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Wingstop Inc. (WING) Q4 2025 Earnings Call Transcript

Feb. 18, 2026 2:24 PM ET | **Wingstop Inc. (WING) Stock****SA Transcripts**

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Q4: 2026-02-18 Earnings Summary

Insights

EPS of \$1.00 **beats by \$0.17** | Revenue of \$175.69M (8.57% Y/Y) **misses by \$1.67M**Wingstop Inc. ([WING](#)) Q4 2025 Earnings Call February 18, 2026 10:00 AM EST

Company Participants

Sarah Niehaus - Senior Director of Investor Relations & Corporate Finance

Michael Skipworth - President, CEO & Director

Alex Kaleida - CFO & Senior VP

Conference Call Participants

David Tarantino - Robert W. Baird & Co. Incorporated, Research Division
Christopher O'Cull - Stifel, Nicolaus & Company, Incorporated, Research Division
Jeffrey Bernstein - Barclays Bank PLC, Research Division
Hyun Jin Cho - Goldman Sachs Group, Inc., Research Division
Brian Harbour - Morgan Stanley, Research Division
Zachary Fadem - Wells Fargo Securities, LLC, Research Division
Sara Senatore - BofA Securities, Research Division
Jon Tower - Citigroup Inc., Research Division
Gregory Francfort - Guggenheim Securities, LLC, Research Division
Danilo Gargiulo - Bernstein Institutional Services LLC, Research Division
Andrew Barish - Jefferies LLC, Research Division
Peter Saleh - BTIG, LLC, Research Division

Presentation

Operator

Good morning, ladies and gentlemen, and thank you for standing by. Welcome to Wingstop Inc.'s Fiscal Fourth Quarter and Full Year 2025 Earnings Conference Call. [Operator Instructions] Please note that this conference is being recorded today, Wednesday, February 18, 2026.

On the call today are Michael Skipworth, President and Chief Executive Officer; Alex Kaleida, Senior Vice President and Chief Financial Officer; and Sarah Niehaus, Senior Director of Investor Relations.

I would now like to turn the conference over to Sarah. Please go ahead.

Sarah Niehaus

Senior Director of Investor Relations & Corporate Finance

Thank you, and welcome to the fiscal fourth quarter and full year 2025 earnings conference call for Wingstop. Our results were published earlier this morning and are available on our Investor Relations website at ir.wingstop.com.

Our discussion today includes forward-looking statements. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties that could cause our actual results to differ materially from what we currently expect. Our SEC filings describe various risks that could affect our future operating results and financial condition. We use certain non-GAAP financial measures that we believe can be useful in evaluating our performance. Presentation of such information should not be considered in isolation or as a substitute for results prepared in accordance with GAAP. Reconciliations to comparable GAAP measures are contained in our earnings release. Lastly, for the Q&A session. We ask that each of you please keep to one question and a follow-up to allow as many participants as possible to ask a question.

With that, I would like to turn the call over to Michael.

Michael Skipworth

President, CEO & Director

Thank you, Sarah, and good morning. We appreciate everyone joining our call. As we enter 2026, I could not be more excited about what is in front of us here at Wingstop. Our 2025 results showcase the resiliency of our asset-light, highly franchised model and demonstrated the opportunity we have to scale Wingstop to over 10,000 restaurants globally. We surpassed a milestone of 3,000 restaurants and launched six new international markets outside of the U.S. This resulted in system-wide sales growth of 12% despite a decline in same-store sales of 3%. While this was our first same-store sales decline in 22 years, I continue to be reminded of how our business has scaled in the last three years, which on a stacked basis was an impressive 35% in same-store sales growth and has allowed us to reach average unit volumes of \$2 million.

And as we set our sights on \$3 million AUVs central to our strategy is our unit economics and our brand partner profitability. Our corporate restaurants with AUVs now approaching \$2.5 million provide a great example with margins in the mid-20% range. Our brand partners see the long-term potential in their returns and are signing up for a record number of commitments, evidenced by approximately 2,300 restaurant commitments as of the end of 2025. Lastly, with an adjusted EBITDA growth of 15% in 2025, we continue to demonstrate the durability and consistency of our asset-light, capital-efficient model.

I firmly believe we'll look back at 2025 as a transformational year for Wingstop with the national rollout of the Wingstop Smart Kitchen and the development of our first loyalty program. 2026 will leverage these strategies by expanding awareness and consideration to bring in new guests and increase frequency among our current guests. We have a clear view into our demand space, our core consumer and the opportunity in front of us. Our core demand space is an off-premise occasion, typically involving two or more adults eating together where a high-quality indulgent experience matters most. Flavors, variety and cook to order are top of mind for our targeted consumer and are core to what Wingstop has delivered for decades, but we also know these consumers expect a fast and consistent experience.

Today, we are only capturing roughly 2% of this demand space, underscoring the significant runway ahead to the 20% we consider to be our fair share. I'm confident we are executing the strategies that will close that gap. At the center is the Wingstop Smart Kitchen, a new kitchen operating platform that fundamentally raises our game and our ability to deliver on speed and provide a consistent, high-quality experience at scale.

In 2025, we set an ambitious goal to roll out Wingstop's market in more than 2,500 restaurants in less than 10 months, a scale and pace that represents the excitement our brand partners have. I'm pleased to share that as we closed out 2025, the Wingstop Smart Kitchen has been installed in all of our domestic restaurants. With the Wingstop Smart Kitchen fully deployed, the focus now shifts from rollout to execution. We have introduced new operating standards centered on our objectives with speed and accuracy supported by clear expectations and accountability. The Wingstop Smart Kitchen is a considerable culture shift for how we operate our restaurants. Our restaurants are evolving from a back-of-house operation that was based on paper kitchen tickets to an AI-enabled state-of-the-art custom-built technology that enhances the team member and guest experience.

