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# Q1 2025 EARNINGS SUPPLEMENT

MAY 8, 2025

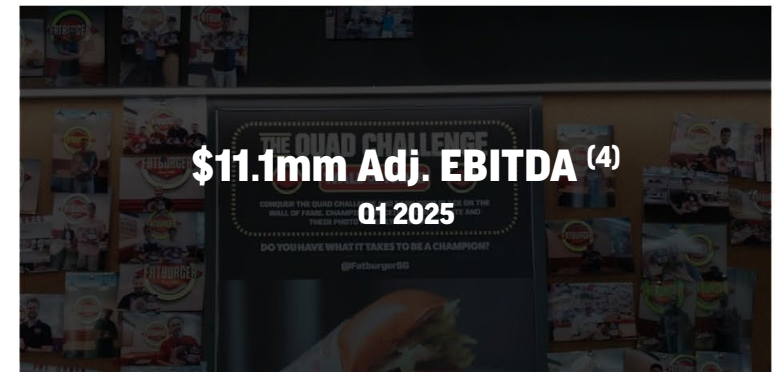
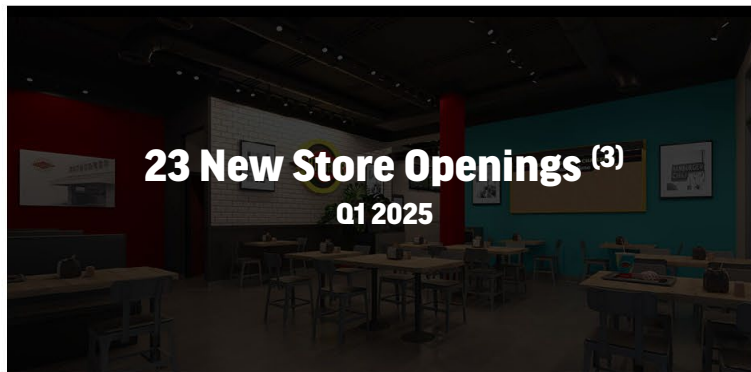
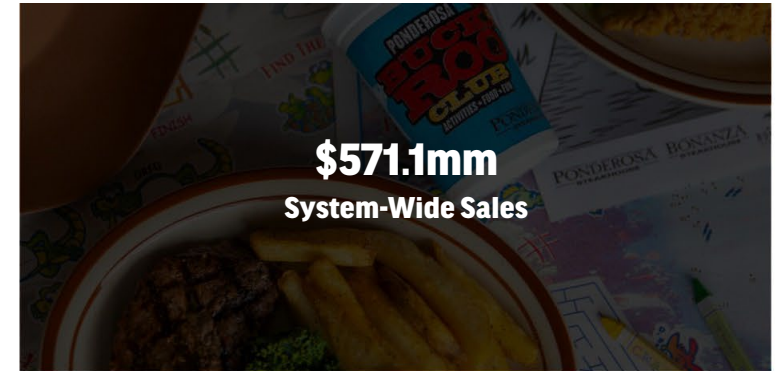
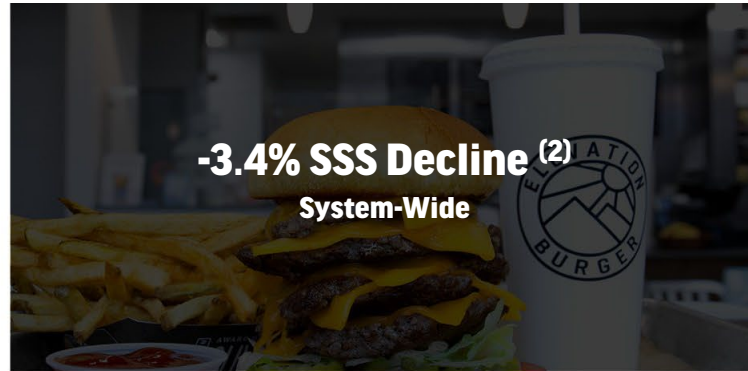
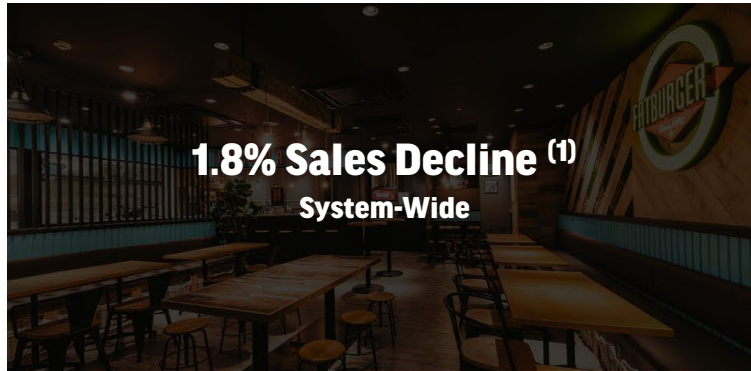


