UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 27, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 001-37425

WINGSTOP INC.
(Exact name of registrant as specified in its charter)

Delaware	**47-3494862**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
5501 LBJ Freeway **5th Floor** **Dallas** **Texas**	**75240**
(Address of principal executive offices)	(Zip Code)

(972) 686-6500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	WING	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

On April 27, 2021 there were 29,736,838 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WINGSTOP INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(amounts in thousands, except share and par value amounts)

	March 27, 2021 (Unaudited)	December 26, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 39,993	$ 40,858
Restricted cash	4,666	4,815
Accounts receivable, net	5,950	4,929
Prepaid expenses and other current assets	8,220	5,532
Advertising fund assets, restricted	22,315	16,486
Total current assets	81,144	72,620
Property and equipment, net	30,473	27,948
Goodwill	53,690	53,690
Trademarks	32,700	32,700
Customer relationships, net	11,276	11,600
Other non-current assets	8,488	13,007
Total assets	**$ 217,771**	**$ 211,565**
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable	$ 3,666	$ 3,658
Other current liabilities	17,397	26,729
Current portion of debt	4,800	3,600
Advertising fund liabilities	22,315	16,486
Total current liabilities	48,178	50,473
Long-term debt, net	466,056	466,933
Deferred revenues, net of current	25,266	24,962
Deferred income tax liabilities, net	5,377	4,480
Other non-current liabilities	4,622	6,027
Total liabilities	549,499	552,875
Commitments and contingencies (see Note 7)		
Stockholders' deficit		
Common stock, $0.01 par value; 100,000,000 shares authorized; 29,736,838 and 29,687,123 shares issued and outstanding as of March 27, 2021 and December 26, 2020, respectively	298	297
Additional paid-in-capital	26	421
Accumulated deficit	(332,052)	(342,028)
Total stockholders' deficit	(331,728)	(341,310)
Total liabilities and stockholders' deficit	**$ 217,771**	**$ 211,565**

See accompanying notes to consolidated financial statements.

WINGSTOP INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(amounts in thousands, except per share data)
(Unaudited)

	Thirteen Weeks Ended	
	March 27, 2021	March 28, 2020
Revenue:		
Royalty revenue, franchise fees and other	$ 31,606	$ 24,199
Advertising fees	21,520	16,014
Company-owned restaurant sales	17,564	15,223
Total revenue	70,690	55,436
Costs and expenses:		
Cost of sales [(1)]	13,279	11,176
Advertising expenses	22,027	16,995
Selling, general and administrative	13,786	12,239
Depreciation and amortization	1,795	1,555
Total costs and expenses	50,887	41,965
Operating income	19,803	13,471
Interest expense, net	3,782	4,145
Income before income tax expense	16,021	9,326
Income tax expense	2,861	1,230
Net income	$ 13,160	$ 8,096
Earnings per share		
Basic	$ 0.44	$ 0.27
Diluted	$ 0.44	$ 0.27
Weighted average shares outstanding		
Basic	29,706	29,487
Diluted	29,844	29,742
Dividends per share	$ 0.14	$ 0.11

[(1)] Cost of sales includes all operating expenses of company-owned restaurants, including advertising expenses, and excludes depreciation and amortization, which are presented separately.

See accompanying notes to consolidated financial statements.

WINGSTOP INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Deficit
For the Thirteen Weeks Ended March 28, 2020 and March 27, 2021
(amounts in thousands, except share data)
(Unaudited)

	Common Stock				
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance at December 28, 2019	29,457,228	$ 295	$ 552	$ (210,275)	$ (209,428)
Adjustment for ASC 842 adoption	—	—	—	—	—
Net income	—	—	—	8,096	8,096
Shares issued under stock plans	128,585	1	504	—	505
Tax payments for restricted stock upon vesting	(2,419)	—	—	(229)	(229)
Stock-based compensation expense	—	—	1,331	—	1,331
Dividends declared on common stock and equivalents	—	—	(2,168)	(1,055)	(3,223)
Balance at March 28, 2020	29,583,394	296	219	(203,463)	(202,948)

	Common Stock				
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance at December 26, 2020	29,687,123	$ 297	$ 421	$ (342,028)	$ (341,310)
Net income	—	—	—	13,160	13,160
Shares issued under stock plans	60,958	1	155	—	156
Tax payments for restricted stock upon vesting	(11,243)	—	—	(1,862)	(1,862)
Stock-based compensation expense	—	—	2,316	—	2,316
Dividends declared on common stock and equivalents	—	—	(2,866)	(1,322)	(4,188)
Balance at March 27, 2021	29,736,838	298	26	(332,052)	(331,728)

See accompanying notes to consolidated financial statements.

