

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 10, 2024

GEN Restaurant Group, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-41727
(Commission File Number)

87-3424935
(IRS Employer
Identification No.)

11480 South Street, Suite 205
Cerritos, CA
(Address of Principal Executive Offices)

90703
(Zip Code)

Registrant's Telephone Number, Including Area Code: (562) 356-9929

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common stock, par value \$0.001 per share	GENK	The Nasdaq Stock Market LLC (The Nasdaq Global Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Gen Restaurant Group, Inc. (the Company”) has updated the investor presentation slides. A copy of the Company’s slides that will be used during events, as well as, from time to time, to present and/or distribute to members of the investment community and various other industry conferences, is being furnished as Exhibit 99.1 hereto and is hereby incorporated by reference.

The information included in this Item 7.01 is being furnished to the U.S. Securities and Exchange Commission, and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Company Name

Date: June 10, 2024

By: _____
/s/ Thomas V. Croal
Thomas V. Croal
Chief Financial Officer



GEN
KOREAN BBQ HOUSE

Investor Overview

June 2024

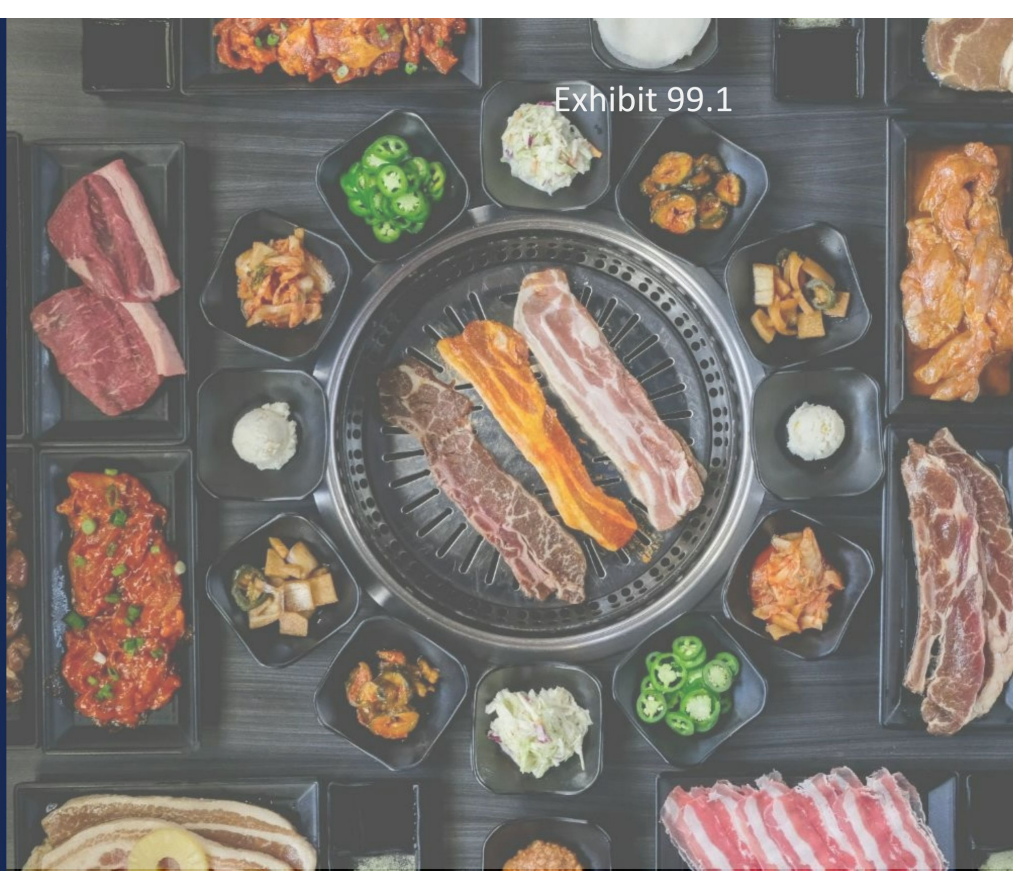


Exhibit 99.1

This presentation includes "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. All forward-looking statements are subject to a number of risks, uncertainties and assumptions, and you should not rely upon forward-looking statements as predictions of future events. You can identify forward-looking statements by words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "target," "may," "plan," "potential," "predict," "project," "should," "will," "would" or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes. All forward-looking statements are based upon current estimates and expectations about future events and financial and other trends. There is no guarantee that future results, performance or events reflected in the forward-looking statements will be achieved or occur. No person assumes responsibility for the accuracy and completeness of the forward-looking statements, and, except as required by law, no person undertakes any obligation to update any forward-looking statements for any reason after the date of this presentation. Investors are referred to filings by GEN Restaurant Group, Inc. (the "Company") with the Securities and Exchange Commission for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

