

Q1 2025

SUPPLEMENTAL INFORMATION

May 6, 2025



**FIRST
WATCH**

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES



FORWARD LOOKING STATEMENTS

In addition to historical information, this presentation may contain a number of “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995, which are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different from the statements made herein. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to any historical or current facts. These statements may include words such as “aim,” “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “future,” “intend,” “outlook,” “potential,” “project,” “projection,” “plan,” “seek,” “may,” “could,” “would,” “will,” “should,” “can,” “can have,” “likely,” the negatives thereof and other similar expressions. You should evaluate all forward-looking statements made in this presentation in the context of the risks and uncertainties disclosed in our filings with the Securities and Exchange Commission (the “SEC”), accessible on the SEC’s website at www.sec.gov and the Investors Relations section of the Company’s website at <https://investors.firstwatch.com/financial-information/sec-filings>. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the following: our vulnerability to changes in consumer preferences and economic conditions such as inflation and recession; uncertainty regarding the Russia-Ukraine war, the Israel-Hamas war and the related impact on macroeconomic conditions, including inflation, as a result of such conflicts or other related events; our vulnerability to changes in economic conditions and consumer preferences; our inability to successfully open new restaurants or establish new markets; our inability to effectively manage our growth; potential negative impacts on sales at our and our franchisees’ restaurants as a result of our opening new restaurants; a decline in visitors to any of the retail centers, lifestyle centers, or entertainment centers where our restaurants are located; lower than expected same-restaurant sales growth; unsuccessful marketing programs and limited time new offerings; changes in the cost of food; unprofitability or closure of new restaurants or lower than previously experienced performance in existing restaurants; our inability to compete effectively for customers; unsuccessful financial performance of our franchisees; our limited control over our franchisees’ operations; our inability to maintain good relationships with our franchisees; conflicts of interest with our franchisees; the geographic concentration of our system-wide restaurant base in the southeast portion of the United States; damage to our reputation and negative publicity; our inability or failure to recognize, respond to and effectively manage the accelerated impact of social media; our limited number of suppliers and distributors for several of our frequently used ingredients and shortages or disruptions in the supply or delivery of such ingredients; information technology system failures or breaches of our network security; our failure to comply with federal and state laws and regulations relating to privacy, data protection, advertising and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection, advertising and consumer protection; our potential liability with our gift cards under the property laws of some states; our failure to enforce and maintain our trademarks and protect our other intellectual property; litigation with respect to intellectual property assets; our dependence on our executive officers and certain other key employees; our inability to identify, hire, train and retain qualified individuals for our workforce; our failure to obtain or to properly verify the employment eligibility of our employees; our failure to maintain our corporate culture as we grow; unionization activities among our employees; employment and labor law proceedings; labor shortages or increased labor costs or health care costs; risks associated with leasing property subject to long-term and non-cancelable leases; risks related to our sale of alcoholic beverages; costly and complex compliance with federal, state and local laws; changes in accounting principles applicable to us; our vulnerability to natural disasters, unusual weather conditions, pandemic outbreaks, political events, war and terrorism; our inability to secure additional capital to support business growth; our level of indebtedness; failure to comply with covenants under our credit facility; and the interests of our largest stockholder may differ from those of public stockholders.

The forward-looking statements included in this presentation are made only as of the date hereof and are expressly qualified in their entirety by these cautionary statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

NON-GAAP FINANCIAL MEASURES (UNAUDITED)

To supplement the consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), we use the following non-GAAP measures, which present operating results on an adjusted basis: (i) Adjusted EBITDA, (ii) Adjusted EBITDA margin, (iii) Restaurant level operating profit and (iv) Restaurant level operating profit margin. Our presentation of these non-GAAP measures includes isolating the effects of some items that are either nonrecurring in nature or have no meaningful correlation to our ongoing core operating performance. These supplemental measures of performance are not required by or presented in accordance with GAAP. Management believes these non-GAAP measures provide investors with additional visibility into our operations, facilitate analysis and comparisons of our ongoing business operations because they exclude items that may not be indicative of our ongoing operating performance, help to identify operational trends and allow for greater transparency with respect to key metrics used by Management in our financial and operational decision making. Our non-GAAP measures may not be comparable to similarly titled measures used by other companies and have important limitations as analytical tools. These non-GAAP measures should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP as they may not provide a complete understanding of our performance. These non-GAAP measures should be reviewed in conjunction with our consolidated financial statements prepared in accordance with GAAP.

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities.

GOOD MORNING!

We are First Watch.

