

Noodles & Company

What the April 20, 2026 Franchise Disclosure Document says about cost, fees, sales and outlet churn.

A financial summary of public franchise filings. Not legal, tax, or investment advice. No buy/don't-buy view is given. Payback figures are illustrative arithmetic, not forecasts or earnings claims. We do not interpret any agreement. Not affiliated with or endorsed by Noodles & Company or any franchisor.

ALL-IN INVESTMENT	FRANCHISE FEE	ONGOING FEES	FRANCHISED AVG SALES	FRANCHISED OUTLETS
\$1.06–1.71M	\$35,000	9.0%	\$1.32M	93 → 83
Item 7, per restaurant	3-restaurant minimum	of sales, plus \$12,000/yr tech fee	Median \$1.32M, 92 units	2023 start to 2025 end

Source: Noodles & Company FDD, Issuance Date April 20, 2026, Wisconsin Department of Financial Institutions franchise filing 641091. "p." = page number printed in the FDD footer; Exhibit F is cited by PDF page. Orders always use the most recent FDD on file.

Item 5 • Initial fees

FDD p. 9

FEE	AMOUNT	NOTE
Franchise fee, per restaurant	\$35,000	non-refundable
Development fee, first restaurant	\$35,000	credited in full to restaurant 1
Development fee, each additional restaurant	\$10,000	credited; \$25,000 balance due later

An Area Development Agreement for at least 3 restaurants is required. Credits apply only if the full development fee was paid on time, so the effective fee works out to \$35,000 per restaurant (\$105,000 for three).

Item 6 • Ongoing fees

FDD pp. 10–13

FEE	TODAY	BASIS
Royalty	5.00%	of Net Royalty Sales
Brand Development Fund	1.75%	new, established April 2026
Field Marketing Funds (spent locally)	1.00%	currently
Marketing Administration Fee	1.25%	currently
Total % of sales today	9.00%	
Restaurant Technology Support	\$12,000/yr	\$1,000 per month, per restaurant

The three marketing fees can rise to a combined 5.5% of sales (the "Marketing Cap", Note 4, p. 13), which would make total % fees 10.5%. The FDD also says the cap itself can be raised if 66% of company and franchised restaurants vote for it. New and renewing franchisees pay the Brand Development Fund now; existing franchisees may be required to later.

Item 7 • Estimated initial investment

FDD pp. 14–15

LINE	LOW	HIGH
Leasehold improvements	\$593,000	\$1,029,000
Architectural and other design fees	\$52,000	\$111,000
Kitchen equipment	\$161,000	\$175,000
Millwork and furniture	\$49,000	\$53,000
Computer equipment	\$41,000	\$48,000
Signage	\$35,000	\$42,000
Permits and licenses	\$1,000	\$4,000
Supplies and smallwares	\$6,000	\$10,000
Opening inventory	\$6,000	\$10,000
Safe and cash on hand	\$1,000	\$3,000
Utilities	\$1,000	\$18,000
Pre-opening cash occupancy	\$2,000	\$8,000
Training	\$21,000	\$64,000
Grand opening marketing	\$5,000	\$15,000
Professional fees	\$2,500	\$7,500
Additional funds, 3 months	\$50,000	\$75,000
Franchise fee	\$35,000	\$35,000
Total, per restaurant	\$1,061,500	\$1,707,500

Based on company-owned restaurants of about 1,500–2,600 sq ft (average 2,300). The figures exclude tenant-improvement allowances, so they are gross costs; any allowance you negotiate reduces them. The FDD does not say how many restaurants the estimate is based on. It says the high end "may not be indicative" of future costs and that a smaller prototype is being explored. No financing is offered.

CHANGE FROM THE 2025 FDD

The April 2025 FDD showed \$669,000–\$1,412,000. The 2026 range is \$392,500 higher at the low end (+59%) and \$295,500 higher at the high end (+21%). The two are not like for like: the 2025 table subtracted landlord credits of \$78,000–\$183,000, while the 2026 table excludes TI allowances entirely. Ask the franchisor what drove the rest of the increase.

Item 19 • Financial performance

FDD pp. 76–80

Item 19 is present. Quartiles are not disclosed. The FDD gives average, median, high and low net sales for fiscal 2025 (52 weeks ended December 30, 2025).

FY2025 NET SALES	UNITS	AVERAGE	MEDIAN	HIGH	LOW
Company + franchised	463	\$1,352,345	\$1,299,246	\$2,698,058	\$402,401
Company-owned	371	\$1,386,135	\$1,295,904	\$2,698,058	\$402,401
Franchised	92	\$1,318,978	\$1,316,974	\$2,131,569	\$669,668

46 of 92 franchised restaurants (50.0%) met or beat the franchised average (p. 77). At year end there were 423 restaurants (340 company, 83 franchised). In 2025 the company closed 33 restaurants and 9 franchised restaurants closed.

The FDD also discloses a company-owned restaurant P&L for 371 units (p. 78). It is unaudited.

COMPANY P&L, FY2025	AVERAGE	% OF SALES	MEDIAN
Net sales	\$1,386,135		\$1,295,904
Cost of sales	\$366,385	26.4%	\$340,893
Labor	\$440,845	31.8%	\$411,563
Controllable expenses	\$198,311	14.3%	\$182,170
Occupancy	\$129,543	9.3%	\$116,517
Non-controllable expenses	\$87,568	6.3%	\$81,190
Restaurant EBITDA	\$163,483	11.8%	\$163,572

Restaurant EBITDA excludes the 5% royalty, which company restaurants don't pay; at average sales it would be \$69,307 (p. 78). Non-controllable expenses already include "restaurant marketing" (Note 6). Labor excludes support-center wages and overhead (Note 3). The median EBITDA margin (12.6%) is computed here; the FDD's median "% of net sales" column prints 50.0%, which is a rank, not a margin.

