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10-Q

EPS of -\$2.73 **misses by \$0.69** | Revenue of \$142.02M (-6.55% Y/Y) **misses by \$6.53M**

FAT Brands Inc. (NASDAQ:[FAT](#)) Q1 2025 Earnings Conference Call May 8, 2025 5:00 PM ET

Company Participants

Ken Kuick - Chief Financial Officer

Andy Wiederhorn - Chairman

Conference Call Participants

Alton Stump - Loop Capital Markets
Joe Gomes - NOBLE Capital Markets
Roger Lipton - Lipton Financial Services

Operator

Greetings, and welcome to the FAT Brands, Inc. First Quarter 2025 Earnings Conference Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] As a reminder, this conference is being recorded.

At this time, I'd like to turn the call over to Ken Kuick, FAT Brands' CFO. Please proceed.

Ken Kuick

Good afternoon, everyone, and thank you for joining the FAT Brands earnings call today. On the call with me today is Andy Wiederhorn, our Chairman of the Board. This afternoon, we released our first quarter 2025 results. Please refer to the earnings release and earnings supplement, both of which are available in the Investors Section of the company's website at www.fatbrands.com. Each contain additional details about the first quarter, which closed on March 30, 2025.

Before I begin, I must remind everyone that part of the discussion today will include forward-looking statements. These forward-looking statements are not guarantees of future performance, and therefore, undue reliance should not be placed upon them. Actual results may differ materially from those indicated by these forward-looking statements due to a number of risks and uncertainties.

The company does not take -- does not undertake to update these forward-looking statements at a later date. For a more detailed discussion of the risks that could impact future operating results and financial condition, please see today's earnings release and recent SEC filings.

During today's call, the company will also discuss non-GAAP financial measures, which we believe can be useful in evaluating our performance. The presentation of this additional information should not be considered in isolation nor as a substitute for results prepared in accordance with GAAP. Reconciliations to comparable GAAP measures are available in today's earnings release.

I'd like to turn the call over now to Andy Wiederhorn, our Chairman of the Board.

Andy Wiederhorn

Thanks, Ken. Thank you all for joining us today. I'd like to extend my sincere appreciation to our talented team members and franchise partners. Their dedication to FAT Brands has been instrumental in driving our continued progress, and I'm encouraged by what we are accomplishing together.

I also want to take a moment to recognize Rob Rosen and his commitment to FAT Brands. Rob has decided to transition from his co-CEO role to a consulting position at FAT Brands focused on the debt capital markets. Taylor Wiederhorn has been appointed Co-CEO serving alongside Ken Kuick. In addition to serving as Chief Development Officer for the last eight years, Taylor assumed the role of Brand CEO for 15 of our concepts in 2023. That, combined with his leadership background, makes him well equipped to take on this role.

As noted last quarter, we began 2025 by spinning off Twin Hospitality Group, Inc., which is now listed separately on NASDAQ under the ticker TWNP. We distributed 5% of Twin Hospitality's Class A stock to shareholders, a \$50 million dividend while retaining the remaining shares. This strategic move allows shareholders to invest directly in Twin Peaks growth, improves market transparency and provides Twin Hospitality with access to additional capital for expansion and to reduce leverage through debt repayments.

Following this significant milestone, Joe Hummel decided to transition from his position as CEO. We wish him the best as he pursues new opportunities. We have initiated a comprehensive executive search for a new leader who will capitalize on our ambitious development pipeline of over 100 lodges.

Twin Peaks growth trajectory remains strong. In the meantime, Ken Kuick, CFO of Twin Hospitality Group, Inc. will serve as Interim CEO, ensuring continuity and strategic advancement during this transition.

Following the Twin Hospitality Group bond refinancing in Q4 of last year, we committed to raising between \$75 million and \$100 million of equity in 2025 and using 75% of that or \$75 million to reduce outstanding debt, at which point Twin Hospitality should be cash flow positive, excluding new corporate store development.

While we anticipated securing the first one-third of that amount by April, the current volatile market conditions have impacted our near-term ability to do so at a reasonable price. Despite this temporary timing adjustment, we are confident in achieving our full annual equity target raise over the next 12 months.

Additionally, per the terms of our November 2024 new Twin Hospitality indenture, we have temporarily paused FAT's common dividend and started to accrue the FAT's Series B preferred dividend pursuant to its terms, at least until we reduce principal on the indenture by the \$25 million payment threshold.