All third-party brand names and logos appearing in this presentation are trademarks or registered trademarks of their respective holders. Any such appearance does not necessarily imply any affiliation with or endorsement of the Company.



GEN
KOREAN BBQ HOUSE

Company Overview



About Us

Founded by two Korean immigrants in 2011

One of the largest Asian casual dining restaurant concepts by total revenue in the United States

Engaging and interactive dining experience where guests serve as their own chefs

40 company-owned restaurants across seven states

Extensive menu of traditional Korean and Korean-American food at an affordable, all-inclusive price

Passionate and loyal following of Millennials and Generation Z



Note: Unit count and location as of 5/31/2024

Financial Highlights

- Total revenue increased 16% to \$50.8 million compared to Q1 2023
- Net income was \$3.7 million and 7.3% of revenue
- Restaurant-level adjusted EBITDA⁽¹⁾ was \$8.4 million and 16.6% of revenue
- Cash and cash equivalents at March 31, 2024 was \$28.1 million
- No long-term debt, except \$5.0 million in government-funded EIDL loans, and \$20.0 million available for use in revolving line of credit⁽²⁾



Operational Highlights

- Opened two new locations during the first quarter of 2024 in Seattle, Washington and Dallas, Texas with a third location in Jacksonville, Florida during April 2024.
- Launched new Premium Menu at all 40 nationwide locations featuring 10 gourmet protein options at an additional cost of \$20 per guest.
- Completed an acquisition to buy out the Company's 50% partner in GKBH Restaurant LLC, which included acquiring the rights the partner had to participate in future GEN restaurants in the State of Hawaii, on February 19, 2024. The Company now wholly owns all 40 of its locations.



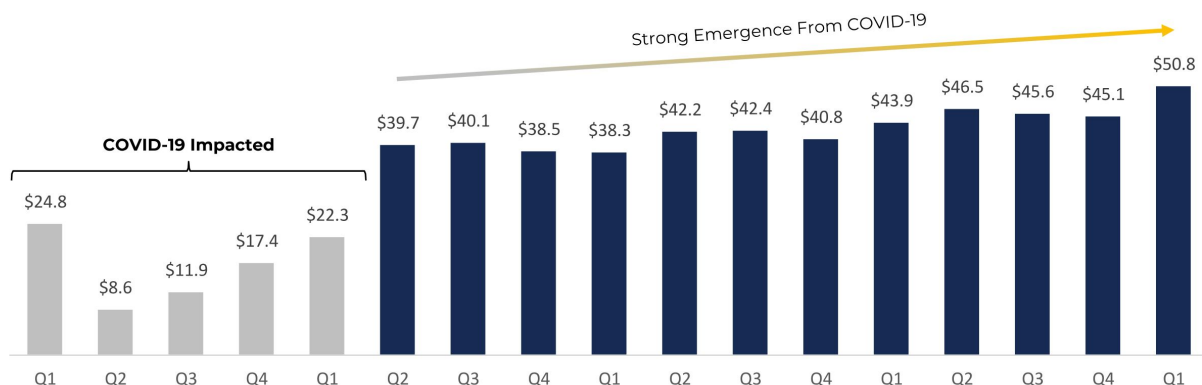
1. Non-GAAP financial measures. See appendix for definitions and reconciliations.
2. As of March 31, 2024.