With the rollout complete, we are now measuring the new Wingstop standard, and our brand partners are including these elements in their team member incentive compensation programs. These are two best practices we have demonstrated in our corporate restaurants that will drive results. While our focus in 2025 has been on the rollout and operationalizing the Wingstop Smart Kitchen, we are already seeing early proof points. Last quarter, we discussed the progress we've seen in the Southwest region, which continues to see a mid-single-digit delta in same-store sales versus the U.S. average.

Now with more restaurants operating in the Wingstop Smart Kitchen, we're seeing results across a broader set of restaurants, operating on the platform and delivering on the 10-minute speed of service. These restaurants are showing improved customer frequency compared to restaurants that have recently launched on the platform or that are not delivering our new speed standard consistently. We also see an increase in transactions at the lunch daypart, reflecting both speed of service improvement and an enhanced guest experience. The data is very encouraging. However, we can also see opportunities in specific dayparts or in key windows, such as a busy Friday or Saturday night during dinner.

While we are seeing a significant improvement in speed of service in these key dayparts relative to our prior operations, consistency and a reliable experience is what our guests expect of us. And for restaurants that are delivering 10-minute times, guests are rewarding us for it, which really speaks to the long-term opportunity we have in front of us. The speed of service the Wingstop Smart Kitchen enables can meaningfully increase consideration among delivery consumers, where speed is a critical factor. We're making good progress here. On average, restaurants are consistently seen a delivery time reductions of approximately 15% year-over-year. This change in delivery times has increased menu to order conversions on our aggregators since launch. But that being said, we are not seeing the reduction in our overall delivery times match, the reduction we're seeing in the speed of service within our restaurant operations.

This is something we are working on closely with our delivery partners to ensure we are realizing the full benefit of the improvements we are making in speed. It's about consistent execution at every moment we interact with guests. We have a level of visibility into our operations we haven't had before, providing us the ability to identify opportunities for retraining and execution improvements in almost a real-time basis. As our restaurants attract new guests into the brand, ensuring that first experience meets our standards is critical to driving repeat visits and long-term loyalty. That means paring speed and accuracy with the hospitality and quality that defines Wingstop. This focus on operating discipline is a critical part of how we are setting the business up for 2026.

Shifting from strategic investments to activating this growth engine that will drive us towards our goal of \$3 million AUVs. With the Wingstop Smart Kitchen as an enabler, we are now in a position to widen the top of the brand funnel to bring in new guests and showcase those everyday occasions that Wingstop can deliver. That's where our new brand campaign comes into play, which we're calling Wingstop is here. Wingstop is a center-of-the-plate occasion for everyone, and our campaign is focused on showcasing these occasions to expand awareness and consideration, a significant gap we've benchmarked to levels of larger or more mature national brands. Even in this current operating environment as pressures on lower income guests have persisted we continue to see resilience across key occasions and customer cohorts.

Dinner remains our largest and best-performing daypart, overall guest satisfaction scores continue to improve and higher-income households, particularly those earning between \$50,000 and \$100,000 remain the fastest-growing cohort within our digital customer base. As we win more of our fair share of our demand space, we fully expect to diversify our customer base across income and age categories from a more concentrated base today. The early results from our new advertising campaign suggested is performing well, delivering record high brand recall, reinforcing our ability to broaden consideration and attract new guests and win our fair share.

Our brand health metrics continue to remain strong. In fact, a data point to support this was in early February during the Super Bowl, a day that set a record for our business. To us, this was a powerful signal of the health and relevance of the Wingstop brand. Even in a more dynamic consumer environment, guests are still choosing to treat themselves and bring Wingstop into those moments that matter. It was our highest sales day on record. We acquired over 100,000 new guests in just 1 day and set record ticket levels. As execution strengthens through Wingstop Smart Kitchen, we are well positioned to win even more of these occasions over time. Alongside our opportunity to acquire new guests, it's equally important, we strengthen retention and drive frequency. We're still a low-frequency occasion with guests averaging only 1 visit per month.

We see our new loyalty program. What we're referring to is Club Wingstop is a powerful way to deepen engagement and further enhance an already compelling value proposition for our guests. A loyalty program that we believe will be differentiated, a loyalty program designed to strengthen the emotional connection to our brand through rewards, personalization, access to experiences and a best-in-class digital ordering platform.

During the fourth quarter of 2025, we launched a successful pilot of Club Wingstop to test the technology early features, enrollment strategies and reward models. This pilot has allowed us to gather enough learnings to be ready for a national launch at the end of the second quarter of 2026. While the pilot was focused on validating the functionality of the technology and the program, there are plenty of compelling signals in the data that are an affirmation of our strategy. Nearly 50% of active guests in the pilot market have already enrolled, including a majority of our heavy users. Frequency increased 7% among guests in the program versus their trend prior to the launch of the pilot. New guest retention rates are higher than benchmarks outside of the pilot market with over 30% of new guests signing up for the program. With a digital database of more than 60 million users and the Wingstop Smart Kitchen fully rolled out across the system, we believe we have the foundation in place to activate loyalty effectively.

As with any program of this scale, we anticipate that the impact of loyalty will build over time as enrollment grows and engagement deepens, coinciding with feature releases and enhanced personalization strategies, we expect Club Wingstop to contribute meaningfully to our strategy of scaling AUVs to \$3 million. While we continue to focus on AUV growth, a significant part of our growth story is unit development, which we believe represents a structural competitive advantage for Wingstop. For the full year, we opened 493 restaurants globally, a significant achievement against our long-term opportunity of 10,000 restaurants globally. System-wide sales grew to over \$5 billion. This marks another record year in development, and in our view, is one of the strongest indicators of the health of our business.

What gives us confidence looking at is not just the pace of openings, but the visibility we have into future commitments, development demand remains broad-based across our brand partners, and our committed pipeline provides line of sight into delivering mid-teens unit growth in 2026, well above our long-term algorithm of 10% plus.

