

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 8, 2025

Rave Restaurant Group, Inc.
(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction of incorporation)

0-12919
(Commission File Number)

45-3189287
(IRS Employer Identification No.)

3551 Plano Parkway, The Colony, Texas
(Address of principal executive offices)

75056
(Zip Code)

Registrant's telephone number, including area code: (469) 384-5000

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common Stock, \$0.01 par value | RAVE | Nasdaq Capital Market |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On May 8, 2025, Rave Restaurant Group, Inc. issued a press release discussing financial results of its third fiscal quarter ended March 30, 2025, a copy of which is attached as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

[99.1](#) Rave Restaurant Group, Inc. press release dated May 8, 2025.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Rave Restaurant Group, Inc.

Date: May 8, 2025

By: /s/ JAY D. ROONEY
Jay D. Rooney
Chief Financial Officer
(principal financial officer)



May 8, 2025

RAVE Restaurant Group, Inc. Reports Third Quarter 2025 Results

Dallas, Texas – RAVE Restaurant Group, Inc. (NASDAQ: RAVE) today reported financial results for the third quarter of fiscal 2025 ended March 30, 2025.

Third Quarter Highlights:

- The company recorded net income of \$0.7 million for the third quarter of fiscal 2025, a 10.4% increase from the same period of the prior year.
 - Income before taxes increased by \$0.1 million to \$1.0 million for the third quarter of fiscal 2025 compared to the same period of the prior year, an 11.2% increase.
 - Total revenue was \$3.0 million for the third quarter of fiscal 2025, the same as it was in the same period of the prior year.
 - Adjusted EBITDA increased by \$0.1 million to \$1.0 million for the third quarter of fiscal 2025 compared to the same period of the prior year, a 13.2% increase.
 - On a fully diluted basis, net income per share increased by \$0.01 to \$0.05 for the third quarter of fiscal 2025 compared to \$0.04 in the same period of the prior year.
 - Pizza Inn domestic comparable store retail sales increased 2.5% in the third quarter of fiscal 2025 compared to the same period of the prior year.
 - Pie Five domestic comparable store retail sales decreased 5.6% in the third quarter of fiscal 2025 compared to the same period of the prior year.
 - Cash and cash equivalents were \$0.7 million on March 30, 2025.
 - Short-term investments were \$8.0 million on March 30, 2025.
 - Rave repurchased 500,000 shares of common stock for \$1.2 million in the third quarter.
 - Pizza Inn domestic unit count finished at 98.
 - Pizza Inn international unit count finished at 20.
 - Pie Five domestic unit count finished at 19.
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“Quarter Three represented our 20th consecutive quarter of profitability as we continue to deliver profitable operating results” said Brandon Solano, Chief Executive Officer of RAVE Restaurant Group, Inc.

“New marketing and existing strategic initiatives delivered both a strong top and bottom line in quarter three,” continued Solano. “During the third quarter, we tested a new value driven promotion called I\$8 at Pizza Inn, or as spoken ‘I ate at Pizza Inn’. The offer allows guests to dine at our buffets for \$8.00 all day on weekdays. To date, we have introduced the promotion to two stores supported by an aggressive marketing campaign and have seen year-over-year sales increases of over twenty percent. We will roll the promotion accompanied by media out to twelve additional lower to mid volume buffet stores in quarter four.”

Solano added, “We continue to build our pipeline for both new and reimaged stores. We expect to have eight to ten reimages completed by the end of the fiscal year and the reimage results continue to be very positive. Not only is the physical appearance much improved, so are sales. For the reimages completed to date, the average sales lift compared to the rest of the brand is a 7.6% increase with an average return on investment of 56%”

“The operational improvements that doubled the make-line capacity at Pie Five have resulted in sales increases in the third quarter,” reported Vice President of Operations Zack Viljoen, adding “Average wait times for guests 10th in line have dropped from 20 minutes to just 9, in-store throughput has nearly doubled, and operations are running more consistently with faster, smoother service and multiple stores set sales records during the quarter after implementing the changes.”