Revenue and Adjusted EBITDA Margin¹ by Quarter



\$ in Millions

	2020: \$62.7M	2021: \$140.6M	2022: \$163.7M	2023: \$181.0M	LTM 2024: \$187.9M
YoY % Growth:		124.2%	16.4%	10.6%	11.0%



Restaurant-Level Adjusted EBITDA Margin ¹	15.3%	(17.1%)	0.4%	14.5%	19.0%	26.9%	26.3%	22.3%	21.2%	21.5%	20.2%	19.3%	19.2%	20.4%	18.4%	16.0%	16.6%
Adjusted EBITDA Margin ¹	8.1%	(28.0%)	(11.9%)	6.3%	12.3%	20.5%	20.9%	15.0%	15.6%	15.8%	12.9%	10.8%	12.4%	13.7%	11.0%	3.6%	12.5%
Net Income Margin	(2.0%)	(57.3%)	(26.8%)	(3.9%)	2.7%	53.2%	32.0%	39.9%	8.8%	12.8%	5.6%	(0.5%)	10.3%	9.6%	5.8%	(0.4%)	7.3%

1. Non-GAAP financial measures. See appendix for definitions and reconciliations.



GEN
KOREAN BBQ HOUSE

Operational Highlights



The GEN Dining Experience

Family-Style Food Served on
Embedded Table-Top Grills

Meaningful Interaction Among
Guests who Cook Their Own Food

Diverse Assortment of
Side Dishes, or *Banchan*

Modern and Vibrant
Décor and Atmosphere
Engaging the Senses

Unlimited Amount of
Any Food Item for an
Affordable, All-Inclusive Price

Differentiated Culinary
Experience with
Enthusiastic Patrons



Unlimited Food Items at An Affordable, All-Inclusive Price



Unlimited quantities of menu items for a fixed price typically ranging from \$19.95 to \$21.99 for lunch and \$28.95 to \$32.95 for dinner¹

