
**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 7, 2025

NOODLES & COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-35987
(Commission File Number)

84-1303469
(I.R.S. Employer
Identification No.)

520 Zang Street, Suite D
Broomfield, CO
(Address of principal executive offices)

80021
(Zip Code)

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

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 (see General Instruction A.2. below):

- 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
Class A common stock

Trading Symbol(s)
NDLS

Name of each exchange on which registered
Nasdaq Global Select 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 2.02. Results of Operations and Financial Condition.

On May 7, 2025, Noodles & Company issued a press release disclosing earnings and other financial results for its fiscal quarter ended April 1, 2025, and that as previously announced, its management would review these results in a conference call at 4:30 p.m. (EST) on May 7, 2025. 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 7, 2025
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the Inline XBRL document.

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/ MIKE HYNES

Name: Mike Hynes

Title: Chief Financial Officer

DATED: May 7, 2025



Noodles & Company Announces First Quarter 2025 Financial Results

Broomfield, Colo., May 7, 2025 (GLOBE NEWSWIRE) - Noodles & Company (Nasdaq: NDLS) today announced financial results for its first quarter ended April 1, 2025.

Key highlights for the first quarter of 2025 versus the first quarter of 2024 include:

- Total revenue increased 2.0% to \$123.8 million from \$121.4 million in the first quarter of 2024.
- Comparable restaurant sales increased 4.4% system-wide, comprised of a 4.7% increase at company-owned restaurants and a 2.9% increase at franchise restaurants.
- Net loss was \$9.1 million, or \$0.20 loss per diluted share, compared to net loss of \$6.1 million, or \$0.14 loss per diluted share, in the first quarter of 2024.
- Operating margin was (5.2)% compared to (3.4)% in the first quarter of 2024.
- Restaurant contribution margin⁽¹⁾ was 10.3% compared to 13.1% in the first quarter of 2024.
- Adjusted EBITDA⁽¹⁾ was \$2.4 million compared to \$5.5 million in the first quarter of 2024.
- One new company-owned restaurant opened in the first quarter of 2025.

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

Drew Madsen, Chief Executive Officer of Noodles & Company, remarked, "We are very pleased with the strong comparable restaurant sales and traffic performance we achieved during the first quarter despite a challenging macroeconomic environment. Our momentum is being driven by our fully reimagined new menu that launched on March 12th, supported by increased marketing investment and a new brand strategy. Since the new menu introduction, comparable sales have increased by approximately 5% through April."

Madsen concluded, "We believe we have positioned the Company to capitalize on the significant growth opportunities we see ahead. Our new brand strategy focused on our comprehensive new menu is increasing relevance and demand, our loyalty program continues to grow, and our emphasis on operations excellence is helping deliver a more consistent guest experience while ensuring the successful execution of the new menu. Combined with a significant reduction in capital spending and continued emphasis on smart cost savings, we are well-positioned to strengthen our balance sheet as well. Overall, we are confident in the foundation we have put in place and are excited by our sales momentum to start 2025."

Liquidity Update

As of April 1, 2025, the Company had available cash and cash equivalents of \$1.4 million and outstanding debt of \$102.7 million. The amount available for future borrowings under its revolving credit facility was \$19.3 million as of April 1, 2025.

Business Outlook

Based upon management's assessment of recent trends, the Company is revising guidance related to its 2025 restaurant level contribution margins and company-owned restaurant closures. All other previously communicated guidance points remain unchanged. The following is expected for the full year 2025:

- Total revenue of \$503 million to \$512 million, including mid-single digit comparable restaurant sales growth;
- Restaurant level contribution margins of 12.0% to 14.0% (previously 12.5% to 14%);
- General and administrative expenses of \$49 million to \$52 million, inclusive of stock-based compensation expense of approximately \$3.7 million;
- Depreciation and amortization of \$27 million to \$29 million;
- Net interest expense of \$8 million to \$10 million;

- New restaurant openings: two company-owned;
- Restaurant closures: 13 to 17 company-owned restaurants (previously 12 to 15) and four franchised restaurants; and
- Capital expenditures of \$11 million to \$13 million.

