin \$	\$111,578	\$122,966	\$120,464	\$162,409	\$111,006
% change	-9.26%	2.08%	-25.83%	46.31%	-10.13%
% of sales	53.96%	56.51%	55.98%	59.42%	54.72%
change as % of incremental sales	n/m	103.47%	n/m	72.96%	n/m
SG&A \$	\$83,873	\$85,999	\$85,795	\$89,820	\$86,280
% change	-2.47%	0.24%	-4.48%	4.10%	-0.06%
% of sales	40.56%	39.52%	39.87%	32.86%	42.53%
change as % of incremental sales	n/m	8.44%	n/m	5.02%	n/m
Operating margin \$	(\$10,396)	\$862	\$9,258	\$48,232	\$746
% change	-1,306.03%	-90.69%	-80.81%	6,365.42%	-89.88%
% of sales	-5.03%	0.40%	4.30%	17.65%	0.37%
change as % of incremental sales	n/m	-347.23%	n/m	67.40%	n/m
EBITDA \$	\$14,159	\$25,484	\$33,376	\$72,566	\$24,662
% change	-44.44%	-23.65%	-54.01%	194.24%	-23.19%
% of sales	6.85%	11.71%	15.51%	26.55%	12.16%
change as % of incremental sales	n/m	-326.39%	n/m	67.99%	n/m
EBIT \$	(\$10,396)	\$862	\$9,258	\$48,232	\$746
% change	-1,306.03%	-90.69%	-80.81%	6,365.42%	-89.88%
% of sales	-5.03%	0.40%	4.30%	17.65%	0.37%
change as % of incremental sales	n/m	-347.23%	n/m	67.40%	n/m
Pre-tax income \$	(\$35,823)	(\$21,167)	(\$10,721)	\$28,424	(\$18,797)
% change	-69.24%	-97.43%	-137.72%	251.22%	-60.66%
% of sales	-17.32%	-9.73%	-4.98%	10.40%	-9.27%
change as % of incremental sales	n/m	-432.01%	n/m	67.02%	n/m
Net income (loss) \$	(\$26,101)	(\$15,334)	(\$8,734)	\$21,246	(\$14,230)
% change	-70.22%	-75.57%	-141.11%	249.30%	-49.99%
% of sales	-12.62%	-7.05%	-4.06%	7.77%	-7.01%
change as % of incremental sales	n/m	-272.95%	n/m	50.35%	n/m
Tax expense \$	(\$9,722)	(\$5,833)	(\$1,987)	\$7,178	(\$4,567)
Effective tax rate	27.14%	27.56%	18.53%	25.25%	24.30%
Depreciation expense \$	\$24,555	\$24,622	\$24,118	\$24,334	\$23,916
% of sales	11.87%	11.32%	11.21%	8.90%	11.79%
% of capital expenses	92.27%	93.89%	147.99%	130.45%	105.59%
% of PP&E, net (annualized)	9.32%	9.28%	9.02%	12.04%	17.68%
Capital expenditures \$	\$26,613	\$26,224	\$16,297	\$18,654	\$22,650
% change	1.48%	60.91%	-12.64%	-17.64%	16.97%
% of PP&E, net (annualized)	10.10%	9.89%	6.10%	9.23%	16.75%
% of working capital (annualized)	-274.25%	56,395.70%	554.72%	288.76%	196.85%
Interest coverage ratio	0.56	1.16	1.67	3.66	1.26
% change	-51.87%	-30.76%	-54.40%	190.32%	-25.06%
Free cash flow \$	(\$31,115)	(\$1,652)	\$4,297	\$51,824	(\$18,335)
% change	-1,783.47%	-138.45%	-91.71%	382.65%	-857.94%
Source:	10-K 3/12/2020	10-Q 11/12/2019	10-Q 8/14/2019	10-Q 5/15/2019	10-K 3/12/2019

QUARTERLY LEVERAGE RATIOS

Negative tangible net worth denoted loanable collateral was exhausted and that credit risk was high

Total liabilities to equity indicated excessive leverage when accounting for both debt and operating leases