Popular Menu Items

Beef



Galbi
Marinated Bone-In Short Rib



Chadol
Thinly Sliced Premium Beef Brisket



Beef Bulgogi
Thinly Sliced Marinated Sweet & Savory Beef



Smoked Garlic Samgyupsal
Marinated Pork Belly with Smoked Garlic



Spicy Pork Bulgogi
Thinly Sliced Marinated Spicy Pork



Hangjungsal
Premium Pork Jowl Meat

Poultry



Garlic Chicken
Marinated Chicken With Jalapeno Cheese Fondue



Spicy Chicken
Marinated Spicy Chicken



Korean Fried Chicken (K.F.C.)
Crispy Korean Fried Chicken



Cajun Shrimp
Marinated Shrimp with Cajun Rub



Garlic Calamari
Marinated Garlic Calamari



Spicy Baby Octopus
Marinated Baby Octopus With Onion

Seafood

1. GEN PREMIUM STEAK
Premium Sirloin Steak | ₩ 30,000 (미리 주문)
2. SPICY PORK BULGOGI
Spicy Pork Bulgogi | ₩ 15,000 (미리 주문)
3. GEN PORK CHEEK
Premium Pork Cheek | ₩ 15,000 (미리 주문)
4. GEN PREMIUM CHADDOL
Premium Beef Brisket | ₩ 15,000 (미리 주문)
5. GEN BEEF BELLY
Premium Beef Belly | ₩ 15,000 (미리 주문)
6. GEN BEEF BULGOGI
Thinly Sliced Marinated Beef Bulgogi | ₩ 15,000 (미리 주문)
7. HAWAIIAN PORK BELLY
Marinated Pork Belly with Smoked Garlic | ₩ 15,000 (미리 주문)
8. GEN SIGNATURE GALBI
Premium Beef Brisket | ₩ 15,000 (미리 주문)
9. HAWAIIAN STEAK
Marinated Beef Steak with Smoked Garlic | ₩ 15,000 (미리 주문)
10. BEEF TONGUE
Premium Beef Tongue | ₩ 15,000 (미리 주문)
11. HAWAIIAN CHICKEN
Marinated Chicken with Smoked Garlic | ₩ 15,000 (미리 주문)
12. SPICY CHICKEN
Marinated Spicy Chicken | ₩ 15,000 (미리 주문)
13. GARLIC CHICKEN
Marinated Chicken with Garlic | ₩ 15,000 (미리 주문)
14. PREMIUM PORK BELLY
Premium Pork Belly | ₩ 15,000 (미리 주문)
15. SPICY PORK BELLY
Spicy Pork Belly | ₩ 15,000 (미리 주문)
16. SMOKED GARLIC PORK BELLY
Marinated Pork Belly with Smoked Garlic | ₩ 15,000 (미리 주문)
17. MUSHROOMS & VEGETABLES
Assorted Mushrooms & Vegetables | ₩ 15,000 (미리 주문)
18. GYOZA
Assorted Gyoza | ₩ 15,000 (미리 주문)
19. JAP CHAE
Assorted Jap Chae | ₩ 15,000 (미리 주문)
20. SPICY JAP CHAE
Spicy Assorted Jap Chae | ₩ 15,000 (미리 주문)
21. SPICY RICE CAKE
Spicy Rice Cake | ₩ 15,000 (미리 주문)
22. CRISPY CAJUN CHICKEN
Crispy Cajun Chicken | ₩ 15,000 (미리 주문)
23. K.F.C. (KOREAN FRIED CHICKEN)
Crispy Korean Fried Chicken | ₩ 15,000 (미리 주문)
24. VOLCANO CHICKEN (소문난)
Volcano Chicken | ₩ 15,000 (미리 주문)
25. SEDUL FRIES
Assorted Sedul Fries | ₩ 15,000 (미리 주문)
26. SHRIMP
Assorted Shrimp | ₩ 15,000 (미리 주문)
27. CAJUN SHRIMP
Cajun Shrimp | ₩ 15,000 (미리 주문)
28. GARLIC CALAMARI
Assorted Garlic Calamari | ₩ 15,000 (미리 주문)
29. SPICY BABY OCTOPUS
Spicy Baby Octopus | ₩ 15,000 (미리 주문)
30. CORN CHEESE
Crispy Corn Cheese | ₩ 15,000 (미리 주문)
31. SOONDODDOL
Assorted Soondoddol | ₩ 15,000 (미리 주문)

1. Current pricing as of May 2024. Miracle Mile Las Vegas costs \$35.95 for dinner. Manhattan, NY location costs \$33.95 for dinner, \$37.95 for late dinner, and \$27.95 for lunch.

New Premium Menu

• Premium meat selection for a \$20 upcharge or a la carte options allowing for better segmentation of value and premium guests


• Available at all 40 locations nationwide

Features 10 top shelf proteins including:

- Wagyu
- Al pastor
- Marbling Center Cut Marinated Short Rib
- Pollo Asado
- Cajun Shrimp
- Carne Asada
- Taco Sampler
- Build Your Own K-Ramyun
- Kimchi Fried Rice
- Kimchi Cheese Fried Rice


• Implementing employee training programs to increase upselling of premium menu across all stores



 We receive ready-to-serve proteins and fresh produce from our suppliers typically two to three times per week

 Ready-to-serve items minimize kitchen footprint and wait times

 Engaging and interactive dining experience where guests cook their own food

 New Sysco partnership allows for efficient nation-wide expansion



Received in ready-to-serve format



Simple transfer from package to plate



Guests grill food to their liking on their table-top grill

Differentiated Guest Experience Drives Positive Customer Ratings



"Gen Korean BBQ was SO good that I had to visit twice during my week long stay in Texas! If you're like me and have never been to a Korean BBQ, you'll be blown away upon entering."

Review for Carrollton, TX Location

"I really enjoy my visit here, it's my go to place for Korean BBQ. They have a great selection of variety of meats on both the lunch & dinner menu."

Review for Cerritos, CA Location

Yelp ⁽¹⁾	
Total Number of Reviews:	94,500+
Average Star Rating:	4.0

Google ⁽¹⁾	
Total Number of Reviews:	47,600+
Average Star Rating:	4.1



"Food is always so good and it's so much fun making it on your own. Took my family for the first time and they had a blast. Will definitely be going back soon! Service was great, very friendly."

