



OLD COUNTRY STORE

CRACKER BARREL REPORTS FIRST QUARTER FISCAL 2026 RESULTS AND UPDATES FISCAL 2026 OUTLOOK

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LEBANON, Tenn., Dec. 9, 2025 /PRNewswire/ -- Cracker Barrel Old Country Store, Inc. ("Cracker Barrel" or the "Company") (Nasdaq: CBRL) today reported its financial results for the first quarter of fiscal 2026 ended October 31, 2025.

Cracker Barrel President and Chief Executive Officer Julie Masino said, "First quarter results were below our expectations amid unique and ongoing headwinds. We have adjusted our operational initiatives, menu, and marketing to ensure we are consistently delivering delicious food and exceptional experiences. Additionally, we are executing a variety of cost savings initiatives to bolster our financial performance. Although our recovery will take time, our teams are more committed than ever, and we are confident that we will regain momentum."

First Quarter Fiscal 2026 Highlights

- Total revenue was \$797.2 million. Compared to the prior year first quarter, total revenue decreased 5.7%.
 - Comparable store restaurant sales decreased 4.7% over the prior year quarter, and comparable store retail sales decreased 8.5%.
- GAAP earnings (loss) per diluted share were (\$1.10), and adjusted¹ earnings (loss) per diluted share were (\$0.74).
- GAAP net income (loss) was (\$24.6) million compared to the prior year quarter GAAP net income of \$4.8 million.
- Adjusted EBITDA¹ was \$7.2 million, compared to the prior year quarter adjusted EBITDA¹ of \$45.8 million.

(In thousands, except per share amounts)	<u>First Quarter Ended</u>	
	<u>10/31/25</u>	<u>11/1/24</u>
Revenue	\$797,188	\$845,089
GAAP net income (loss)	(\$24,622)	\$4,844
Adjusted net income (loss) ¹	(\$16,429)	\$10,165
Adjusted EBITDA ¹	\$7,193	\$45,806
GAAP earnings (loss) per share – diluted	(\$1.10)	\$0.22
Adjusted ¹ earnings (loss) per share – diluted	(\$0.74)	\$0.45

Balance Sheet & Capital Allocation

- The Company ended the first quarter with total debt of \$550.3 million, comprised of \$149.4 million of short-term debt related to its 0.625% Convertible Senior Notes due June 2026, \$335.9 million of long-term debt related to its 1.75% Convertible Senior Notes due 2030, and \$65.0 million drawn on the revolver.
- The Company ended the first quarter with a consolidated total leverage ratio³ of 2.8x and available liquidity³ of \$485 million.
- The Company announced that its Board of Directors declared a quarterly dividend of \$0.25 per share of the Company's common stock. The quarterly dividend is payable on February 11, 2026 to shareholders of record as of January 16, 2026.

Fiscal 2026 Outlook

The Company provided the following updated outlook for fiscal 2026:

- Total revenue of \$3.2 billion to \$3.3 billion (vs. previous outlook of \$3.35 billion to \$3.45 billion)
- Adjusted EBITDA¹ of \$70 million to \$110 million² (vs. previous outlook of \$150 million to \$190 million²)
 - The above amount contemplates \$20 million to \$25 million in annualized savings in general and administrative expenses, primarily driven by a restructuring of the corporate support center
 - The above amount also includes an aggregate advertising expense reduction of \$12 million to \$16 million for the fiscal second quarter through the fiscal fourth quarter compared to the same period in the prior year
- Commodity inflation of 2.5% to 3.5% (no change vs. previous outlook)
- Hourly wage inflation of 3.0% to 4.0% (no change vs. previous outlook)

- Capital expenditures of \$110 million to \$125 million (vs. previous outlook of \$135 million to \$150 million)
- 2 new Cracker Barrel stores (no change vs. previous outlook)

¹ **Adjusted net income (loss), adjusted EBITDA, and adjusted earnings (loss) per diluted share are non-GAAP financial measures. For definitions of these non-GAAP measures and reconciliations of these non-GAAP measures to the most directly comparable GAAP measures, please refer to the Reconciliation of GAAP-Basis Operating Results to Non-GAAP Operating Results section of this release.**