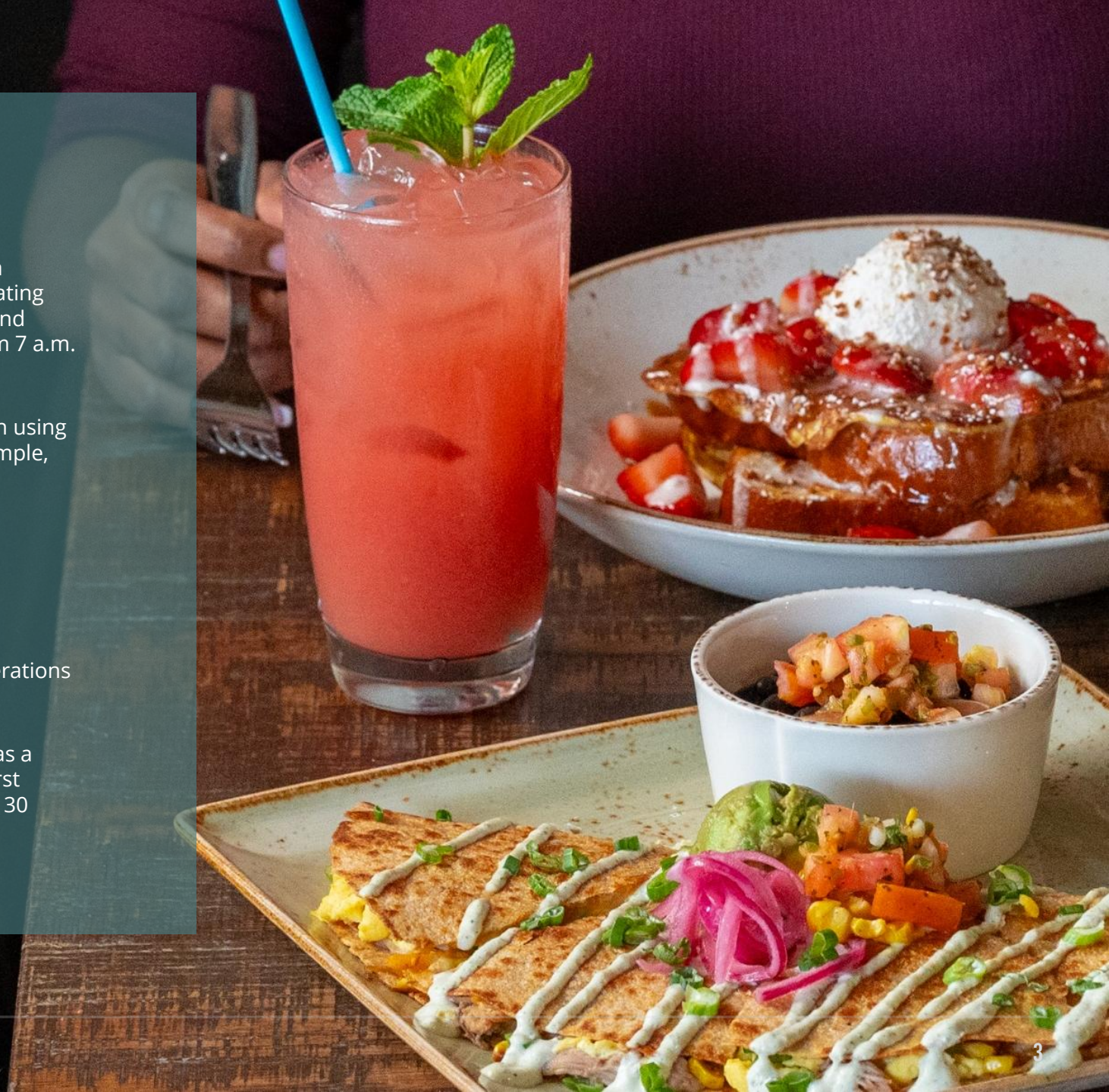
We're the leaders of the **Daytime Dining** category – a segment comprised of culinary-driven concepts operating exclusively during daytime hours. Our performance and successes are achieved during *one* 7½-hour shift, from 7 a.m. to 2:30 p.m.

We serve **made-to-order** breakfast, brunch and lunch using fresh ingredients, and our culture is built around a simple, people-focused mission: "You First."

Our **elevated offering** capitalizes on three long-term consumer trends: the attractive breakfast daypart, an increasing demand for fresh, healthy food and the heightened importance of on-demand dining.

We appeal to a **broad mix of customers** across generations from Gen Z to Baby Boomers.

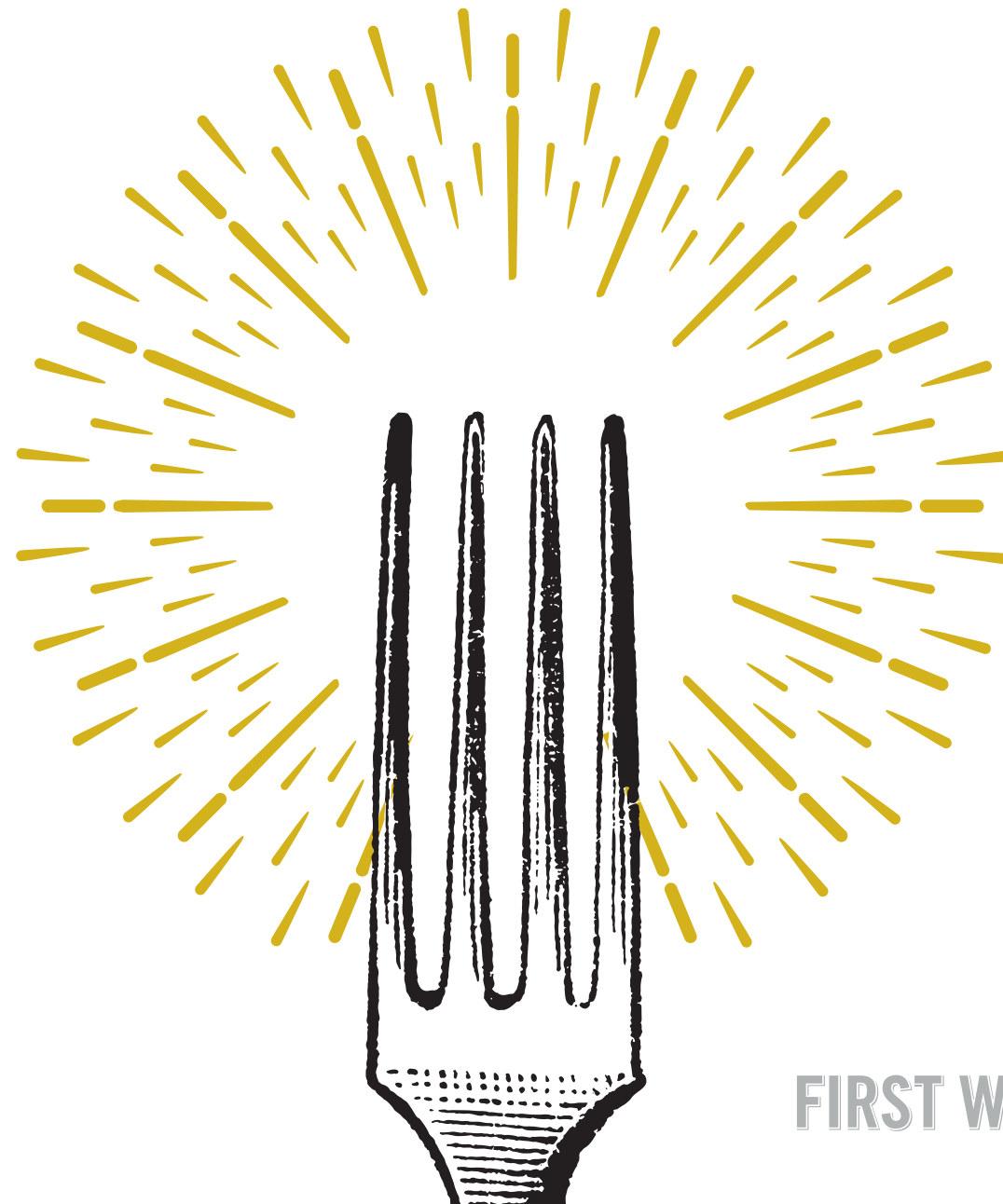
Since 1983, we have delivered sales and unit growth as a result of our broad brand appeal. At the end of the first quarter, we operated 584 system-wide restaurants in 30 states, and we believe we're just getting started.