WINGSTOP INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(amounts in thousands)
(Unaudited)

	Thirteen Weeks Ended	
	March 27, 2021	March 28, 2020
Operating activities		
Net income	$ 13,160	$ 8,096
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	1,795	1,555
Deferred income taxes	897	1,503
Stock-based compensation expense	2,316	1,331
Amortization of debt issuance costs	358	411
Changes in operating assets and liabilities:		
Accounts receivable	(1,021)	35
Prepaid expenses and other assets	(904)	902
Advertising fund assets and liabilities, net	5,592	5,708
Accounts payable and other current liabilities	(8,433)	(6,370)
Deferred revenue	358	(189)
Other non-current liabilities	(330)	(511)
Cash provided by operating activities	13,788	12,471
Investing activities		
Purchases of property and equipment	(2,841)	(1,579)
Cash used in investing activities	(2,841)	(1,579)
Financing activities		
Proceeds from exercise of stock options	156	505
Borrowings of long-term debt	—	16,000
Repayments of long-term debt	—	(800)
Tax payments for restricted stock upon vesting	(1,862)	(229)
Dividends paid	(4,662)	(3,223)
Cash provided by (used in) financing activities	(6,368)	12,253
Net increase in cash, cash equivalents, and restricted cash	4,579	23,145
Cash, cash equivalents, and restricted cash at beginning of period	59,270	21,175
Cash, cash equivalents, and restricted cash at end of period	$ 63,849	$ 44,320

See accompanying notes to consolidated financial statements.

(1) Basis of Presentation and Update to Significant Accounting Policies

Nature of operations. Wingstop Inc., together with its consolidated subsidiaries (collectively, "Wingstop" or the "Company"), is in the business of franchising and operating Wingstop restaurants. As of March 27, 2021, the Company had 1,371 domestic franchised restaurants and 175 international franchised restaurants. As of March 27, 2021, the Company owned and operated 33 restaurants.

Basis of presentation. The accompanying unaudited consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Consequently, financial information and disclosures normally included in financial statements prepared annually in accordance with accounting principles generally accepted in the United States have been condensed or omitted. Balance sheet amounts are as of March 27, 2021 and December 26, 2020, and operating results are for the thirteen weeks ended March 27, 2021 and March 28, 2020.

In the Company's opinion, all necessary adjustments have been made for the fair presentation of the results of the interim periods presented. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying interim unaudited consolidated financial statements should be read in conjunction with the audited financial statements and the related notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2020.

Fiscal year. The Company uses a 52/53-week fiscal year that ends on the last Saturday of the calendar year. Fiscal years 2021 and 2020 each have 52 weeks.

Cash, Cash Equivalents, and Restricted Cash. Cash, cash equivalents, and restricted cash within the Consolidated Balance Sheets and the Consolidated Statements of Cash Flows as of March 27, 2021 and December 26, 2020 were as follows (in thousands):

	March 27, 2021	December 26, 2020
Cash and cash equivalents	$ 39,993	$ 40,858
Restricted cash	4,666	4,815
Restricted cash, included in Advertising fund assets, restricted	19,190	13,597
Total cash, cash equivalents, and restricted cash	$ 63,849	$ 59,270

Recently issued accounting pronouncements. We reviewed all recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact on our consolidated financial statements.

Change in presentation. Beginning in the first quarter of 2021, headcount related expenses that support our national advertising fund are presented within "Advertising expenses" on the Consolidated Statements of Operations. Prior to the first quarter of 2021, these expenses were presented within "Selling, general and administrative expenses." Prior period amounts have been reclassified to conform to the current presentation. This reclassification had no impact on operating income, balance sheets or statements of cash flows. Headcount related expenses associated with the national advertising fund totaled $2.1 million for each of the thirteen weeks ended March 27, 2021 and March 28, 2020.

(2) Earnings per Share

Basic earnings per share is computed by dividing income available to common stockholders by the weighted average number of shares of common stock outstanding for the reporting period. Diluted earnings per share reflects the potential dilution that could occur if securities convertible into, or other contracts to issue, common stock were exercised or converted into common stock. For the calculation of diluted earnings per share, the basic weighted average number of shares is increased by the dilutive effect of the exercise and vesting of stock options and restricted stock units, respectively, as determined using the treasury stock method.

Basic weighted average shares outstanding is reconciled to diluted weighted average shares outstanding as follows (in thousands):

	Thirteen Weeks Ended	
	March 27, 2021	March 28, 2020
Basic weighted average shares outstanding	29,706	29,487
Dilutive shares	139	255
Diluted weighted average shares outstanding	29,844	29,742

For the thirteen weeks ended March 27, 2021 and March 28, 2020, equity awards representing approximately 5,000 and 4,000 shares, respectively, were excluded from the dilutive earnings per share calculation because the effect would have been anti-dilutive.

(3) Dividends

On February 16, 2021, the Company's Board of Directors declared a quarterly dividend of $0.14 per share of common stock for stockholders of record as of March 5, 2021, which was paid on March 26, 2021, totaling $4.2 million.

Subsequent to the first quarter, on April 27, 2021, the Company's Board of Directors declared a quarterly dividend of $ 0.14 per share of common stock for stockholders of record as of May 14, 2021. The regular quarterly dividend is to be paid on June 4, 2021, totaling approximately $4.2 million.

(4) Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. Assets and liabilities are classified using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 — Unadjusted quoted prices for identical instruments traded in active markets.

Level 2 — Observable market-based inputs or unobservable inputs corroborated by market data.

Level 3 — Unobservable inputs reflecting management's estimates and assumptions.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate fair value due to their short-term nature. Fair value of debt is determined on a non-recurring basis, which results are summarized as follows (in thousands):

		March 27, 2021		December 26, 2020	
	Fair Value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
Securitized Financing Facility:					
2020-1 Class A-2 Senior Secured Notes (1)	Level 2	$ 480,000	$ 487,742	$ 480,000	$ 483,365

(1) The fair value of the 2020-1 Class A-2 Senior Secured Notes was estimated using available market information.