Chief Financial Officer Jay Rooney added, “It was great to see the fruits of the team’s labor as our initiatives delivered positive movement in same store sales. Nineteen Pizza Inn and three Pie Five restaurants had their highest sales weeks since at least 2018. Also impressive was the bottom-line growth, as we have grown pre-tax income by \$96,000 for the quarter and \$484,000 for the year to date from the same periods in the prior year.”

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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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. These, 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](https://www.instagram.com/pizzainn) and [@piefivepizza](https://www.instagram.com/piefivepizza).

Contact:

Investor Relations
RAVE Restaurant Group, Inc.
469-384-5000

RAVE RESTAURANT GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except share amounts)
(Unaudited)

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | March 30, 2025 | March 24, 2024 | March 30, 2025 | March 24, 2024 |
| REVENUES | \$ 2,966 | \$ 2,962 | \$ 8,885 | \$ 8,795 |
| COSTS AND EXPENSES | | | | |
| General and administrative expenses | 1,302 | 1,272 | 4,032 | 3,932 |
| Franchise expenses | 768 | 812 | 2,592 | 2,828 |
| Provision (recovery) for credit losses | (14) | 11 | (22) | 46 |
| Interest income | (84) | (45) | (253) | (93) |
| Depreciation and amortization expense | 44 | 58 | 140 | 170 |
| Total costs and expenses | <u>2,016</u> | <u>2,108</u> | <u>6,489</u> | <u>6,883</u> |
| INCOME BEFORE TAXES | 950 | 854 | 2,396 | 1,912 |
| Income tax expense | 228 | 200 | 541 | 319 |
| NET INCOME | <u>\$ 722</u> | <u>\$ 654</u> | <u>\$ 1,855</u> | <u>\$ 1,593</u> |
| INCOME PER SHARE OF COMMON STOCK | | | | |
| Basic | \$ 0.05 | \$ 0.04 | \$ 0.13 | \$ 0.11 |
| Diluted | \$ 0.05 | \$ 0.04 | \$ 0.13 | \$ 0.11 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING | | | | |
| Basic | 14,508 | 14,587 | 14,595 | 14,395 |
| Diluted | 14,532 | 14,737 | 14,618 | 14,546 |

RAVE RESTAURANT GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)
(Unaudited)

| | March 30, 2025 | June 30, 2024 |
|---|---------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 734 | \$ 2,886 |
| Short-term investments | 7,987 | 4,945 |
| Accounts receivable, less allowance for credit losses of \$30 and \$57, respectively | 1,221 | 1,411 |
| Notes receivable, current | 45 | 68 |
| Assets held for sale | 24 | 33 |
| Deferred contract charges, current | 21 | 26 |
| Prepaid expenses and other current assets | 216 | 167 |
| Total current assets | <u>10,248</u> | <u>9,536</u> |
| LONG-TERM ASSETS | | |
| Property and equipment, net | 147 | 182 |
| Operating lease right-of-use assets, net | 565 | 817 |
| Intangible assets definite-lived, net | 191 | 252 |
| Notes receivable, net of current portion | 86 | 79 |
| Deferred tax asset, net | 4,297 | 4,756 |
| Deferred contract charges, net of current portion | 177 | 197 |
| Total assets | <u>\$ 15,711</u> | <u>\$ 15,819</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable - trade | \$ 425 | \$ 359 |
| Accrued expenses | 600 | 915 |
| Operating lease liabilities, current | 367 | 402 |
| Deferred revenues, current | 183 | 343 |
| Total current liabilities | <u>1,575</u> | <u>2,019</u> |
| LONG-TERM LIABILITIES | | |
| Operating lease liabilities, net of current portion | 300 | 555 |
| Deferred revenues, net of current portion | 488 | 543 |
| Total liabilities | <u>2,363</u> | <u>3,117</u> |
| COMMITMENTS AND CONTINGENCIES (SEE NOTE D) | | |
| SHAREHOLDERS' EQUITY | | |
| Common stock, \$0.01 par value; authorized 26,000,000 shares; issued 25,647,171 and 25,522,171 shares, respectively; outstanding 14,211,566 and 14,586,566 shares, respectively | 256 | 255 |
| Additional paid-in capital | 37,558 | 37,563 |
| Retained earnings | 6,767 | 4,912 |
| Treasury stock, at cost | | |
| Shares in treasury: 11,435,605 and 10,935,605 respectively | (31,233) | (30,028) |
| Total shareholders' equity | <u>13,348</u> | <u>12,702</u> |
| Total liabilities and shareholders' equity | <u>\$ 15,711</u> | <u>\$ 15,819</u> |