QUESTIONS ABOUT THE COUNTS

The P&L covers 371 company restaurants, the same as the company count at the start of 2025, yet the FDD says restaurants closed in 2025 were excluded and 33 closed that year. The "units exceeding average" column (154 / 45.6%) also implies a different base than 371. The printed median cost of sales reads "340,.893". Confirm the basis with the franchisor.

ILLUSTRATIVE PAYBACK • NOT A FORECAST • NOT AN ITEM 19 CLAIM

One method throughout: take the company EBITDA margin (11.8% average, 12.6% median), apply it to franchised sales, then subtract franchise fees: the % fees plus the \$12,000 tech fee. Because company EBITDA already includes restaurant marketing, subtracting all 4.0% of marketing fees again may double-count, so the first row shows royalty and tech fee only as an upper bound. Pre-tax, and before debt service, owner pay and support costs the P&L excludes.

SCENARIO	SALES	EBITDA	FEES	CASH FLOW	YRS @ \$1.06M	@ \$1.38M	@ \$1.71M
Average: royalty + tech only	\$1,318,978	\$155,562	\$77,949	\$77,613	13.7	17.8	22.0
Average: all fees today	\$1,318,978	\$155,562	\$130,708	\$24,854	42.7	>50	>50
Average: marketing at cap	\$1,318,978	\$155,562	\$150,493	\$5,070	>50	>50	>50
Median: all fees today	\$1,316,974	\$166,232	\$130,528	\$35,704	29.7	38.8	47.8

Illustrative only. A franchisee's real costs, rent, marketing spend and sales will differ. How much of the marketing fee load is already inside company EBITDA is the single biggest swing, and the FDD doesn't break it out. Every input is editable in the included spreadsheet.

Item 20 • Outlets and churn

FDD pp. 81–86

YEAR	FRANCHISED START → END	COMPANY START → END	TOTAL AT YEAR END
2023	93 → 90	367 → 380	470*
2024	90 → 92	380 → 371	463
2025	92 → 83	371 → 340	423

*Table 1 prints the 2023 total as 460 → 460. The rows add to 470 (90 + 380), and Table 1 itself starts 2024 at 470, so 470 is used here.

In 2025, no franchised restaurants opened and 9 ceased operations (California 3, Florida 2, North Carolina 2, Connecticut 1, Michigan 1). The company opened 2 and closed 33. California franchised units fell from 14 to 7 over three years. Over 2023–2025, 19 franchised restaurants ceased operations, against 3 openings. Projections: 1 franchise signed but not open (Arkansas), 1 new franchised restaurant expected in the next year (New Mexico), 0 company (Table 5). Exhibit E lists franchisees who left the system in 2025, with contact details.

RECONCILIATION NOTES

2024: Table 3 shows 90 at start, +3 opened, –7 ceased, and 92 at year end. The difference is 6 restaurants printed in the "Reacquired by Franchisor" column (Oregon 5, Washington 1) that were actually refranchised to franchisees, so they add rather than subtract. Table 4 shows only 4 company restaurants sold to franchisees that year. Table 4 also starts 2025 at 372, against a 2024 year end of 371. These look like format and transcription issues, but confirm them with the franchisor.

Item 21 · Franchisor financials

Exhibit F · PDF pp. 100–103

\$ THOUSANDS	FY2025	FY2024	FY2023
Total revenue	495,089	493,271	503,405
Franchising royalties, fees and other	9,986	10,174	10,757
Impairments, closure costs, disposals	26,262	20,268	8,400
Loss from operations	(31,589)	(27,778)	(5,029)
Interest expense, net	10,915	8,381	4,803
Net loss	(42,568)	(36,213)	(9,856)
Cash from operations	7,284	7,561	27,495
BALANCE SHEET, \$ THOUSANDS	DEC 30, 2025	DEC 31, 2024	
Cash	1,265	1,149	
Total assets	261,671	324,648	
Long-term debt, net	108,776	100,742	
Total liabilities	306,976	330,227	
Total stockholders' deficit	(45,305)	(5,579)	

Audited statements of the publicly traded parent: Grant Thornton for FY2025, Ernst & Young for the earlier years. Net losses widened for a third year and the stockholders' deficit grew to \$45.3 million. We found no going-concern language in the filing.

Questions for your own franchisee calls

Numbers only. You make these calls; Item 20 and Exhibit E list current and former franchisees.

1. What did your all-in build cost, and how does it compare with the \$1.06M–\$1.71M Item 7 range before and after any TI allowance?
2. How do your sales compare with the \$1.32M franchised average? What drove the gap?
3. Do your restaurant-level costs track the company P&L (labor about 32%, occupancy about 9%)?
4. How much do you actually spend on marketing today, and has the new 1.75% Brand Development Fund been applied to you?
5. What do you get for the \$1,000 a month technology fee, and what other tech costs do you pay on top?
6. How long until you were cash-flow positive? Did you need working capital beyond the \$50,000–\$75,000 in Item 7?
7. For former franchisees: what led to the closure or exit?
8. Has the franchisor's financial position changed support, marketing, or remodel requirements?

Source. Noodles & Company Franchise Disclosure Document, Issuance Date April 20, 2026. Wisconsin Department of Financial Institutions franchise filing 641091 (apps.dfi.wi.gov).

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