Review for Tempe, AZ Location

"The food was amazing for the price per person, the wait was worth it. I do recommend going, I'm definitely going to go there again, I'm honestly looking forward to it."

Review for Torrance, CA Location

1. As of June 2024.



GEN
KOREAN BBQ HOUSE

Expansion Strategy



Our restaurants fit in a wide variety of retail footprints

Select Locations

Standalone



Las Vegas, NV



Chino Hills, CA



Torrance, CA



Tukwila, WA



Cerritos, CA



New York, NY

Mid Cap



Huntington Beach, CA



Honolulu, HI



Tempe, AZ



Henderson, NV



Webster, TX



Carrollton, TX

End Cap



West Covina, CA



Jacksonville, FL



Pearlridge, HI



Frisco, TX



Houston, TX



Alhambra, CA

Strong Unit Economics



	Historical Unit Metrics	Targeted New Unit Metrics ⁽¹⁾
Average Unit Volume (AUV)⁽²⁾	\$5.9 Million	\$4-5 Million
Revenue per Square Foot⁽³⁾	\$862	\$800+
Restaurant-Level Adjusted EBITDA Margin⁽⁴⁾	18.5%	18.0-20.0%
Cash-on-Cash Returns⁽⁵⁾	~59%	~40%
Payback Period⁽⁶⁾	1.7 Years	2.5 Years

Note: These are Non-GAAP financial measures. See appendix for definitions and reconciliation.

1. Targeted unit level metrics for new units opening in 2024 and beyond.

2. AUVs for historical unit metrics represent units that were opened 12 full months prior to December 31, 2023.

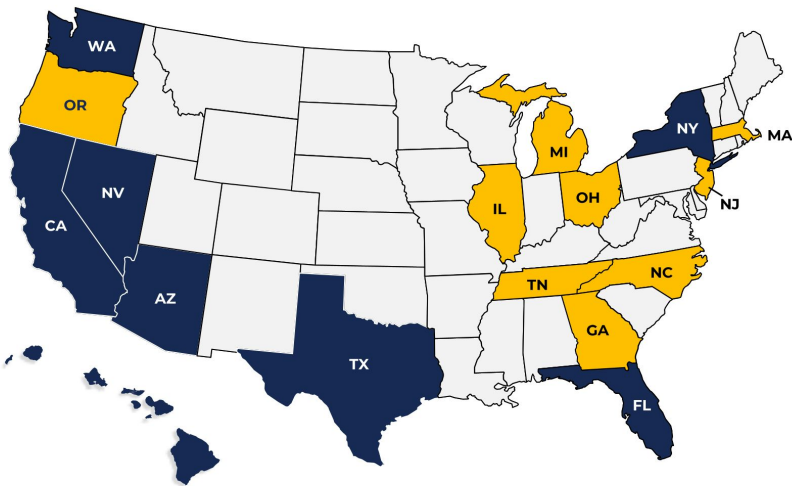
3. Revenue per square foot for 2023 metrics includes units opened 12 full months prior to December 31, 2023.

4. Restaurant-Level Adjusted EBITDA margin for targeted new unit metrics based on targeted net build-out costs of less than \$3.0 million.

5. Cash-on-cash returns for historical unit metrics represent average of nine units opened in 2022 and 2023.

6. Payback period for historical unit metrics represents average of nine units opened in 2022 and 2023.

Expansion Strategy To Achieve Long-Term Potential



● Proven Existing Markets
 ● Near-Term Potential New Markets

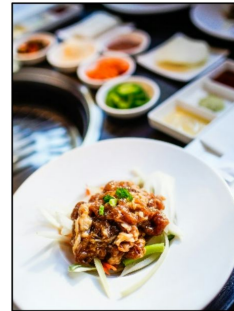
Current Footprint	}	40 Units ⁽¹⁾ in 8 States
+		
Near-Term Growth Plan	}	8-9 New Units in 2024 ⁽²⁾
		10-12 New Units in 2025
		15 New Units in 2026
+		
Long-Term Opportunity	}	70+ Total Units by End of 2026
		Underpenetrated Existing Markets
		Untapped New Markets
=		
Potential for 250+ Restaurants in the U.S.⁽³⁾		

