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): May 9, 2019

NOODLES & COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**001-35987**	**84-1303469**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

520 Zang Street, Suite D, Broomfield, CO	**80021**
(Address of Principal Executive Offices)	(Zip Code)

Registrant’s Telephone Number, Including Area Code: (720) 214-1900

Check the appropriate box below if the Form 8-K 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))

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 o

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. o

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	NDLS	Nasdaq Global Select Market

Item 2.02. Results of Operations and Financial Condition.

On May 9, 2019, Noodles & Company issued a press release disclosing earnings and other financial results for its fiscal quarter ended April 2, 2019, and that as previously announced, its management would review these results in a conference call at 4:30 p.m. (EST) on May 9, 2019. The full text of the press release is furnished hereto as Exhibit 99.1.

The information furnished with this report, including Exhibit 99.1, 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 expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Noodles & Company Press Release dated May 9, 2019

SIGNATURE

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.

	Noodles & Company
By:	/s/ KEN KUICK
Name:	Ken Kuick
Title:	Chief Financial Officer

DATED: May 9, 2019

Exhibit 99.1

Noodles & Company Announces First Quarter 2019 Financial Results

Broomfield, Colo., May 9, 2019 (GLOBE NEWSWIRE) - Noodles & Company (Nasdaq: NDLS) today announced financial results for its first quarter ended April 2, 2019.

Key highlights for the first quarter of 2019 versus the first quarter of 2018 include:

- Total revenue decreased 0.4% to $110.0 million from $110.5 million, primarily due to the lower restaurant count.
- Comparable restaurant sales increased 3.0% system-wide, comprised of a 3.0% increase at company-owned restaurants and a 2.8% increase at franchise restaurants.
- Net loss was $1.9 million, or $0.04 loss per diluted share, compared to a net loss of $3.6 million, or $0.09 loss per diluted share.
- Adjusted net loss(1) was $1.2 million, or $0.03 per diluted share, compared to an adjusted net loss of $1.8 million, or $0.04 loss per diluted share.
- Restaurant contribution margin(1) decreased 30 basis points to 12.6%.
- Adjusted EBITDA(1) was $5.6 million for both the first quarter of 2019 and 2018.
- One franchise restaurant was acquired by the Company during the first quarter of 2019.

(1) Adjusted EBITDA, restaurant contribution margin, and adjusted net income (loss) are non-GAAP measures. Reconciliations of net income (loss) to adjusted EBITDA and adjusted net income (loss) and of operating income (loss) to restaurant contribution margin are included in the accompanying financial data. See "Non-GAAP Financial Measures."

Dave Boennighausen, Chief Executive Officer of the Company remarked, "We are pleased with our results in the first quarter, which included a 3.0% increase in comparable restaurant sales despite the severe weather patterns in many of our major markets. Our performance significantly strengthened during the last portion of the first quarter of 2019 and continues to strengthen to date in the second quarter. Importantly, traffic was positive during the last few weeks of March, and in the second quarter we are seeing further growth across traffic, price, and menu mix initiatives."

Boennighausen continued, "Our results to date in 2019 validate that our strategic initiatives are working. Our off-premise sales continue to grow significantly, reinforcing that the Noodles brand is uniquely positioned and gives us a competitive advantage in offering convenience and choice for today's consumer. Off-premise increased to 56% of sales during the first quarter of 2019, led by our digital sales, which, inclusive of delivery, grew 63% over last year and accounted for 22% of sales. Additionally, the zucchini noodle is showing continued growth and meaningful contribution to both product mix and average check growth. Given our recent results and current trends, we are raising our sales and profit guidance for 2019."

Paul Murphy, Executive Chairman of the Company, added, "Our fourth consecutive quarter of positive comparable sales growth punctuated by the increased momentum that we are observing in the initial weeks of the second quarter is further evidence of the strong trajectory of the business. I am confident that the execution of our strategy surrounding further innovation around plant-based, healthier menu options, enhancements to our digital and off-premise platforms and our intense focus on a high quality guest experience will continue to provide both strong top and bottom line growth for 2019 and years to come."