The Company also measures certain non-financial assets (primarily long-lived assets, intangible assets, and goodwill) at fair value on a non-recurring basis in connection with its periodic evaluations of such assets for potential impairment.

(5) Income Taxes

Income tax expense and the effective tax rate were $2.9 million and 17.9%, respectively, for the thirteen weeks ended March 27, 2021, and $1.2 million and 13.2%, respectively, for the thirteen weeks ended March 28, 2020. The increase in the effective tax rate is primarily due to $1.2 million in tax benefits resulting from the recognition of excess tax benefits associated with stock options exercised during the thirteen weeks ended March 28, 2020.

(6) Debt Obligations

Long-term debt consisted of the following components (in thousands):

	March 27, 2021	December 26, 2020
2020-1 Class A-2 Senior Secured Notes	$ 480,000	$ 480,000
Debt issuance costs, net of amortization	(9,144)	(9,467)
Total debt	470,856	470,533
Less: current portion of debt	(4,800)	(3,600)
Long-term debt, net	$ 466,056	$ 466,933

The Company's outstanding debt consists of (i) Series 2020-1 2.84% Fixed Rate Senior Secured Notes, Class A-2 (the "2020 Class A-2 Notes") issued by Wingstop Funding LLC (the "Issuer"), a limited-purpose, bankruptcy-remote, wholly owned indirect subsidiary of Wingstop Inc. and (ii) Series 2020-1 Variable Funding Senior Notes, Class A-1 (the "2020 Variable Funding Notes" and together with the Class A-2 Notes, the "2020 Notes"), which permit borrowings of up to a maximum principal amount of $50 million which may be used to borrow amounts on a revolving basis and to issue letters of credit.

As of March 27, 2021 and December 26, 2020, the Company had $480.0 million of 2020 Class A-2 Notes outstanding. There were no borrowings outstanding under the 2020 Variable Funding Notes as of March 27, 2021 and December 26, 2020. Further, as of March 27, 2021 and December 26, 2020, $3.5 million and $4.9 million, respectively, of letters of credit were outstanding against the 2020 Variable Funding Notes, which relate primarily to interest reserves required under the base indenture and related supplemental indenture. There were no amounts drawn down on the letters of credit as of March 27, 2021 or December 26, 2020.

The 2020 Notes were issued in a securitization transaction pursuant to which certain of the Company's domestic and foreign revenue-generating assets, consisting principally of franchise-related agreements and intellectual property, were contributed or otherwise transferred to the Issuer and certain other limited-purpose, bankruptcy-remote, wholly owned indirect subsidiaries of the Company that act as guarantors of the Notes and that have pledged substantially all of their assets.

(7) Commitments and Contingencies

The Company is subject to legal proceedings, claims, and liabilities, such as employment-related claims and premises-liability cases, which arise in the ordinary course of business and are generally covered by insurance. In the opinion of management, the amount of ultimate liability with respect to such actions is not likely to have a material adverse impact on the Company's financial position, results of operations, or cash flows.

(8) Stock-Based Compensation

During the thirteen weeks ended March 27, 2021, the Company granted stock options to purchase 42,703 shares of common stock and 18,540 restricted stock units ("RSUs") to certain employees. The stock options vest in equal annual amounts over a three year period subsequent to the grant date, and have a maximum contractual term of ten years. The stock options were granted with a weighted-average exercise price of $129.11 per share and had a weighted-average grant-date fair value of $42.51 per share. The RSUs granted to certain employees generally vest in equal annual amounts over a three-year period, subsequent to the grant date and had a weighted-average grant-date fair value of $129.11 per unit.

In addition, the Company granted 30,137 performance stock units ("PSUs") to certain employees during the thirteen weeks ended March 27, 2021. Of the total PSUs granted, 25,623 PSUs are subject to a service condition and a performance vesting condition based on return on incremental invested capital ("ROI PSUs"). The ROI PSUs are generally eligible to cliff-vest approximately three years from the grant date, and the maximum vesting percentage that could be realized for each of the ROI PSUs is 250% based on the level of performance achieved for the awards. The remaining 4,514 PSUs granted are subject to a service condition and a performance vesting condition based on the number of net new restaurants opened over the performance period ("NNR PSUs"). The NNR PSUs vest in equal annual amounts over a three-year period, and the maximum vesting percentage that could be realized for each of the NNR PSUs is 100% based on the level of performance achieved for the awards. The PSUs had a weighted-average grant-date fair value of $129.11 per unit. Total compensation cost for the PSUs is determined based on the most likely outcome of the performance condition and the number of awards expected to vest based on the outcome.

Total compensation expense related to all share-based awards was $2.3 million and $1.3 million for the thirteen weeks ended March 27, 2021 and March 28, 2020, respectively, and was included in Selling, general and administrative expense in the Consolidated Statements of Operations.