Q1 2025

PERFORMANCE & COMMENTARY



FIRST WATCH[®]

Q1 2025 HIGHLIGHTS



Q1 2025 highlights compared to Q1 2024:

- Total revenues increased 16.4% to \$282.2 million in Q1 2025 from \$242.4 million in Q1 2024
- System-wide sales increased 11.5% to \$323.0 million in Q1 2025 from \$289.6 million in Q1 2024
- Same-restaurant sales growth of 0.7%
- Same-restaurant traffic growth of negative 0.7%
- Income from operations margin decreased to 0.4% in Q1 2025 from 5.1% in Q1 2024
- Restaurant level operating profit margin* decreased to 16.5% in Q1 2025 from 20.8% in Q1 2024
- Net income (loss) of \$(0.8) million, or \$(0.01) per diluted share, in Q1 2025 from \$7.2 million, or \$0.12 per diluted share, in Q1 2024
- Adjusted EBITDA* decreased to \$22.8 million in Q1 2025 from \$28.6 million in Q1 2024
- Opened 13 system-wide restaurants in 10 states, 1 closure, resulting in a total of 584 system-wide restaurants (498 company-owned and 86 franchise-owned) across 30 states

**See Non-GAAP Financial Measures Reconciliations section below.*

"First quarter same restaurant traffic results are encouraging and continued the trends we experienced exiting 2024, demonstrating both the strength and the resilience of the First Watch brand.

Additionally, the continuing success from our new restaurant openings serves as a significant long-term value creator. Despite the uncertainty present in the coming macroeconomic environment, both the 2024 and 2025 NRO classes continue to exceed expectations, and our development pipeline for the remainder of the year and beyond remains robust."

Chris Tomasso,
First Watch CEO and President





PARMESAN PROSCIUTTO TOAST

Thick-cut, griddled artisan sourdough topped with thinly shaved Volpi prosciutto, scrambled cage-free eggs, Monterey Jack, freshly grated Parmesan, lemon-dressed arugula and roasted garlic aioli. Served with a cup of fresh fruit.



CARNE ASADA HASH

Thinly slice carne asada, crumbled chorizo and diced red bell peppers in a potato hash topped with two cage-free eggs any style, Cheddar and Monterey Jack, housemade pico de gallo, fresh avocado, shaved radish, cilantro and jalapeño crema. Served with two warm wheat-corn tortillas.



RASPBERRY RICOTTA FRENCH TOAST

Thick-cut, custard-dipped challah bread griddled and topped with fresh raspberries, whipped lemon ricotta cream, raspberry purée and spiced gingerbread cookie crumbles. Lightly dusted with powdered cinnamon sugar.



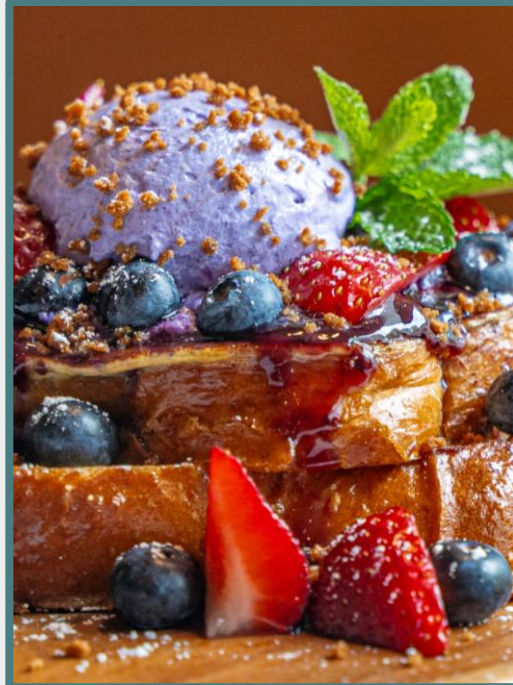
BLUE BOOSTER

Fresh juice featuring blueberry, Fuji Apple, lemon and basil.



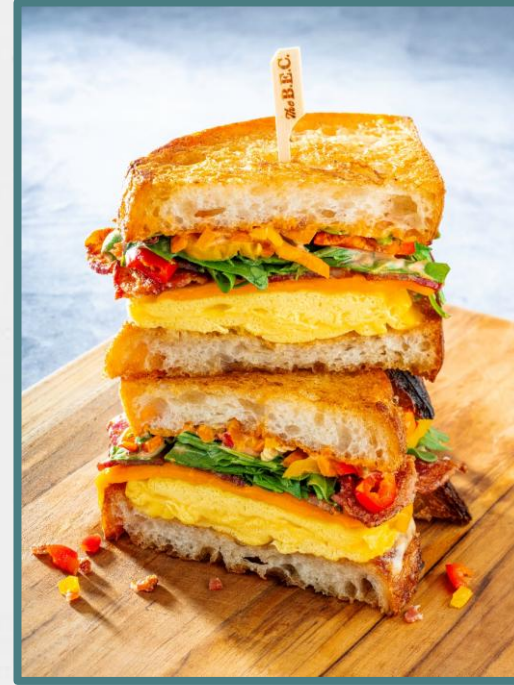
BACON CHEDDAR CORNBREAD

Freshly baked cornbread with Cheddar and Monterey Jack, bacon and scallions. Topped with house-whipped honey butter.