1. Unit count as of 5/31/2024
 2. Expect to open 8-9 total units in 2024 with 3 units already opened as of April 2024 and at least 5 more units expected to be open by year-end.
 3. Based on an internal study

The GEN Difference



- Value-oriented customer model with unlimited orders at an affordable, all-inclusive price
- Efficient and cost effective “cook-it-yourself” business model
- New restaurant average payback period of ~1.4 years historically⁽¹⁾
- Differentiated guest experience that generates positive customer ratings, driven by a large community of millennial and Gen Z enthusiasts
- Founder led management team that is well aligned with maximizing shareholder value given their high levels of insider ownership
- Attractive unit economics and stable supplier network provides a solid foundation to capitalize on the significant growth opportunities
- Strong cash balance, minimal level of debt, and an unused \$20M line of credit with self-funding growth strategy that is not expected to require additional capital in the near- to medium-term



1. Calculated using the Company's original 28 units.



GEN
KOREAN BBQ HOUSE

Appendix





David Kim | Co-CEO & Director

- Joined GEN shortly after opening of first restaurant in September 2011
- Former CEO of La Salsa, Inc. and Baja Fresh Enterprises and seasoned restaurateur and entrepreneur
- Founder of Kim Family Foundation, supporting various charitable causes related to scholastic achievement and leadership

Experience



Jae Chang | Co-CEO & Director

- Founded GEN with the opening of the Company's first restaurant in Tustin, California
- 25+ years of entrepreneurial experience in the restaurant and hospitality industry
- Owner, operator and manager of multiple successful restaurant concepts

Experience



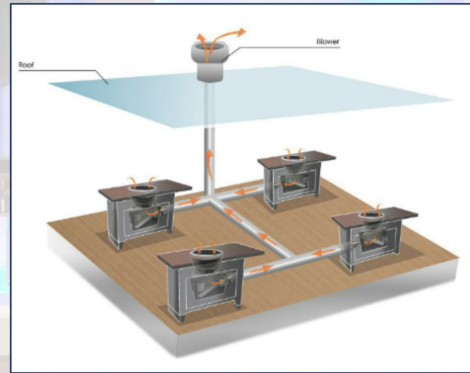
Thomas V. Croal | CFO

- Joined GEN in July 2021
- 12+ years of public company experience, serving as CFO and COO of InSight Health Services Corp.
- 18+ years serving as SVP and CFO at various entities, including the Pancreatic Cancer Action Network and Silverado Senior Living Holdings, Inc.
- California CPA with Arthur Andersen & Co. and B.S. in Accounting from Loyola Marymount University

Experience



- Well-functioning ventilation systems are critical to Korean barbecue restaurant concepts
- We do not rely on prohibitively expensive third-party contractors who require lengthy lead times
- We design and fabricate ventilation systems in-house



Greater control than our competition over quality, costs and lead times

Adjusted EBITDA is not recognized under GAAP. We define Adjusted EBITDA as net income (loss) before net interest expense, income taxes, depreciation and amortization and consulting fees paid to a related party. We also exclude non-recurring items, such as gain on extinguishment of debt, and Restaurant Revitalization Fund, or RRF, grants, employee retention credits, litigation accruals, aborted deferred IPO costs written off and non-cash lease expenses.

Adjusted EBITDA is intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, GAAP. We are presenting Adjusted EBITDA because we believe that it provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results. We believe that the use of Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of this measure may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Adjusted EBITDA in the same fashion. Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using this non-GAAP measure on a supplemental basis.