(9) Revenue from Contracts with Customers

The following table represents a disaggregation of revenue from contracts with customers for the thirteen weeks ended March 27, 2021 and March 28, 2020 (in thousands):

	Thirteen Weeks Ended	
	March 27, 2021	**March 28, 2020**
Royalty revenue	$ 28,809	$ 21,307
Advertising fees and related income	21,520	16,014
Franchise fees	1,195	883

Franchise fee, development fee, and international territory fee payments received by the Company are recorded as deferred revenue on the Consolidated Balance Sheets, which represents a contract liability. Deferred revenue is reduced as fees are recognized in revenue over the term of the franchise license for the respective restaurant. As the term of the franchise license is typically ten years, substantially all of the franchise fee revenue recognized in the thirteen weeks ended March 27, 2021 was included in the deferred revenue balance as of December 26, 2020. Approximately $9.7 million and $9.8 million of deferred revenue as of March 27, 2021 and December 26, 2020, respectively, relates to restaurants that have not yet opened, so the fees are not yet being amortized. The weighted average remaining amortization period for deferred franchise and renewal fees related to open restaurants is 7.2 years. The Company did not have any material contract assets as of March 27, 2021.

(10) Refranchising of Company-owned Restaurants

During the first fiscal quarter 2021, the Company entered into an arrangement to re-franchise six company-owned restaurants in the Colorado market for a total purchase price of approximately $6.7 million. This transaction is subject to customary closing conditions, and the Company expects the transaction to close in the third fiscal quarter 2021. The assets associated with these restaurants held for sale totaled $4.3 million and were included in Prepaid expenses and other current assets on the Consolidated Balance Sheet as of March 27, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of Wingstop Inc. (collectively with its direct and indirect subsidiaries on a consolidated basis, "Wingstop," the "Company," "we," "our," or "us") should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes in Part I, Item 1 of this Quarterly Report on Form 10-Q (this "Quarterly Report") and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended December 26, 2020 (our "Annual Report"). The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Special Note Regarding Forward-Looking Statements," below and "Risk Factors" on page 11 of our Annual Report and in Part II, Item 1A. of this Quarterly Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

We operate on a 52 or 53-week fiscal year ending on the last Saturday of each calendar year. Our fiscal quarters are comprised of 13 weeks, with the exception of the fourth quarter of a 53-week year, which contains 14 weeks. Fiscal years 2021 and 2020 each contain 52 weeks.

Overview

Wingstop is the largest fast casual chicken wings-focused restaurant chain in the world, with over 1,500 locations worldwide. We are dedicated to serving the world flavor through an unparalleled guest experience and offering of classic wings, boneless wings and tenders, always cooked to order and hand-sauced-and-tossed in 11 bold, distinctive flavors.

The Company is primarily a franchisor, with approximately 98% of Wingstop's restaurants currently owned and operated by independent franchisees. We believe our asset-light, highly-franchised business model generates strong operating margins and requires low capital expenditures, creating stockholder value through strong and consistent free cash flow and capital-efficient growth.

Change in presentation

Beginning in the first quarter of 2021, headcount related expenses that support our national advertising fund are presented within "Advertising expenses" on the Consolidated Statements of Operations. Prior to the first quarter of 2021, these expenses were presented within "Selling, general and administrative expenses." Prior period amounts have been reclassified to conform to the current presentation. This reclassification had no impact on operating income, balance sheets or statements of cash flows.

Key Performance Indicators

Key measures that we use in evaluating our restaurants and assessing our business include the following:

Number of restaurants. Management reviews the number of new restaurants, the number of closed restaurants, and the number of acquisitions and divestitures of restaurants to assess net new restaurant growth.

	Thirteen Weeks Ended	
	March 27, 2021	March 28, 2020
Domestic Franchised Activity:		
Beginning of period	1,327	1,200
Openings	44	22
Closures	—	(1)
Restaurants end of period	1,371	1,221
Domestic Company-Owned Activity:		
Beginning of period	32	31
Openings	1	1
Closures	—	—
Restaurants end of period	33	32
Total Domestic Restaurants	**1,404**	**1,253**
International Franchised Activity:		
Beginning of period	179	154
Openings	2	6
Closures	(6)	—
Restaurants end of period	175	160
Total System-wide Restaurants	**1,579**	**1,413**

System-wide sales. System-wide sales represents net sales for all of our company-owned and franchised restaurants. This measure allows management to better assess changes in our royalty revenue, our overall store performance, the health of our brand, and the strength of our market position relative to competitors. Our system-wide sales growth is driven by new restaurant openings as well as increases in same store sales.

Domestic average unit volume ("AUV"). Domestic AUV consists of the average annual sales of all restaurants that have been open for a trailing 52-week period or longer. This measure is calculated by dividing sales during the applicable period for all restaurants being measured by the number of restaurants being measured. Domestic AUV includes revenue from both company-owned and franchised restaurants. Domestic AUV allows management to assess our company-owned and franchised restaurant economics. Our domestic AUV growth is primarily driven by increases in same store sales and is also influenced by opening new restaurants.

Domestic same store sales. Domestic same store sales reflects the change in year-over-year sales for the same store base. We define the same store base to include those restaurants open for at least 52 full weeks. This measure highlights the performance of existing restaurants, while excluding the impact of new restaurant openings and closures. We review same store sales for domestic company-owned restaurants as well as system-wide domestic restaurants. Domestic same store sales growth is driven by increases in transactions and average transaction size. Transaction size increases are driven by price increases or favorable mix shift from either an increase in items purchased or shifts into higher priced items.

