

Seeking Alpha^α

Transcripts

Consumer

Ark Restaurants Corp. (ARKR) Q4 2025 Earnings Call Transcript

Dec. 16, 2025 1:49 PM ET | **Ark Restaurants Corp. (ARKR) Stock**

**SA Transcripts**

157.43K Followers



Ark Restaurants Corp. ([ARKR](#)) Q4 2025 Earnings Call December 16, 2025 11:00 AM EST

Company Participants

Christopher Love - Secretary

Anthony Sirica - CFO, President, Treasurer & Director

Michael Weinstein - Founder, Chairman & CEO

Conference Call Participants

Jeffrey Kaminsky

Presentation

Operator

Greetings, and welcome to Ark Restaurants Fourth Quarter and Year-End 2025 Results Call. [Operator Instructions]. As a reminder, this conference is being recorded. I would now like to turn the call over to your host, Christopher Love, Secretary for Ark Restaurants. 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 fourth quarter and year ended September 27, 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.

Anthony Sirica

CFO, President, Treasurer & Director

Good morning, everyone. A couple of items on our balance sheet. Our cash is \$11.3 million, which has been holding relatively steady every quarter compared to last year, which was \$10.2 million, so we're up a little. Our debt is \$3.6 million.

With respect to the P&Ls or the release for the full year, our adjusted EBITDA was \$1.4 million compared to \$6.1 million last year. That is basically primarily due to Bryant Park. The increased legal fees of approximately \$2 million as well as the impact on our -- mostly the Catering business has cost us almost another \$2 million. So the entire decrease is attributable to Bryant Park.

For the full year, we have a provision for taxes, even though we have a loss, a pretax loss. That was, again, a result from the third quarter, where we had to write off our deferred tax assets in the prior quarter. For the current quarter, quarter-over-quarter, our EBITDA was negative \$1 million compared to \$500,000 in the same quarter last year. Again, that was a result of Bryan Park situation.

The only other item of note in the current quarter is, we have a tax provision even though we have a pretax loss, that is a result of -- we have these naked tax credits that relate to indefinite-lived intangibles. And because we have no -- we have a full valuation allowance on our deferred taxes, we have to recognize tax expense on those credits because they're not expected to reverse in the near future. Other than that, there's really nothing unusual in the current quarter P&L. Let's turn it over to Michael.

Michael Weinstein

Founder, Chairman & CEO

Hi, everybody. First of all, we are -- I want to concentrate mostly today on the Meadowlands and Bryant Park. But in an overall view, this December quarter as compared to last December quarter, we are nicely ahead. The restaurants are running on a more efficient basis. Cash flows have improved, especially in Vegas, in Robert, in New York, the properties in Alabama are doing nicely. We're still seeing some deterioration in revenue in our Florida properties. That seems to be a problem that everybody is having in Southern Florida. But we're down anywhere from 5%, 6%, 7%, depending on which full-service restaurant.

Up until recently, we were running ahead at the Food Court and the Hollywood Casino. That's sort of now flat to down slightly. So Florida has been a constant negative in terms of revenues and cash flow. But the business is solid in Las Vegas, solid in Alabama, solid at Robert in New York. We'll get to Bryant Park in a second, and Sequoia has had a bad year primarily, we think, due to what's going on in Washington, D.C. in general and what's going on there affects our Catering business dramatically. So our Event business has not been beneficial to the company in Washington, D.C. But overall, we're looking at December, which is going to be, I think, significantly better than last year's December quarter.

Meadowlands. The issuance of casino licenses in downstate New York. Three licenses were issued in early December, that has always been -- and I think if you look back at our previous calls, we've always said we didn't think New Jersey would move on [indiscernible] casino licenses away from Atlantic City, until there was some activity in downstate New York. There has been a bill passed in the New Jersey legislature, suggesting from the bill that there will be a referendum on the next ballot, which is this November for approval of the casino. And if you look at the bill, it says the Meadowlands Racetrack and Monmouth Racetrack. We don't know what the referendum will wind up being, whether it combines Monmouth and the Meadowlands Racetracks as one referendum or separates them. We don't know if the pinpointing of a casino at the Meadowlands Racetrack just doesn't become the Meadowlands instead of the Meadowlands Racetrack.