First Quarter 2019 Financial Results

Total revenue decreased $0.5 million in the first quarter of 2019, or 0.4%, to $110.0 million, compared to $110.5 million in the first quarter of 2018. This decrease was primarily due to the impact of closing 19 company-owned restaurants since the beginning of 2018, mostly offset by an increase in comparable restaurant sales. Average unit volume ("AUV") for the quarter increased $51,000 to $1,131,000 compared to $1,080,000 in the first quarter of 2018.

In the first quarter of 2019, system-wide comparable restaurant sales growth was 3.0%, comprised of a 3.0% increase at company-owned restaurants and a 2.8% increase at franchise restaurants. Comparable sales in the first quarter of 2019 benefited by approximately 50 bps due to a shift in the timing of the Easter holiday.

In the first quarter of 2019, one restaurant was acquired by the Company from a franchisee. The Company had 459 restaurants at the end of the first quarter 2019, comprised of 395 company-owned restaurants and 64 franchise restaurants.

For the first quarter of 2019, the Company reported a net loss of $1.9 million, or $0.04 loss per diluted share, compared with a net loss of $3.6 million in the first quarter of 2018, or $0.09 loss per diluted share. Loss from operations for the first quarter of 2019 was $1.1 million, compared to a loss of $2.7 million in the first quarter of 2018. In the first quarter of 2019, the Company did not record an impairment charge for any restaurants and recognized a $0.3 million gain primarily relating to changes in the Company's assessment of remaining operating lease terms, offset by $0.3 million of ongoing costs related to restaurants closed in previous years. In the first quarter of 2018, the Company recorded a $0.4 million impairment charge related to one restaurant and incurred $0.6 million of ongoing costs related to restaurants closed in previous years.

Restaurant contribution margin decreased 30 bps to 12.6% in the first quarter of 2019, compared to 12.9% in the first quarter of 2018. This decrease was primarily due to higher benefit costs from certain individual high dollar claims incurred during the first quarter of 2019, as well as increased third-party delivery fees, which partially offset the successful increase of delivery to 5.0% of sales. These increases were partially offset by leverage on increased AUV.

Adjusted net loss was $1.2 million, or $0.03 loss per diluted share, in the first quarter of 2019, compared to an adjusted net loss of $1.8 million, or $0.04 loss per diluted share, in the first quarter of 2018. Adjusted EBITDA remained flat at $5.6 million for both quarters.

2019 Outlook

Boennighausen commented, "Based upon the strengthening performance of the business, we are raising our guidance across a number of key metrics and have also lowered our capital expenditure forecast, based on current expectations of initiative timing." The Company currently expects the following for the full year 2019:

- Adjusted net income per diluted share of $0.08 to $0.16, up from the prior $0.06 to $0.15 expectation;
- Total revenue of $466.0 million to $474.0 million, up from the prior $462.0 to $470.0 million expectation;
- Comparable restaurant sales of 3.0% to 5.0%, up from the prior 2.0% to 4.0% expectation;
- Restaurant contribution margin of 15.5% to 16.5%, from the prior 15.2% to 16.5% expectation;
- Adjusted EBITDA of $37.0 million to $41.0 million, up from the prior $36.0 million to $40.0 million expectation;
- Approximately five to nine new restaurants system-wide, including four to six company locations; and
- Capital expenditures of $14.5 million to $19.0 million, down from the prior $24.0 million to $30.0 million expectation.

The Company believes that a quantitative reconciliation of the Company's non-GAAP financial measures guidance to the most comparable financial measures calculated and presented in accordance with GAAP cannot be made available without unreasonable efforts. A reconciliation of these non-GAAP financial measures would require the Company to provide guidance for various reconciling items that are outside of the Company's control and cannot be reasonably predicted due to the fact that these items could vary significantly from period to period. A reconciliation of certain non-GAAP financial measures would also require the Company to predict the timing and likelihood of outcomes that determine future impairments and the tax benefit thereof. None of these measures, nor their probable significance, can be reliably quantified. The non-GAAP financial measures noted above have limitations as analytical financial measures, as discussed below in the section entitled "Non-GAAP Financial Measures." In addition, the guidance with respect to non-GAAP financial measures is a forward-looking statement, which by its nature involves risks and uncertainties that could cause actual results to differ materially from the Company's forward-looking statement, as discussed below in the section entitled "Forward-Looking Statements."