RAVE RESTAURANT GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | Nine Months Ended | |
|---|---------------------------|---------------------------|
| | March 30, 2025 | March 24, 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 1,855 | \$ 1,593 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Amortization of discount on short-term investment | (110) | — |
| Impairment of long-lived assets and other lease charges | 9 | — |
| Stock-based compensation expense | 178 | 127 |
| Depreciation and amortization | 70 | 107 |
| Amortization of operating lease right-of-use assets | 276 | 314 |
| Amortization of definite-lived intangible assets | 61 | 63 |
| Non-cash lease expense | 19 | — |
| Provision (recovery) for credit losses | (22) | 46 |
| Deferred income tax | 459 | 247 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 212 | (239) |
| Notes receivable | (18) | (30) |
| Deferred contract charges | 25 | 20 |
| Prepaid expenses and other current assets | (49) | (227) |
| Accounts payable - trade | 66 | 150 |
| Accrued expenses | (315) | (217) |
| Operating lease liabilities | (333) | (356) |
| Deferred revenues | (215) | (267) |
| Cash provided by operating activities | 2,168 | 1,331 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of short-term investments | (12,265) | — |
| Maturities of short-term investments | 9,333 | — |
| Payments received on notes receivable | 34 | 45 |
| Proceeds from sale of assets | 9 | 1 |
| Purchase of definite-lived intangible assets | — | (8) |
| Purchase of property and equipment | (44) | (68) |
| Cash used in investing activities | (2,933) | (30) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Purchase of treasury stock | (1,205) | — |
| Taxes paid on issuance of restricted stock units | (182) | (311) |
| Cash used in financing activities | (1,387) | (311) |
| Net increase (decrease) in cash and cash equivalents | (2,152) | 990 |
| Cash and cash equivalents, beginning of period | 2,886 | 5,328 |
| Cash and cash equivalents, end of period | <u>\$ 734</u> | <u>\$ 6,318</u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION | | |
| CASH PAID FOR: | | |
| Income taxes | <u>\$ 98</u> | <u>\$ 4</u> |
| NON-CASH ACTIVITIES: | | |
| Operating lease right of use assets at purchase | <u>\$ 24</u> | <u>\$ —</u> |

RAVE RESTAURANT GROUP, INC.
ADJUSTED EBITDA
(In thousands)
(Unaudited)

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|-----------------------|--------------------------|-----------------------|
| | March 30, 2025 | March 24, 2024 | March 30, 2025 | March 24, 2024 |
| Net income | \$ 722 | \$ 654 | \$ 1,855 | \$ 1,593 |
| Interest income | (84) | (45) | (253) | (93) |
| Income taxes | 228 | 200 | 541 | 319 |
| Depreciation and amortization | 44 | 58 | 140 | 170 |
| EBITDA | <u>\$ 910</u> | <u>\$ 867</u> | <u>\$ 2,283</u> | <u>\$ 1,989</u> |
| Stock-based compensation expense | 52 | 45 | 178 | 127 |
| Severance | 7 | — | 12 | — |
| Franchisee default and closed store revenue | (16) | (70) | 7 | (152) |
| Adjusted EBITDA | <u>\$ 953</u> | <u>\$ 842</u> | <u>\$ 2,480</u> | <u>\$ 1,964</u> |