Restaurant-Level Adjusted EBITDA is intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, GAAP. Restaurant-Level Adjusted EBITDA is revenue less recurring expenses incurred at the restaurants, such as food costs, payroll and benefits costs, occupancy and operating expenses, but excluding restaurant-level depreciation and amortization and preopening costs. Restaurant-Level Adjusted EBITDA Margin is the calculation of Restaurant-Level Adjusted EBITDA divided by revenue. We believe that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results, as this measure depicts normal, recurring cash operating expenses essential to supporting the operations of our restaurants. We expect Restaurant-Level Adjusted EBITDA to increase in proportion to the number of new restaurants we open and with our comparable restaurant sales growth. However, you should be aware that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are financial measures which are not indicative of overall results for our company, and Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin do not accrue directly to the benefit of stockholders because of corporate-level expenses excluded from such measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin in the same fashion. Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP.

Non-GAAP Financial Measures



The following tables reconcile revenue to Restaurant-Level Adjusted EBITDA and net income to Adjusted EBITDA for the years ended December 31, 2023, December 31, 2022, December 31, 2021 and December 31, 2020, respectively:

	Years Ended December 31,			
	2020	2021	2022	2023
Revenue	62,659	140,562	163,729	181,007
Less:				
Total Restaurant Operating Expenses	62,197	112,418	136,119	156,392
Add Back:				
Depreciation and Amortization(I)	4,526	4,337	4,314	4,808
Pre-Opening Expense	-	-	1,455	3,680
Non-Cash Rent	(190)	1,577	261	380
Restaurant-Level Adjusted EBITDA	4,798	34,058	33,638	33,479
Restaurant-Level Adjusted EBITDA Margin	7.7%	24.2%	20.5%	18.5%

	Years Ended December 31,			
	2020	2021	2022	2023
Net Income (Loss)	(9,273)	49,860	11,732	11,434
Interest (Income) Expense, Net	654	197	635	(346)
Taxes	-	-	-	21
Depreciation and Amortization	4,540	4,363	4,354	4,891
EBITDA	(4,079)	54,420	16,719	16,000
EBITDA Margin	(6.5%)	38.7%	10.2%	8.8%
Adjustments to EBITDA:				
Consulting Fees	3,551	4,270	4,897	2,325
Stock-Based Compensation Expense	-	-	-	1,518
Gain on Extinguishment of Debt	-	(22,284)	(387)	-
RRF Grant	-	(12,963)	-	-
Less: Employee Retention Credits	-	-	(3,532)	(2,483)
Litigation Accrual	-	-	870	-
Deferred IPO Cost that was Aborted	-	-	4,036	-
Non-cash lease expense	(190)	1,577	261	380
Non-cash lease expense related to pre-opening costs	-	-	1,095	1,109
Adjusted EBITDA	(718)	25,020	23,958	18,848
Adjusted EBITDA Margin	(1.1%)	17.8%	14.6%	10.4%

Non-GAAP Financial Measures



The following tables reconcile revenue to Restaurant-Level Adjusted EBITDA and net income to Adjusted EBITDA for each quarter of 2020, 2021, 2022, 2023 and 2024 respectively:

	2020				2021				2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	24,778	8,551	11,928	17,402	22,301	39,674	40,057	38,530	38,252	42,209	42,419	40,849	43,862	46,473	45,564	45,108	50,760
Less:																	
Total Restaurant Operating Expenses	22,102	11,096	13,044	15,955	19,372	30,650	30,871	31,525	31,398	34,674	35,462	34,585	37,146	39,093	39,275	40,878	45,949
Add Back:																	
Depreciation and Amortization (1)	1,138	1,137	1,123	1,128	1,079	1,066	1,051	1,141	1,055	1,084	1,095	1,080	1,113	1,131	1,232	1,332	1,537
Pre-Opening Expense	-	-	-	-	-	-	-	-	158	379	437	480	519	881	723	1,557	1,901
Non-Cash Rent	(34)	(50)	(60)	(46)	238	598	297	444	50	80	77	54	60	99	144	77	184
Restaurant-Level Adjusted EBITDA	3,780	(1,458)	(53)	2,529	4,246	10,688	10,534	8,590	8,118	9,078	8,566	7,877	8,409	9,491	8,387	7,196	8,433
Restaurant-Level Adjusted EBITDA Margin	15.3%	(17.1%)	(0.4%)	14.5%	19.0%	26.9%	26.3%	22.3%	21.2%	21.5%	20.2%	19.3%	19.2%	20.4%	18.4%	16.0%	16.6%