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/29/2019	9/29/2019	6/30/2019	3/31/2019	12/30/2018
Total debt \$	\$941,880	\$967,389	\$968,251	\$969,050	\$982,121
% change	-2.64%	-0.09%	-0.08%	-1.33%	-0.11%
Stockholders' equity \$	\$213,786	\$239,897	\$255,095	\$263,788	\$242,571
% change	-10.88%	-5.96%	-3.30%	8.75%	-5.33%
Total debt to equity ratio	4.41	4.03	3.80	3.67	4.05
% change	9.25%	6.24%	3.32%	-9.27%	5.51%
Tangible net worth \$	(\$739,358)	(\$713,759)	(\$699,073)	(\$690,892)	(\$718,952)
% change	-3.59%	-2.10%	-1.18%	3.90%	-1.82%
Total assets \$	\$2,119,549	\$2,199,314	\$2,213,808	\$2,228,113	\$1,666,165
% change	-3.63%	-0.65%	-0.64%	33.73%	-1.18%
Total debt to assets ratio	0.44	0.44	0.44	0.43	0.59
% change	1.02%	0.57%	0.57%	-26.23%	1.10%
Tangible assets \$	\$1,166,405	\$1,245,658	\$1,259,640	\$1,273,433	\$704,642
% change	-6.36%	-1.11%	-1.08%	80.72%	-2.64%
Short-term debt \$	\$8,410	\$8,403	\$8,377	\$8,335	\$8,277
% change	0.08%	0.31%	0.50%	0.70%	0.52%
Short-term debt % of total debt	0.89%	0.87%	0.87%	0.86%	0.84%
% change	2.80%	0.39%	0.59%	2.05%	0.63%
Short-term debt % of working capital	-12.74%	-72.44%	69.97%	72.28%	20.62%
% change	82.42%	-203.53%	-3.20%	250.63%	29.94%
Total liabilities \$	\$1,905,763	\$1,959,417	\$1,958,713	\$1,964,325	\$1,423,594
% change	-2.74%	0.04%	-0.29%	37.98%	-0.44%
Total liabilities to equity ratio	8.91	8.17	7.68	7.45	5.87
% change	9.14%	6.37%	3.11%	26.88%	5.17%
Total debt to EBITDA ratio (annualized)	16.63	9.49	7.25	3.34	9.96
% change	75.24%	30.85%	117.24%	-66.47%	30.05%
Source:			10-Q 8/14/2019	10-Q 5/15/2019	10-K 3/12/2019

Total debt to EBITDA was highly elevated, offering limited capacity to deleverage

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital fell into a deficit

Quick and current ratios declined

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/29/2019	9/29/2019	6/30/2019	3/31/2019	12/30/2018
Current assets \$	\$104,775	\$167,700	\$181,211	\$176,348	\$146,732
% change	-37.52%	-7.46%	2.76%	20.18%	-8.15%
% of short-term debt	1,245.84%	1,995.72%	2,163.20%	2,115.75%	1,772.77%
Current liabilities \$	\$170,805	\$179,300	\$169,239	\$164,817	\$106,582
% change	-4.74%	5.94%	2.68%	54.64%	-1.17%
Working capital \$	(\$66,030)	(\$11,600)	\$11,972	\$11,531	\$40,150
% change	-469.22%	-196.89%	3.82%	-71.28%	-22.64%
% of sales (annualized)	-7.98%	-1.33%	1.39%	1.05%	4.95%
Cash \$	\$34,771	\$105,059	\$113,636	\$112,030	\$63,170
% change	-66.90%	-7.55%	1.43%	77.35%	-25.18%
% of short-term debt	413.45%	1,250.26%	1,356.52%	1,344.09%	763.20%
Cash ratio	0.20	0.59	0.67	0.68	0.59
% change	-65.25%	-12.75%	-1.21%	14.68%	-24.29%
Quick assets \$	\$61,113	\$125,635	\$134,312	\$132,777	\$87,190
% change	-51.36%	-6.46%	1.16%	52.28%	-15.62%
% of short-term debt	726.67%	1,495.12%	1,603.34%	1,593.01%	1,053.40%
Quick ratio	0.36	0.70	0.79	0.81	0.82
% change	-48.94%	-11.71%	-1.49%	-1.53%	-14.61%
Current ratio	0.61	0.94	1.07	1.07	1.38
% change	-34.42%	-12.65%	0.07%	-22.28%	-7.06%
Source:	10-K 3/12/2020	10-Q 11/12/2019	10-Q 8/14/2019	10-Q 5/15/2019	10-K 3/12/2019

Poor returns on equity and assets

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 12/29/2019	13 weeks 9/29/2019	13 weeks 6/30/2019	13 weeks 3/31/2019	13 weeks 12/30/2018
Return on equity	-10.88%	-6.01%	-3.31%	8.76%	-5.55%
% change	-81.00%	-81.55%	-137.80%	257.71%	-55.68%
Return on total assets	-1.21%	-0.69%	-0.39%	1.09%	-0.85%
% change	-73.94%	-76.68%	-136.05%	228.52%	-51.42%
Return on tangible assets	-2.16%	-1.22%	-0.69%	2.15%	-1.99%
% change	-76.80%	-77.51%	-132.10%	207.81%	-53.14%
Source:	10-K 3/12/2020	10-Q 11/12/2019	10-Q 8/14/2019	10-Q 5/15/2019	10-K 3/12/2019

ANNUAL STATEMENT OF CASH FLOWS

Net losses widened; cash flow benefited from unpaid income taxes and accrued costs