² **The Company has determined to provide guidance focused on adjusted EBITDA because the Company believes it will be more useful to investors to evaluate the Company's performance prior to the impact of depreciation, taxes, impairment charges, and other items that management believes are not reflective of the Company's current operations. The Company is not able to reconcile the forward-looking estimate of adjusted EBITDA set forth above to a forward-looking estimate of net income (loss), the most directly comparable estimated measure calculated in accordance with GAAP, without unreasonable efforts because the Company is unable to predict, forecast or determine the probable significance of certain items impacting these estimates, including interest expense, taxes, impairment charges and share-based compensation, with a reasonable degree of accuracy. Accordingly, the most directly comparable forward-looking GAAP estimate is not provided.**

³ **Consolidated total leverage is defined as total debt divided by adjusted EBITDA¹ (as defined under our revolving credit facility). Available liquidity is defined as cash and cash equivalents on hand plus revolving credit facility capacity less amount drawn on revolving credit facility and standby letters of credit.**

Fiscal 2026 First Quarter Conference Call

As previously announced, the live broadcast of Cracker Barrel's quarterly conference call will be available to the public online at investor.crackerbarrel.com today beginning at 5:00 p.m. (ET). The online replay will be available tomorrow and through December 23, 2025.

About Cracker Barrel Old Country Store®

Cracker Barrel Old Country Store, Inc. – rooted in a rich legacy of warmth, generosity, and tradition – is on a mission to bring the goodness of country hospitality to life. Since 1969, when the first store opened in Lebanon, Tenn., Cracker Barrel has been serving up abundant portions of craveable homestyle food and offering one-of-a-kind retail finds. With approximately 660 company-owned Cracker Barrel Old Country Store® locations in 43 states, and ownership of the fast-casual Maple Street Biscuit Company, the brand continues to honor its heritage while welcoming everyone with more than a meal. For more information, visit CrackerBarrel.com.

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Except for specific historical information, certain of the matters discussed in this press release may express or imply projections of items such as revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These and similar statements regarding events or results that the Company expects will or may occur in the future are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual results and performance of the Company to differ materially from those expressed or implied by such forward-looking statements. All forward-looking information is provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these risks, uncertainties and other factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "trends," "assumptions," "target," "guidance," "outlook," "opportunity," "future," "plans," "goals," "objectives," "expectations," "near-term," "long-term," "projection," "may," "will," "would," "could," "expect," "intend," "estimate," "anticipate," "believe," "potential," "regular," "should," "projects," "forecasts," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology. The Company believes that the assumptions underlying any forward-looking statements are reasonable; however, any of the assumptions could be inaccurate, and therefore, actual results may differ materially from those projected in or implied by the forward-looking statements. In addition to the risks of ordinary business operations, factors and risks that may result in actual results differing from this forward-looking information include, but are not limited to risks and uncertainties associated with inflationary conditions with respect to the price of commodities, ingredients, transportation, distribution and labor; disruptions to the Company's restaurant or retail supply chain; effects of changes in international, national, regional and local economic and market conditions (such as the imposition of trade barriers or other changes in trade policy) on our business; the Company's ability to manage retail inventory and merchandise mix; the Company's ability to sustain or the effects of plans intended to improve operational or marketing execution and performance, including the Company's multi-year strategic plan; the effects of increased competition at the Company's locations on sales and on labor recruiting, cost, and retention; consumer behavior based on negative publicity or changes in consumer health or dietary trends or safety aspects of the Company's food or products or those of the restaurant industry in general, including concerns about outbreaks of infectious disease as well as the possible effects of such events on the price or availability of ingredients used in our restaurants; the effects of the Company's indebtedness and associated restrictions on the Company's financial and operating flexibility and ability to execute or pursue its operating plans and objectives; changes in interest rates, increases in borrowed capital or capital market conditions affecting the Company's financing costs and ability to refinance its indebtedness, in whole or in part; the Company's reliance on a single distribution facility and certain significant vendors, particularly for foreign-sourced retail products; information technology disruptions and data privacy and information security breaches, whether as a result of infrastructure failures, employee or vendor errors or actions of third parties; the Company's compliance with privacy and data protection laws; changes in or implementation of additional governmental or regulatory rules, regulations and interpretations affecting tax, health and safety, animal welfare, pensions, insurance or other undeterminable areas; the actual results of pending, future or threatened litigation or governmental investigations; or the Company's ability to manage the impact of negative social media attention and the costs and effects of negative publicity; the impact of activist shareholders; the Company's ability to achieve aspirations, goals and projections related to its sustainability initiatives; the Company's ability to enter successfully into new geographic markets that may be less familiar to it; changes in land, building materials and construction costs; the availability and cost of suitable sites for restaurant development and the Company's ability to identify those sites; the Company's ability to retain key personnel; the ability of and cost to the Company to recruit, train, and retain qualified hourly and management employees; uncertain performance of acquired businesses, strategic investments and other initiatives that the Company may pursue from time to time; the effects of business trends on the outlook for individual restaurant locations and the effect on the carrying value of those locations; general or regional economic weakness, business and societal conditions and the weather impact on sales and customer travel; discretionary income or personal expenditure activity of the Company's customers; implementation of new or changes in interpretation of existing accounting principles generally accepted in the United States of America ("GAAP"); and other factors described from time to time in the Company's filings with the Securities and Exchange Commission, press releases, and other communications. Any forward-looking statement made by the Company herein, or elsewhere, speaks only as of the date on which made. The Company expressly disclaims any intent, obligation or undertaking to update or revise any forward-