Additionally, we are now turning our attention to the refinancing of our other three securitization silos, all of which have an anticipated repayment date of July of 2026. We are focused on bringing FAT, which is a high-growth business into a cash flow positive position over the coming quarters, as well as further reducing leverage. We have reduced SG&A by over \$5 million a year based upon our 2024 run rate and see further opportunities within the portfolio to reduce costs which I'll discuss in a few minutes. We look forward to updating you further on future calls. Like last quarter, following this call, we invite you to listen to the Twin Hospitality Group Q1 earnings call at 6:00 p.m. Eastern Time. The details are contained within their earnings release also issued this afternoon.

Next, let's review our first quarter performance which Ken will elaborate on shortly. Our total revenue for the quarter was \$142 million reflecting a 6.5% decrease from the \$152 million reported in the same period last year. System-wide sales were \$571.1 million, down 1.8% compared to the previous year's quarter. We also achieved \$11.1 million in adjusted EBITDA compared to \$18.2 million in last year's quarter. Domestic system-wide sales outperformed international for the quarter.

However, we observed an encouraging rebound in our international locations towards the end of Q1 which gives us confidence moving forward. Across our portfolio, we finished the quarter with strong momentum as same-store sales improved across all brands from February to March. We're excited to build on this positive trajectory as we enter Q2 and progress through the remainder of the year. Our casual dining segment delivered particularly strong results with same-store sales increasing approximately 1.6% driven by performance at Buffalo's Cafe and Ponderosa and Bonanza locations.

Overall, our growth strategy is based upon three fundamental elements. We are expanding our existing brand presence organically with commitments for over 1,000 new locations already in the pipeline. We are evaluating highly strategic acquisitions that would strengthen and broaden our brand portfolio as well as delever our balance sheet. And we're enhancing our production capabilities at our Georgia facility particularly focusing on scaling our cookie dough and dry mix manufacturing operations.

Looking at our organic growth, we've maintained strong momentum. After successfully opening 92 units throughout 2024, we're accelerating our expansion with a target of over 100 new locations this year. We're also making excellent headway with 23 units opened in just the first quarter which is an approximate 37% increase from Q1 of 2024.

For Q2, we expect to open an additional 25 units keeping us firmly on track to achieve our annual expansion goals. We are particularly encouraged by the momentum in our Twin Peaks new store development pipeline. During the first quarter, Twin Peaks opened two new lodges including the Smokey Bones conversion in Brandon Florida and a new lodge in Algonquin Illinois. Both new lodges are off to strong starts. Based on our 2025 outlook, we expect measured growth across various brands including Round Table Pizza which delivered a modest yet positive 0.6% positive same-store sales increase in the first quarter. Our digital sales at Round Table Pizza demonstrate particular strength climbing 5% sequentially from Q4 to Q1 2025.

The 2024 digital integration of our Great American Cookies and Marble Slab Creamery has also yielded strong results particularly via their new app with an increase in sales of 8% and an increase in average check size of 17.6%. Our franchise development pipeline remains robust with signed agreements for approximately 1,000 additional locations. Based on our projections these units could generate around \$50 million in incremental annual adjusted EBITDA once operational which would strengthen our balance sheet and reduce our leverage position.

This consistent development pipeline not only demonstrates the continued appeal of our brands but also creates a valuable opportunity for our franchise partners. Along with our robust development pipeline, we're enhancing the customer experience in our existing stores. We've launched a new remodeling initiative with the goal to refresh 5% of all stores in 2025 increasing to 10% in 2026. Co-branding continues to be a large part of our growth strategy. We have successfully launched 10 co-branded and tri-branded models to date, demonstrating our commitment to innovate partnerships.

In March, we celebrated the debut of our first Round Table Pizza and Marble Slab Creamery pairing in Oakland California. This location exemplifies our approach to seamless integration where Marble Slabs ice cream creates a perfect complement to Round Table Pizzas offering guests a complete dining experience from the main course to dessert. Building on this momentum, we're accelerating our co-branding initiatives throughout 2025. We've already opened a tri-branded location featuring Great American Cookies Marble Slab Creamery and Pretzelmaker in the Dallas area. We also opened our first co-branded Great American Cookies and Marble Slab Creamery in Ohio. Additional co-branding plans for 2025 include several new Fatburger Buffalo Express and Hot Dog on a Stick combinations, as well as Fatburger and Round Table Pizza parents. These strategic combinations not only enhance the guest experience, but also maximize operational efficiency and market presence positioning us for continued growth.