Key Definitions

Average Unit Volume — AUV consists of the average annualized sales of all company-owned restaurants for the trailing 12 periods. AUV is calculated by dividing restaurant revenue by the number of operating days within each time period and multiplying by the number of operating days we have in a typical year. This measurement allows management to assess changes in consumer traffic and per person spending patterns at our restaurants.

Comparable Restaurant Sales — represent year-over-year sales comparisons for the comparable restaurant base open for at least 18 full periods. This measure highlights performance of existing restaurants, as the impact of new restaurant openings is excluded. Changes in comparable restaurant sales are generated by changes in traffic, which we calculate as the number of entrées sold, or changes in per-person spend, calculated as sales divided by traffic.

Restaurant Contribution and Restaurant Contribution Margin — restaurant contribution represents restaurant revenue less restaurant operating costs, which are costs of sales, labor, occupancy and other restaurant operating items. Restaurant contribution margin represents restaurant contribution as a percentage of restaurant revenue. Restaurant contribution and restaurant contribution margin are presented because they are widely-used metrics within the restaurant industry to evaluate restaurant-level productivity, efficiency and performance. Management also uses restaurant contribution and restaurant contribution margin as metrics to evaluate the profitability of incremental sales at our restaurants, restaurant performance across periods, and restaurant financial performance compared with competitors. See "Non-GAAP Financial Measures" below.

EBITDA and Adjusted EBITDA — EBITDA represents net income (loss) before interest expense, provision (benefit) for income taxes and depreciation and amortization. Adjusted EBITDA represents net income (loss) before interest expense, provision (benefit) for income taxes, depreciation and amortization, restaurant impairments, closure costs and asset disposals, acquisition costs, severance costs and stock-based compensation expense. EBITDA and Adjusted EBITDA are presented because: (i) management believes they are useful measures for investors to assess the operating performance of our business without the effect of non-cash charges such as depreciation and amortization expenses and restaurant impairments, asset disposals and closure costs, and (ii) management uses them internally as a benchmark for certain of our cash incentive plans and to evaluate our operating performance or compare performance to that of competitors. See "Non-GAAP Financial Measures" below.

Adjusted Net Income (Loss) — represents net income (loss) plus various adjustments and the tax effects of such adjustments. Adjusted net income (loss) is presented because management believes it helps convey supplemental information to investors regarding the Company's performance, excluding the impact of special items that affect the comparability of results in past quarters and expected results in future quarters. See "Non-GAAP Financial Measures" below.

Conference Call

Noodles & Company will host a conference call to discuss its first quarter financial results on Thursday, May 9, 2019 at 4:30 PM Eastern Time. The conference call can be accessed live over the phone by dialing (877) 303-1298 or for international callers by dialing (253) 237-1032. A replay will be available after the call and can be accessed by dialing (855) 859-2056 or for international callers by dialing (404) 537-3406; the passcode is 5499839. The replay will be available until Thursday, May 16, 2019. The conference call will also be webcast live from the Company's corporate website at investor.noodles.com, under the "Events & Presentations" page. An archive of the webcast will be available at this location shortly after the call has concluded until Thursday, May 16, 2019.

Non-GAAP Financial Measures

To supplement its condensed consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), the Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted net income (loss), adjusted earnings (loss) per share, restaurant contribution and restaurant contribution margin (collectively, the "non-GAAP financial measures"). The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or to be superior to, the financial information prepared and presented in accordance with GAAP. The Company uses these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. The Company believes that they provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Adjusted net income (loss) is presented because management believes it helps convey supplemental information to investors regarding the Company's operating performance excluding the impact of restaurant impairment and closure costs, dead deal or registration statement costs, severance costs and stock-based compensation expense and the tax effect of such adjustments. However, the Company recognizes that non-GAAP financial measures have limitations as analytical financial measures. The Company compensates for these limitations by relying primarily on its GAAP results and using non-GAAP metrics only supplementally. There are numerous of these limitations, including that: adjusted EBITDA does not reflect the Company's capital expenditures or future requirements for capital expenditures; adjusted EBITDA does not reflect interest expense or the cash requirements necessary to service interest or principal payments, associated with our indebtedness; adjusted EBITDA does not reflect depreciation and amortization, which are non-cash charges, although the assets being depreciated and amortized will likely have to be replaced in the future, and do not reflect cash requirements for such replacements; adjusted EBITDA does not reflect the cost of stock-based compensation; adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; adjusted net income (loss) does not reflect cash expenditures, or future requirements, for lease termination payments and certain other expenses associated with reduced new restaurant development; and restaurant contribution and restaurant contribution margin are not reflective of the underlying performance of our business because corporate-level expenses are excluded from these measures. When analyzing the Company's operating performance, investors should not consider non-GAAP financial metrics in isolation or as substitutes for net income (loss) or cash flow from operations, or other statement of operations or cash flow statement data prepared in accordance with GAAP. The non-GAAP financial measures used by the Company in this press release may be different from the measures used by other companies.