	2020				2021				2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net Income (Loss)	(497)	(4,897)	(3,200)	(679)	592	21,089	12,802	15,377	2,989	5,113	2,388	(210)	4,134	4,464	2,634	(193)	3,698
Interest (Income) Expense, Net	194	132	150	178	149	105	81	(138)	82	155	203	195	189	207	(189)	(553)	(276)
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	96	74	(149)	71
Depreciation and Amortization	1,145	1,144	1,130	1,121	1,086	1,072	1,058	1,147	1,062	1,092	1,104	1,096	1,131	1,149	1,253	1,358	1,566
EBITDA	841	(3,621)	(1,919)	619	1,827	22,266	13,941	16,386	4,133	6,360	3,694	1,051	5,455	5,916	3,772	463	5,059
EBITDA Margin	3.4%	(42.3)	(16.1%)	3.6%	8.2%	56.1%	34.8%	42.5%	10.8%	15.1%	8.7%	2.6%	12.4%	12.7%	8.3%	1.0%	10.0%
Adjustments to EBITDA:																	
Consulting Fees	1,191	1,275	560	525	684	236	1,287	2,063	2,077	1,500	1,320	-	880	1,445	-	-	-
Stock-Based Compensation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	759	759	759
Gain on Extinguishment of Debt	-	-	-	-	-	(5,628)	(3,533)	(13,123)	(387)	-	-	-	-	-	-	-	-
RRF Grant	-	-	-	-	-	(9,326)	(3,637)	-	-	-	-	-	-	-	-	-	-
Less: Employee Retention Credits	-	-	-	-	-	-	-	-	(45)	(2,473)	(65)	(949)	(1,165)	(1,318)	-	-	-
Litigation Accrual	-	-	-	-	-	-	-	-	-	850	20	-	-	-	-	-	-
Deferred IPO Cost that was Aborted	-	-	-	-	-	-	-	-	-	-	-	4,036	-	-	-	-	-
Non-cash lease expense	(34)	(50)	(60)	(46)	238	598	297	444	50	80	77	54	60	99	144	77	184
Non-cash lease expense related to pre-opening costs	-	-	-	-	-	-	-	-	141	338	437	171	219	206	338	346	364
Adjusted EBITDA	1,998	(2,396)	(1,419)	1,098	2,749	8,146	8,354	5,769	5,970	6,654	5,484	4,394	5,449	6,348	5,013	1,645	6,366
Adjusted EBITDA Margin	8.1%	(28.0%)	(11.9%)	6.3%	12.3%	20.5%	20.9%	15.0%	15.6%	15.8%	12.9%	10.8%	12.4%	13.7%	11.0%	3.6%	12.5%

Additional Financial Metrics and Other Data



“Average Unit Volume” or “AUV” means the average annual restaurant sales for all restaurants open for a full 12 months before the end of the period measured. AUV is calculated by dividing annual revenue for the year presented for all such restaurants by the total number of restaurants in that base. We have not made any adjustments to exclude restaurants in 2021 that experienced temporary closures and mandated capacity limitations caused by the COVID-19 pandemic

“Cash-On-Cash Returns” means Restaurant-Level Adjusted EBITDA divided by Net Build-Out Costs

“Net Build-Out Costs” means all capitalized construction and construction-related costs plus pre-opening costs associated with a new restaurant; less tenant improvement allowances provided by the landlord

“Payback Period” means the length of time, in years, required to recoup Net Build-Out Costs after the restaurant opening date

“Restaurant-Level Adjusted EBITDA” means Income (loss) from operations plus adjustments to add-back the following expenses: depreciation and amortization, pre-opening costs, general and administrative expenses, related party consulting fees, management fees and non-cash lease expense.

“Restaurant-Level Adjusted EBITDA Margin” means Restaurant-Level Adjusted EBITDA divided by revenue.



Investor Relations Contact:

Cody Slach and Cody Cree

Gateway Group, Inc.

1-949-574-3860

GENK@gateway-grp.com