International development continues to be a growth driver as well. During the quarter Fatburger announced a new partnership to open 30 locations across France over the next three years, including five in 2026. Also more recently a development agreement was signed with the same established franchise partner to open 10 Buffalo's Cafe fast casual locations in France with the first three units set to open by 2026. All-in-all, we have exceeded over 100 new stores sold year-to-date.

We continue to expand into nontraditional venues recently opening a Fatburger at Dallas-Fort Worth International Airport's, American Airlines employee dining hall, the first restaurant franchise in an employee cafeteria at the airport. This strategic location represents a significant growth opportunity that could be replicated across other airports as our burgers and fries are ideal for on-the-go dining. Our experienced partners for this location will be valuable as we scale this business model.

We are also leaning into value. Fazoli's is offering fan favorite pasta dishes for just \$3.99 plus unlimited freshly baked signature breadsticks when dining in. A family of four can eat for only \$16. At Fatburger, we brought back the much loved Baby Fat for only \$5.99. While these offers are attractive, it's the comprehensive value we deliver that truly makes a difference and resonates with our guests. Throughout our portfolio, we remain firmly committed to providing exceptional overall value combining premium quality food with an outstanding guest experience.

We are excited to announce that later this year, we'll be launching a portfolio-wide guest experience program that will set new industry standards and is specifically designed to cultivate lasting brand loyalty.

We continue to strengthen our balance sheet. In April, we amended our Fazoli's securitization, resulting in improved terms that enhance our financial flexibility. The amended terms have extended both the call date and repayment date while relaxing certain covenants providing us with greater operational flexibility for Fazoli's. The new agreement also permits the sale of corporate-owned stores to franchisees, allowing us to rebrand our 57 company-owned and operated Fazoli's restaurants.

Rebranding Fazoli's coupled with the spin-off of Twin Hospitality Group, which includes all Twin Peaks and Smokey Bones locations will significantly reduce our corporate-owned footprint and provide additional overhead savings of approximately \$2.5 million per year.

If we were to act upon this rebranding opportunity, we would retain only about 33 Hot Dog on a Stick corporate locations out of our total portfolio of 2,300 locations or 2,125 locations if Twin Peaks and Smokey Bones are excluded. These strategic moves will return us to an almost 100% franchise business model.

Now, turning to our growth by acquisition strategy. During 2025, we are committed to unlocking value and reducing our leverage as the cost of capital remains high. We continue to look at highly strategic targets that could help us achieve those goals. Our Georgia production facility represents one of our key strategic advantages, generating impressive financial performance with \$8.8 million in first quarter sales and \$3.1 million in adjusted EBITDA, resulting in an attractive 35% margin.

This second quarter we expect to execute on a major strategic initiative for our cookie dough manufacturing business namely a third-party contract with a national restaurant entertainment chain. We look forward to building on this momentum and increasing our utilization beyond the current level of 40% to 45% of production capacity.

Our near-term target is reaching 60% to 70% utilization, which would substantially enhance the facility's market value and operational efficiency. While this asset could eventually help decrease debt through strategic divestiture, our immediate focus is capitalizing on the growth runway ahead. The manufacturing operation remains in its early growth stage with significant untapped potential to drive shareholder value as we execute upon our strategy.

Before concluding, I'd like to share an update on the FAT Brands Foundation. To date, the foundation has awarded 10 grants in 2025 and has received a record amount of grant requests for both the months of March and April. This speaks to the commitment of the Board in driving awareness and visibility of the foundation as it looks to grow its impact across FAT Brands communities. The foundation's dedication to giving back to our communities is also amplified by our brand ambassador program, which was launched last year. To date over 35% of our 800 franchisees are actively involved in the program.

In conclusion, FAT Brands is laser-focused on two fronts; debt reduction and leveraging our robust pipeline of growth opportunities. The energy across our team signals strong momentum. We remain dedicated to maximizing shareholder value and we'll continue updating you on our progress.

With that, I'd like to hand it over to Ken to discuss our financial highlights from the first quarter of 2025.