For more information on the non-GAAP financial measures, please see the "Reconciliation of Non-GAAP Measurements to GAAP Results" tables in this press release. These accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

About Noodles & Company

Since 1995, Noodles & Company has been serving noodles your way, from noodles and flavors that you know and love, to new ones you're about to discover for the first time. From indulgent Wisconsin Mac & Cheese to good-for-you Zoodles, Noodles serves a world of flavor in every bowl. Made up of more than 450 restaurants and 10,000 passionate team members, Noodles is dedicated to nourishing and inspiring every guest who walks through the door. To learn more or find the location nearest you, visit www.noodles.com.

Forward-Looking Statements

In addition to historical information, this press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties such as the number of restaurants we intend to open, projected capital expenditures and estimates of our effective tax rates. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "plan" or the negative of these terms and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on currently available operating, financial and competitive information. Examples of forward-looking statements include all matters that are not historical facts, such as statements regarding estimated costs associated with our closure of underperforming restaurants, the implementation and results of strategic initiatives and our future financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements due to reasons including, but not limited to, our ability to achieve and maintain increases in comparable restaurant sales and to successfully execute our business strategy, including new restaurant initiatives and operational strategies to improve the performance of our restaurant portfolio; our ability to maintain compliance with debt covenants and continue to access financing necessary to execute our business strategy; the success of our marketing efforts; our ability to open new restaurants on schedule; current economic conditions; price and availability of commodities; our ability to adequately staff our restaurants; changes in labor costs; consumer confidence and spending patterns; consumer reaction to industry related public health issues and perceptions of food safety; seasonal factors; and weather. For additional information on these and other factors that could affect the Company's forward-looking statements, see the Company's risk factors, as they may be amended from time to time, set forth in its filings with the SEC, included in our Annual Report on Form 10-K for the fiscal year ended January 1, 2019 filed on March 15, 2019. The Company disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as may be required by applicable law or regulation.

Noodles & Company
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data, unaudited)

	Fiscal Quarter Ended	
	April 2, 2019	April 3, 2018
Revenue:		
Restaurant revenue	$ 108,765	$ 109,613
Franchising royalties and fees, and other	1,281	913
Total revenue	110,046	110,526
Costs and expenses:		
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):		
Cost of sales	29,091	29,256
Labor	37,092	36,572
Occupancy	12,430	12,763
Other restaurant operating costs	16,456	16,898
General and administrative	10,140	10,268
Depreciation and amortization	5,507	5,820
Pre-opening	—	47
Restaurant impairments, closure costs and asset disposals	420	1,580
Total costs and expenses	111,136	113,204
Loss from operations	(1,090)	(2,678)
Interest expense, net	761	1,138
Loss before income taxes	(1,851)	(3,816)
Provision (benefit) for income taxes	—	(241)
Net loss	$ (1,851)	$ (3,575)
Loss per share of Class A and Class B common stock, combined:		
Basic	$ (0.04)	$ (0.09)
Diluted	$ (0.04)	$ (0.09)
Weighted average shares of Class A and Class B common stock outstanding, combined:		
Basic	43,933,235	41,128,473
Diluted	43,933,235	41,128,473

Noodles & Company
Condensed Consolidated Statements of Operations as a Percentage of Revenue
(unaudited)