WILD BERRY LAVENDER FRENCH TOAST

Thick-cut, custard-dipped challah bread griddled and topped with fresh strawberries and blueberries, warm mixed berry compote, lavender whipped cream, spiced gingerbread cookie crumbles and mint. Lightly dusted with powdered cinnamon sugar.



THE B.E.C.

Bacon. Egg. Cheddar. First Watch's twist on a traditional breakfast sandwich — hardwood smoked bacon, folded cage-free eggs, aged Cheddar, house-pickled sweet peppers and arugula with Calabrian chili aioli and roasted garlic aioli on griddled artisan sourdough bread. Served with lemon-dressed organic mixed greens.



PINEAPPLE EXPRESS

Fresh juice featuring pineapple, orange, coconut water, lime and agave with a mint crystal rim.

OUTLOOK FOR FISCAL YEAR 2025



Based upon first quarter results and current trends, the Company updated the following guidance metrics for the 52-week fiscal year ending December 28, 2025:

- Adjusted EBITDA⁽¹⁾ in the range of \$114.0 million to \$119.0 million⁽²⁾
- Blended tax rate of 45.0%-50.0%

The Company confirmed the following guidance metrics for the 52-week fiscal year ending December 28, 2025:

- Same-restaurant sales growth percentage in the positive low-single digits with flat-to-slightly positive same-restaurant traffic growth percentage
- Total revenue growth of ~20.0%⁽²⁾
- Total of 59 to 64 new system-wide restaurants, net of 3 company-owned restaurant closures (55 to 58 new company-owned restaurants and 7 to 9 new franchise-owned restaurants).
- Capital expenditures in the range of \$150.0 million to \$160.0 million invested primarily in new restaurant projects and planned remodels⁽³⁾

(1) We have not reconciled guidance for Adjusted EBITDA to the corresponding GAAP financial measure because we do not provide guidance for the various reconciling items. We are unable to provide guidance for these reconciling items because we cannot determine their probable significance, as certain items are outside of our control and cannot be reasonably predicted due to the fact that these items could vary significantly from period to period. Accordingly, a reconciliation to the corresponding GAAP financial measure is not available without unreasonable effort.

(2) Includes net impact of approximately 4.0% in total revenue growth and approximately \$7.0 million in Adjusted EBITDA associated with completed and announced acquisitions.

(3) Does not include the capital outlays associated with the acquisition of franchise-owned restaurants.



CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)



The following table summarizes our results of operations and the percentages of items in our Consolidated Statements of Operations in relation to Total revenues or, where indicated, Restaurant sales for fiscal years 2024, 2023, 2022, the thirteen weeks ended March 30, 2025 and thirteen weeks ended March 31, 2024:

	THIRTEEN WEEKS ENDED			THIRTEEN WEEKS ENDED			FISCAL YEAR					
(in thousands)	March 30, 2025			March 31, 2024			2024		2023		2022	
Revenues												
Restaurant sales	\$	279,591	99.1%	\$	239,308	98.7%	\$ 1,004,355	98.9%	\$ 877,092	98.4%	\$ 719,181	98.5%
Franchise revenues		2,649	0.9%		3,141	1.3%	11,555	1.1%	14,459	1.6%	10,981	1.5%
Total revenues		282,240	100.0%		242,449	100.0%	1,015,910	100.0%	891,551	100.0%	730,162	100.0%
Operating costs and expenses												
Restaurant operating expenses (1) (exclusive of depreciation and amortization shown below):												
Food and beverage costs		66,647	23.8%		52,184	21.8%	223,097	22.2%	197,374	22.5%	172,561	24.0%
Labor and other related expenses		96,754	34.6%		79,735	33.3%	335,038	33.4%	294,010	33.5%	238,257	33.1%
Other restaurant operating expenses		44,259	15.8%		36,792	15.4%	151,968	15.1%	134,477	15.3%	114,476	15.9%
Occupancy expenses		23,149	8.3%		19,168	8.0%	82,694	8.2%	68,400	7.8%	59,919	8.3%
Pre-opening expenses		2,660	1.0%		1,567	0.7%	10,109	1.0%	7,173	0.8%	5,414	0.8%
General and administrative expenses		30,219	10.7%		27,658	11.4%	113,270	11.1%	103,121	11.6%	84,959	11.6%
Depreciation and amortization		16,557	5.9%		12,271	5.1%	57,715	5.7%	41,223	4.6%	34,230	4.7%
Impairments and loss on disposal of assets		9	0.0%		119	0.0%	525	0.1%	1,359	0.2%	920	0.1%
Transaction expenses, net		873	0.3%		669	0.3%	2,587	0.3%	3,147	0.4%	2,513	0.3%
Total operating costs and expenses		281,127	99.6%		230,163	94.9%	977,003	96.2%	850,284	95.4%	713,249	97.7%
Income from operations (1)		1,113	0.4%		12,286	5.1%	38,907	3.9%	41,267	4.7%	16,913	2.4%
Interest expense		(3,334)	(1.2)%		(2,599)	(1.1)%	(12,640)	(1.2)%	(8,063)	(0.9)%	(5,232)	(0.7)%
Other income, net		684	0.2%		326	0.1%	1,759	0.2%	2,871	0.3%	910	0.1%
(Loss) income before income taxes		(1,537)	(0.5)%		10,013	4.1%	28,026	2.8%	36,075	4.0%	12,591	1.7%
Income tax benefit (expense)		708	0.3%		(2,799)	(1.2)%	(9,101)	(0.9)%	(10,690)	(1.2)%	(5,684)	(0.8)%
Net (loss) income	\$	(829)	(0.3)%	\$	7,214	3.0%	\$ 18,925	1.9%	\$ 25,385	2.8%	\$ 6,907	0.9%
Net (loss) income	\$	(829)		\$	7,214		\$ 18,925		\$ 25,385		\$ 6,907	
Other comprehensive (loss) income:												
Unrealized (loss) gain on derivatives		(883)			1,238		301		(889)		-	
Income tax related to other comprehensive (loss) income		220			(309)		(75)		222		-	
Comprehensive (loss) income	\$	(1,492)		\$	8,143		\$ 19,151		\$ 24,718		\$ 6,907	
Net (loss) income per common share - basic	\$	(0.01)		\$	0.12		\$ 0.31		\$ 0.43		\$ 0.12	
Net (loss) income per common share - diluted	\$	(0.01)		\$	0.12		\$ 0.30		\$ 0.41		\$ 0.11	
Weighted average number of common shares outstanding - basic		60,767,401			60,012,790		60,365,393		59,531,404		59,097,512	
Weighted average number of common shares outstanding - diluted		60,767,401			62,476,379		62,351,222		61,191,613		60,140,045	