Ken Kuick

Thanks Andy. Moving on to our first quarter results. Total revenues were \$142 million, a 6.5% decrease from \$152 million in last year's quarter. This was driven by lower same-store sales and particularly the closure of Smokey Bones locations for conversion into Twin Peaks lodges, partially offset by revenue generated by our new Twin Peaks lodges.

Turning to costs and expenses. General and administrative expense increased to \$33 million in the quarter from \$30 million in the year-ago quarter, primarily due to increased professional fees related to pending litigation.

Cost of restaurant and factory revenues decreased to \$96.1 million in the quarter compared to \$99.1 million in the year-ago quarter, primarily due to lower same-store sales, partially offset by wage and food cost inflation.

Advertising expense varies in relation to advertising revenues and decreased to \$11.1 million in the quarter from \$12.6 million in the year-ago period. Additionally, we slowed down advertising at Smokey Bones as we continue our strategy of converting locations into Twin Peaks lodges.

Total other expense, net, which consisted primarily of interest expense, was \$36 million in the quarter compared to \$33.4 million in last year's quarter. Net loss attributable to FAT Brands was \$46 million, or \$2.73 per diluted share, compared to a net loss of \$38.3 million, or \$2.37 per share, in the prior-year quarter.

On an as-adjusted basis, our net loss attributable to FAT Brands was \$38.7 million, or \$2.32 per diluted share, compared to \$32.9 million, or \$2.05 per diluted share, in the prior-year quarter. Lastly, adjusted EBITDA for the quarter was \$11.1 million compared to \$18.2 million in the year-ago quarter.

And with that, operator, please open the line for questions.

Question-and-Answer Session**Operator**

Thank you. [Operator Instructions] And the first question comes from the line of Alton Stump with Loop Capital Markets. Please proceed.

Alton Stump

Thank you. Good afternoon. Thanks for taking my questions, as always, Andy and Ken, I just wanted to ask about the cookie facility. I think you mentioned, Andy, that you expect in the near-term to go from kind of 40% to 45% EBITDA as far as utilization here over the last couple of quarters to, I think you said, 60% to 70%, which is an awfully nice move. From a dollar impact, what kind of ballpark impact could that have from an efficiency standpoint if you do get to that 60% to 70% utilization range?

Andy Wiederhorn

I mean, our goal is to increase the EBITDA at that facility from about \$15 million a year to \$25 million a year, and getting these contracts in place -- there's multiple initiatives going on. That's just one of them; that won't do it by itself, the one that we're going to announce shortly.

But there's a lot of momentum behind that initial program, and I think it will cause the other two or three to drop in place right away. If we get the...

Alton Stump

Great. Thank you.

Andy Wiederhorn

Yeah. Sure. If we get the facility up to that level, then it's probably an asset that could generate \$300-plus million in proceeds for debt reduction at some point.

Alton Stump

Got it. Thank you. And then I just wanted to ask -- I mean, you guys obviously have almost 20 different concepts. It was clearly a tough quarter for the industry-wide. Obviously, weather was certainly not helpful. And there's, of course, a lot of macro news.

What's your kind of general sense across your brands from a consumer standpoint? How much value focus do you think that, in general that you're going to have to do with the concepts over the next couple of quarters if the current consumer environment does not improve?

Andy Wiederhorn

I mean, the consumer is apprehensive. The consumer confidence level is mixed. It's definitely event-driven. So we're seeing bubbles of exuberance, and then we're seeing people pare back in terms of their traffic, and that's within a brand, not just across brands.

So I think this value -- as we talk about value, and you've seen QSR brands in the industry sort of abandon their value play -- it value for us is really different. It's what I said earlier.

It's creating great food and a great experience to justify the price, because consumers are -- they've had it with pricing. Yet, they still want to go out and go into restaurants and take advantage of a great experience. You just have to give them a great experience to justify what they're paying for it.

And so I think that's going to continue for the rest of the year. I know there's a lot of brands that are betting on the second half of the year that things are going to all of a sudden be amazing. And we'll have to see.

We're trying different initiatives to drive traffic. And we're going to continue to do that and take advantage of the fact that we have great products to offer. So, people want to come to our brands. We just have to give them value.