looking statements made herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

CRACKER BARREL OLD COUNTRY STORE, INC.
CONDENSED CONSOLIDATED INCOME STATEMENT
(Unaudited)

(In thousands, except share and per share amounts, percentages and ratios)

	First Quarter Ended		Percentage Change
	10/31/25	11/1/24	
Total revenue	\$797,188	\$845,089	(6 %)
Cost of goods sold (exclusive of depreciation & rent)	248,405	258,901	(4)
Labor and other related expenses	301,302	307,225	(2)
Other store operating expenses	228,845	211,548	8
General and administrative expenses	47,960	59,644	(20)
Impairment and store closing costs	3,473	700	396
Operating income (loss)	(32,797)	7,071	(564)
Interest expense	3,724	5,822	(36)
Income (loss) before income taxes	(36,521)	1,249	(3024)
Income tax benefit	(11,899)	(3,595)	(231)
Net income (loss)	(\$24,622)	\$4,844	(608)
Earnings (loss) per share – basic:	(\$1.10)	\$0.22	(600)
Earnings (loss) per share – diluted:	(\$1.10)	\$0.22	(600)
Weighted average shares:			
Basic	22,288,991	22,217,737	0
Diluted	22,288,991	22,390,249	(0)

Ratio Analysis

Total revenue:		
Restaurant	81.6 %	80.9 %
Retail	18.4	19.1
Total revenue	100.0	100.0
Cost of goods sold (exclusive of depreciation & rent)	31.2	30.6
Labor and other related expenses	37.8	36.4
Other store operating expenses	28.7	25.0
General and administrative expenses	6.0	7.1
Impairment and store closing costs	0.4	0.1
Operating income (loss)	(4.1)	0.8
Interest expense	0.5	0.7
Income (loss) before income taxes	(4.6)	0.1
Income tax benefit	(1.5)	(0.5)
Net income (loss)	(3.1 %)	0.6 %

CRACKER BARREL OLD COUNTRY STORE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands, except share amounts)

	10/31/25	11/1/24
Assets		
Cash and cash equivalents	\$8,937	\$11,534
Accounts receivable	31,331	39,898
Inventories	209,148	201,915
Prepaid expenses and other current assets	56,169	57,029
Property and equipment, net	968,179	966,557
Operating lease right-of-use assets, net	799,892	846,166
Intangible assets	24,331	24,406
Other assets	53,387	45,491
Total assets	\$2,151,374	\$2,192,996

Liabilities and Shareholders' Equity		
Accounts payable	\$157,446	\$159,608
Current portion of long-term debt	149,401	75
Other current liabilities	287,023	288,430
Long-term debt	400,897	527,023
Long-term operating lease liabilities	632,309	667,182
Other long-term obligations	95,530	109,978
Shareholders' equity, net	428,768	440,700
Total liabilities and shareholders' equity	<u>\$2,151,374</u>	<u>\$2,192,996</u>
Common shares issued and outstanding	22,326,566	22,242,228

CRACKER BARREL OLD COUNTRY STORE, INC.
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(Unaudited and in thousands)