This growth continues to be executed through playbooks developed at the market level, allowing us to scale in a disciplined and sustainable way while protecting our industry-leading returns. As we continue to fill white space and grow our restaurant base, development itself becomes a demand driver, a larger, more visible footprint increases brand awareness, amplifying the impact of our marketing. This advantage extends beyond the U.S. as well. In 2025, we expanded into six new international markets and opened more than 100 restaurants outside of the U.S., both first for our brand. The response from consumers globally is incredibly exciting. An example of this is our recent House of Flavors that we opened in Milan during the Winter Olympics. This concept first introduced in Paris is an experiential venue that allows us to show consumers from across the globe what's special about the culture of Wingstop.

We're excited to share that we'll be launching House of Flavor in key markets during the World Cup this summer. We have a proven market entry playbook and our success opening restaurants globally is fueling a strong business development pipeline. We anticipate opening our first flagship in Milan following Olympics, and building off the momentum from the House of Flavors in that country. Another new marketing entry we're excited about is India, a market that represents a significant long-term opportunity of more than 1,000 restaurants, where we are targeting an entry in 2026.

Our global development reflects the confidence our brand partners have in the model and the proven portability of the brand, the investments we're making in talent and the substantial runway we see for Wingstop globally. Our focus remains on the long term, expanding the top of the funnel to capture more of our demand space executing our new operating standards through Wingstop Smart Kitchen and launching our differentiated loyalty program, Club Wingstop. All of which positions Wingstop to return to same-store sales growth as we move through 2026 and continue to grow system-wide sales. At the foundation of our strategies are our people and culture. We have taken deliberate steps to ensure our leadership structure is aligned with enabling this next phase of growth. In January, we reinstated the Chief Operating Officer role with the appointment of Raj Kapoor. Raj is a seasoned global leader who joined us nearly 3 years ago from a large prominent global business, we helped more than double the business at scale from 25,000 stores to 50,000 plus.

Since Raj joined us, he's built and developed his team to execute our international playbook. A great example is the opening of six new markets this past year. He also has a lot of experience delivering on 10-minute speed of service, an operating standard that has been in place in our international markets for years. Raj will lead global operations in development and is an incredible talent who has experienced operating scale brands globally.

We've studied how other successful global growth companies have scaled and applied those learnings at Wingstop. In addition to the COO role, we've taken an opportunity to optimize our leadership team to streamline decision-making, unlock growth opportunities for the talent we've been investing in and create greater clarity across the organization. This structure enhances operational consistency and accountability across the system globally while importantly, positioning our talent and company for our next phase of growth.

One important element of the changes in our structure was informed by the investments in our technology innovations. As we are approaching our loyalty launch, we saw an opportunity to create two teams that I believe will keep technology innovation, data analytics and insights as a competitive advantage. The first is the formation of what we are calling a commercial team that will harness our rich database and insights to execute our personalization strategies, including the national launch of Club Wingstop. The second is the formation of an analytics center of excellence to build capabilities, unlock deeper insights and accelerate best practices at scale. 2025 was a transformational year for Wingstop with the rollout of Wingstop Smart Kitchen, building our loyalty program, accelerating our global footprint and setting up an organizational structure that is positioned for this next phase of growth. 2026 will be about executing these strategies, and I couldn't be more excited by the progress we are making.

Before I hand the call over to Alex, I want to thank our brand partners, team members and shareholders for their continued support and confidence in Wingstop. With strong fundamentals and a robust development pipeline, we are executing a clear plan to drive AUV expansion, protect industry-leading unit economics and scale towards our long-term opportunity of more than 10,000 restaurants worldwide and our ambition to become a top 10 global restaurant brand.

With that, I'll turn the call over to Alex.

Alex Kaleida
CFO & Senior VP

Thanks, Michael. 2025 was marked with a high degree of uncertainty, but we see it as a year that drove further clarity and confidence with the strategies we are executing. We remain focused on protecting our best-in-class returns, expanding our global footprint and returning to same-store sales growth in 2026 and beyond. In Q4, we system-wide sales increased to \$1.3 billion, approximately 9.3% versus 2024, driven primarily by 124 net new restaurants partially offset by a decline of 5.8% in domestic same-store sales, which is attributable to the macro pressures our core consumer continued to face. The acceleration in unit growth translated into an 8% increase versus the prior year in royalty revenue, franchise fees and other revenue for a total of \$81.9 million.

At the restaurant level, company-owned margins remained healthy and company-owned restaurants continued to outperform the broader system. Our company-owned same-store sales increased 1.6% in Q4. A combination of factors, including operating our new standards consistently and enabled by having the Wingstop Smart Kitchen in place for over a year. The customer mix in our Dallas restaurants also is more diverse than some of the more concentrated demographics in our system overall. The performance in our corporate restaurants illustrate the opportunity ahead. The combination of improved speed and consistency from the Wingstop Smart Kitchen pair with our new brand campaign is begin to show how these initiatives can work together to positively impact performance over time.

Overall, company cost of sales in the fourth quarter were 75.6%, an improvement of 200 basis points versus 2024. Food costs were largely stable as a percentage of sales, benefiting from lower wing costs in our supply chain strategy, which continues to provide strong visibility and predictability into food costs. For modeling purposes, we anticipate company-owned cost of sales to be in the range of 75% for 2026. These results highlight the strength of our unit level economics, which remain among the best in the industry and continue to fuel brand partner demand for more Wingstops.

SG&A increased \$2.1 million versus the prior year comparable period to \$33.3 million in the fourth quarter of 2025, driven primarily by headcount-related investments to support the growth and scale of the business, along with continued investments in technology. These increases were partially offset by lower incentive-based compensation versus the prior year. Overall, we remain disciplined in how we invest while ensuring we are appropriately resourced to support our long-term strategies. Our profitability remains strong. Adjusted EBITDA in Q4 increased approximately 10% versus 2024 to \$61.9 million, underscoring the durability of our model. The strength of our model allowed us to deliver adjusted earnings per diluted share of \$1, an increase of 5% this quarter versus 2024. This includes an \$0.18 per share impact from the additional interest expense associated with our \$500 million securitization transaction completed at the end of 2024.

