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**MERITAGE ANNOUNCES 2024 FULL-YEAR RESULTS;
2025 OUTLOOK: ACCELERATING EARNINGS GROWTH**

GRAND RAPIDS, Michigan, March 7, 2025. Meritage Hospitality Group Inc. (OTCQX: MHGU), one of the nation's premier franchise restaurant operators, today reported financial results for the fourth quarter and fiscal year ended December 29, 2024.

2024 Fourth Quarter Highlights:

- Sales increased 0.5% to \$168.7 million compared to sales of \$167.9 million for the same period last year.
- Earnings (Loss) from Operations were \$(0.1) million compared to \$4.8 million for the same period last year.
- Net Income increased 227% to \$5.2 million compared to \$1.6 million for the same period last year.
- Consolidated EBITDA (a non-GAAP measure) increased 40.8% to \$13.7 million compared to \$9.7 million for the same period last year.

2024 Full-Year Highlights:

- Sales were \$668.8 million compared to \$672.5 million last year.
- Earnings from Operations were \$10.9 million compared to \$17.8 million last year.
- Net Earnings increased 33.1% to \$8.0 million compared to \$6.0 million last year.
- Consolidated EBITDA (a non-GAAP measure) increased 9.0% to \$42.4 million compared to \$38.9 million last year.
- Diluted EPS increased 33.9% to \$0.75 per share compared to \$0.56 per share last year.

Current year earnings from operations include non-recurring losses from non-Wendy's restaurant operations as well as related closings and dispositions.

"Looking forward, new Wendy's restaurants and reworked locations continued to drive strong returns on investment, highlighting the strength of new development in the Wendy's restaurant brand. Our restaurant operations and real estate development teams continue to execute best-in-class standards, supported by a robust operating and technology platform. We have a strong development pipeline of new locations planned throughout 2025, including 3-5 new Morning Belle locations, the Company's growing single shift, breakfast/brunch concept." stated Meritage CEO, Robert E. Schermer, Jr.



The Company is forecasting substantial earnings growth potential for fiscal 2025, despite an unusual January and February that was dominated with inclement weather, particularly in our southern markets which resulted in temporary closures from record snow, ice and floods. With the first two months of winter weather behind us, restaurant sales are returning to their normalized state and we forecast 30% to 40% growth in diluted EPS for the full-year 2025.

As we move through the remainder of the year, we anticipate Wendy's restaurant-level earnings growth will be driven by an exciting new line-up of products and menu innovations, as well as continued margin improvements. The Company is in the process of rolling out its first test of Wendy's Fresh AI – the generative AI technology that brings a digital automated drive-thru ordering experience to the customer. The Company is committed to leveraging technology and delivery options designed to improve customer experience and employee efficiency in the restaurants.

2025 Full-Year Outlook: Accelerating Earnings Growth:

- **Sales growth of +3% to +5%**
- **Earnings from Operations growth of +40% to +50%**
- **Net Earnings growth of +40% to +50%**
- **EBITDA growth of +15% to +25%**
- **Diluted EPS growth of +30% to +40%**

The Company's strategic priorities are focused on developing a culture of leadership, leveraging our operating platform and unique in-house development expertise to deliver consumers the highest level of quality, convenience, and affordability. As we plan for the next generation of franchise platform growth, the Company remains actively engaged in expanding its strategic partnerships and exploring shareholder liquidity opportunities.

About the Company:

Meritage Hospitality Group is one of the nation's premier restaurant operators, with 379 restaurants in operation located in Arkansas, Connecticut, Florida, Georgia, Indiana, Massachusetts, Michigan, Missouri, Mississippi, North Carolina, Ohio, Oklahoma, Tennessee, Texas and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 12,000 employees. At fiscal year-end 2024, the Company had total diluted weighted average common shares outstanding of 8,520,095 shares.

The Company's current and publicly available information pursuant to amended SEC Rule 15c2-11 and FINRA Rule 6432 can be found at www.otcmarkets.com, under the stock symbol MHGU/Disclosures or the Company's website, www.meritagehospitality.com.

SAFE HARBOR STATEMENT

Certain information in this new release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, constitutes forward-looking statements. Factors set forth in our Safe Harbor Statement, in addition to other possible factors not listed, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company's Safe Harbor Statement at <http://www.meritagehospitality.com>.

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