Ark Restaurants Corp. (ARKR) Q3 2025 Earnings Call Transcript

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Ark Restaurants Corp. (NASDAQ:ARKR) Q3 2025 Earnings Conference Call August 12, 2025 11:00 AM ET

Company Participants

Anthony J. Sirica - CFO, President,Treasurer & Director
Christopher Love - Corporate Participant
Secretary - Corporate Participant
Michael Weinstein - Founder, Chairman & CEO

Operator

Greetings, and welcome to the Ark Restaurants Third Quarter 2025 Results Conference Call. [Operator Instructions] As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Christopher Love, Secretary. Thank you. You may begin.

Christopher Love

Secretary

Thank you, operator. Good morning, and thank you for joining us on our conference call for the third quarter ended June 28, 2025. My name is Christopher Love, and I am the Secretary of Ark Restaurants. With me on the call today is Michael Weinstein, our Chairman and CEO; and Anthony Sirica, our President and CFO. For those of you who have not yet obtained a copy of our press release, it was issued over the newswires yesterday and is available on our website. To review the full text of that press release, along with the associated financial tables, please go to our homepage at www.arkrestaurants.com.

Before we begin, however, I'd like to read the safe harbor statement. I need to remind everyone that part of our discussion this morning will include forward-looking statements and that these statements are not guarantees of future performance and therefore, undue reliance should not be placed on them. We refer everyone to our filings with the Securities and Exchange Commission for a more detailed discussion of the risks that may have a direct bearing on our operating results, performance and financial condition. I'll now turn the call over to Anthony. Thank you.

Anthony J. Sirica

Good morning, everyone. Before Michael gets into the results of operations, I wanted to highlight a few things on the balance sheet. Our cash is $12 million at quarter end. Our debt was $3.9 million. We did extend our credit agreement during the quarter through 6/1/2028, with $20 million of capacity. With that, the balloon notes on the 3 notes that we had outstanding were extended on the same payment terms that we were paying. So 2 of those will run off in about 4 or 5 more quarterly payments. And the third one, there'll be another balloon payment in June 2028.

The other big item of note on the balance sheet, which you saw in the release was we had an additional impairment of Sequoia's leasehold improvements in right-of-use assets in the amount of $4.7 million, as stated in the release, as a result of the cash flow analysis. Other than that, the balance sheet remains strong. So I'll hand it over to Michael.

Michael Weinstein

Hi everybody. I try to address where we are in the opening paragraph of our earnings release. The individual restaurants are, for the most part, doing very, very well. Las Vegas has been strong in terms of its cash flow despite remarkable slowdown in the visitors to New York, Las Vegas strip. Robert in New York continues to do above our expectations as does Rustic in Fort Lauderdale. The rest of the restaurants are performing as we expected to perform, this despite what we consider in various areas of the country where we operate, diminution of demand in line with what a lot of restaurants have seen.

It's Florida we're told by purveyors and other restauranteurs, they were all off 15% to 20%. That's maybe a number which is exaggerated. But without a question, headcounts and visitorships to these restaurants are down. So I think under the environment that we're in, I think we're doing quite well with the restaurants. Obviously, we're not doing well with Sequoia or Bryant Park, for 2 different reasons. Sequoia in Washington, D.C., we're in Washington Harbor. The complex known as Washington Harbor, all the restaurants in Washington Harbor, and I think most of the restaurants in Washington, D.C. are suffering from an environment that's just people don't want to be out. Also the event business in Sequoia, which is a large facility, it has 1,100 seats. That business has dried up considerably I think, given the environment in Washington, D.C.

In terms of Bryant Park, we're in a litigation. We're at the very beginning of it. We're just starting discovery. And this is probably a 2- or 3-year process to see the litigation through. We're very committed to the belief that we should be the operator there, and we're going to stay the course because we think our claims are justified. With that, the only other thing going on, which is the casino license possibilities for Meadowlands, we think we're getting closer for a referendum by New Jersey legislature to permit gaming in the northern part of the state.

We think the trigger for that will be when New York state announces the 3 licenses that they are going to be obligated to give to downstate casinos in New York. Yonkers, Aqueduct will probably be 2, and there will be a third selected. And we believe that, that will be the linchpin for New Jersey to move aggressively towards countering that with a casino in the north. And we think we're in the best position to get a casino license. With that, questions?

Operator

[Operator Instructions]

Christopher Love

Secretary

No questions.

Operator

There are no questions at this time. I'd like to turn the floor back over to Michael Weinstein for closing comments.

Michael Weinstein

Thank you all for phoning in, and we'll see you next quarter. .

Anthony J. Sirica

Thank you.

Operator

This concludes today's teleconference. You may disconnect your lines at this time. Thank you for your participation.