Non-GAAP Financial Measures

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. These non-GAAP financial measures 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 Volumes — represent the average annualized sales of all company-owned restaurants for a given time period. AUVs are 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. Based on this calculation, temporarily closed restaurants are excluded from the definition of AUV, however restaurants with temporarily reduced operating hours are included. This measurement allows management to assess changes in consumer traffic and per person spending patterns at our restaurants. In addition to the factors that impact comparable restaurant sales, AUVs can be further impacted by effective real estate site selection and maturity and trends within new markets.

Comparable Restaurant Sales — represents 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 and changes in per-person spend, calculated as sales divided by traffic. Restaurants that were temporarily closed or operating at reduced hours remained in comparable restaurant sales.

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 net interest expense, provision (benefit) for income taxes and depreciation and amortization. Adjusted EBITDA represents net income (loss) before net interest expense, provision (benefit) for income taxes, depreciation and amortization, restaurant impairments, loss on asset disposals, net lease exit costs (benefits), (gain) loss on sale of restaurants, severance and executive transition costs and stock-based compensation. 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) before restaurant impairments, net lease exit costs (benefits), (gain) loss on sale of restaurants, severance and executive transition costs and loss on debt modifications 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 Wednesday, May 7, 2025 at 4:30 PM Eastern Time. The conference call can be accessed over the phone by dialing 201-389-0920. A replay will be available after the call and can be accessed by dialing 412-317-6671; the passcode is 13752400. The replay will be available until Wednesday, May 21, 2025. 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 the same location on the corporate website shortly after the call has concluded.

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. 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 offered a menu devoted to noodles, serving craveable flavors and fresh, made-to-order dishes that bring comfort, adventure, and discovery to every bowl. From indulgent, cheesy Mac to globally inspired favorites like Japanese Pan Noodles, the menu is crafted for every taste, with options to satisfy, surprise, and inspire. Noodles believes in the power of great food, great people, and great experiences. Made up of over 450 restaurants and 7,000 passionate team members, Noodles is a brand built on flavor, innovation, and a culture that celebrates its people. To learn more and to 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 expectations with respect to our business strategy and priorities, new menu offerings, unit growth and planned restaurant openings, projected capital expenditures and all of the statements within “Business Outlook”. 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 execute on our strategic priorities; our ability to sustain or achieve overall growth, including, digital sales growth; our ability to open new restaurants on schedule and cause those newly opened restaurants to be successful; 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; the success of our marketing efforts, including our ability to introduce new products; and our pricing strategies; economic conditions, including those resulting from inflation, increased interest rates, recessionary economic cycles, and changes in trade policies, including tariffs or other trade restrictions or the threat of such actions; price and availability of commodities and other supply chain challenges; our ability to adequately staff our restaurants; changes in labor costs; our ability to maintain compliance with requirements for continued listing on the Nasdaq Global Select Market; other conditions beyond our control such as domestic or global conflicts, wars, terrorist activity, weather, natural disasters, disease outbreaks, epidemics or pandemics impacting our customers or food supplies; and consumer reaction to industry related public health issues and health pandemics, including perceptions of food safety. 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 most recently filed Annual Report on Form 10-K, and, from time to time, in our subsequently filed Quarterly Reports on Form 10-Q. 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 1, 2025	April 2, 2024
<i>Revenue:</i>		
Restaurant revenue	\$ 121,326	\$ 119,003
Franchising royalties and fees, and other	2,468	2,392
Total revenue	123,794	121,395
<i>Costs and expenses:</i>		
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):		
Cost of sales	32,293	29,701
Labor	39,396	38,417
Occupancy	11,494	11,829
Other restaurant operating costs	25,656	23,464
General and administrative	12,810	13,044
Depreciation and amortization	7,090	7,370
Pre-opening	151	437
Restaurant impairments, closure costs and asset disposals	1,291	1,229
Total costs and expenses	130,181	125,491
Loss from operations	(6,387)	(4,096)
Interest expense, net	2,647	1,979
Loss before income taxes	(9,034)	(6,075)
Provision for income taxes	23	65
Net loss	\$ (9,057)	\$ (6,140)
<i>Loss per share</i>		
Basic	\$ (0.20)	\$ (0.14)
Diluted	\$ (0.20)	\$ (0.14)
<i>Weighted average common shares outstanding:</i>		
Basic	45,783,353	45,079,355
Diluted	45,783,353	45,079,355