EBITDA and Adjusted EBITDA. We define EBITDA as net income before interest expense, net, income tax expense, and depreciation and amortization. We define Adjusted EBITDA as net income before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for losses on debt extinguishment and refinancing transactions, transaction costs, costs and fees associated with investments in our strategic initiatives, gains and losses on the disposal of assets, and stock-based compensation expense. Adjusted EBITDA may not be comparable to other similarly titled captions of other companies due to differences in methods of calculation. For a reconciliation of net income to EBITDA and Adjusted EBITDA and for further discussion of EBITDA and Adjusted EBITDA as non-GAAP measures and how we utilize them, see footnote 2 below.

The following table sets forth our key performance indicators for the thirteen weeks ended March 27, 2021 and March 28, 2020 (in thousands, except unit data):

	Thirteen Weeks Ended	
	March 27, 2021	March 28, 2020
Number of system-wide restaurants open at end of period	1,579	1,413
System-wide sales [1]	$ 558,869	$ 429,898
Domestic restaurant AUV	$ 1,547	$ 1,272
Domestic same store sales growth	20.7 %	9.9 %
Company-owned domestic same store sales growth	13.4 %	6.2 %
Total revenue	$ 70,690	$ 55,436
Net income	$ 13,160	$ 8,096
Adjusted EBITDA [2]	$ 23,914	$ 16,357

(1) The percentage of system-wide sales attributable to company-owned restaurants was 3.1% and 3.4% for the thirteen weeks ended March 27, 2021 and March 28, 2020, respectively. The remainder was generated by franchised restaurants, as reported by our franchisees.

(2) EBITDA and Adjusted EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). EBITDA and Adjusted EBITDA should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of our liquidity.

We caution investors that amounts presented in accordance with our definitions of EBITDA and Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors, because not all companies and analysts calculate EBITDA and Adjusted EBITDA in the same manner. We present EBITDA and Adjusted EBITDA because we consider them to be important supplemental measures of our performance and believe they are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations. Many investors are interested in understanding the performance of our business by comparing our results from ongoing operations on a period-over-period basis and would ordinarily add back non-cash expenses such as depreciation and amortization, as well as items that are not part of normal day-to-day operations of our business.

Management uses EBITDA and Adjusted EBITDA:

- as a measurement of operating performance because they assist us in comparing the operating performance of our restaurants on a consistent basis, as they remove the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections;
- to evaluate the performance and effectiveness of our operational strategies;
- to evaluate our capacity to fund capital expenditures and expand our business; and
- to calculate incentive compensation payments for our employees, including assessing performance under our annual incentive compensation plan and determining the vesting of performance-based equity awards.

By providing these non-GAAP financial measures, together with a reconciliation to the most comparable GAAP measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. In addition, the instruments governing our indebtedness use EBITDA (with additional adjustments) to measure our compliance with covenants, such as our fixed charge coverage, lease adjusted leverage, and debt incurrence. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation, or as an alternative to, or a substitute for net income or other financial statement data presented in our consolidated financial statements as indicators of financial performance. Some of the limitations are:

- such measures do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- such measures do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- such measures do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Due to these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP measures only supplementally. As noted in the table below, Adjusted EBITDA includes adjustments for transaction costs, costs and fees associated with investments in our strategic initiatives, gains and losses on the disposal of assets, and stock-based compensation expense. It is reasonable to expect that this item will occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our restaurants, and complicate comparisons of our internal operating results and operating results of other restaurant companies over time. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the reconciliation table below help management measure our core operating performance over time by removing items that are not related to day-to-day operations.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the thirteen weeks ended March 27, 2021 and March 28, 2020 (in thousands):

	Thirteen Weeks Ended	
	March 27, 2021	**March 28, 2020**
Net income	$ 13,160	$ 8,096
Interest expense, net	3,782	4,145
Income tax expense	2,861	1,230
Depreciation and amortization	1,795	1,555
EBITDA	$ 21,598	$ 15,026
Additional adjustments:		
Stock-based compensation expense [(a)]	2,316	1,331
Adjusted EBITDA	$ 23,914	$ 16,357

[(a)] Includes non-cash, stock-based compensation.

Results of Operations

Thirteen Weeks Ended March 27, 2021 compared to Thirteen Weeks Ended March 28, 2020

The following table sets forth our results of operations for the thirteen weeks ended March 27, 2021 and March 28, 2020 (dollars in thousands):

	Thirteen Weeks Ended		Increase / (Decrease)	
	March 27, 2021	**March 28, 2020**	**$**	**%**
Revenue:				
Royalty revenue, franchise fees and other	$ 31,606	$ 24,199	$ 7,407	30.6 %
Advertising fees	21,520	16,014	5,506	34.4 %
Company-owned restaurant sales	17,564	15,223	2,341	15.4 %
Total revenue	70,690	55,436	15,254	27.5 %
Costs and expenses:				
Cost of sales [(1)]	13,279	11,176	2,103	18.8 %
Advertising expenses	22,027	16,995	5,032	29.6 %
Selling, general and administrative	13,786	12,239	1,547	12.6 %
Depreciation and amortization	1,795	1,555	240	15.4 %
Total costs and expenses	50,887	41,965	8,922	21.3 %
Operating income	19,803	13,471	6,332	47.0 %
Interest expense, net	3,782	4,145	(363)	(8.8)%
Income before income tax expense	16,021	9,326	6,695	71.8 %
Income tax expense (benefit)	2,861	1,230	1,631	132.6 %
Net income	$ 13,160	$ 8,096	$ 5,064	62.5 %

[(1)] Cost of sales includes all operating expenses of company-owned restaurants, including advertising expenses, and excludes depreciation and amortization, which are presented separately.

