



# TWIN HOSPITALITY GROUP INC. REPORTS FISCAL THIRD QUARTER 2025 FINANCIAL RESULTS

November 5, 2025

*Hosting conference call and webcast today at 5:15 PM ET*

**DALLAS, Nov. 05, 2025 (GLOBE NEWSWIRE) -- Twin Hospitality Group Inc.** (NASDAQ: TWNP) (“Twin Peaks” or the “Company”) today reported financial results for the fiscal third quarter ended September 28, 2025.

“We are encouraged by the early momentum related to the initiatives launched in May 2025. In the third quarter, Twin Peaks delivered a solid performance, expanding restaurant-level contribution margin to 17.0%. Sales within core markets also grew year-over-year despite regional headwinds, underscoring the resilience of our portfolio. Our strengthened executive team, including new leadership at Smokey Bones, enables us to execute our growth strategy and drive sustained, profitable expansion across both brands,” said Kim Boerema, Chief Executive Officer of Twin Hospitality Group Inc.

“Our conversion strategy continues to yield outstanding results, with Twin Peaks locations consistently outperforming their former Smokey Bones operations by a significant margin. Looking ahead, we have a clear pipeline for 2026 that includes both franchised and company-owned opportunities. With the closure of 11 underperforming Smokey Bones locations and new management focusing on our strategic plan, we are targeting Smokey Bones to achieve improved restaurant-level profitability beginning in early 2026,” said Ken Kuick, Chief Financial Officer of Twin Hospitality Group Inc.

## Highlights for Fiscal Third Quarter 2025

- Total revenue decreased 1.6% to \$82.3 million compared to \$83.7 million
  - Twin Peaks system-wide sales declined 1.4%
  - Twin Peaks same-store sales declined 4.1%
- Loss from operations of \$13.4 million compared to \$3.6 million
- Net loss of \$24.5 million compared to \$16.2 million
- Restaurant contribution margin<sup>(1)</sup> of 9.6% (Twin Peaks 17.0% and Smokey Bones (0.3%)) compared to 8.7% (Twin Peaks 16.3% and Smokey Bones 0.3%)
- Adjusted EBITDA<sup>(1)</sup> of \$3.0 million compared to \$2.3 million

<sup>(1)</sup> Restaurant contribution margin and Adjusted EBITDA are non-GAAP measures defined below, under “Non-GAAP Measures.” Reconciliations of operating income (loss) to restaurant contribution margin and net loss to adjusted EBITDA are included in the accompanying financial tables.

## Summary of Third Quarter 2025 Financial Results

Total revenue decreased \$1.3 million, or 1.6%, in the fiscal third quarter of 2025, to \$82.3 million compared to \$83.7 million in the same fiscal period of 2024, driven by the closure of 11 underperforming Smokey Bones locations, the temporary closure of two Smokey Bones locations for conversion into a Twin Peaks lodge and lower same-store sales, partially offset by revenues generated by our new Twin Peaks lodges.

### Costs and Expenses

Food and beverage costs decreased \$0.5 million, or 2.3%, to \$20.3 million, compared to \$20.8 million in the same period of the prior year, primarily due to the closure of underperforming Smokey Bones locations, the temporary closure of two Smokey Bones locations for conversion into a Twin Peaks lodge and lower same store sales, partially offset by increases in the price of food ingredients. As a percentage of restaurant sales, food and beverage costs were 27.4% in 2025 compared to 27.5% in 2024.

Labor and benefits cost decreased \$0.9 million, or 3.5%, to \$23.9 million, compared to \$24.8 million in the same period of the prior year, primarily due to the closure of underperforming Smokey Bones locations, the temporary closure of two Smokey Bones locations for conversion into a Twin Peaks lodge and lower same store sales, partially offset by wage inflation. As a percentage of restaurant sales, labor and benefits cost was 32.1% in 2025 compared to 32.8% in 2024.

General and administrative expense increased \$12.3 million, or 172.1%, to \$19.5 million, compared to \$7.2 million in the same period of the prior year, primarily due to \$6.9 million in Smokey Bones store closure costs, a \$1.4 million non-cash impairment of fixed assets related to the closure of underperforming Smokey Bones locations and higher non-cash share-based compensation.

### Other Expense, Net

Other expense, net was \$11.9 million in the third quarter of 2025, compared to \$12.6 million in the same period of the prior year, and in each year, other expense, net consisted primarily of interest expense.

### **Key Financial Definitions**

*New store openings* - The number of new store openings reflects the number of stores opened during a particular reporting period. The total number of new stores per reporting period and the timing of stores openings has, and will continue to have, an impact on our results.

*Same-store sales growth* - Same-store sales growth reflects the change in year-over-year sales for the comparable store base, which we define as the number of stores open and in the Twin Hospitality Group system for at least eighteen months. For stores that were temporarily closed, sales in the current and prior period are adjusted accordingly. Given our focused marketing efforts and public excitement surrounding each opening, new stores often experience an initial start-up period with considerably higher than average sales volumes, which subsequently decrease to stabilized levels after three to six months.