(1) As a percentage of restaurant sales

SELECTED OPERATING DATA



	THIRTEEN WEEKS	THIRTEEN WEEKS	FISCAL YEAR		
	March 30, 2025	March 31, 2024	2024	2023	2022
Operating weeks	13	13	52	53	52
System-wide restaurants	584	531	572	524	474
Company-owned	498	432	489	425	366
Franchise-owned	86	99	83	99	108
System-wide sales (in thousands)	\$322,999	\$289,581	\$1,184,469	\$1,103,089	\$914,816
Same-restaurant sales growth (1)	0.7%	0.5%	(0.5)%	7.6%	14.5%
Same-restaurant traffic growth (1)	(0.7%)	(4.5%)	(4.0)%	0.2%	7.7%
AUV (in thousands)*			\$2,204	\$2,250	\$2,032
Income from operations (in thousands)	\$1,113	\$12,286	\$38,907	\$41,267	\$16,913
Income from operations margin	0.4%	5.1%	3.9%	4.7%	2.4%
Restaurant level operating profit (in thousands) (2)	\$46,122	\$49,862	\$201,761	\$175,658	\$128,936
Restaurant level operating profit margin (2)	16.5%	20.8%	20.1%	20.0%	17.9%
Net (loss) income (in thousands)	(\$829)	\$7,214	\$18,925	\$25,385	\$6,907
Net (loss) income margin	(0.3)%	3.0%	1.9%	2.8%	0.9%
Adjusted EBITDA (in thousands) (3)	\$22,753	\$28,590	\$113,836	\$99,483	\$69,278
Adjusted EBITDA margin (3)	8.1%	11.8%	11.2%	11.2%	9.5%

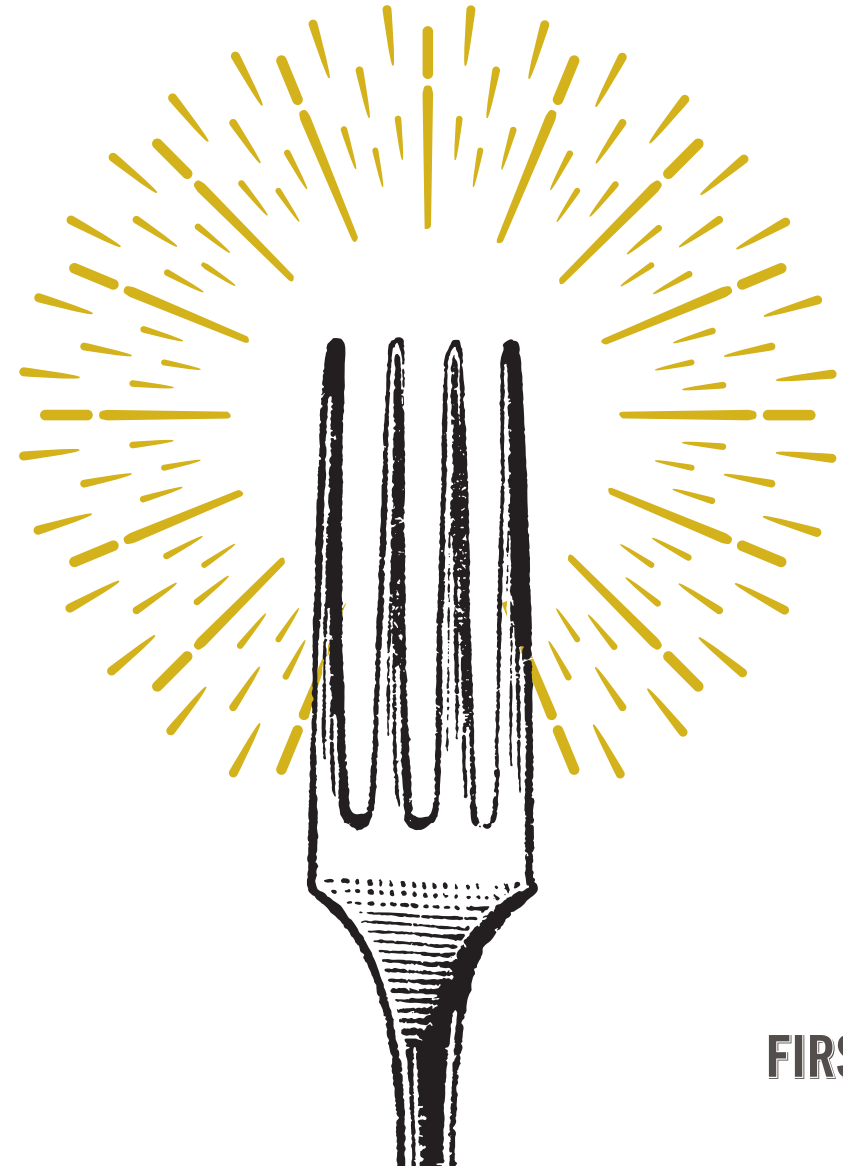
*Average unit volume presented on an annual basis only.