Development continues to be a major contributor to our financial model. We have scaled from 255 net new restaurants in 2023 to 349 in 2024, and now to 493 for the full year in 2025, providing meaningful growth in system sales, royalty revenue and adjusted EBITDA. Importantly, this growth is supported by attractive unit economics, with domestic AUVs at \$2 million on a low upfront investment of roughly \$580,000. And our asset-light model continues to generate strong free cash flow which allows us to invest in the business while also returning capital to shareholders in a disciplined and consistent manner. During 2025, we returned over \$250 million of capital to shareholders through a combination of dividends and share repurchases.

On February 17, 2026, our Board of Directors authorized and declared a quarterly dividend of \$0.30 per share of common stock to be paid on March 27, 2026, to stockholders of record as of March 6, 2026, totaling approximately \$8.3 million. In the fourth quarter, we repurchased and retired 248,278 shares at an average share price of \$241.65. At the end of 2025, \$91.3 million remained available under our existing share repurchase authorization. Since inception of our share repurchase program in August of 2023 we have repurchased and retired over 2.5 million shares of common stock at an average price of \$258.64. Our ability to consistently return capital remains an important component of our strategy to maximize shareholder returns.

Let's now move to guidance for 2026. We are continuing to execute against the long-term strategies that we have reinforced throughout 2025, strategies designed to return Wingstop same-store sales to growth. Similar to what we shared on our last call and as we entered 2026, we expect that the consumer environment to remain choppy with continued pressure on our core consumer. That said, we believe the strategies we have in place position us to navigate this current operating environment. As the Wingstop Smart Kitchen execution continues to unfold, loyalty launches nationally and our marketing efforts continue to broaden the top of the funnel, we believe these strategies will lead us to a return to same-store sales growth.

With that, our 2026 outlook for domestic same-store sales is flat to low single-digit percent growth. Global unit development remains a key contributor in 2026 as embedded in our outlook. Based on the strength of our committed pipeline and the visibility we have today, we anticipate global unit growth to be between 15% and 16%, well above our long-term algorithm of 10%. This growth is driven by broad-based demand across our brand partner base and continued expansion internationally. As we look to the cadence of openings this year, we expect the first half to be a bit lighter relative to the balance of the year. This is largely related to the fact that we unveiled a new restaurant refresh design, a design that drew inspiration from our international restaurants.

And while a change was not mandated, many of our brand partners have proactively elected to retool construction plans to incorporate this new design into restaurants scheduled for early 2026, which extends construction time lines modestly. Importantly, however, this does not change our full year expectations.

SG&A guidance is estimated to be between \$151 million and \$154 million, which includes approximately \$32 million of stock-based compensation expense and \$3 million of restructuring charges associated with the organization changes Michael discussed earlier. By utilizing these inputs and for modeling purposes, our adjusted EBITDA growth rate translates to approximately 15% in 2026. Our financial performance in 2025 underscores the strength of Wingstop's model. We delivered double-digit revenue growth, mid-teens adjusted EBITDA growth, record unit development and provided significant capital returns, while continuing to invest behind our long-term growth strategies. We are proud of the progress we have made against our strategies and confident in our position as we enter this next phase of growth. What impresses me most about Wingstop is the people and culture that transcend the brand. While 2025 is a year with a lot of uncertainty, our team remains focused on executing our strategies and have us on our path to scaling Wingstop into a top 10 global restaurant brand.

With that, operator, please open the line for questions.

Question-and-Answer Session

Operator

[Operator Instructions] The first question today comes from David Tarantino with Baird.

David Tarantino

Robert W. Baird & Co. Incorporated, Research Division

Michael, I just wanted to ask about the guidance for comps to turn positive this year. So I guess two parts to my question. One, are you already seeing signs of improvement in the first quarter relative to what you did in the fourth quarter? And then secondly, I guess, you laid out all the initiatives to try to understand, but I was hoping you could just talk about your degree of confidence in the turn there in light of all the macro cross currents.

Michael Skipworth

President, CEO & Director

Good morning, David. I guess to start with the first part of your question, maybe I'll start a little bit with the fourth quarter. And I would say, generally speaking, the trends played out pretty much in line with our expectations. On our last earnings call, we talked about trends had stabilized, and we saw that continue into the start of 2026. I will tell you, we're not usually want to talk about weather, but we did have with -- associated with some of the winter storms a few weeks ago. We did have at its peak over 700 restaurants that were closed and then the second wave there, another 400 restaurants.

And so that obviously impacted our trend as we look at it in 2026. But as we think about the year, we anticipate sequential improvement as we progress through the year and a return to growth as these strategies come together. And what I would really say, David, is 2025 was focused on the rollout and operationalizing Smart Kitchen in 2026. We're laser-focused on execution and delivering a consistent 10-minute speed of service, and what we're seeing in the data and the results is really encouraging.

Operator

The next question comes from Chris O'Cull with Stifel.

Christopher O'Cull

Stifel, Nicolaus & Company, Incorporated, Research Division

Michael, what percentage of the system is already achieving the 10-minute ticket time consistently? And then can you give us a sense of the initiatives or training you think is going to be necessary to get the remainder on track to achieve those times? Then I had a follow-up.

Michael Skipworth

President, CEO & Director

Yes, Chris, it's a great question, and thank you. What I would say is, and I think we mentioned it earlier, we would say, if you look at it, roughly 50% of the restaurants are hitting 10 minutes, but that's us looking really at kind of daily and weekly averages. And what's super important and one of the things we've really started to lean into is it's every order. It's every guest occasion where we deliver that 10 minutes. And so we're really starting to cut the data and look at it super closely. And the way we're attacking this, really, it's not anything I would say new for our brand, and these are some initiatives that we actually deployed in our company-owned restaurants over a year ago. One of them starts with just an operation scorecard, where we are measuring performance against this new Wingstop standard and continuing to track progress against that.