# LEGAL DISCLAIMER

This earnings supplement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the future financial and operating results of the Company, estimates of future EBITDA, the timing and performance of new store openings, future reductions in cost of capital and leverage ratio, our ability to conduct future accretive acquisitions and our pipeline of new store locations. Forward-looking statements generally use words such as “expect,” “foresee,” “anticipate,” “believe,” “project,” “should,” “estimate,” “will,” “plans,” “forecast,” and similar expressions, and reflect our expectations concerning the future. Forward-looking statements are subject to significant business, economic and competitive risks, uncertainties and contingencies, many of which are difficult to predict and beyond our control, which could cause our actual results to differ materially from the results expressed or implied in such forward-looking statements. We refer you to the documents that we file from time to time with the Securities and Exchange Commission, such as our reports on Form 10-K, Form 10-Q and Form 8-K, for a discussion of these and other risks and uncertainties that could cause our actual results to differ materially from our current expectations and from the forward-looking statements contained in this earnings supplement. We undertake no obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of this earnings supplement.



# Q1 2025 HIGHLIGHTS



- (1) System-wide sales growth reflects the percentage change in sales in any given fiscal period compared to the prior fiscal period for all stores in that brand only when the brand is owned by FAT Brands. Because of acquisitions, new store openings and store closures, the stores open throughout both fiscal periods being compared may be different from period to period.
- (2) Same-store sales growth reflects the change in year-over-year sales for the comparable store base, which we define as the number of stores open and in the FAT Brands system for at least one full fiscal year. For stores that were temporarily closed, sales in the current and prior period are adjusted accordingly. Given our focused marketing efforts and public excitement surrounding each opening, new stores often experience an initial start-up period with considerably higher than average sales volumes, which subsequently decrease to stabilized levels after three to six months. Additionally, when we acquire a brand, it may take several months to integrate fully each location of said brand into the FAT Brands platform. Thus, we do not include stores in the comparable base until they have been open and in the FAT Brands system for at least one full fiscal year.
- (3) New store openings reflects the number of stores opened during a particular reporting period. The total number of new stores per reporting period and the timing of store openings has, and will continue to have, an impact on our results.
- (4) EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We use the term EBITDA, as opposed to income from operations, as it is widely used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to business performance. EBITDA is not a measure of our financial performance or liquidity that is determined in accordance with generally accepted accounting principles ("GAAP"), and should not be considered as an alternative to net income (loss) as a measure of financial performance or cash flows from operations as measures of liquidity, or any other performance measure derived in accordance with GAAP. Adjusted EBITDA is defined as EBITDA (as defined above), excluding expenses related to acquisitions, refranchising gain or losses, impairment charges, and certain non-recurring or non-cash items that the Company does not believe directly reflect its core operations and may not be indicative of the Company's recurring business operations. A reconciliation of net income presented in accordance with GAAP to EBITDA and adjusted EBITDA is set forth in the Appendix.