	Fiscal Quarter Ended	
	April 2, 2019	April 3, 2018
Revenue:		
Restaurant revenue	98.8 %	99.2 %
Franchising royalties and fees, and other	1.2 %	0.8 %
Total revenue	100.0 %	100.0 %
Costs and expenses:		
Restaurant operating costs (exclusive of depreciation and amortization shown separately below): (1)		
Cost of sales	26.7 %	26.7 %
Labor	34.1 %	33.4 %
Occupancy	11.4 %	11.6 %
Other restaurant operating costs	15.1 %	15.4 %
General and administrative	9.2 %	9.3 %
Depreciation and amortization	5.0 %	5.3 %
Pre-opening	— %	— %
Restaurant impairments, closure costs and asset disposals	0.4 %	1.4 %
Total costs and expenses	101.0 %	102.4 %
Loss from operations	(1.0)%	(2.4)%
Interest expense, net	0.7 %	1.0 %
Loss before income taxes	(1.7)%	(3.4)%
Provision (benefit) for income taxes	— %	(0.2)%
Net loss	(1.7)%	(3.2)%

(1) As a percentage of restaurant revenue.

Noodles & Company
Consolidated Selected Balance Sheet Data and Selected Operating Data
(in thousands, except restaurant activity, unaudited)

	As of	
	April 2, 2019	**January 1, 2019**
Balance Sheet Data		
Total current assets	$ 17,181	$ 23,351
Total assets	384,566	172,032
Total current liabilities	49,198	33,147
Total long-term debt	47,035	44,183
Total liabilities	338,970	119,351
Total stockholders' equity	45,596	52,681

	Fiscal Quarter Ended				
	April 2, 2019	**January 1, 2019**	**October 2, 2018**	**July 3, 2018**	**April 3, 2018**
Selected Operating Data					
Restaurant Activity:					
Company-owned restaurants at end of period	395	394	401	404	411
Franchise restaurants at end of period	64	65	65	65	65
Revenue Data:					
Company-owned average unit volume	$ 1,131	$ 1,119	$ 1,107	$ 1,092	$ 1,080
Franchise average unit volume	$ 1,155	$ 1,153	$ 1,139	$ 1,113	$ 1,081
Company-owned comparable restaurant sales	3.0%	3.7%	5.2%	5.0%	(0.3)%
Franchise comparable restaurant sales	2.8%	5.3%	7.6%	8.0%	0.9 %
System-wide comparable restaurant sales	3.0%	4.0%	5.5%	5.4%	(0.2)%

Reconciliations of Non-GAAP Measurements to GAAP Results

Noodles & Company
Reconciliation of Net Loss to EBITDA and Adjusted EBITDA
(in thousands, unaudited)

	Fiscal Quarter Ended	
	April 2, 2019	April 3, 2018
Net loss	$ (1,851)	$ (3,575)
Depreciation and amortization	5,507	5,820
Interest expense, net	761	1,138
Provision (benefit) for income taxes	—	(241)
EBITDA	$ 4,417	$ 3,142
Restaurant impairments, closure costs and asset disposals	420	1,580
Acquisition related expenses	36	—
Severance costs	—	278
Stock-based compensation expense	726	580
Adjusted EBITDA	$ 5,599	$ 5,580

EBITDA and adjusted EBITDA are supplemental measures of operating performance that do not represent and should not be considered as alternatives to net income (loss) or cash flow from operations, as determined by GAAP, and our calculation thereof may not be comparable to that reported by other companies. These measures are presented because we believe that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for evaluating our ongoing results of operations.

EBITDA is calculated as net income (loss) before interest expense, provision (benefit) for income taxes and depreciation and amortization. Adjusted EBITDA further adjusts EBITDA to reflect the eliminations shown in the table above.

EBITDA and adjusted EBITDA are presented because: (i) we believe they are useful measures for investors to assess the operating performance of our business without the effect of non-cash charges such as depreciation and amortization expenses and restaurant impairments, closure costs and asset disposals and (ii) we use adjusted EBITDA internally as a benchmark for certain of our cash incentive plans and to evaluate our operating performance or compare our performance to that of our competitors. The use of adjusted EBITDA as a performance measure permits a comparative assessment of our operating performance relative to our performance based on our GAAP results, while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. Companies within our industry exhibit significant variations with respect to capital structures and cost of capital (which affect interest expense and income tax rates) and differences in book depreciation of property, plant and equipment (which affect relative depreciation expense), including significant differences in the depreciable lives of similar assets among various companies. Our management believes that adjusted EBITDA facilitates company-to-company comparisons within our industry by eliminating some of these foregoing variations. Adjusted EBITDA as presented may not be comparable to other similarly-titled measures of other companies, and our presentation of adjusted EBITDA should not be construed as an inference that our future results will be unaffected by excluded or unusual items.