And then the other thing is our brand partners as we started 2026, and they launched their new incentive comp programs for their teams. They have incorporated these metrics, which we know from history will drive the right behavior. And so that is already having an impact as we look at just total number of orders that are delivering on a 10-minute speed of service. Just from the beginning of this year to today, we've already seen a 10 percentage point improvement. And so we're encouraged by the progress we're making, and we're focused on the execution and delivering on that 10-minute speed of service because we can see the impact of when we do and the numbers and how guests engage with our brand.

Christopher O'Cull

Stifel, Nicolaus & Company, Incorporated, Research Division

Helpful. And then you mentioned delivery times, we're not seeing the same level of progress as the speed of service improvements in the back of the house. Why do you think that's happening?

Alex Kaleida

CFO & Senior VP

Chris, this is Alex. Yes, it's an interesting question. I think we've got really good partners with us on our delivery marketplaces. And we talked about before just the algorithms taking some time to improve. But similar to how we're measuring success with our restaurant teams. We also have some operational things we're working through with driver performance on delivery times. So we're working through that. But we've had a step down of about 15% delivery times. And to Michael's point on the improvements we've seen this year, we're also seeing those improvements in delivery times.

One other data point is on our dinner daypart on Friday-Saturday night, where a majority of new guests are coming in. We're delivering about 10 minutes about -- 30% of our restaurants are delivering 10-minute service times, but if you look at the delivery times of those getting under 30 minutes, you could probably cut that number in half in terms of percent of restaurants. So it speaks to the opportunity we're working on, that we're laser-focused and to Michael's point is all about execution this year.

Operator

The next question comes from Jeffrey Bernstein with Barclays.

Jeffrey Bernstein*Barclays Bank PLC, Research Division*

My first question was just on the long-term guidance. I believe in the past, you've talked about mid-single digit for the next 3 to 5 years. I know that's a moving target. But what indicators would lead you to tweak that downward. I know your long-term guidance beyond that time frame is low single digit, and that is the 2026 guidance for flat to low. So I'm just wondering or maybe you're assuming a return to mid-single digit next year. Just wondering how you think about the framework of that currently assumed mid-single digit for the next few years? And then I had one follow-up.

Michael Skipworth*President, CEO & Director*

Jeff, I think clearly, we've acknowledged and you've heard other brands acknowledge just the current environment we're in right now. But I would say what we're focused on this year is really things that we can control, and that's around execution, delivering a consistent 10-minute speed of service. And then as we look to the back end of Q2, the national launch of our loyalty program, which we're really excited about. And doing that in a way that we think will be best-in-class. And we think the combination of those two things will drive our business and allow us to return to growth, and that's what we're focused on and think that will allow us to deliver on the outlook that we shared in our prepared remarks this morning.

Jeffrey Bernstein*Barclays Bank PLC, Research Division*

Understood. And my follow-up is just so I was looking back for a second in terms of maybe some learnings from 2025. You called it a transformational year, but seemingly disappointing with the comp below your plan and maybe what you were initially targeting and obviously being the first negative in a long, long time. But if you were to look back, I mean, what do you believe were internal versus macro? Maybe what would you have done differently, things that maybe were in your control, or would you say you know what the entirety of the disappointment on comp was macro-driven?

Michael Skipworth*President, CEO & Director*

Jeff, I would say when we look at 2025, we talked about it throughout the year, I think, quite a bit. But we looked at really the underlying health of the brand. And we saw really strong signals there. We saw frequency holding. We saw quality and satisfaction scores increasing. And we look at our dinner daypart as an example, a key daypart for us. It remains strong. And we did see some pockets of softness in certain dayparts like lunch and snack, but we really focused on 2025, and I think what we're really proud of is in over 2,500 restaurants, we implemented something like Wingstop Smart Kitchen, a new kitchen operating platform in 10 months, which is pretty remarkable. And so the effort by our brand partners, by their team, by our team is pretty remarkable. And so it could have been easy for us to really get caught up and solving for the short term, but our focus was making sure we're investing strategically and setting the business up for that next phase of growth. And as we look at 2026, that's what we're really excited about.

Operator

The next question comes from Christine Cho with Goldman Sachs.

Hyun Jin Cho

Goldman Sachs Group, Inc., Research Division

Really great to hear the impact of Smart Kitchen on speed of service, and how guests are rewarding you for that consistency. But I'd love to learn more about how it's impacting the staff and the restaurant team specifically. I think you've previously mentioned, it helps to reduce the time to train the new staff and improve kind of staff retention. Are there any early signs or metrics you can share on how it's impacting the labor productivity in the stores?

Michael Skipworth

President, CEO & Director

Hi, Christine, good morning. I think we shared a few times throughout 2025, that in our corporate-owned restaurants, we were experiencing some of the lowest turnover we've had. And I think that is a strong indication of the team members' experience with this new kitchen operating platform. And quite simply put, it provides a high degree of focus, and generally speaking, it makes it easier for them to do the job we're asking them to do to take care of our guests. And so that's been super encouraging. But it can't be taken lightly just the culture change this is for our restaurants where we were a brand that has shifted or evolved from operating our kitchens with paper kitchen tickets to now this new technology platform. And so change management and navigating that has been a big focus. But generally speaking, the -- as I've gone out into restaurants around the country and talk to teams, the excitement and engagement with this new kitchen operating platform is really positive.

Hyun Jin Cho

Goldman Sachs Group, Inc., Research Division

Great. My follow-up is related to the advertising could you discuss how you are assessing kind of the performance of the new Wingstop this year campaign? Any early indicators that you're seeing that is helping you capture kind of a larger share of everyday dining occasions and bringing kind of new guests into the brand.