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

	As of	
	April 1, 2025	December 31, 2024
Balance Sheet Data		
Total current assets	\$ 20,508	\$ 20,192
Total assets	319,450	324,648
Total current liabilities	70,114	65,717
Total long-term debt	100,623	100,742
Total liabilities	333,355	330,227
Total stockholders' (deficit) equity	(13,905)	(5,579)

	Fiscal Quarter Ended				
	April 1, 2025	December 31, 2024	October 1, 2024	July 2, 2024	April 2, 2024
Selected Operating Data					
Restaurant Activity:					
Company-owned restaurants at end of period	369	371	377	379	380
Franchise restaurants at end of period	91	92	94	94	89
Revenue Data:					
Company-owned average unit volume	\$ 1,314	\$ 1,310	\$ 1,272	\$ 1,322	\$ 1,253
Franchise average unit volume	\$ 1,283	\$ 1,292	\$ 1,243	\$ 1,300	\$ 1,223
Company-owned comparable restaurant sales	4.7 %	0.5 %	(3.4)%	1.3 %	(5.7)%
Franchise comparable restaurant sales	2.9 %	1.9 %	(2.9)%	4.7 %	(4.5)%
System-wide comparable restaurant sales	4.4 %	0.8 %	(3.3)%	2.0 %	(5.4)%

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 1, 2025	April 2, 2024
Net loss	\$ (9,057)	\$ (6,140)
Depreciation and amortization	7,090	7,370
Interest expense, net	2,647	1,979
Provision for income taxes	23	65
EBITDA	\$ 703	\$ 3,274
Restaurant impairments ⁽¹⁾	626	171
Loss on disposal of assets	963	726
Lease exit (benefits) costs, net	(1,130)	(331)
Severance and executive transition costs	452	473
Stock-based compensation expense	790	1,186
Adjusted EBITDA	\$ 2,404	\$ 5,499

(1) Restaurant impairments in all periods presented above include amounts related to restaurants previously impaired.

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 net 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, loss on disposal of assets, net lease exit costs (benefits), (gain) loss on sale of restaurants, 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 1, 2025	April 2, 2024
Net loss	\$ (9,057)	\$ (6,140)
Restaurant impairments ⁽¹⁾	626	171
Lease exit (benefits) costs, net	(1,130)	(331)
Severance and executive transition costs	452	473
Tax impact of adjustments above ⁽²⁾	—	—
Adjusted net loss	<u>\$ (9,109)</u>	<u>\$ (5,827)</u>
Loss per share		
Basic	\$ (0.20)	\$ (0.14)
Diluted	\$ (0.20)	\$ (0.14)
Adjusted loss per share		
Basic	\$ (0.20)	\$ (0.13)
Diluted	\$ (0.20)	\$ (0.13)
Weighted average common shares outstanding		
Basic	45,783,353	45,079,355
Diluted	45,783,353	45,079,355

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) before restaurant impairments, net lease exit costs (benefits), (gain) loss on sale of restaurants, severance and executive transition costs and loss on debt modification, 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.

- (1) Restaurant impairments in all periods presented above include amounts related to restaurants previously impaired.
- (2) The tax impact of the other adjustments is immaterial while the Company has a full valuation allowance and significant net operating losses.

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

	Fiscal Quarter Ended	
	April 1, 2025	April 2, 2024
Loss from operations	\$ (6,387)	\$ (4,096)
Less: Franchising royalties and fees, and other	2,468	2,392
Plus: General and administrative	12,810	13,044
Depreciation and amortization	7,090	7,370
Pre-opening	151	437
Restaurant impairments, closure costs and asset disposals	1,291	1,229
Restaurant contribution	<u>\$ 12,487</u>	<u>\$ 15,592</u>
Restaurant contribution margin	10.3 %	13.1 %

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.