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# Q1 2025 RESULTS

## Royalties



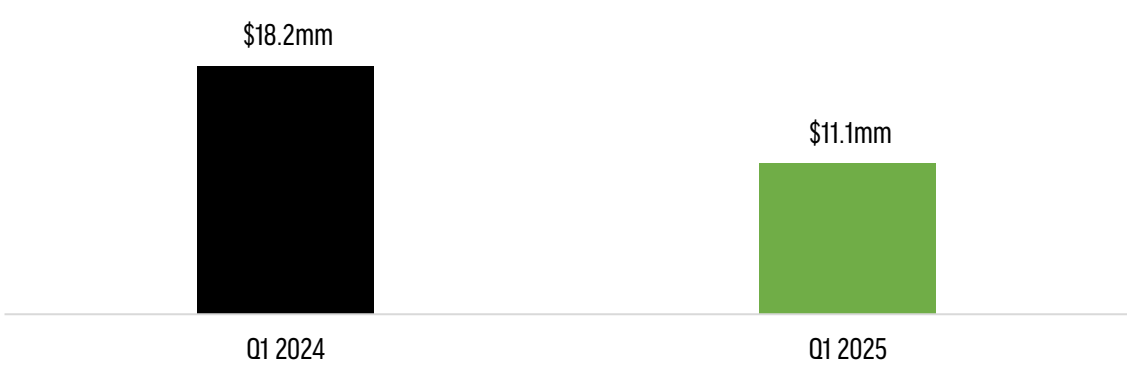
## Revenue



## Systemwide Sales



## Adj. EBITDA <sup>(1)</sup>




(1) EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We use the term EBITDA, as opposed to income from operations, as it is widely used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to business performance. EBITDA is not a measure of our financial performance or liquidity that is determined in accordance with generally accepted accounting principles ("GAAP"), and should not be considered as an alternative to net income (loss) as a measure of financial performance or cash flows from operations as measures of liquidity, or any other performance measure derived in accordance with GAAP. Adjusted EBITDA is defined as EBITDA (as defined above), excluding expenses related to acquisitions, refranchising gain or losses, impairment charges, and certain non-recurring or non-cash items that the Company does not believe directly reflect its core operations and may not be indicative of the Company's recurring business operations. A reconciliation of net income presented in accordance with GAAP to EBITDA and adjusted EBITDA is set forth in the Appendix.


# 2025 STRATEGIC FOCUS



**Accelerate  
Build-Out of 1,000+  
Unit New Store Pipeline**



**Maintain  
Strong  
Liquidity**



**Grow Factory Production  
to Utilize ~60% Excess Capacity via  
Expanded Organic Channels  
& 3rd Party Dough & Mix  
Manufacturing**



**Drive Adj. EBITDA Growth  
~\$10mm from New Stores  
~\$5mm from Factory**



**Continue to Build  
Net Asset Value  
for Future Liquidity  
(Debt Reduction) Event**



**Re-franchise Fazoli's  
57 Company-Owned  
Restaurants**



# APPENDIX



# DEFINITIONS

**“EBITDA,” a non-GAAP measure,** defined as earnings before interest, taxes, depreciation and amortization. We use the term EBITDA, as opposed to income from operations, as it is widely used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to business performance. EBITDA is not a measure of our financial performance or liquidity that is determined in accordance with generally accepted accounting principles (“GAAP”) and should not be considered as an alternative to net income (loss) as a measure of financial performance or cash flows from operations as measures of liquidity, or any other performance measure derived in accordance with GAAP. A reconciliation of net income presented in accordance with GAAP to EBITDA and adjusted EBITDA is set forth in the Appendix.

**“Adjusted EBITDA,” a non-GAAP measure,** defined as EBITDA (as defined above), excluding expenses related to acquisitions, refranchising gain or losses, impairment charges, and certain non-recurring or non-cash items that the Company does not believe directly reflect its core operations and may not be indicative of the Company’s recurring business operations. A reconciliation of net income presented in accordance with GAAP to EBITDA and adjusted EBITDA is set forth in the Appendix.

**“Adjusted net loss,” a non-GAAP measure,** defined as net loss plus the impact of adjustments and the tax effects of such adjustments. Adjusted net loss is presented because we believe it helps convey supplemental information to investors regarding our performance, excluding the impact of special items that affect the comparability of results in past quarters to expected results in future quarters. Adjusted net loss as presented may not be comparable to other similarly titled measures of other companies, and our presentation of adjusted net loss should not be construed as an inference that our future results will be unaffected by excluded or unusual items. Our management uses this non-GAAP financial measure to analyze changes in our underlying business from quarter to quarter based on comparable financial results. Reconciliations of net loss attributable to FAT Brands Inc. presented in accordance with GAAP to EBITDA, adjusted EBITDA and adjusted net loss are set forth in the Appendix.

**“Same-store sales growth” or “SSS” a non-GAAP measure,** reflects the change in year-over-year sales for the comparable store base, which we define as the number of stores open and in the FAT Brands system for at least one full fiscal year. For stores that were temporarily closed, sales in the current and prior period are adjusted accordingly. Given our focused marketing efforts and public excitement surrounding each opening, new stores often experience an initial start-up period with considerably higher than average sales volumes, which subsequently decrease to stabilized levels after three to six months. Additionally, when we acquire a brand, it may take several months to integrate fully each location of said brand into the FAT Brands platform. Thus, we do not include stores in the comparable base until they have been open and in the FAT Brands system for at least one full fiscal year.

**“System-wide sales growth,” a non-GAAP measure,** reflects the percentage change in sales in any given fiscal period compared to the prior fiscal period for all stores in that brand only when the brand is owned by FAT Brands. Because of acquisitions, new store openings and store closures, the stores open throughout both fiscal periods being compared may be different from period to period.