Michael Skipworth

President, CEO & Director

Christine, yes, that's a great question. And we're really encouraged by what we're seeing in our Wingstop is Here campaign. We mentioned it in our prepared remarks, but that -- this new spot we're running right now is delivering the highest brand call we've ever had on record, which is super encouraging to see. But one of the things we look at is really our digital database, which gives us the most visibility and insight into our overall business and to the customers. And it's easy to kind of look past the fact, if you look at 2025 and the environment we're operating in, to look past the fact that our digital database grew by 20% in 2025, which is pretty remarkable.

And as we look and study that data, we're seeing still Gen Z being one of the highest growth cohorts that we have. And what's been really interesting and kind of when we look at this new ad campaign, quarter-over-quarter, we're starting to see growth emerge in other demos such as Gen X, the highest growth being in that 50,000 to 100,000, but we're actually seeing growth in the 100,000 to 150,000. And what's interesting about that cohort is they're demonstrating the frequency that's very similar to our core. So I think as I look at all of this together, I think we're really encouraged by what we see in our ad campaign, and how it's working for us. But yes, it just highlights the opportunity we have in front of us to win our fair share of our core demand space, which also we believe will translate into an opportunity to diversify our customer base a little bit.

Operator

The next question comes from Brian Harbour with Morgan Stanley.

Brian Harbour

Morgan Stanley, Research Division

Michael, could you just elaborate on some of the leadership changes that you made, and why you thought now was sort of the right time to do those?

Michael Skipworth

President, CEO & Director

Hi, Brian, good morning. As I take a step back and look at our business and just look at it over the last few years, the reality is our business has doubled, whether you look at it restaurant count size, systems, sales, EBITDA, significant growth. And as we looked at this next phase of growth in front of the brand, I would really distill this all down to really, it's just us playing offense and making sure we're positioned for this next phase of growth. We have the clarity around decision-making. We're unlocking the opportunities and really investing in the talent that we've hired over the last few years and setting that bench up and continuing to grow that. This new design is really around driving greater clarity around operational consistency, increasing accountability. But again, it all comes down to really just positioning the brand for this next phase of growth and our ability to execute against that.

Brian Harbour

Morgan Stanley, Research Division

Okay. Got it. And then on the third-party delivery platforms, what do you think will sort of further optimize the times there? And I guess, secondarily, I think those guys are beta testing sort of agentic AI ordering on their platforms. Have you discussed with them how you sort of present in that scenario, how to make sure that Wingstop sort of is prioritized and still is kind of ranked highly in that situation?

Michael Skipworth

President, CEO & Director

Yes, Brian, I would say I don't think anything has changed. If anything, maybe it strengthen as it relates to our partnerships with our third-party delivery providers. And we've talked about it over the years, but they value our business like our business. It's good for their business. And so this is an opportunity, I think, for us to continue to grow and strengthen our businesses together, whether it's through continued innovation, as you referenced. But one of the things that's really powerful about Wingstop Smart Kitchen is it's given us a level of visibility that we didn't have before. And so we know exactly when orders are prepared when they're ready, and it's allowing us to have a little bit elevated visibility, drive accountability and make sure that we're delivering on that guest's expectation around speed as it relates to third-party delivery. And so it's something we're going to continue to work at and our partners are committed to improving that experience and increasing those times that guest experience. We're pretty excited about continuing to partner with them.

Operator

The next question comes from Zack Fadem with Wells Fargo.

Zachary Fadem

Wells Fargo Securities, LLC, Research Division

On the topic of value, there was a lot of success around your 20 for 20 deal over the summer. And considering the deceleration afterwards, just curious to hear the thought process around not bringing that deal back. And with wing costs still favorable, any thoughts on leaning more into value in 2026?

Michael Skipworth

President, CEO & Director

Yes. I think when we think about value, we actually look at the overall proposition, and it's not just price. It's the quality, it's the experience, it's the speed. It's delivering on the guest expectations. And obviously, price is a component there. And I think that's where we're going to focus as we continue to scale the brand. I think I mentioned earlier, we did see in our business in 2025, some pockets of softness in certain dayparts like lunch and snack. And there could be an opportunity targeted towards certain cohorts towards certain dayparts where we can showcase existing value on our menu today, whether that's an entry-level price point for chicken sandwich or tenders. And so I think there's some opportunity there. But I think for us, it's about winning our fair share, delivering on the total guest experience, which obviously we think quality, price and speed are going to be -- and a consistent experience are elements that allow us to win.

Zachary Fadem

Wells Fargo Securities, LLC, Research Division

Got it. And then as you think through the dynamics of double-digit unit growth and comps more challenged in '25. Could you walk through some of the data and KPIs that you're looking at that give you comfort that cannibalization hadn't been worse in 2025?

Alex Kaleida

CFO & Senior VP

Zach, this is Alex. One of this -- our approach is that really helps us guide the plan for development is these market-level playbooks that we develop that line up to our 6,000-plus restaurant target in the U.S. And we have visibility into sales predictions and data that surrounds the restaurants we make choices. And then we measure the result of those restaurant openings. And I think what gives us confidence to continue at the level of growth ever seen is the results from the restaurant openings we've had in the last few years. And we haven't seen a material change versus historical trends in cannibalization to size up for you in 2025, it might have been 40 basis points more than what we had in prior years.

And when we cut the data in 2025, 90% of the impact that we're seeing is from brand partners making strategic decisions to impact the restaurants as they fortress the market. And then when you look at the characteristics of the restaurants that were impacted, and we've talked about this before, is typically restaurants that have higher volume are tend to be an older vintage or have maxed out capacity in the restaurants from these small boxes that they operate in. So nothing that we see that concerns us, and we're continuing to stay focused on that unit growth opportunity for Wingstop.

Operator

The next question comes from Sara Senatore with Bank of America.