The Meadowlands has a distinct advantage to any other location, including Monmouth because there is no residential around it. And all the environmental [indiscernible] issued, assuming that this referendum passes and the racetrack is the beneficiary of a casino license, we would literally be able to be in business with the casino in the present facility, before any significant expansion by the first quarter of 2027. So this could be a very exciting year in terms of our ownership of the -- minority ownership, I must emphasize, of Meadowlands LLC, which controls the racetrack, but we also have an exclusive on all food and beverage if a casino is built -- in the casino. So this is a big deal for us if this were to go forward. Again, there are obstacles. There's no assurances, but we've been waiting for New York to issue these casino licenses for quite a while now.

As far as Bryant Park goes, we have a litigation going. Nothing has been done in the court to disturb the merit of that litigation. We are operating. The effect on our business until recently has been significant because we weren't able to do events because people were concerned whether we would be there. Certainly, we do not book social events because social events are generally 1 year to 18 months lead time and the uncertainty of the litigation in the minds of those people booking those social events is that they can't take the chance.

However, corporate events are starting to flow in. We're seeing nice activity there, not where it used to be, but starting to build. And there is positive cash flow coming out of Bryant Park that essentially covers the cost of our litigation and our consultants and -- and so it's sort of paying for itself. How the litigation resolves itself or whether there's a political settlement with the new mayor, I have no opinion about it. But the longer we're there, I think the better our position is. And right now, I don't see anything on the immediate horizon that will disturb our ability to operate the Bryant Park facility.

So that's all I have. Please open it up for questions.

Question-and-Answer Session

Operator

[Operator Instructions] Our first question comes from the line of Jeffery Kaminsky with JJK Consultants.

Jeffrey Kaminsky

I'm going to ask a question that I've asked a number of times on this call, not really got a satisfactory answer. Last time I pointed out that our stock had hit another new low today its under \$6 on big volume. The question that I have asked in the past has been what is the strategy going forward to turn the core business around? We're still waiting on the Meadowlands. It may or may not happen. I think the Meadowlands situation is much more precarious than in the past. You've now got approval of three New York casinos that are going to be 30 miles away from the Meadowlands. And our interest in the Meadowlands was initially to be partnered with Hard Rock and Hard Rock is now embed with the Queen's casino that got approval with Steve Cohen.

So you now have much deeper competition in Meadowlands should it ever pass. And the partner that Ark was supposed to be partnering with is not even involved any longer. So let's put that aside. I appreciate, Michael, that you wanted to talk about the Meadowlands, but that's just a hail mary at this point. What's not a hail mary is the basic business of Ark Restaurants. I've always asked what the strategy is going forward to turn things around, okay? And I always get back, well we're always looking for properties. We're looking to acquire the right properties.

At the same time, you bemoan the fact that input costs are higher, labor, food, insurance and yet you still want to acquire properties. While you are saying that, a couple of years ago, you closed sites -- you sold off the lease in Tampa and you closed El Rio Grande. So the footprint is shrinking, business is not really good. And again, as a shareholder who's getting crushed, while your competition may not have had banner years, but nobody is at all-time lows when you look at Hospitality Restaurant Indexes. So my question simply again is, what is the strategy going forward to turn Ark around?

Michael Weinstein

Founder, Chairman & CEO

So the answer to that, unfortunately, is maybe not what you want to hear. I don't think I agree with you on the Meadowlands being a hail mary, quite the opposite. I'm very optimistic about it. We...

Jeffrey Kaminsky

With all due respect, but if you lose Hard Rock, which you did, someone is going to need to raise capital, which is going to dilute our ownership. So by losing...

Michael Weinstein

Founder, Chairman & CEO

Jeffrey, I don't interrupt you. Please. I'll give you your answers, okay? Number one, I don't think we have a problem acquiring a new partner and perhaps on better terms than we had with Hard Rock. The reason for that is that the demographics of Northern New Jersey are very compelling for a casino. When we were first searching many years ago for a partner and the referendum that was issued that did not pass some 7 years ago, required a partner that owned a casino in Atlantic City.