# CONSOLIDATED STATEMENT OF OPERATIONS

## FAT Brands Inc. Consolidated Statements of Operations

(In thousands, except share and per share data)	Thirteen Weeks Ended	
	March 30, 2025	March 31, 2024
Revenue		
Royalties	\$ 21,773	\$ 21,947
Restaurant sales	99,415	105,938
Advertising fees	9,764	9,796
Factory revenues	8,811	9,474
Franchise fees	1,190	1,481
Other revenue	1,066	3,331
Total revenue	142,019	151,967
Costs and expenses		
General and administrative expense	33,043	30,005
Cost of restaurant and factory revenues	96,097	99,050
Depreciation and amortization	10,391	10,194
Refanchising (gain) loss	(22)	1,508
Advertising fees	11,076	12,592
Total costs and expenses	150,585	153,349
Loss from operations	(8,566)	(1,382)
Other (expense) income, net		
Interest expense	(31,444)	(29,623)
Interest expense related to preferred shares	(4,418)	(4,418)
Net (loss) gain on extinguishment of debt	(151)	427
Other income, net	37	204
Total other expense, net	(35,976)	(33,410)
Loss before income tax provision	(44,542)	(34,792)
Income tax provision	(1,769)	(3,524)
Net loss	(46,311)	(38,316)
Less: Net loss attributable to non-controlling interest	(342)	—
Net loss attributable to FAT Brands Inc.	\$ (45,969)	\$ (38,316)
Net loss attributable to FAT Brands Inc.	\$ (45,969)	\$ (38,316)
Dividends on preferred shares	(2,231)	(1,881)
	\$ (48,200)	\$ (40,197)
Basic and diluted loss per common share	\$ (2.73)	\$ (2.37)
Basic and diluted weighted average shares outstanding	17,632,860	16,947,400
Cash dividends declared per common share	\$ —	\$ 0.14



# CONSOLIDATED EBITDA & ADJ. EBITDA RECONCILIATION

## FAT Brands Inc. Consolidated EBITDA and Adjusted EBITDA Reconciliation

(In thousands)	Thirteen Weeks Ended	
	March 30, 2025	March 31, 2024
Net loss attributable to FAT Brands Inc.	\$ (45,969)	\$ (38,316)
Interest expense, net	35,862	34,041
Income tax provision	1,769	3,524
Depreciation and amortization	10,391	10,194
EBITDA	2,053	9,443
Bad debt expense	230	168
Share-based compensation expenses	367	745
Non-cash lease expenses	341	630
Refranchising (gain) loss	(22)	1,508
Litigation costs	6,864	3,807
Severance	—	22
Net loss related to advertising fund deficit	569	2,282
Net loss (gain) on extinguishment of debt	151	(427)
Pre-opening expenses	517	28
Adjusted EBITDA	\$ 11,069	\$ 18,207

# ADJUSTED NET LOSS RECONCILIATION

## FAT Brands Inc. Adjusted Net Loss Reconciliation

(In thousands, except share and per share data)	Thirteen Weeks Ended	
	March 30, 2025	March 31, 2024
Net loss attributable to FAT Brands Inc.	\$ (45,969)	\$ (38,316)
Refranchising (gain) loss	(22)	1,508
Net loss (gain) on extinguishment of debt	151	(427)
Litigation costs	6,864	3,807
Severance	—	22
Tax adjustments, net (1)	278	497
Adjusted net loss	<u>\$ (38,698)</u>	<u>\$ (32,909)</u>
Net loss	\$ (45,969)	\$ (38,316)
Dividends on preferred shares	(2,231)	(1,881)
	<u>\$ (48,200)</u>	<u>\$ (40,197)</u>
Adjusted net loss	\$ (38,698)	\$ (32,908)
Dividends on preferred shares	(2,231)	(1,881)
	<u>\$ (40,929)</u>	<u>\$ (34,789)</u>
Loss per basic and diluted share	\$ (2.73)	\$ (2.37)
Adjusted net loss per basic and diluted share	\$ (2.32)	\$ (2.05)
Weighted average basic and diluted shares outstanding	17,632,860	16,947,400

(1) Reflects the tax impact of the adjustments using the effective tax rate for the respective periods.





# CONTACT

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## INVESTOR RELATIONS:

### ICR

MICHELLE MICHALSKI  
IR-FATBRANDS@ICRINC.COM  
646-277-1224

## MEDIA RELATIONS:

### FAT BRANDS

ERIN MANDZIK  
EMANDZIK@FATBRANDS.COM  
860-212-6509