(1) Comparing the 52-week period ended December 29, 2024 with the 52-week period ended December 31, 2023 in order to compare like-for-like periods. See "Key Performance Indicators" for additional information.

(2) Reconciliations from Income from operations and Income from operations margin, the most comparable GAAP measures to Restaurant level operating profit and Restaurant level operating profit margin, are set forth in the schedules within the Non-GAAP Financial Measure Reconciliations section below.

(3) Reconciliations from Net (loss) income and Net (loss) income margin, the most comparable GAAP measures to Adjusted EBITDA and Adjusted EBITDA margin, are set forth in the schedules within the Non-GAAP Financial Measure Reconciliations section below.

APPENDIX



FIRST WATCH

ATTRACTIVE NEW UNIT ECONOMICS, FLEXIBLE SIZE, WORKS EVERYWHERE



Year 3
Avg Sales⁽¹⁾



Year 3
Restaurant-Level
Operating Profit⁽¹⁾

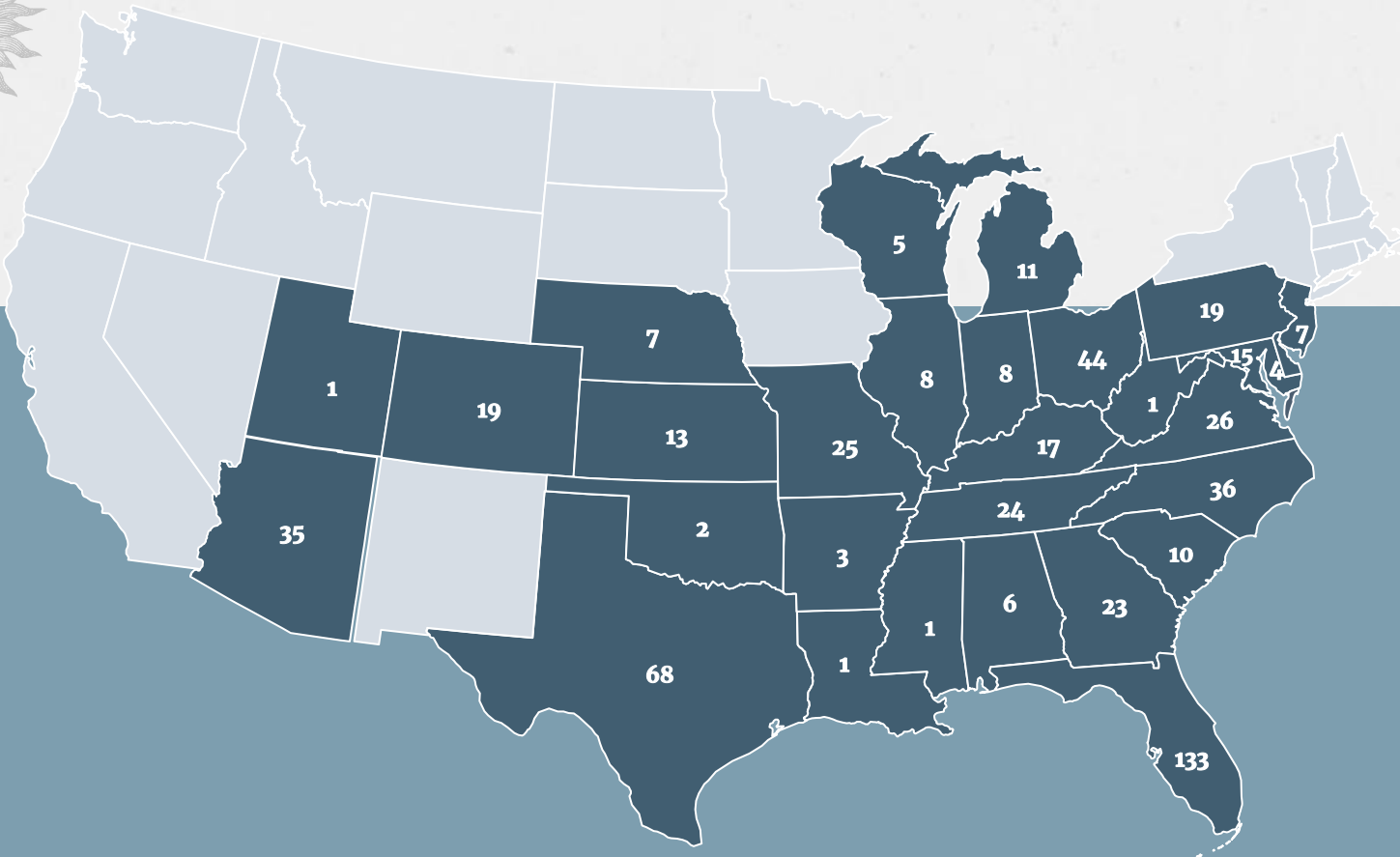


Year 3
Cash-On-Cash
Returns^{(1) (2)}



IRR⁽³⁾

SYSTEM-WIDE RESTAURANT COUNT BY STATE AS OF 2024 YEAR END



Our flexible box size of ~3,800–6,600 sq ft with an average net build-out cost of ~\$1.75M allows us to fit in any real estate and supports visibility to 2,200 restaurants

- Demonstrated success of rapid unit growth
- 14.5% system-wide unit CAGR from 2014-2024
- 572 locations across the U.S. at the 2024 year end
- Proven portability with restaurants in our top decile spanning 14 states and 22 DMAs

(1) Representative of our target 3-year new units performance, which is comparable to the historical 3-year performance of our new restaurants. (2) Cash-on-Cash Return is defined as Restaurant Level Operating Profit (excluding gift card breakage and deferred rent expense (income)) in the third year of operation (months 25-36 of operation) for company-owned restaurants divided by their cash build-out expenses, net of landlord incentives. (3) The Internal Rate of Return (IRR) is the annual growth rate that makes the net present value (NPV) of all cash flows from the investment zero. IRR represents the minimum yearly return needed for the investment in a new restaurant location to break even over the lease term. Note: Restaurant counts represent system-wide restaurants. AUV metrics by state is for Company-Owned restaurants only, representing trailing 12 months as of the end of Q4 2024.