Hard Rock at the time, when the referendum was first formed did not. They went out and bought a casino, the Taj Mahal, primarily not -- I guess they thought it was a good deal to own the Taj Mahal as well, but Atlantic City has been a deteriorating market forever now. They did that, I think, primarily to qualify to operate a casino in the northern part of the state with us. So that was what was compelling to Hard Rock. That same idea of the demographics in Northern New Jersey will be compelling to other operators. So I don't think we have a problem finding another operator. And those negotiations have just started. So that's my answer to you on the Meadowlands. I don't think it's a hail mary by any means, all right.

In terms of our regular business, what we've been doing is trying to be more efficient here under circumstances which are very, very difficult. Our insurance premiums are up dramatically. Labor is up dramatically. We just started to feel comfortable raising some prices. I probably waited too long to do so, to make up for the additional expense of the product that we buy to service our customers. So we've been working hard on our business. The most dramatic turnaround has been Vegas. We have a great manager there, who we hired, latter part of last year. The cash flows from there have improved dramatically despite the fact that Vegas is down and headcount is probably 10% or 11%, depending on who you believe.

Bryant Park has certainly been a big distraction. I spent enormous number of hours with consultants and litigators and try to maneuver ourselves in a position where we can retain this operation. But in the meantime, we are looking at other properties. We have two letters of intent out right now. We're in the due diligence process. We have another negotiation going on, for a brand. The problem with acquisitions for us has been either the numbers deteriorate the targeted acquisition. They show us numbers. We like the deal. There's a period of due diligence, and we've been looking primarily in the South, and the South has not been good in terms of comparative revenues with prior years in general.

So the deals we look at, we're paying based upon last year's numbers. But by the time we do the due diligence, those numbers have generally been deteriorating for the targets, all right? If it's not that, it's a landlord who wants to use the acquisition as a means of getting new benefits in the lease. So we've just had a difficult time in the last 18 to 24 months of concluding deals that we thought were good deals when we entered into them. But as I said, we have two letters of intent out now. We're looking at another acquisition, which is a brand. We're not just sitting here, trying to be neutral. We're being very aggressive about trying to find stuff. We just haven't found the right stuff. So I apologize to that, but our plan has always been -- go ahead...

Jeffrey Kaminsky

In turning Vegas around, which you have spoken highly of, which is a good thing, which is the head count is down, but the numbers are better. You hired a new manager apparently. So doesn't that indicate that with better management at your properties, you can actually do better business. Vegas just proved that.

So what about finding managers to turn other properties around or take this guy in Vegas who did such a good job and give him an expanded role and all.

And one last point, Michael, one last point. In looking at your Board of Directors, you have outside Board members who get paid as Board of Directors, two or three of which have restaurant and hospitality background, which is why they sit on your Board. What are they saying? What is the strategy that they are bringing to the table? That's why they're on the Board, right? Three senior people in the restaurant industry. You guys don't have a quarterly meeting and talk about how we're going to turn business around other than finding another restaurant to buy?

I'm just puzzled by the fact that you are in the restaurant business, and we're talking about a casino that may or may not happen and if it does terrific, but you're not in the casino business, okay? And we're going to talk about litigation at Bryant Park, which is also puzzling to me. I understand you dug in, but I also understand that they don't want you there. That was also my understanding that whatever the cases that Ark is making about an unfair practice or an unfair procedure in losing the lease. It's my understanding that Ark didn't even come in second, that Ark came in third.

So even if you're proved as Jean-George who won the lease, did so in a failed process, you guys didn't even come in second place, you came in third. So you spent \$2 million on Bryant Park and the weather was still windy and then that litigation, the casino is a casino. But as far as I know and the reason I was a shareholder on Ark is because you're in the restaurant business. And I'm asking for some answers on how you expect to turn your restaurant business around? Why not give the guy in Vegas a bigger role, let them turn your other businesses around?