Net cash-ending balance declined to at least a five year low

Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	52 weeks 12/29/2019	52 weeks 12/30/2018	52 weeks 12/31/2017	52 weeks 1/1/2017	53 weeks 1/3/2016
			Restated 12/29/2019		
Cash Flows from Operating Activities:					
Net income	(\$28,923)	(\$20,461)	\$53,066	(\$3,667)	(\$12,510)
Depreciation/depletion	97,629	100,720	109,771	119,569	119,294
Deferred taxes	(14,510)	(8,182)	(71,875)	(15,521)	(16,748)
Non-cash Items	40,629	20,186	18,967	21,660	21,430
Changes in working capital	16,317	(5,473)	(5,632)	(3,354)	(10,853)
Total cash from operating activities	111,142	86,790	104,297	118,687	100,613
Cash Flows from Investing Activities:					
Capital expenditures	(87,788)	(79,844)	(94,201)	(99,135)	(77,836)
Other investing cash flow items, total	204	560	489	696	(355)
Total cash from investing activities	(87,584)	(79,284)	(93,712)	(98,439)	(78,191)
Cash Flows from Financing Activities:					
Financing cash flow items	(15,375)	(442)	0	4	18
Total cash dividends paid	n/a	n/a	n/a	0	(70,000)
Issuance/retirement of stock, net	0	0	1,447	n/a	n/a
Issuance/retirement of debt, net	(36,713)	(11,105)	(6,477)	(10,099)	(11,617)
Total cash from financing activities	(52,088)	(11,547)	(5,030)	(10,095)	(81,599)
Foreign exchange effects	(2)	50	466	216	(1,163)
Net change in cash	(28,532)	(3,991)	6,021	10,369	(60,340)
Net cash-beginning balance	63,321	67,312	61,291	50,654	110,994
Net cash-ending balance	\$34,789	\$63,321	\$67,312	\$61,023	\$50,654
Supplemental Disclosures:					
Cash interest paid	\$77,315	\$72,966	\$64,675	\$64,614	\$73,255
Cash taxes paid, supplemental	(\$7,264)	\$1,054	\$7,136	\$10,728	\$13,346
Auditor/Opinion:	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified	Deloitte & Touche LLP Unqualified
Source:	10-K 3/12/2020	10-K 3/12/2019	10-K 3/12/2020	10-K 3/16/2017	10-K 3/2/2016

NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p>CEC Entertainment's FRISK® score was downgraded to a "3" from a "4," which reflected a higher probability of bankruptcy over the next 12 months. The score shifted lower based on negative assessments derived from subscriber crowdsourcing activity, as risk professionals became increasingly concerned about the company's financial sustainability.</p>		
06/23/2019	CRMZ News Service	CEC Entertainment Inc.: FRISK® score downgraded to 3
<p>Q2 2019 filing – a net loss of nearly \$9 million was reported. Working capital also declined compared to the end of the previous year following a decrease in accounts receivable and buildup of accrued expenses and accounts payable, including amounts due to retail trade and manufacturing vendors.</p>		
08/27/2019	CRMZ News Service	CEC Entertainment Inc.: updated financials available
<p>CEC Entertainment entered into a new credit agreement, which carried a springing covenant. The initial applicable margin on the term loan would bare an interest rate of 6.5% plus LIBOR, or an effective 8%. This rate would be higher than secured borrowing costs for most other franchise restaurants.</p>		
09/05/2019	CRMZ News Service	CEC Entertainment Inc. files (8-K0 Disclosing Entry into a Material Definitive Agreement
<p>Q3 2019 filing – net losses of \$15 million increased by 61.6% compared to the previous year's net loss of \$9.5 million. Working capital also fell into a deficit, primarily due to declining cash and short-term investments on top of a sequential drop off in prepaid expenses.</p>		
11/26/2019	CRMZ News Service	CEC Entertainment Inc.: updated financials available
<p>Moody's downgraded CEC Entertainment to Caa1, reduced its speculative grade liquidity rating from SGL-2 to SGL-3, and switched the ratings outlook from stable to negative. Due to the coronavirus outbreak, store closures would cause a pronounced decline in operating performance. Moody's analyst team determined that interest coverage would likely fall below 1.0x.</p>		
03/25/2020	Moody's Investors Service	Moody's downgrades CEC Entertainment to Caa1; outlook negative.
<p>CEC Entertainment announced that a board member, Mr. Aronzon, would be appointed to lead a special committee designed to explore restructuring and financing opportunities. Two other directors were also brought onto the restructuring committee. Together, they would evaluate various strategic actions, including but not limited to refinancing, debt exchanges, asset sales, and bankruptcy, among other potential transactions.</p>		
04/10/2020	CRMZ News Service	CEC Entertainment Inc. files (8-K) Disclosing Results of Operations and Financial Condition, Change in Directors or Principal Officers
<p>CEC Entertainment filed for Chapter 11 in the U.S. Bankruptcy Court for the Southern District of Texas. Management determined that COVID-19 was the primary cause for the filing as comparable store sales declined 21.9% in the first quarter. Counterparties that would be subject the largest haircut in the fallout would be its unsecured bondholders, landlords, and trade creditors.</p>		
06/25/2020	Reuters America	Chuck E. Cheese Parent files for Chapter 11 amid coronavirus crisis

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