Sara Senatore

BofA Securities, Research Division

Just I guess, I'll start with the follow-up and then I'll ask the real question. The comp gap between franchisees and the company, I guess it narrowed a little bit. Should I interpret that as kind of half glass half full, which is the franchisees are kind of ramping up the learning curve. I just know last quarter, you saw a really wide gap and that seemed to signal kind of the building tailwind in your company stores from the Smart Kitchen. So anything to comment on there? And then I'll ask my question.

Michael Skipworth

President, CEO & Director

Sara, we appreciate the question. What I would say is there's -- obviously, our company-owned restaurant portfolio, it is a small number of restaurants. And so there can be nuances within that, whether it's little things like a fire in the back of house or some other electrical issue that could cause the restaurant to be down. We're encouraged by those results that we have in our corporate restaurants. But I think if you take a little bit of a step back and look at a broader sample like the entire DFW market, it actually outperformed our corporate restaurants, which to us continues to just be further proof points around the opportunity we have with Wingstop's market.

We're super excited and encouraged by the progress that we're seeing throughout the system. I referenced it earlier, where over 50% of the restaurants, they're delivering an average speed of service day in and day out. But as we start to pull it apart, and look at daypart specific, that's where we're focused, and it really comes down to execution. And we're already seeing progress against execution in 2026. And so we're going to continue to focus on that and deliver on the guests expectation around speed.

Sara Senatore

BofA Securities, Research Division

Got it. That's very helpful. And then on the loyalty question, the loyalty program that you're launching, I know you mentioned it's kind of a lower frequency occasion once a month. I guess the 7% increase in frequency, you saw among guests in the program, from other across the sort of restaurant industry, we hear a wide range of what joining loyalty might mean for increased frequency. Sometimes it can be much higher than that, although I don't know how sustainable it is. Would you expect that to increase sort of further as you deploy more of this sort of targeted marketing that 7%. I just think about one time per month average frequency is maybe low for traditional QSR, but perhaps more typical fast casual. So I'm just trying to figure out how high that frequency could go, and what loyalty could do for it.

Michael Skipworth

President, CEO & Director

Yes, Sara, we think loyalty is going to be an incredible driver for us as we think about frequency long term. And we've talked about it before, but we're not trying to be overshoot here at all. Just one more visit a quarter from our average guest is a meaningful step towards that \$3 million AUV target. And what we are seeing in our loyalty pilot gets us pretty excited. I mean this pilot, it was obviously centered around testing the technology, the features, the enrollment process, but the early signals we're getting out of it have us pretty excited about what this can mean for our business long term. We have over 50% of our active guests have enrolled.

We're seeing the strongest level of adoption through our highest-value guests. And what's really exciting for us is, we're seeing over 30% of new guests signing up. This is already translating in the pilot to an improvement in retention, a slight improvement in frequency, and that's without really any national support. So as we think about additional features, us supporting the launch nationally, we're excited about what loyalty can mean for our business, not just for 2026 for long term as we think about our path to \$3 million AUV.

Operator

The next question comes from Jon Tower with Citi.

Jon Tower

Citigroup Inc., Research Division

Maybe just a quick follow-up on the last point on loyalty. Are you guys embedding any sort of a headwind from an accounting standpoint related to implementing the program.

Alex Kaleida*CFO & Senior VP*

Jon, this is Alex. There's nothing material at this point to consider. And one aspect, maybe just to share a little bit differently from others is that we do anticipate, to Michael's plan, to build the \$3 million that this will be margin accretive over time. And I think a lot of other loyalty benchmarks also include offer components that elevate maybe kind of discounting, ours is about rewards that can be redeemed for other things such as merge and experiences, other aspects that really drive that emotional connection for the brand.

Jon Tower*Citigroup Inc., Research Division*

Got it. And then I guess, one of the comments, Michael, you had made regarding the smart kitchens as you're starting to see more consumers kind of pivot to lunch relative to stores that don't have smart kitchen. I'm just curious, have you seen any other -- or any impact on mix as a result of that?

Michael Skipworth*President, CEO & Director*

No, I wouldn't say anything to call out as it relates to mix. We're just seeing when we can deliver on that speed expectation, which it's pretty clear is associated with the lunch occasion and do that on a consistent basis, we're seeing strength in those restaurants in that daypart.

Operator

The next question comes from Gregory Francfort with Guggenheim Securities.

Gregory Francfort*Guggenheim Securities, LLC, Research Division*

My question is on international. I mean, obviously, a lot of openings this quarter. And I guess I'm just curious as you think about the unit growth guidance for next year, do you think international could run up kind of close to 30% store growth again? And how has the business performed either from a comp or AUV perspective recently?

Michael Skipworth*President, CEO & Director*

Appreciate the question about international. And it's an area of the business that we've been talking about for what feels like years talking -- referring to it as being supercharged for growth, and it's exciting to see that come alive in the business. And I think as it relates to your comments around unit growth for international business in 2026, I think that's a good way to think about it. Those businesses are opening really strong. We're continuing to expand and build out markets. The average unit volumes we're seeing in most of these new markets is well above what we experienced here in the U.S. business. And as you can see from the excitement from our partners and the pace of development, the returns they're seeing are really strong as well. So we're encouraged by the progress we're making there and continue to see that as a really exciting part -- long-term part of the growth story here. And I think we referenced it in our prepared remarks that we have additional new markets coming online this year, one of those being India that we're really excited about and the potential there.

Operator

The next question comes from Danilo Gargiulo with Bernstein.

Danilo Gargiulo

Bernstein Institutional Services LLC, Research Division

Wondering if you can comment how the outside Hispanic consumer viewership at the Super Bowl may be thanks to Bad Bunny, was impacting your customer acquisition that week? Maybe if you can give some composition of your 100,000 new users on that day alone. What learnings do you draw from that experience? And how do you think that's going to be informing your advertising strategy, especially during the World Cup this summer.

