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Ark Restaurants Corp. (ARKR) Q3 2026 Earnings Call Prepared Remarks Transcript

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Ark Restaurants Corp. (ARKR) Q3 2026 Earnings Call August 11, 2026 11:00 AM EDT

Company Participants

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

Presentation

Operator

Greetings. Welcome to Ark Restaurants' Third Quarter 2026 Earnings Conference Call. [Operator Instructions] Please note this conference is being recorded. I will now turn the conference over to 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 27, 2026. 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.

Anthony Sirica

CFO, President,Treasurer & Director

Morning, everyone. A couple of things I want to go over before we turn it over to Michael. Our cash is $9.4 million. Our debt is $7.1 million, which is up $4.5 million from the prior quarter. We drew down $5 million in June, in April, I believe it was, to finance the construction of America in Las Vegas.

Our EBITDA for 13 weeks ended June compared to the prior year was down $1.4 million. That's the result primarily of a decrease in sales and gross margin of about 6.5% without a corresponding decrease in payrolls for the quarter, which have been stubborn. A decrease in sales is generally related to two markets. Las Vegas was off 11%. That is due to lower traffic, as we all read in the news, as well as the partial closure of America, which should be fully reopening by September sometime. Florida was off 10% as well in the quarter. It continues to be a challenging local economic climate, which is resulting in lower headcounts.

Excluding updates to Bryant Park and the Meadowlands situation, which Michael will speak to, the only other item of note in the quarter is that we finalized a 2-year lease restructure at Sequoia in early July, and we expect that to provide savings of somewhere $200,000 to $300,000 a year. I'll turn it over to you.

Michael Weinstein

Founder, Chairman & CEO

Several comments before we get into the Bryant Park situation and the Meadowlands. Despite the fact that sales are off 10% or 11% at New York-New York, our cash flow has improved from last year. We have great management there. They've really become more efficient, and we just look forward to sales returning and the efficiencies to yield even better cash flow. At New York-New York, we've reached a deal with MGM Management to build a new bar. Construction on that will begin in about 2 or 3 months and should be open the early part of next year. In addition to Las Vegas, we have two potential new venues that we have been negotiating for. I think they're likely to happen, but we'll see. I'll update you next quarter.

The situation in Bryant Park, we think the litigation is going kind of well for us. There's not necessarily certainty about us renegotiating a new lease, but the judge in the last hearing did award us the right to monetary damages on a breach of lease by Bryant Park Corporation. There is a hearing to set a trial date in September. I would imagine that trial would take place the early part of next year. Monetary damages on that could be significant. That does not mean that we're necessarily going to get a new lease. That's going to be a negotiation at some point. We hope with the Parks Department and the proper people at Bryant Park Corporation, but that those monetary damages could be significant and hopefully give us an opening for a negotiation.

As far as the Meadowlands is concerned, the legislators in New Jersey did not put the referendum that we need to get voted on for a casino license on the ballot this year. The governor was not behind it, although she promised that next year she'll be behind it. She just said her agenda for this year complicated her getting behind this referendum. We're still hopeful. We think it makes a lot of sense. There were legislators who were very much in favor of it, but not enough to get the vote.

Our business in general remains the same, down overall sales 6% this quarter, cash flows sort of mirroring what they were this quarter as well. We think we're efficient at most of our places. If you look at the percentages of payroll to sales and cost of goods to sales and occupancy, you know, they're pretty much in line. We're just focusing on trying to be more efficient as best we can and make sure the product that we're serving to the customer on the plate and service is excellent. We think we're achieving that. With that, I'll take any questions.

Operator

[Operator Instructions] There are no questions at this time. I would like to turn the floor back over to Michael for closing remarks.

Michael Weinstein
Founder, Chairman & CEO

Thank you all. Speak to you next quarter. Appreciate your attendance. Thank you.

Operator

Thank you. This will conclude today's conference. You may disconnect at this time, and thank you for your participation.

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