

BBQ Holdings, Inc. Announces Acquisition of Village Inn and Bakers Square Restaurants and Updates Earnings Guidance for Fiscal Year 2021

June 28, 2021

MINNEAPOLIS, June 28, 2021 (GLOBE NEWSWIRE) -- BBQ Holdings, Inc. (NASDAQ: BBQ) (the "Company"), an innovating global owner and operator of restaurants, provided revenue and earnings guidance in an updated investor presentation filed via Form 8-K on June 25, 2021, reflecting the announcement of the acquisition of Village Inn and Bakers Square, as well as improved operations within BBQ Holdings, Inc's existing brands. Guidance for its fiscal year 2021 is as follows:

Included in the transaction are 114 franchised Village Inn restaurants, 21 Corporate Village Inn restaurants, and 13 Corporate Bakers Square restaurants.

We are increasing 2021 guidance as follows:

- Net Restaurant Revenue from \$155-\$160 mm to \$180-\$185 mm
- Net Income from \$2.8-\$3.2 mm to \$5.1-\$5.5 mm
- Cash EBITDA from \$10.0-\$10.5 mm to \$13.5-\$14.0 mm (\$12.0-\$12.5 mm from current BBQ operations and \$1.5 mm 2021 pro-rata contribution from the Acquisition)
- An Investor Presentation can be found here <https://ir.bbqholdco.com/>

We plan to launch the new Village Inn prototype for growth in early 2022 and begin expanding the sale of Bakers Square pies through retail and other restaurant kiosks in Q4 of 2021.

Executive Comments

Jeff Crivello, CEO, commented, "We are excited to increase our revenue, and earnings guidance for fiscal year 2021. This guidance is a reflection of our organic and M&A growth plans. We believe this acquisition will be accretive to our earnings and that there is a significant amount of pent-up demand for dining, and we expect that demand to grow throughout the year at our existing brands. We will provide future guidance as the year develops."

About BBQ Holdings

BBQ Holdings, Inc. (NASDAQ: BBQ) BBQ Holdings is a national restaurant company engaged in the ownership and operation of casual and fast dining restaurants. As of April 4, 2021, BBQ Holdings had four brands with 136 "brick and mortar" locations in 31 states and three countries, including 47 company-owned and 100 franchise-operated restaurants. In addition to these locations, the Company opened eight Company-owned Famous Dave's ghost kitchens operating within its Granite City locations, and 11 Famous Dave's franchisee ghost kitchens operating out of the kitchen of another restaurant location or a shared kitchen space. While BBQ Holdings continues to diversify its ownership in the restaurant community, it was founded with the principle of combining the "art and science" of barbecue to serve up the very best of the best to barbecue lovers everywhere. BBQ Holdings, through partnerships, has extended Travis Clark's award-winning line of barbecue sauces, rubs and seasonings into the retail market. Along with a wide variety of BBQ favorites served at their BBQ restaurants, BBQ Holdings newest addition, Granite City Food and Brewery, offers award winning craft beer and a made-from-scratch, chef driven menu featuring contemporary American cuisine.

Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States ("GAAP"), the Company uses non-GAAP measures including those indicated below. These non-GAAP measures exclude significant expenses and income that are required by GAAP to be recorded in the Company's consolidated financial statements and are subject to inherent limitations. By providing non-GAAP measures, together with a reconciliation to the most comparable GAAP measure, the Company believes that it is enhancing investors' understanding of the Company's business and results of operations. These measures are not intended to be considered in isolation of, as substitutes for, or superior to, financial measures prepared and presented in accordance with GAAP. The non-GAAP measures presented may be different from the measures used by other companies. The Company urges investors to review the reconciliation of its non-GAAP measures to the most directly comparable GAAP measure, included in the foregoing financial information.

Cash EBITDA is net income (loss), plus asset impairment, estimated lease termination and other closing costs, settlement agreements, depreciation and amortization, interest expense, net, net (loss) gain on disposal of equipment, stock-based compensation, severance and provision (benefit) for income taxes.

Forward-Looking Statements

Statements in this press release that are not strictly historical, including but not limited to statements regarding the timing of the Company's restaurant openings and the timing or success of refranchising plans, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, which may cause the Company's actual results to differ materially from expected results. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectation will be attained. Factors that could cause actual results to differ materially from Famous Dave's expectation include financial performance, restaurant industry conditions, execution of restaurant development and construction programs, franchisee performance, changes in local or national economic conditions, availability of financing, governmental approvals and other risks detailed from time to time in the Company's SEC reports.

Cash EBITDA Non-GAAP Reconciliation

Cash EBITDA Guidance Range

<i>(dollars in thousands)</i>	FY 2021	Pro-forma VIBS 2021	Consolidated FY 21	FY2021	Pro-forma VIBS 2021	Consolidated FY 21
Net Income	\$ 4,338	800	5,138	\$ 4,713	800	5,513
Depreciation and amortization	4,690	700	5,390	4,690	700	5,390
Interest expense, net	500	0	500	500	0	500
Non-cash rent	(266)	0	(266)	(266)	0	(266)
Stock-based compensation	1,129	0	1,129	1,129	0	1,129
Provision for income taxes	1,612	0	1,612	1,737	0	1,737
CASH EBITDA	\$ 12,003	1,500	13,503	\$ 12,503	1,500	14,003

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Source: BBQ Holdings, Inc.