Michael Skipworth

President, CEO & Director

Danilo, thank you for the question, and good morning. Super Bowl, we were -- we're pretty excited about what we saw in Super Bowl. It was our first Super Bowl with Wingstop Smart Kitchen deployed across the system. It's pretty incredible to think we're actually able to deliver an average speed of service on that day of 20 minutes. Clearly, that's above our 10-minute target. But I can remember the days when most restaurants would turn off their digital ordering platform because demand and volume was so high. And so we believe we saw something pretty special. As we look at the business on that day, it was a record day of sales for our business, but we brought in over 100,000 new customers. Really encouraged by what we saw in the business on that day.

And I don't think it will fundamentally shift our advertising strategy as we think about 2026 or even the summer around the World Cup. You're going to see us deploy, which we referenced in our prepared remarks, deployed this House of Flavors concept in a few cities, which we think will be a great tool to continue to expand brand awareness, but we see the opportunity we have with our core demand space. It's about continuing to broaden, the top of the funnel versus maybe getting more narrowly focused on a specific cohort.

Danilo Gargiulo

Bernstein Institutional Services LLC, Research Division

Great. And then I would like to follow up on the delivery opportunity because it sounds like you're working with this market and to control what's within your control, right? It's accelerating reducing the core time accelerating even just the speed of service, but there is another component of delivery, which does not depend on you, right? It depends on the third-party aggregators. And so the way that you show up on aggregator platform does not fully depend on you. You might be depending also on third parties. And I'm wondering, when you say we're still collaborating on third-party aggregators on how we show up on this platform. What kind of levers do you have at your disposal to make sure that the brand is a little more relevant for a consumer who is actually just searching for wings or more broadly in the category?

Alex Kaleida

CFO & Senior VP

Hi, Danilo, good question. And that's part of our strategy as we partner with the marketplace to talk about how we invest together on advertising their platforms. You can almost think about them as a different vehicle to drive awareness. And so when we're -- each month, each week, we're talking about different ways to elevate Wingstop visibility. And so Michael's earlier points on the call today, they're highly motivated to invest buying Wingstop and grow our business because of the characteristics of our transaction. And so we have a lot of those partnership conversations as we go through the year to ensure that we're getting the elevated visibility in the platform through banners or listings or areas like that.

Operator

The next question comes from Andy Barish with Jefferies.

Andrew Barish*Jefferies LLC, Research Division*

I wanted to circle back and double-click on the international side of things. Just a quick kind of refresher on what's changed sort of in your strategy in entering new markets? And any information on the partner in India that you guys may have put out at this point?

Michael Skipworth*President, CEO & Director*

Andy, I would say as it relates to international and our new market entry playbook, I would say it's something that we really started to hone in and dial in within the U.K. and our entry there, and it's been something we've continued to refine and build on, and we continue to see it strengthen as each new market comes online, and the demand and the acceptance and the relevance of the brand that we're seeing with consumers around the world is pretty remarkable. We referenced in our prepared remarks, the House of Flavors that we are -- where we popped up in Milan to prepare for that new market entry here in a few months -- a couple of months. And the receptiveness of a market that is really known for being critical about food is the way I'll describe it. The receptiveness is remarkable.

The demand, the number of people we've served there is super exciting to just showcase that the portability of the brand and the strategy that we're executing. And so you're going to see us continue to lean into that. It's working, and we're encouraged by what we see in each new market that we open. As it relates to India, we haven't really disclosed specifically who that partner is, and we'll get into that, but it's someone that we know very well and has proven and excited about bringing Wingstop to the India market, which we mentioned on our prepared remarks is an opportunity that represents over 1,000 restaurants.

Operator

The next question comes from Peter Saleh with BTIG.

Peter Saleh*BTIG, LLC, Research Division*

I guess my first question, operationally with the Smart Kitchen. Do you feel like you need to have consistent 10-minute ticket times to feel comfortable in the launch of the loyalty program at the end of 2Q. I just worry if you launched a loyalty program, you have all this demand coming through if you're not ready operationally, so just thoughts on that would be helpful.

Michael Skipworth

President, CEO & Director

Peter, I might answer your question a little differently. And that is I am highly confident based on the level of focus from our brand partners, the level of focus from Raj's team, the level of focus from our teams that we will be at a consistent 10-minute speed of service as we progress through the year. And so it really doesn't have anything to do with or doesn't influence how we're thinking about loyalty. That execution is something that's within our control, and I'm confident we will deliver on that. The launch of loyalty is really around the opportunity we see, a lever we've known for years that we've had to pull, and it does have to do with the fact that we know that consumers want this. They've told us that they want loyalty with Wingstop, but we're able to do it in a very differentiated way. And clearly, delivering on consumer expectations around speed and consistency is just going to be a further catalyst to what loyalty can do for our business long term.

Peter Saleh

BTIG, LLC, Research Division

Great. And then just lastly, can you talk a little bit about maybe how -- once you get to the 10-minute speed of service and you're comfortable, how do you communicate that faster speed of service to the consumer? Is there a way to do that or do you just let this happen organically?

Alex Kaleida

CFO & Senior VP

Peter, it's really a bit of both. And it's kind of what we're seeing in our restaurants that are consistently operating at 10-minute service times. We are seeing that organic change and how the guests engage with us, whether you look at new guest retention, frequency, the delta and same-store sales performance, all those factors have come into play without us communicating differently. Michael also mentioned some opportunities just as we talk about the overall value proposition for the guests. And I think there's examples at a lunch or late-night daypart, where we can bring forward these compelling entry points into the brand with chicken sandwich or tenders, but they'll also -- in a daypart that speed expectations are much different than dinner. And so we think the combination of those 2 and how we bring forward these menu items will be an opportunity to showcase our speed as well.

Operator

This concludes our question-and-answer session and concludes the conference call today. Thank you for attending today's presentation. You may now disconnect.

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