Total revenue. During the thirteen weeks ended March 27, 2021, total revenue was $70.7 million, an increase of $15.3 million, or 27.5%, compared to $55.4 million in the comparable period in 2020. Royalty revenue, franchise fees and other increased $7.4 million primarily due to domestic same store sales growth of 20.7% as well as 165 net franchise restaurant openings since March 28, 2020. Advertising fees and related income increased $5.5 million due to the 30.0% increase in system-wide sales in the thirteen weeks ended March 27, 2021 compared to the thirteen weeks ended March 28, 2020. Company-owned restaurant sales increased $2.3 million primarily due to company-owned same store sales growth of 13.4%, which was driven by both an increase in transaction size and an increase in transactions.

Cost of sales. During the thirteen weeks ended March 27, 2021, cost of sales was $13.3 million, an increase of $2.1 million, or 18.8%, compared to $11.2 million in the comparable period in 2020. Cost of sales as a percentage of company-owned restaurant sales was 75.6% in the thirteen weeks ended March 27, 2021, compared to 73.4% in the comparable period in 2020.

The table below presents the major components of cost of sales (dollars in thousands):

	Thirteen Weeks Ended			
	March 27, 2021		March 28, 2020	
	In dollars	As a % of company-owned restaurant sales	In dollars	As a % of company-owned restaurant sales
Cost of sales:				
Food, beverage and packaging costs	$ 7,304	41.6 %	$ 5,477	36.0 %
Labor costs	3,728	21.2 %	3,524	23.1 %
Other restaurant operating expenses	2,627	15.0 %	2,567	16.9 %
Vendor rebates	(380)	(2.2) %	(392)	(2.6) %
Total cost of sales	$ 13,279	75.6 %	$ 11,176	73.4 %

Food, beverage and packaging costs as a percentage of company-owned restaurant sales were 41.6% in the thirteen weeks ended March 27, 2021, compared to 36.0% in the comparable period in 2020. The increase was primarily due to a 25.8% increase in the cost of bone-in chicken wings as compared to the prior year period.

Labor costs as a percentage of company-owned restaurant sales were 21.2% for the thirteen weeks ended March 27, 2021, compared to 23.1% in the comparable period in 2020. The decrease as a percentage of company-owned restaurant sales was primarily due to our ability to leverage costs due to the increase in company-owned same store sales of 13.4%.

Other restaurant operating expenses as a percentage of company-owned restaurant sales were 15.0% for the thirteen weeks ended March 27, 2021, compared to 16.9% in the comparable period in 2020. The decrease as a percentage of company-owned restaurant sales was a result of our ability to leverage costs due to the increase in company-owned same store sales of 13.4%.

Advertising expenses. During the thirteen weeks ended March 27, 2021, advertising expenses were $22.0 million, an increase of $5.0 million compared to $17.0 million in the comparable period in 2020. Advertising expenses are recognized at the same time the related revenue is recognized, which does not necessarily correlate to the actual timing of the related advertising spend.

Selling, general and administrative ("SG&A"). During the thirteen weeks ended March 27, 2021, SG&A expense was $13.8 million, an increase of $1.5 million compared to $12.2 million in the comparable period in 2020. The increase in SG&A expense was primarily due to an increase of $0.9 million in headcount related expenses as we make investments to support our strategic initiatives, as well as an increase of $1.0 million in stock-based compensation expense. These increases were partially offset by a decrease of $0.6 million related to certain organizational changes made in the prior year period.

Depreciation and amortization. During the thirteen weeks ended March 27, 2021, depreciation expense was $1.8 million, an increase of $0.2 million compared to $1.6 million in the comparable period in 2020.

Interest expense, net. During the thirteen weeks ended March 27, 2021, interest expense, net was $3.8 million, a decrease of $0.4 million compared to $4.1 million of interest expense, net in the comparable period in 2020. The decrease was due to the refinancing of our securitized financing facility on October 30, 2020, which increased our outstanding debt by $162.4 million and reduced our interest rate from 4.97% to 2.84%.

Income tax expense. During the thirteen weeks ended March 27, 2021, we recognized an income tax expense of $2.9 million yielding an effective tax rate of 17.9%, compared to an effective tax rate of 13.2% in the prior year period. The increase in the effective tax rate was due to the impact of excess tax benefits associated with stock options exercised in the prior year period.

Liquidity and Capital Resources

General. Our primary sources of liquidity and capital resources are cash provided from operating activities, cash and cash equivalents on hand, and proceeds from the incurrence of debt. Our primary requirements for liquidity and capital are working capital and general corporate needs. Historically, we have operated with minimal positive working capital or with negative working capital. We have in the past, and may in the future, refinance our existing indebtedness with new debt arrangements and/or equity issuances and utilize a portion of funds to return capital to our stockholders. We believe our sources of liquidity and capital will be sufficient to finance our continued operations and growth strategy for at least the next twelve months.

