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RAVE Restaurant Group, Inc. Reports Third Quarter 2024 Results

DALLAS, TX / ACCESSWIRE / May 2, 2024 / [RAVE Restaurant Group, Inc.](#) (NASDAQ:RAVE) today reported financial results for the third quarter of fiscal 2024 ended March 24, 2024.



RAVE Restaurant Group Logo
RAVE Logo for Pie Five and Pizza Inn

Third Quarter Highlights:

- The Company recorded net income of \$0.7 million for the third quarter of fiscal 2024 compared to net income of \$0.3 million for the same period of the prior year.
- Income before taxes increased 95.2% to \$0.9 million for the third quarter of fiscal 2024 compared to the same period of the prior year.
- Total revenue remained stable at \$3.0 million for the third quarter of fiscal 2024 compared to the same period of the prior year.
- Adjusted EBITDA increased by \$0.2 million to \$0.8 million for the third quarter of fiscal 2024 compared to the same period of the prior year.
- On a fully diluted basis, net income increased by \$0.02 to \$0.04 per share for the third quarter of fiscal 2024 compared to the same period of the prior year.
- Pizza Inn domestic comparable store retail sales decreased slightly by 1.9% in the third quarter of fiscal 2024 compared to the same period of the prior year. In the prior

year third quarter, comparable store sales were up 15.6% from the third quarter of 2022.

- Pie Five domestic comparable store retail sales decreased 6.4% in the third quarter of fiscal 2024 compared to the same period of the prior year. In the prior year third quarter, comparable store sales were up 8.4% from the third quarter of 2022.
- Cash and cash equivalents were \$6.3 million on March 24, 2024.
- Pizza Inn domestic unit count finished at 104.
- Pizza Inn international unit count finished at 21.
- Pie Five domestic unit count finished at 23.

"Following a strong first half of the year, we've hit our 16th consecutive quarter of profitability with steady same-store sales at both Pizza Inn and Pie Five in Q3," said Brandon Solano, Chief Executive Officer of RAVE Restaurant Group, Inc. "This fiscal quarter, we restructured our executive team with some of the industry's most well-respected and results-driving talent, further elevating the caliber of our overall team, while at the same time realizing significant savings in employee-related expenses."

"We are proud of our Q3 performance over the past three years. Over the past two years, same-store sales have increased by 13.7% at Pizza Inn and by 1.7% at Pie Five, and in the last three years, Q3 same-store sales grew 36.5% and 23.1% at Pizza Inn and Pie Five, respectively. We are pleased to report growth in RAVE's total overall Q3 sales, profit and net income as compared to the same period last year," Solano continued. "Through the first three quarters of the current fiscal year, we have matched the \$1.6 million in net income that the company delivered in all four quarters combined in the prior fiscal year. This is a testament to the dedication of our team and the effectiveness of our financial strategies, positioning us for sustained growth and shareholder value."

On reimagining, Solano noted, "We are steadfast in our commitment to continue expanding our reimagining and marketing programs. As of the end of quarter three, we have 12 Pizza Inn restaurants set to begin the reimage process, in addition to the five sites that are already in progress or completed. This program embodies our determination to invest in our long-term success, as we expect to see double-digit same-store sales increases once completed."

Newly hired Chief Financial Officer Jay Rooney added, "I am very excited and feel fortunate to join the incredible RAVE team at this time when we are focused on right-sizing expenses to grow the bottom line. To generate over \$1 million in operating cash this quarter was truly impressive. Equally exciting is the company's commitment to revitalizing and growing sales through reimagining existing restaurants and opening new franchised restaurants. The middle of the P&L is solid and the top line has tremendous growth potential."

Non-GAAP Financial Measures

The Company's financial statements are prepared in accordance with United States generally accepted accounting principles ("GAAP"). However, the Company also presents and discusses certain non-GAAP financial measures that it believes are useful to investors as measures of operating performance. Management may also use such non-GAAP financial measures in evaluating the effectiveness of business strategies and for planning and budgeting purposes. However, these non-GAAP financial measures should not be viewed as an alternative or substitute for its financial statements prepared in accordance with generally accepted accounting principles.

The Company considers EBITDA and Adjusted EBITDA to be important supplemental measures of operating performance that are commonly used by securities analysts, investors and other parties interested in our industry. The Company believes that EBITDA is helpful to investors in evaluating its results of operations without the impact of expenses affected by financing methods, accounting methods and the tax environment. The Company believes that Adjusted EBITDA provides additional useful information to investors by excluding non-operational or non-recurring expenses to provide a measure of operating performance that is more comparable from period to period. Management also uses these non-GAAP financial measures for evaluating operating performance, assessing the effectiveness of business strategies, projecting future capital needs, budgeting and other planning purposes.

"EBITDA" represents earnings before interest, taxes, depreciation and amortization. "Adjusted EBITDA" represents earnings before interest, taxes, depreciation and amortization, stock compensation expense, severance, gain/loss on sale of assets, costs related to impairment and other lease charges, franchise default and closed store revenue/expense, and closed and non-operating store costs. A reconciliation of these non-GAAP financial measures to net income is included with the accompanying financial statements.

Note Regarding Forward-Looking Statements

Certain statements in this press release, other than historical information, may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbors created thereby. These forward-looking statements are based on current expectations that involve numerous risks, uncertainties and assumptions. Assumptions relating to these forward-looking statements involve judgments with respect to, among other things, the effectiveness of our cost-cutting measures, the timing to complete as well as the continued returns on our reimaging initiatives, the strength of our development pipeline, as well as future economic, competitive and market conditions, regulatory framework and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of RAVE Restaurant Group, Inc. Although the assumptions underlying these forward-looking statements are believed to be reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that any forward-looking statements will prove to be accurate. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of such information should not be regarded as a representation that the objectives and plans of RAVE Restaurant Group, Inc. will be achieved.

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