	Three Months Ended	
	10/31/25	11/1/24
Cash flows from operating activities:		
Net income (loss)	(\$24,622)	\$4,844
Depreciation and amortization	30,202	29,154
Amortization of debt issuance costs	663	442
Loss on disposition of property and equipment	1,929	2,338
Impairment	0	700
Share-based compensation	(921)	2,625
Noncash lease expense	15,297	14,957
Amortization of asset recognized from gain on sale and leaseback transaction	3,184	3,184
Increase in inventories	(28,563)	(20,957)
Decrease in accounts payable	(12,402)	(2,680)
Net changes in other assets and liabilities	(38,197)	(39,002)
Net cash used in operating activities	<u>(53,430)</u>	<u>(4,395)</u>
Cash flows from investing activities:		
Purchase of property and equipment, net of insurance recoveries	(34,165)	(38,887)
Proceeds from sale of property and equipment	70	134
Net cash used in investing activities	<u>(34,095)</u>	<u>(38,753)</u>
Cash flows from financing activities:		
Net proceeds from long-term debt	65,000	50,000
Taxes withheld from issuance of share-based compensation awards	(1,903)	(1,239)
Dividends on common stock	(6,278)	(6,114)
Net cash provided by financing activities	<u>56,819</u>	<u>42,647</u>
Net decrease in cash and cash equivalents	<u>(30,706)</u>	<u>(501)</u>
Cash and cash equivalents, beginning of period	<u>39,643</u>	<u>12,035</u>
Cash and cash equivalents, end of period	<u>\$8,937</u>	<u>\$11,534</u>

	First Quarter Ended	
	10/31/25	11/1/24
Company-owned units opened during quarter:		
Cracker Barrel	0	0
Maple Street Biscuit Company	0	3
Company-owned units closed during quarter:		
Cracker Barrel	1	0
Maple Street Biscuit Company	14	0
Company-owned units in operation at end of quarter:		
Cracker Barrel	656	658
Maple Street Biscuit Company	54	69

Total stores at end of period 710 727

	First Quarter Ended	
	10/31/25	11/1/24
Total revenue*: (In thousands)		
Restaurant	\$634,841	\$666,433
Retail	146,526	161,600
Total revenue	<u>\$781,367</u>	<u>\$828,033</u>
Cost of goods sold* (exclusive of depreciation and rent): (In thousands)		
Restaurant	\$168,921	\$174,083
Retail	75,278	80,447
Total cost of goods sold	<u>\$244,199</u>	<u>\$254,530</u>
Average unit volume*: (In thousands)		
Restaurant	\$966.5	\$1,012.8
Retail	223.1	245.6
Total	<u>\$1,189.6</u>	<u>\$1,258.4</u>
Operating weeks*:	8,539	8,554

Note*: This information is for Cracker Barrel stores only and excludes Maple Street Biscuit Company.

CRACKER BARREL OLD COUNTRY STORE, INC.
Reconciliation of GAAP-Basis Operating Results to Non-GAAP Operating Results
(Unaudited and in thousands, except per share amounts)

Adjusted Net Income and Earnings Per Share

In the accompanying press release, the Company makes reference to its first quarter fiscal 2025 and fiscal 2026 adjusted net income (loss) and earnings (loss) per share. The Company defines adjusted net income (loss) as net income (loss), calculated in accordance with GAAP, excluding, to the extent the following items occurred during the periods presented: (i) impairment charges, and, for periods prior to the second quarter of fiscal 2025, store closing costs, (ii) expenses related to the proxy contest in connection with the Company's 2024 and 2025 annual meeting of shareholders, (iii) expenses associated with the Company's strategic transformation initiative, (iv) a corporate restructuring charge that includes consulting fees related to business model improvement and severance related to a reduction in headcount, (v) a gain on extinguishment of debt related to the Company's repurchase of \$150 million aggregate principal amount of its 0.625% convertible senior notes due June 2026, (vi) store closing costs associated with MSBC reorganization, and (vii) the related tax impacts of the foregoing. The Company believes excluding these items from its financial results provides investors with an enhanced understanding of the Company's financial results and enhances comparability across periods. The Company calculates adjusted net income (loss) margin by dividing adjusted net income (loss) by consolidated GAAP revenue. This information is not intended to be considered in isolation or as a substitute for net income (loss) or earnings (loss) per share information prepared in accordance with GAAP.

