



# Fazoli's Closes Out Strong Year, Carrying Sales Streak into 2022

2/3/2022

The nation's largest Italian QSR brand achieved positive same-store sales for 20 straight months and hit 1 million App users

LEXINGTON, Ky., Feb. 03, 2022 (GLOBE NEWSWIRE) -- **FAT (Fresh. Authentic. Tasty.) Brands Inc.**, parent company of **Fazoli's** and 16 other restaurant concepts, is proud to announce that **Fazoli's** finished 2021 with 20 consecutive months of positive same-store sales growth for the system.

Systemwide same-store sales were up 21.7% YOY in December 2021, with a two-year sales lift of 26.3%. Traffic was positive 15.7% for the year and increased 13.8% over 2019. Throughout the past year, drive-thru sales dominated for the brand, accounting for 49% of Fazoli's total revenue.

"Fazoli's closed out 2021 with tremendous sales and traffic growth," said Fazoli's CEO Carl Howard. "We plan to do the same in 2022, focusing on our proven strategy for success – providing craveable Italian dishes with great service at a value and convenience that guests can't find anywhere else."

Fazoli's prominent value proposition has been paramount to its success. Over the past year, Fazoli's expanded its family meals to provide even more variety for its guests. The brand incorporated guests' favorite menu items – signature bakes and samplers – to create the Baked Super Family Meal and Ultimate Sampler Family Meal, both of which feed up to eight people at an unbeatable value. Fazoli's has doubled the menu mix of its family meal platform growing from 5% to 10%. Additionally, Fazoli's 5 Under \$5 menu continues to yield impressive numbers. The value-driven 5 Under \$5 campaign marked the brand's strongest performing promotion with an average incidence between 11-12%. The brand's value message is resonating with guests and will continue to be a key driver of success in the year ahead.

Culinary innovation has also been part of Fazoli's recipe for success, and the brand remains committed to delivering

on food quality and menu variety. In summer 2021, Fazoli's introduced a new snack and shareable item – Fried Mozzarella Skewers – and launched them in corporate locations. After the test proved prosperous, Fried Mozzarella Skewers earned a spot on Fazoli's core menu. Looking ahead, the brand has several other culinary innovations in the pipeline, like indulgent limited-time offers such as the Cheesy Double-Stack Lasagna, Philly Cheesesteak Ravioli and Baked Shrimp & Lobster Alfredo.

Along with leveraging value and menu innovation, Fazoli's has put elevating technology at the forefront of the brand. Fazoli's has seen rapid growth in its rewards program and celebrated reaching 1 million App downloads to kick off 2022. Fazoli's leading-edge digital capabilities have led to loyalty sales accounting for nearly 10% of its total revenue over the past year. Following the success of its AI carryout pilot, Fazoli's continues to work on developing and perfecting its AI technology to support restaurant teams through its largest sales channel – the drive-thru.

With Fazoli's record-breaking sales and traffic, franchise interest is at an all-time high. In 2021, the brand signed 22 new franchisees, adding 64 locations to its pipeline. Closing out the year, Fazoli's opened 10 locations throughout Florida, Georgia, Iowa, Kentucky, Missouri, Ohio and Texas. The brand is kicking off the new year on an impressive growth trajectory. In 2022, Fazoli's will open 20 new locations, and its sights are set on signing a record 40 new franchisees.

In 2021, half of Fazoli's new openings were conversions resulting from its Franchise Incentive Program. With the aggressive incentive strategy, Fazoli's allows franchisees to sign a short five-year term, versus the typical 15-year commitment, with zero deposit, zero franchise fees and zero royalty fees in the first year. Fazoli's also reduced many of its conversion requirements to make it feasible for operators to open a 2,000 to 3,500 square-foot restaurant for under \$350,000.

"It's been an incredible year for Fazoli's as we continued our historic sales streak," Howard said. "Over the past two years, the world presented its share of challenges from supply chain to staffing and labor issues. Everything we've accomplished over the last 20 months is a true testament to the hard work and dedication of everyone in the Fazoli's family. We have no plans of slowing down in 2022, with a laser focus on growing the brand and expanding our footprint."

To learn about franchising with this record-breaking brand, visit [ownafazolis.com](https://ownafazolis.com) or contact Fazoli's Sales Team – Steve Bailey at [steve.bailey@fazolis.com](mailto:steve.bailey@fazolis.com) or David Boatright at [david.boatright@fazolis.com](mailto:david.boatright@fazolis.com).

About FAT (Fresh. Authentic. Tasty.) Brands

FAT Brands (NASDAQ: FAT) is a leading global franchising company that strategically acquires, markets, and develops fast casual, quick-service, casual dining, and polished casual dining concepts around the world. The

Company currently owns 17 restaurant brands: Round Table Pizza, Fatburger, Marble Slab Creamery, Johnny Rockets, Fazoli's, Twin Peaks, Great American Cookies, Hot Dog on a Stick, Buffalo's Cafe & Express, Hurricane Grill & Wings, Pretzelmaker, Elevation Burger, Native Grill & Wings, Yalla Mediterranean and Ponderosa and Bonanza Steakhouses, and franchises over 2,300 units worldwide. For more information on FAT Brands, please visit [www.fatbrands.com](http://www.fatbrands.com).

About Fazoli's : Fast. Fresh. Italian.

Fazoli's owns and operates nearly 220 restaurants in 27 states, making it the largest premium QSR Italian chain in America. Fazoli's prides itself on serving premium quality Italian food, fast, fresh and friendly. Menu offerings include freshly prepared pasta entrees, Submarinos® sandwiches, salads, pizza and desserts – along with its unlimited signature breadsticks. Fazoli's is a winner of FastCasual and Steritech's 2020 Excellence in Food Safety Award and was named one of the "Top 50 Global Fast Casual Innovators in 2021" by Foodable, a "Top 200 Franchises in 2021" by Franchise Business Review, a FastCasual "Brand of the Year," and an **Entrepreneur** 2018 "Franchise 500." CEO Carl Howard was named among the most influential restaurant CEOs in the country in 2020 by Nation's Restaurant News, was recognized as one of the top 25 industry leaders on FastCasual's 2021 Top 100 Movers and Shakers list, and he and his team were recipients of the 2021 American Business Awards Gold Stevie Awards in Food & Beverage for Company of the Year and Achievement in Management.

#### 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 timing and performance of new store openings and growth in same-store sales. Forward-looking statements reflect expectations of FAT Brands Inc. ("we", "our" or the "Company") concerning the future and are subject to significant business, economic and competitive risks, uncertainties and contingencies, including but not limited to uncertainties surrounding the severity, duration and effects of the COVID-19 pandemic. These factors are difficult to predict and beyond our control, and could cause our actual results to differ materially from those 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 factors. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this press release.

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Investor Relations:

ICR

Lynne Collier

**IR-FATBrands@icrinc.com**

646-430-2216

Media Relations:

FAT Brands

Erin Mandzik

**emandzik@fatbrands.com**

860-212-6509

Source: FAT Brands Inc.