Alton Stump

Got it. Great. Thank you. And then just the last thing and I'll hop back in the queue Andy. But just as far as just the delay with the first tranche that you are committed to raise obviously in the aftermath of the Twin Peaks IPO, I guess how much longer do you think that would take? And is there any deadlines that you sort of have to stick to when it comes to raising that money over the course of the year?

Andy Wiederhorn

Yes. Thanks. There's no gun to our head. The reality is the equity markets for restaurant stocks are -- and a lot of different industries, those shades are drawn the window is closed. And so we just got to wait for it to open up.

I think if we had been able to get the spin-off done in the fourth quarter of last year, we would have been able to sort of ride the Trump euphoria wave in -- very early in Q1. And by the time we went out and had some non-deal roadshow meetings and confidential discussions, testing the waters types of meetings, everyone loves the concept, everyone loves what we're doing. People are concerned about the leverage. Of course, the majority of the proceeds pay down the leverage, so they're happy with that.

But at the end of the day, they just point to the market and the volatility and say I got to wait. I'm sitting on my hands until volatility calms down. And I think that -- we're fortunate that there's nothing that really happens within the debt indenture that's of any real consequence. And so we're just going to write it out.

And I think we'll -- I mean our bondholders have been extremely supportive. And as I indicated in our call earlier, we are talking about refinancing the remaining silos from the securitization just so that we're well ahead of the July 26th anticipated repayment date.

And so we have over a year, but hopefully we'll get that done sometime in Q2 or Q3 more likely. And that probably includes some modifications to the Twin Peaks deal as well just because the equity raise is taking longer.

Alton Stump

Exactly. That is very good to hear and its very helpful. Thanks so much. I'll hop back in the queue.

Andy Wiederhorn

Thank you.

Operator

The next question comes from the line of Joe Gomes with NOBLE Capital Markets. Please proceed.

Joe Gomes

Good afternoon. Thanks for taking my questions.

Andy Wiederhorn

Hi Joe.

Joe Gomes

So, just want to make sure I understand this all correctly. So, if I look at kind of the three main revenue lines royalties were pretty flat year-over-year. The co-owned restaurant sales were down about 6.2%. And I'm assuming that's the Smokey Bones that was closed and then some of the same-store sales decline.

And then the factory revenue was off about 7%, not a big number, but just still off about 7%. I just want to make sure that if this is -- if there was anything else besides just the same-store sales decline and the absence of the Smokey Bones that is driving those numbers?

Andy Wiederhorn

You are right that from a revenue and same-store sales you have royalties that are consistent. You have the total system sales off because of the Smokey Bones. And that's really also at the operating margin level as well where there's just less restaurant level margin at Smokey Bones and you've got some stores temporarily closed while they're being converted. So, both of those things.

Now, when we talk about the overall Smokey Bones portfolio, we still think about half the locations will get converted into Twin Peaks as quickly as we can. And within those 30 locations because, there's 60 in total, about 10 of them will be corporate. We've converted two already, we have another one under construction now and a couple more to do over the next 12 months. Then there's about 10 that are clearly franchise markets.

And then there's 10 that are in between and they'll either be a franchise or they'll be corporate we'll do one or the other. And then there's a bunch that don't qualify as a conversion either because there's a Twin Peaks too close already or there's some landlord restriction where it doesn't make it feasible. So in those cases that remaining 30, about 10 of those restaurants will close. Their leases are running out. They're old and there's nothing to do with them. And then there's about 20 that will stay Smokey Bones and continue on.

And so a couple of those we've closed because they can't -- they're not going to be converted. And then we've got the ones that are closed that are in the middle of the conversion process. That's why the total sales decline looks a little bit more severe. It's just -- we took all of the Smokey Bones and recorded all of those sales for the last 18 months, but now we're closing some of the ones that are destined to be closed anyway which is again about nine of them I think.

Joe Gomes

Okay. Great. Thanks for that. And I don't know if you can kind of give us a ballpark here. If you were to rebrand all the Fazoli's what kind of value does that bring in the parent FAT Brands?

Andy Wiederhorn

Well, I think -- so the proceeds from any refranchising will go to pay down debt. The dollar value that we achieved for that is probably somewhere in a four to 6x multiple range for those stores. And you're going to see something hopefully in the \$20 million to \$25 million range and we'll see how that goes in this environment. But the other point to that is we'll continue to get a royalty instead of profits from the stores and it will save \$2.5 million to \$3.5 million of over head.