Michael Weinstein

Founder, Chairman & CEO

So Jeffrey, I know you're frustrated. We're frustrated, all right? I wish you would not read the PR or the articles related to Bryant Park. They're not necessarily accurate. I can tell you, we think our position is a good position. We may not win it, but we did not go into this thing thinking that we just want to be a holdover tenant and disturb things because we were angry. We went into the litigation because we really thought we had a good position. And we continue to think we have a good position.

And the recent decisions of December 11 by the Judge in the case where Bryant Park Corporation made certain claims against us and those claims were dismissed, indicate that we have a Judge that will look at this fairly and Bryant Park Corporation has tried to get a summary dismissal of the case and they failed in that, not that they're going to -- not try again, that they -- not that they can't get that. But so far, there has been nothing going on in the litigation that seems to disturb our position and give us negative feelings about our case.

Let me finish, please. So I tell my employees, not one of whom has left since the beginning of this. Don't listen to the press, just be calm. We think our position is a good position. And please, I would urge you to look at it the same way as my employees look at it.

Look, I agree with you that we have not been successful in finding a path beyond the restaurants we run. We sold Tampa because Hard Rock asked us what -- they wanted us out of Tampa because they were expanding their casino floor, and they didn't want to move us because they basically had a feeling that the fast food they would run on the second floor, which was a terrible location. And we cooperated with them. We try to cooperate with landlords, and we didn't hold them up. We got a fair price. And yes, we're missing that EBITDA, but we got a fair price for it.

But all along, I agree with you, we have not found the right path forward. I think we may be closer in the deals we're looking at now, but it has been difficult, and it's a difficult environment to work in. But not to try to be an analyst because I'm not, but right now, the stock is trading, if you look at the restaurant EBITDA and the cash, it's trading at a little times -- 1x that value, 1.5x that value. It's ridiculous.

Jeffrey Kaminsky

So where is the insider buying, Michael? Where are you and your insiders are not buying stock. Traded at \$5.75 for Ark stock. Markets have a way of being efficient, Michael. There's a reason the stock is where it is. You could tell us not to pay attention to...

Michael Weinstein

Founder, Chairman & CEO

I could have that discussion with you at any time. Our stock is very illiquid. Anybody who goes to sell will knock it down substantially. Anybody who goes to buy it will probably knock it up. But the company at \$5, whatever or \$6, in my opinion, that doesn't represent the value of what we have here even without the Meadowlands or without the...

Jeffrey Kaminsky

So insiders should be buying. Your Boards of Directors should be buying. You have three people on the Board who are in the restaurant business. They must -- they don't see value at \$5.75. What about the C-suite? Why isn't the insider buying?

Michael Weinstein

Founder, Chairman & CEO

That's a question that's not appropriate. But -- everybody makes their own decisions.

Jeffrey Kaminsky

Okay. So I shouldn't pay attention to the press release. I shouldn't pay attention to the noise coming out of the litigation at Bryant Park, and the stock price is also going...

Michael Weinstein

Founder, Chairman & CEO

No. What I said to you is you should not pay attention to the press. Read the decisions that are public decisions and they'll be informative. But the press is not always right.

Jeffrey Kaminsky

Well, the market has gotten it right, Mike. The market has gotten it right, when it traded down from \$14 to \$12 to \$10, you had impairment charges because you didn't want to do a buyback, et cetera. The stock sits at \$5.75. I've taken much of everybody's time. I hope there are some other people who have something to say because somehow I feel are the only one I want to say anything. So anyway, good luck.

Operator

Thank you. That concludes our question-and-answer session. I'll turn the floor back to Mr. Weinstein for any final comments.

Michael Weinstein

Founder, Chairman & CEO

All right. Thank you all. Have a good holiday, and we'll speak to you on the next conference call.

Operator

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

Read more current ARKR [analysis and news](#)

View all [earnings call transcripts](#)

Comments

Newest  

If you type a company or ETF ticker symbol in capital letters we will automatically link to the symbol page. You can remove the link by deleting the \$ in the comment.