



RAVE Restaurant Group, Inc. Reports Fourth Quarter Update and Year End Financial Results

September 26, 2024

DALLAS, TX / ACCESSWIRE / September 26, 2024 / RAVE Restaurant Group, Inc. (NASDAQ:RAVE) today reported financial results for the fourth quarter and fiscal year ended June 30, 2024.

Fourth Quarter Highlights:

- The Company recorded net income of \$0.9 million for the fourth quarter of fiscal 2024 compared to net income of \$0.6 million for the same period of the prior year.
- Income before taxes increased by \$0.4 million to \$1.2 million for the fourth quarter of fiscal 2024 compared to the same period of the prior year.
- Total revenue increased by \$0.3 million to \$3.4 million for the fourth quarter of fiscal 2024 compared to the same period of the prior year.
- Adjusted EBITDA increased by \$0.2 million to \$1.2 million for the fourth 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 \$0.06 per share for the fourth quarter of fiscal 2024 compared to the same period of the prior year.
- Pizza Inn domestic comparable store retail sales decreased 1.5% in the fourth quarter of fiscal 2024 compared to the same period of the prior year.
- Pie Five domestic comparable store retail sales decreased 10.6% in the fourth quarter of fiscal 2024 compared to the same period of the prior year.
- Cash and cash equivalents were \$2.9 million on June 30, 2024.
- Short-term investments were \$4.9 million on June 30, 2024.
- Pizza Inn domestic unit count finished the quarter at 105.
- Pizza Inn international unit count finished the quarter at 24.
- Pie Five domestic unit count finished the quarter at 20.

Annual Highlights:

- Net income increased by \$0.9 million to \$2.5 million in fiscal 2024 compared to net income of \$1.6 million for fiscal 2023.
- Income before taxes increased by \$0.9 million to \$3.1 million in fiscal 2024 compared to \$2.2 million in fiscal 2023.
- Total revenue increased by \$0.3 million during fiscal 2024 to \$12.2 million at June 30, 2024.
- Adjusted EBITDA of \$3.2 million for fiscal 2024 was a \$0.5 million increase from the prior year.
- On a fully diluted basis, the Company reported net income of \$0.17 per share in fiscal 2024 compared to \$0.10 per share in the prior year.
- RAVE total domestic comparable store retail sales increased 1.4% for the year ended June 30, 2024 compared to the same period of the prior year.
- Pizza Inn domestic comparable store retail sales increased 2.3% for the year ended June 30, 2024 compared to the same period of the prior year.
- Pie Five domestic comparable store retail sales decreased 3.7% for the year ended June 30, 2024 compared to the same period of the prior year.
- Fiscal years 2024 and 2023 included 53 weeks and 52 weeks, respectively. In order to reflect comparable 53-week periods, the first week of fiscal 2024 has been included in both periods in the presentation of retail sales, average units open and comparable store retail sales.
- Cash provided by operating activities increased by \$0.1 million to \$2.7 million in fiscal 2024 compared to \$2.6 million in fiscal 2023.
- Cash and cash equivalents and short-term investments increased \$2.5 million during fiscal 2024 to \$7.8 million at June 30, 2024.

"We have wrapped up the year by hitting our 17th consecutive quarter of profitability - and what a great year it was," said Brandon Solano, Chief Executive Officer of RAVE Restaurant Group, Inc. "I could not be happier with the quality, dedication, and results of our new executive team which is now fully entrenched and driving initiatives that will position us well for the future, and at a reduced G&A expense."

"Growing the Pizza Inn brand is a priority for the team, and three key growth initiatives made significant advancements in Q4 that will positively impact future sales," continued Solano. "On reimages, we now have five stores completed, another three in progress, and expect to have over 25% of our buffet restaurants reimaged by the end of our fiscal year 2025. New restaurant openings continue to be a key focus. The fiscal year 2024 was the third consecutive year of increasing buffet restaurant count, and we have an additional 21 domestic sites contracted for development, with development agreements for nine new stores being signed since Q3. We successfully rolled out a new online ordering platform in Q4 that will greatly increase our digital business as fewer orders are now being dropped during the online ordering process, and orders from third-party delivery sites are now being integrated into our point-of-sale system."

"We are proud of our fiscal year 2024 performance. Both revenue and profit increased from fiscal year 2024, with profit before tax increasing an impressive 43.7%," said Solano. "Our financial performance is a testament to the dedication of our team and the effectiveness of our financial strategies, positioning us for sustained growth and shareholder value."

Chief Financial Officer Jay Rooney added, "Fiscal year 2024 has been outstanding with an impressive 70% year-over-year increase in diluted Earnings per Share. The \$3.1 million in profit before tax has not only driven current-year profits but has helped build an outstanding balance sheet with a \$7.8 million cash and short-term investment balance and no debt. We are very well-positioned for the future."

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 reimagining 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.

About RAVE Restaurant Group, Inc.

Dallas-based RAVE Restaurant Group (NASDAQ:RAVE) has inspired restaurant innovation and countless customer smiles with its trailblazing pizza concepts. The Company franchises, licenses and supplies Pie Five and Pizza Inn restaurants operating domestically and internationally. The Pizza Inn experience is unlike your typical buffet. Since 1958, Pizza Inn's house-made dough, house-shredded 100% whole milk mozzarella cheese, fresh ingredients and house-made signature sauce combined with friendly service solidified the brand to become America's favorite hometown pizza place. This, in addition to its small-town vibe, are the hallmarks of Pizza Inn restaurants. In 2011, RAVE introduced Pie Five Pizza, pioneering a fast-casual pizza brand that transformed the classic pizzeria into a concept offering personalization, sophisticated ingredients and speed. Pie Five's craft pizzas are baked fresh daily and feature house-made ingredients, creative recipes and craveable crust creations. For more information, visit www.raverg.com, and follow on Instagram @pizzainn and @piefivepizza.

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