Noodles & Company
Reconciliation of Net Loss to Adjusted Net Loss
(in thousands, except share and per share data, unaudited)

	Fiscal Quarter Ended	
	April 2, 2019	April 3, 2018
Net loss	$ (1,851)	$ (3,575)
Restaurant impairments and closure costs [(a)]	271	1,081
Severance costs [(b)]	—	278
Tax adjustments, net [(c)]	418	411
Adjusted net loss	$ (1,162)	$ (1,805)
Loss per share of Class A and Class B common stock, combined:		
Basic	$ (0.04)	$ (0.09)
Diluted	$ (0.04)	$ (0.09)
Adjusted loss per share of Class A and Class B common stock, combined [(d)]		
Basic	$ (0.03)	$ (0.04)
Diluted	$ (0.03)	$ (0.04)
Weighted average Class A and Class B common stock outstanding, combined [(d)]		
Basic	43,933,235	41,128,473
Diluted	43,933,235	41,128,473

Adjusted net income (loss) is a supplemental measure of financial performance that is not required by or presented in accordance with GAAP. We define adjusted net income (loss) as net income (loss) plus the impact of adjustments and the tax effects of such adjustments. Adjusted net income (loss) is presented because management believes it helps convey supplemental information to investors regarding our performance, excluding the impact of special items that affect the comparability of results in past quarters to expected results in future quarters. Adjusted net income (loss) as presented may not be comparable to other similarly-titled measures of other companies, and our presentation of adjusted net income (loss) should not be construed as an inference that our future results will be unaffected by excluded or unusual items. Our management uses this non-GAAP financial measure to analyze changes in our underlying business from quarter to quarter based on comparable financial results.

(a) Reflects the adjustment to eliminate the impact of ongoing closure costs recognized during the first quarters of 2019 and 2018 related to restaurants closed in previous years. The first quarter of 2018 also includes the impairment charge related to one restaurant. No restaurants were identified as impaired in the first quarter of 2019. These expenses are included in the "Restaurant impairments, closure costs and asset disposals" line in the Condensed Consolidated Statements of Operations.

(b) Reflects the adjustment to eliminate the severance costs from department structural changes.

(c) Reflects the adjustment to normalize the impact of the valuation allowance that affects our annual effective tax rate and the tax impact of the other adjustments discussed in (a) and (b) above.

(d) Adjusted per share amounts are calculated by dividing adjusted net loss by the basic and diluted weighted average shares outstanding.

Noodles & Company
Reconciliation of Operating Loss to Restaurant Contribution
(in thousands, unaudited)

	Fiscal Quarter Ended	
	April 2, 2019	April 3, 2018
Loss from operations	$ (1,090)	$ (2,678)
Less: Franchising royalties and fees, and other	1,281	913
Plus: General and administrative	10,140	10,268
Depreciation and amortization	5,507	5,820
Pre-opening	—	47
Restaurant impairments, closure costs and asset disposals	420	1,580
Restaurant contribution	$ 13,696	$ 14,124
Restaurant contribution margin	12.6%	12.9%

Restaurant contribution represents restaurant revenue less restaurant operating costs, which are the cost of sales, labor, occupancy and other operating items. Restaurant contribution margin represents restaurant contribution as a percentage of restaurant revenue. Restaurant contribution and restaurant contribution margin are non-GAAP measures that are neither required by, nor presented in accordance with GAAP, and the calculations thereof may not be comparable to similar measures reported by other companies. These measures are supplemental measures of the operating performance of our restaurants and are not reflective of the underlying performance of our business because corporate-level expenses are excluded from these measures.

Restaurant contribution and restaurant contribution margin have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP. Management does not consider these measures in isolation or as an alternative to financial measures determined in accordance with GAAP. However, management believes that restaurant contribution and restaurant contribution margin are important tools for investors and other interested parties because they are widely-used metrics within the restaurant industry to evaluate restaurant-level productivity, efficiency and performance. Management also uses these measures as metrics to evaluate the profitability of incremental sales at our restaurants, restaurant performance across periods, and restaurant financial performance compared with competitors.