FLORIDA
133
\$2.3M AUV

TEXAS
68
\$2.2M AUV

OHIO
44
\$2.2M AUV

ARIZONA
35
\$2.4M AUV

MISSOURI
25
\$2.3M AUV



Same-Restaurant Sales & Traffic Growth

	2025		2024					2023				
	Q1	YTD	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Same-Restaurant Sales Growth	0.7%	0.7%	0.5%	(0.3%)	(1.9%)	(0.3%)*	(0.5%)*	12.9%	7.8%	4.8%	5.0%	7.6%
Same-Restaurant Traffic Growth (Decline)	(0.7%)	(0.7%)	(4.5%)	(4.0%)	(4.4%)	(3.0%)*	(4.0%)*	5.1%	(1.2%)	(1.9%)	(1.3%)	0.2%
Comparable Restaurant Base	383	383	344	344	344	344	344	328	327	327	327	327

*Comparison to the 13-weeks and 52-weeks ended December 31, 2023, is provided for enhanced comparability.

Pre-opening Expenses**

	2025		2024				2023				
	Q1	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Other restaurant operating expenses	\$ 1,443	\$ 957	\$ 928	\$ 828	\$ 2,971	\$ 5,684	\$ 654	\$ 643	\$ 1,122	\$ 1,956	\$ 4,375
Occupancy expenses	1,217	610	900	1,559	1,356	4,425	382	609	913	894	2,798
Total Pre-opening expenses	\$ 2,660	\$ 1,567	\$ 1,828	\$ 2,387	\$ 4,327	\$ 10,109	\$ 1,036	\$ 1,252	\$ 2,035	\$ 2,850	\$ 7,173

** Pre-opening expenses are presented in one line item on the Consolidated Statements of Operations and Comprehensive Income (Loss)

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS



Adjusted EBITDA and Adjusted EBITDA margin

Management uses Adjusted EBITDA and Adjusted EBITDA margin (i) as factors in evaluating management's performance when determining incentive compensation, (ii) to evaluate the Company's operating results and the effectiveness of our business strategies, (iii) internally as benchmarks to compare the Company's performance to that of its competitors and (iv) to provide investors with additional transparency of the Company's operations. The use of Adjusted EBITDA and Adjusted EBITDA margin as performance measures permit a comparative assessment of the Company's operating performance relative to the Company's performance based on the Company's GAAP results, while isolating the effects of some items that are either nonrecurring in nature or vary from period to period without any correlation to the Company's ongoing core operating performance.

The adjacent table reconciles Net income (loss) and Net income (loss) margin, the most directly comparable GAAP measures, to Adjusted EBITDA and Adjusted EBITDA margin, respectively, for the periods indicated.

(in thousands)	THIRTEEN WEEKS	THIRTEEN WEEKS	FISCAL YEAR		
	March 30, 2025	March 31, 2024	2024	2023	2022
Net (loss) income	(\$829)	\$7,214	\$18,925	\$25,385	\$6,907
Depreciation and amortization	16,557	12,271	57,715	41,223	34,230
Interest expense	3,334	2,599	12,640	8,063	5,232
Income taxes	(708)	2,799	9,101	10,690	5,684
EBITDA	18,354	24,883	98,381	85,361	52,053
Strategic costs ⁽¹⁾	1,234	235	1,843	892	2,318
Loss on extinguishment and modification of debt	-	428	428	-	-
Stock-based compensation ⁽²⁾	2,259	1,866	8,525	7,604	10,374
Delaware Voluntary Disclosure Agreement Program ⁽³⁾	24	8	126	1,250	149
Transaction expenses, net ⁽⁴⁾	873	669	2,587	3,147	2,513
Impairments and loss on disposal of assets ⁽⁵⁾	9	119	525	1,359	920
Recruiting and relocation costs ⁽⁶⁾	-	204	888	465	681
Severance costs ⁽⁷⁾	-	178	204	26	155
Insurance proceeds in connection with natural disasters, net ⁽⁸⁾	-	-	329	(621)	115
Adjusted EBITDA	22,753	\$28,590	113,836	\$99,483	\$69,278
Total revenues	\$282,240	\$242,449	\$1,015,910	\$891,551	\$730,162
Net (loss) income margin	(0.3)%	3.0%	1.9%	2.8%	0.9%
Adjusted EBITDA margin	8.1%	11.8%	11.2%	11.2%	9.5%
Additional information					
Deferred rent expense ⁽⁹⁾	\$185	\$343	\$1,318	\$2,090	\$2,418

- (1) Represents costs related to process improvements and strategic initiatives. These costs are recorded within General and administrative expenses on the Consolidated Statements of Operations and Comprehensive Income (Loss).
- (2) Represents non-cash, stock-based compensation expense which is recorded within General and administrative expenses on the Consolidated Statements of Operations and Comprehensive Income (Loss).
- (3) Represents professional service costs incurred in connection with the Delaware Voluntary Disclosure Agreement Program related to unclaimed or abandoned property. These costs are recorded in General and administrative expenses on the Consolidated Statements of Operations and Comprehensive Income (Loss).
- (4) Represents costs incurred in connection with the acquisition of franchise-owned restaurants, secondary offering costs and, in 2024, an offsetting gain on release of contingent consideration liability and expenses related to debt.
- (5) Represents costs related to the disposal of assets due to retirements, replacements or certain restaurant closures. There were no impairments recognized during the periods presented.
- (6) Represents costs incurred for hiring qualified individuals. These costs are recorded within General and administrative expenses on the Consolidated Statements of Operations and Comprehensive Income (Loss).
- (7) Severance costs are recorded in General and administrative expenses on the Consolidated Statements of Operations and Comprehensive Income (Loss).
- (8) Represents costs incurred in connection with hurricane damage. The costs include inventory spoilage and labor costs, which were recorded in Food and beverage costs and Labor and other related expenses, respectively, on the Consolidated Statements of Operations and Comprehensive Income (Loss).
- (9) Represents the non-cash portion of straight-line rent expense recorded within both Occupancy expenses and General and administrative expenses on the Consolidated Statements of Operations and Comprehensive Income (Loss).