*System-wide sales growth* - System wide sales growth reflects the percentage change in sales in any given fiscal period compared to the prior fiscal period for all stores.

### **Conference Call and Webcast**

Twin Hospitality Group Inc. will host a conference call and webcast to discuss its fiscal third quarter 2025 financial results today at 5:15 PM ET. Hosting the conference call and webcast will be Kim Boerema, Chief Executive Officer and President, and Ken Kuick, Chief Financial Officer.

The conference call can be accessed live over the phone by dialing 1-877-407-0792 from the U.S. or 1-201-689-8263 internationally. A replay will be available after the call until Wednesday, November 19, 2025, and can be accessed by dialing 1-844-512-2921 from the U.S. or 1-412-317-6671 internationally. The passcode is 13755606. The webcast will be available at [www.twinpeaksrestaurant.com](http://www.twinpeaksrestaurant.com) under the "Investors" section and will be archived on the site shortly after the call has concluded.

### **About Twin Hospitality Group Inc.**

Twin Hospitality Group Inc. (NASDAQ: TWNP) is a restaurant company that strategically develops and operates and franchises specialty casual dining restaurant concepts with a goal to redefine the casual dining category with its experiential driven brands, Twin Peaks and Smokey Bones. Twin Peaks, known as the ultimate sports lodge, is an award-winning restaurant and sports bar brand with 114 locations across 26 states and Mexico and is known for its made-from-scratch food, 29-degree draft beer, innovative cocktail program and sports on wall-to-wall televisions. Smokey Bones is a full-service, meat-centric restaurant brand and concept with 45 locations, across 15 states specializing in ribs and a variety of other slow-smoked, fire-grilled and seared meats, along with a full bar. For more information, please visit [www.twinpeaksrestaurant.com](http://www.twinpeaksrestaurant.com).

### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the future financial and operating results of the Company, the timing and performance of new store openings, future reductions in expenses and our pipeline of new store locations. Forward-looking statements generally use words such as "expect," "foresee," "anticipate," "believe," "project," "should," "estimate," "will," "plans," "forecast," and similar expressions, and reflect our expectations concerning the future. Forward-looking statements are subject to significant business, economic and competitive risks, uncertainties and contingencies, many of which are difficult to predict and beyond our control, which could cause our actual results to differ materially from the results expressed or implied in such forward-looking statements. We refer you to the documents that we file from time to time with the Securities and Exchange Commission, such as our reports on Form 10-K, Form 10-Q and Form 8-K, for a discussion of these and other risks and uncertainties that could cause our actual results to differ materially from our current expectations and from the forward-looking statements contained in this press release. We undertake no obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of this press release.

### **Non-GAAP Measures (Unaudited)**

This press release includes the non-GAAP financial measures of EBITDA, adjusted EBITDA, Restaurant-Level Contribution and Restaurant-Level Contribution Margin.

EBITDA is defined as earnings before interest, taxes, and depreciation and amortization. We use the term EBITDA, as opposed to income (loss) from operations, as it is widely used by analysts, investors, and other interested parties to evaluate companies in our industry. We believe that EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to business performance. EBITDA is not a measure of our financial performance or liquidity that is determined in accordance with generally accepted accounting principles ("GAAP"), and should not be considered as an alternative to net loss as a measure of financial performance or cash flows from operations as measures of liquidity, or any other performance measure derived in accordance with GAAP.

Adjusted EBITDA is defined as EBITDA (as defined above), excluding expenses related to acquisitions, refranchising losses, impairment charges, and certain non-recurring or non-cash items that the Company does not believe directly reflect its core operations and may not be indicative of the Company's recurring business operations.

Restaurant-Level Contribution represents company-owned restaurant sales less restaurant operating costs, which consist of food and beverage costs, labor and benefits costs and other operating costs. Restaurant-Level Contribution Margin represents Restaurant-Level Contribution as a percentage of company-owned restaurant sales. Restaurant-Level Contribution and Restaurant-Level Contribution Margin are neither required by, nor presented in accordance with GAAP. Restaurant-Level Contribution and Restaurant-Level Contribution Margin are not intended to be measures of free cash flow available for our management's discretionary use, as these metrics do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Additionally, Restaurant-Level Contribution and Restaurant-Level Contribution Margin exclude general and administrative expenses, advertising expenses, pre-opening expenses and depreciation and amortization on restaurant property and equipment, which are essential to support the operations and development of our company-owned restaurants. The Company is presenting Restaurant-Level Contribution and Restaurant-Level Contribution Margin because it believes that they are important tools for investors and analysts because they are widely-used metrics within the restaurant industry to evaluate restaurant-level productivity, efficiency and performance.