Joe Gomes

Okay. And then -- pardon me. One of the things that we had hoped to see here was to see the litigation expenses moderate, but it looks like they kind of really went up in the quarter. Was there anything that you can provide us the insight as to what was driving the increase?

Andy Wiederhorn

I think that we're going to see the end to a lot of litigation expense here in Q2, all of it coming to an end and look forward to talking more about that when we can.

Joe Gomes

Okay. That would be great. And then just last for me. I don't know if you can provide us any kind of -- I know the same-store sales were down in the first quarter. But so far here in the second quarter, I don't know if you could talk about what traffic patterns are looking like or average checks are looking like across the franchises.

Andy Wiederhorn

Yes. I mean you're seeing -- I mean you are seeing differences by segment in terms of like burgers versus wings versus snacks. We're seeing very modest decline in sales and traffic for the cookies and ice cream and pretzels and stuff like that. You're seeing more standard industry level declines for burgers and some of the wings brands. But you're also seeing pizza do pretty well. And so we're pleased to see how well pizza has held up and continuing. I mean it's for most of the time either flat or slightly positive or slightly negative, but it's done really well as well as the snacks.

Joe Gomes

Great. Thanks. I'll get back in queue.

Andy Wiederhorn

Thank you, Joe.

Operator

The next question comes from the line of Roger Lipton with Lipton Financial Services. Please proceed.

Q – Roger Lipton

Yes. Hi, Andy. Hi, Ken. Thanks for taking my question. Most of the items I wanted to -- have been referred to already. But I wanted to ask you, can you give us an estimate of the year-to-year Smokey Bones negative impact in the quarter? Trying to reconcile the decline in year-to-year adjusted EBITDA. My suspicion is that Smokey Bones, did more poorly this year than last. Is there any estimate you can provide?

Andy Wiederhorn

Yes. I mean, it's a couple of million dollars, a quarter. It's a lot. I mean ,you have depreciation you have actual operating decline. So you have both those things to run through whichever you're looking at. And so the faster we can convert, the stores we're going to convert, the better and we're very focused on that.

Q – Roger Lipton

Right. Yes, no doubt.

Andy Wiederhorn

When you have -- just in the overall scheme of things, when you have rates remaining as high as they are and you have construction costs up, as much as they are and then you have tariffs that you're importing equipment that might be affected by tariffs and what have you, you just end up having development slow down a little bit. It's not going away, but it slows down a little bit. And so you can -- your franchisees are your partners. You want them to build new stores at an efficient price and program, but they're apprehensive so they drag their feet a little bit to make sure they can get a better price on this or a better price on that or -- and then some regions, you've got construction where it's hard to find the right contractor, that's available because he's busy on something else.

And just all that stuff is going on, I think it's making new store development just go a little bit slower than we would like, but it's understandable. And it's not that it's not going to happen. It's just taking a little longer.

Q – Roger Lipton

Right. Understood. And do you have any idea, how long it's going to take to find a new full-time CEO to take the place of Joe Hummel. How does that -- how is that going?

Andy Wiederhorn

Yes. The executive search is going very well. We have a number of excellent candidates and I don't think, it will take very long.

Q – Roger Lipton

Okay. And lastly...

Andy Wiederhorn

Certainly, within this quarter.

Q – Roger Lipton

Okay. That will be productive. In the supplemental material, you talked about you show as one of your priorities \$10 million of additional EBITDA -- adjusted EBITDA from new stores, and \$5 million from the factory. What kind of time frame are you thinking about in terms of that incremental \$15 million of adjusted EBITDA, a year or two years? I mean, you don't specify the timetable.

Andy Wiederhorn

Well, yes, there are -- I think over the next couple of years is more than reasonable for both of those things. Yes, we -
- because we have so many new stores opening, and we have this incremental growth of the factory over the next 24 months for sure that will show up.

Q – Roger Lipton

All right. That's helpful. Thanks very much.

Andy Wiederhorn

You bet. Thank you.

Operator

Thank you. This concludes the question-and-answer session. I'd now like to turn the call back over to Andy Wiederhorn for closing remarks.

Andy Wiederhorn

Great. Thank you, everyone. I'd love to direct your attention to the Twin Peaks earnings call that is going on as we speak just started a couple of minutes ago, and that contact information is in the earnings release for Twin Peaks. Operator, this concludes today's call.

Operator

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

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