	First Quarter Ended			
	10/31/25	Margin	11/1/24	Margin
Revenue	<u>\$797,188</u>	100 %	<u>\$845,089</u>	100 %
GAAP net income (loss)	(24,622)	(3.1)	4,844	0.6
Strategic transformation initiative expenses	0	0.0	3,298	0.4
Impairment and store closing costs	0	0.0	700	0.1
Store closing costs associated with MSBC reorganization	3,095	0.4	0	0.0
Proxy contest expenses	1,439	0.2	2,958	0.3
Corporate restructuring charge	6,175	0.8	0	0.0
Tax impacts of the foregoing	(2,516)	(0.3)	(1,635)	(0.2)
Adjusted net income (loss)	<u>(\$16,429)</u>	(2.1 %)	<u>\$10,165</u>	1.2 %
GAAP earnings (loss) per share - basic	(\$1.10)		\$0.22	
GAAP earnings (loss) per share - diluted	(\$1.10)		\$0.22	
Adjusted earnings (loss) per share - basic	(\$0.74)		\$0.46	
Adjusted earnings (loss) per share - diluted	(\$0.74)		\$0.45	
Weighted average shares - basic	22,288,991		22,217,737	
Weighted average shares - diluted	22,288,991		22,390,249	

**Reconciliation of GAAP-Basis Operating Results to Non-GAAP Operating Results
(Unaudited and in thousands)**

EBITDA/Adjusted EBITDA

In the accompanying press release and the below reconciliation tables, the Company makes reference to EBITDA and adjusted EBITDA. The Company defines EBITDA as net income (loss), calculated in accordance with GAAP, excluding depreciation and amortization, interest expense and tax expense. The Company further adjusts EBITDA to exclude, to the extent the following items occurred during the periods presented: (i) expenses related to share-based compensation, (ii) impairment charges, and, for periods prior to the second quarter of fiscal 2025, store closing costs, (iii) the proxy contest in connection with the Company's 2024 and 2025 annual meeting of shareholders, (iv) expenses associated with the Company's strategic transformation initiative, (v) a corporate restructuring charge that includes consulting fees related to business model improvement and severance related to a reduction in headcount, (vi) a gain on extinguishment of debt related to the Company's repurchase of \$150 million aggregate principal amount of its 0.625% convertible senior notes due June 2026, and (vii) store closing costs associated with MSBC reorganization. The Company calculates EBITDA and adjusted EBITDA margin by dividing EBITDA and adjusted EBITDA by consolidated GAAP revenue. The Company believes that presentation of EBITDA and adjusted EBITDA (together with related margin figures) provides investors with an enhanced understanding of the Company's operating performance and debt leverage metrics and enhances comparability with the Company's historical results, and that the presentation of this non-GAAP financial measure, when combined with the primary presentation of net income (loss), is beneficial to an investor's complete understanding of the Company's operating performance. This information is not intended to be considered in isolation or as a substitute for net income (loss) or net income (loss) margin prepared in accordance with GAAP.

	First Quarter Ended 10/31/25	Margin
Revenue	<u>\$797,188</u>	100 %
GAAP Net income (loss)	(24,622)	(3.1)
(+) Depreciation & amortization	30,202	3.8
(+) Interest expense	3,724	0.5
(+) Tax expense (tax benefit)	<u>(11,899)</u>	(1.5)
EBITDA	(\$2,595)	(0.3 %)
<i>Adjustments</i>		
(+) Share-based compensation	(921)	(0.1)
(+) Store closing costs associated with MSBC reorganization	3,095	0.4
(+) Proxy contest expenses	1,439	0.2
(+) Corporate restructuring charge	<u>6,175</u>	0.8
Adjusted EBITDA	<u>\$7,193</u>	0.9 %

	First Quarter Ended 11/1/24	Margin
Revenue	<u>\$845,089</u>	100 %
GAAP Net income (loss)	4,844	0.6
(+) Depreciation & amortization	29,154	3.4
(+) Interest expense	5,822	0.7
(+) Tax expense (tax benefit)	<u>(3,595)</u>	(0.4)
EBITDA	36,225	4.3 %
<i>Adjustments</i>		
(+) Share-based compensation	2,625	0.3
(+) Strategic transformation initiative expenses	3,298	0.4
(+) Impairment and store closing costs	700	0.1
(+) Proxy contest expenses	<u>2,958</u>	0.3
Adjusted EBITDA	<u>\$45,806</u>	5.4 %

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