Reconciliations of net loss presented in accordance with GAAP to EBITDA, adjusted EBITDA and adjusted net loss are set forth in the tables below.

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#### Twin Hospitality Group Inc. Consolidated Statements of Operations

	Thirteen Weeks Ended				Thirty-nine Weeks Ended			
	September 28, 2025		September 29, 2024		September 28, 2025		September 29, 2024	
(in thousands)								
Revenues								
Restaurant sales	\$ 74,358	90.3%	\$ 75,599	90.4%	\$ 232,386	90.3%	\$ 242,594	90.8%
Franchise revenue	7,958	9.7%	8,066	9.6%	24,881	9.7%	24,726	9.2%
Total revenue	82,316	100.0%	83,665	100.0%	257,267	100.0%	267,320	100.0%
Costs and expenses								
Restaurant operating costs								
Food and beverage costs <sup>(1)</sup>	20,348	27.4%	20,826	27.5%	63,126	27.2%	66,167	27.3%
Labor and benefits cost <sup>(1)</sup>	23,902	32.1%	24,778	32.8%	74,509	32.1%	77,798	32.1%
Other operating costs <sup>(1)</sup>	17,005	22.9%	16,761	22.2%	51,021	22.0%	50,073	20.6%
Occupancy costs <sup>(1)</sup>	5,983	8.0%	6,639	8.8%	18,651	8.0%	19,872	8.2%
Advertising expense	5,342	6.5%	4,328	5.2%	15,477	6.0%	15,080	5.6%
Pre-opening expense	7	—%	843	1.0%	702	0.3%	935	0.3%
General and administrative expense	19,502	23.7%	7,167	8.6%	46,033	17.9%	21,160	7.9%
Depreciation and amortization	3,592	4.4%	5,913	7.1%	13,758	5.3%	17,500	6.5%
Total costs and expenses	95,681	116.2%	87,255	104.3%	283,277	110.1%	268,585	100.5%
Income (loss) from operations	(13,365)	(16.2)%	(3,590)	(4.3)%	(26,010)	(10.1)%	(1,265)	(0.5)%
Other (expense) income, net								
Interest expense	(12,093)	(14.7)%	(12,617)	(15.1)%	(34,371)	(13.4)%	(35,029)	(13.1)%
Other (expense) income, net	239	0.3%	—	—%	412	0.2%	114	—%
Total other expense, net	(11,854)	(14.4)%	(12,617)	(15.1)%	(33,959)	(13.2)%	(34,915)	(13.1)%

Loss before income tax provision	(25,219)	(30.6)%	(16,207)	(19.4)%	(59,969)	(23.3)%	(36,180)	(13.5)%
Income tax (benefit) provision	(738)	(0.9)%	10	—%	(2,592)	(1.0)%	(10)	—%
Net loss	<u>\$ (24,481)</u>	<u>(29.7)%</u>	<u>\$ (16,217)</u>	<u>(19.4)%</u>	<u>\$ (57,377)</u>	<u>(22.3)%</u>	<u>\$ (36,170)</u>	<u>(13.5)%</u>

(1) As a percentage of company-owned restaurant sales

#### Twin Hospitality Group Inc. Consolidated EBITDA and Adjusted EBITDA Reconciliation

(in thousands)	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net loss	\$ (24,481)	\$ (16,217)	\$ (57,377)	\$ (36,170)
Interest expense, net	12,093	12,617	34,371	35,029
Income tax (benefit) provision	(738)	10	(2,592)	(10)
Depreciation and amortization	3,592	5,913	13,758	17,500
EBITDA	(9,534)	2,323	(11,840)	16,349
Equity based compensation	3,359	—	15,911	211
Store closure expense	8,285	—	8,285	—
Litigation cost	850	—	850	—
Adjusted EBITDA	<u>\$ 2,960</u>	<u>\$ 2,323</u>	<u>\$ 13,206</u>	<u>\$ 16,560</u>

#### Twin Hospitality Group Inc. Restaurant-Level Contribution and Restaurant-Level Contribution Margin Reconciliation

(in thousands)	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Income (loss) from operations	\$ (13,365)	\$ (3,590)	\$ (26,010)	\$ (1,265)
Less:				
Royalties and franchise fees	(4,865)	(5,102)	(15,381)	(15,308)
Plus:				
General and administrative expense	19,502	7,167	46,033	21,160
Company-owned restaurant advertising expense	2,241	1,363	5,969	5,662
Depreciation and amortization	3,592	5,913	13,758	17,500
Pre-opening expense	7	843	702	935
Restaurant-level contribution	<u>\$ 7,112</u>	<u>\$ 6,594</u>	<u>\$ 25,071</u>	<u>\$ 28,684</u>
Company-owned restaurant sales	\$ 74,358	\$ 75,599	\$ 232,386	\$ 242,594
Restaurant-Level Contribution Margin	9.6%	8.7%	10.8%	11.8%