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS



Restaurant level operating profit and Restaurant level operating profit margin

Restaurant level operating profit and Restaurant level operating profit margin are not indicative of our overall results, and because they exclude corporate-level expenses, do not accrue directly to the benefit of our stockholders. We will continue to incur such expenses in the future. Restaurant level operating profit and Restaurant level operating profit margin are important measures we use to evaluate the performance and profitability of each operating restaurant, individually and in the aggregate and to make decisions regarding future spending and other operational decisions. We believe that Restaurant level operating profit and Restaurant level operating profit margin provide useful information about our operating results, identify operational trends and allow for transparency with respect to key metrics used by us in our financial and operational decision-making.

The adjacent table reconciles Income (Loss) from operations and Income (Loss) from operations margin, the most directly comparable GAAP financial measures, to Restaurant level operating profit and Restaurant level operating profit margin, respectively, for the periods indicated.

(in thousands)	THIRTEEN WEEKS	THIRTEEN WEEKS	FISCAL YEAR		
	March 30, 2025	March 31, 2024	2024	2023	2022
Income from operations	\$1,113	\$12,286	\$38,907	\$41,267	\$16,913
Less: Franchise revenues	(2,649)	(3,141)	(11,555)	(14,459)	(10,981)
Add:					
General and administrative expenses	30,219	27,658	113,270	103,121	84,959
Depreciation and amortization	16,557	12,271	57,715	41,223	34,230
Transaction expenses, net ⁽¹⁾	873	669	2,587	3,147	2,513
Impairments and loss on disposal of assets ⁽²⁾	9	119	525	1,359	920
Costs in connection with natural disasters ⁽³⁾	-	-	312	-	382
Restaurant level operating profit	\$46,122	\$49,862	\$201,761	\$175,658	\$128,936
Restaurant sales	\$279,591	\$239,308	\$1,004,355	\$877,092	\$719,181
Income from operations margin	0.4%	5.1%	3.9%	4.7%	2.4%
Restaurant level operating profit margin	16.5%	20.8%	20.1%	20.0%	17.9%
Additional information					
Deferred rent expense ⁽⁴⁾	\$135	\$293	\$1,119	\$1,891	\$2,219

(1) Represents costs incurred in connection with the acquisition of franchise-owned restaurants, secondary offering costs and, in 2024, an offsetting gain on release of contingent consideration liability and expenses related to debt.

(2) Represents costs related to the disposal of assets due to retirements, replacements or certain restaurant closures. There were no impairments recognized during the periods presented.

(3) Represents costs incurred in connection with hurricane damage. The costs include inventory spoilage and labor costs, which were recorded in Food and beverage costs and Labor and other related expenses, respectively, on the Consolidated Statements of Operations and Comprehensive Income (Loss).

(4) Represents the non-cash portion of straight-line rent expense recorded within Occupancy expenses on the Consolidated Statements of Operations and Comprehensive Income (Loss).



The following definitions apply to these terms as used in this presentation:

Adjusted EBITDA: a non-GAAP financial measure, is defined as net income (loss) before depreciation and amortization, interest expense, income taxes and items that the Company does not consider in the evaluation of its ongoing core operating performance.

Adjusted EBITDA margin: a non-GAAP financial measure, is defined as Adjusted EBITDA as a percentage of total revenues.

Average Unit Volume: the total restaurant sales (excluding gift card breakage) recognized in the comparable restaurant base, which is defined as the number of company-owned First Watch branded restaurants open for 18 months or longer as of the beginning of the fiscal year ("Comparable Restaurant Base"), divided by the number of restaurants in the Comparable Restaurant Base during the period. This measurement allows management to assess changes in consumer spending patterns at our restaurants and the overall performance of our restaurant base.

Restaurant level operating profit: a non-GAAP financial measure, is defined as restaurant sales, less restaurant operating expenses, which include food and beverage costs, labor and other related expenses, other restaurant operating expenses, pre-opening expenses and occupancy expenses. Restaurant level operating profit excludes corporate-level expenses and items that are not considered in the Company's evaluation of its ongoing core operating performance.

Restaurant level operating profit margin: a non-GAAP financial measure, is defined as Restaurant level operating profit as a percentage of restaurant sales.

Same-restaurant sales growth: the percentage change in year-over-year restaurant sales (excluding gift card breakage) for the comparable restaurant base, which we define as the number of company-owned First Watch branded restaurants open for 18 months or longer as of the beginning of the fiscal year ("Comparable Restaurant Base"). For the thirteen weeks ended March 30, 2025 and March 31, 2024, there were 383 restaurants and 344 restaurants, respectively, in our Comparable Restaurant Base. Measuring our same-restaurant sales growth allows management to evaluate the performance of our existing restaurant base. We believe this measure is useful for investors to provide a consistent comparison of restaurant sales results and trends across periods within our core, established restaurant base, unaffected by results of store openings, closings, and other transitional changes.

Same-restaurant traffic growth: the percentage change in traffic counts as compared to the same period in the prior year using the Comparable Restaurant Base. Measuring our same-restaurant traffic growth allows management to evaluate the performance of our existing restaurant base. We believe this measure is useful for investors because an increase in same-restaurant traffic provides an indicator as to the development of our brand and the effectiveness of our marketing strategy.

System-wide restaurants: the total number of restaurants, including all company-owned and franchise-owned restaurants.

System-wide sales: consists of restaurant sales from our company-owned restaurants and franchise-owned restaurants. We do not recognize the restaurant sales from our franchise-owned restaurants as revenue.

For more information, visit investors.firstwatch.com or email investors@firstwatch.com



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