The following table shows summary cash flows information for the thirteen weeks ended March 27, 2021 and March 28, 2020 (in thousands):

	Thirteen Weeks Ended	
	March 27, 2021	**March 28, 2020**
Net cash provided by (used in):		
Operating activities	$ 13,788	$ 12,471
Investing activities	(2,841)	(1,579)
Financing activities	(6,368)	12,253
Net change in cash and cash equivalents	$ 4,579	$ 23,145

Operating activities. Our cash flows from operating activities are principally driven by sales at both franchise restaurants and company-owned restaurants, as well as franchise and development fees. We collect franchise royalties from our franchise owners on a weekly basis. Restaurant-level operating costs at our company-owned restaurants, unearned franchise and development fees, and corporate overhead costs also impact our cash flows from operating activities.

Net cash provided by operating activities was $13.8 million in the thirteen weeks ended March 27, 2021, an increase of $1.3 million from cash provided by operating activities of $12.5 million in the thirteen weeks ended March 28, 2020. The increase is the result of increased operating income associated with the increased sales over the prior period, partially offset by the timing of changes in working capital.

Investing activities. Our net cash used in investing activities was $2.8 million in the thirteen weeks ended March 27, 2021, an increase of $1.3 million from cash used in investing activities of $1.6 million in the thirteen weeks ended March 28, 2020. The increase in cash used in investing activities was primarily due to an increase in capital expenditures to support our strategic initiatives.

Financing activities. Our net cash used in financing activities was $6.4 million in the thirteen weeks ended March 27, 2021, a change of $18.6 million from cash provided by financing activities of $12.3 million in the thirteen weeks ended March 28, 2020. The change was primarily due to additional borrowings under our 2018 Variable Funding Notes (as defined below) of $16.0 million in the thirteen weeks ended March 28, 2020, as well as an increase in the amount of our regular dividend in June 2020.

Securitized financing facility. On October 30, 2020, the Company completed a transaction to refinance its existing securitized financing facility with a new securitized financing facility, pursuant to which Wingstop Funding LLC (the "Issuer"), a limited-purpose, bankruptcy-remote, wholly-owned indirect subsidiary of the Company, issued $480.0 million of its Series 2020-1 2.84% Fixed Rate Senior Notes, Class A-2 (the "2020 Class A-2 Notes"). The Issuer also entered into a revolving financing facility of Series 2020-1 Variable Funding Senior Notes, Class A-1 (the "2020 Variable Funding Notes," and together with the 2020 Class A-2 Notes, the "2020 Notes") which permits borrowings of up to a maximum principal amount of $50.0 million, which may be used to issue letters of credit. A portion of the proceeds of the 2020 Class A-2 Notes was used to repay the $332.8 million of principal outstanding on the existing Series 2018-1 4.97% Fixed Rate Senior Secured Notes, Class A-2 and Series 2018-1 Variable Funding Senior Secured Notes, Class A-1 (the "2020 Variable Funding Notes") and to pay a special cash dividend of approximately $148.4 million to our stockholders in December 2020.

The 2020 Class A-2 Notes are generally subject to 1% annual amortization, bear interest at a fixed rate of 2.84% per annum, and have an anticipated repayment date of December 2027.

Dividends. We paid a quarterly cash dividend of $0.14 per share of common stock, aggregating $4.2 million, during the first quarter of 2021. On April 27, 2021, the Company's Board of Directors approved a dividend of $0.14 per share, to be paid on June 4, 2021 to stockholders of record as of May 14, 2021, totaling approximately $4.2 million.

We do not currently expect the restrictions in our debt instruments to impact our ability to make regular quarterly dividends pursuant to our quarterly dividend program. However, any future declarations of dividends, as well as the amount and timing of such dividends, are subject to capital availability and the discretion of our Board of Directors, which must evaluate, among other things, whether cash dividends are in the best interest of our stockholders.

Contractual Obligations

During the thirteen weeks ended March 27, 2021, there were no material changes to our contractual obligations disclosed in the contractual obligations section of Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report. For additional information regarding our long-term debt and our commitments and contingencies, see Note 10, *Debt Obligations* and Note 12, *Commitments and Contingencies* in our Annual Report and the corresponding Notes 6 and 7 in the notes to our unaudited consolidated financial statements included elsewhere in this Quarterly Report.

Off-Balance Sheet Arrangements

The Company is required to provide standby letters of credit related to our securitized financing facility. Although the letters of credit are off-balance sheet, the obligations to which they relate are reflected as liabilities in the Consolidated Balance Sheet. Outstanding letters of credit totaled $3.5 million at March 27, 2021. We do not believe these arrangements have or are likely to have a material effect on our results of operations, financial condition, revenues or expenses, capital expenditures or liquidity.

Critical Accounting Policies and Estimates

Our consolidated financial statements and accompanying notes are prepared in accordance with GAAP. Preparing consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by the application of our accounting policies. Critical accounting estimates are those that require application of management's most difficult, subjective, or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. While we apply our judgment based on assumptions believed to be reasonable under the circumstances, actual results could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions. Our critical accounting policies and estimates are identified and described in our annual consolidated financial statements and the related notes included in our Annual Report, and there have been no material changes since the filing of our Annual Report.

Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

Special Note Regarding Forward-Looking Statements

This report includes statements of our expectations, intentions, plans and beliefs that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and are intended to come within the safe harbor protection provided by those sections. These statements, which involve risks and uncertainties, relate to the discussion of our business strategies and our expectations concerning future operations, margins, profitability, trends, liquidity and capital resources and to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements can generally by identified by the use of forward-looking terminology, including the terms "may," "will," "should," "expect," "intend," "plan," "anticipate," "believe," "think," "estimate," "seek," "predict," "could," "project," "potential" or, in each case, their negative or other variations or comparable terminology, although not all forward-looking statements are accompanied by such terms. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties, risks, and factors relating to our operations and business environments, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by these forward-looking statements.

Such risks and other factors include those listed below and elsewhere in this report, that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements:

- the impacts of the novel coronavirus (COVID-19) pandemic on our business;
- the response of governments and of our Company to the pandemic;
- our ability to effectively implement our growth strategy;
- risks associated with changes in food and supply costs;
- our relationships with, and the performance of, our franchisees, as well as actions by franchisees that could harm our business;
- our ability to identify, recruit and contract with a sufficient number of qualified franchisees;
- risks associated with food safety, food-borne illness and other health concerns;
- our ability to successfully expand into new markets;
- our ability to effectively compete within our industry;
- risks associated with interruptions in our supply chain, including availability of food products;
- risks associated with our future performance and operating results falling below the expectations of securities analysts and investors;
- risks associated with data privacy, cyber security and the use and implementation of information technology;
- risks associated with our increasing dependence on digital commerce platforms and third-party delivery service providers;
- uncertainty in the law with respect to the assignment of liabilities in the franchise business model;
- risks associated with litigation against us or our franchisees;
- our ability to successfully advertise and market our business;
- risks associated with changes in customer preferences and perceptions;
- our ability to comply with government regulations relating to food products and franchising, including increased costs associated with new or changing regulations;
- risks associated with the geographic concentration of our business;
- our ability to maintain adequate insurance coverage for our business;
- risks associated with damage to our reputation or lack of acceptance of our brand in existing or new markets;
- risks associated with our expansion into international markets and foreign government restrictions on operations;
- our ability to comply with the terms of our securitized debt financing and generate sufficient cash flows to satisfy our significant debt service obligations thereunder;
- our ability to attract and retain our executive officers and other key employees; and
- our ability to protect our intellectual property, including trademarks and trade secrets.

The above list of factors is not exhaustive. Some of these and other factors are discussed in more detail under "Risk Factors" in our Annual Report. When considering forward-looking statements in this report or that we make in other reports or statements, you should keep in mind the cautionary statements in this report and future reports we file with the SEC. New risks and uncertainties arise from time to time, and we cannot predict when they may arise or how they may affect us. Except as required by law, we assume no obligation to update or revise any forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk. We are exposed to market risks from changes in commodity prices. Many of the food products purchased by us are affected by weather, production, availability and other factors outside our control. Although we attempt to minimize the effect of price volatility by negotiating fixed price contracts for the supply of key ingredients, there are no established fixed price markets for fresh bone-in chicken wings, so we are subject to prevailing market conditions. Bone-in chicken wings accounted for approximately 33.8% and 27.4% of our company-owned restaurant cost of sales during the thirteen weeks ended March 27, 2021 and March 28, 2020, respectively. We anticipate that the increased demand and cost of bone-in chicken wings will continue throughout fiscal year 2021 due to several challenges, such as labor shortages, which currently impact the poultry industry. A hypothetical 10% increase in the bone-in chicken wing costs would have increased costs of sales by approximately $0.4 million during the thirteen weeks ended March 27, 2021. We do not engage in speculative financial transactions nor do we hold or issue financial instruments for trading purposes.

Interest Rate Risk. Our long-term debt, including current portion, consisted entirely of the $480.0 million incurred under the 2020 Notes as of March 27, 2021 (excluding unamortized debt issuance costs). The Company's predominantly fixed-rate debt structure has reduced its exposure to interest rate increases that could adversely affect its earnings and cash flows, but the Company remains exposed to changes in market interest rates reflected in the fair value of the debt and to the risk that the Company may need to refinance maturing debt with new debt at a higher rate. The Company is exposed to interest rate increases under the 2020 Variable Funding Notes; however, the Company had no outstanding borrowings under its 2020 Variable Funding Notes as of March 27, 2021, net of letters of credit issued of $3.5 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 27, 2021, pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of March 27, 2021, our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we may be involved in claims and legal actions that arise in the ordinary course of business. To our knowledge, there are no material pending legal proceedings to which we are a party or of which any of our property is the subject.

Item 1A. Risk Factors

A description of the risk factors associated with our business is contained in the "Risk Factors" section of our Annual Report.

There have been no material changes to our Risk Factors as previously reported.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Index to Exhibits

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Wingstop Inc., as amended through June 15, 2020, filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2020 (File No. 001-37425) and incorporated by reference herein.
3.2	Amended and Restated Bylaws of Wingstop Inc., filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K (File No. 001-37425) for the fiscal year ended December 30, 2017 and incorporated herein by reference.
31.1*	Certification of Principal Executive Officer under Section 302 of the Sarbanes–Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer under Section 302 of the Sarbanes–Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
101 INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101 SCH*	Inline XBRL Taxonomy Extension Schema Document
101 CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101 DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101 LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101 PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and Contained in Exhibit 101)

* Filed herewith.
** Furnished, not filed.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Wingstop Inc.
(Registrant)

Date: April 28, 2021	By: /s/ Charles R. Morrison *Chairman and Chief Executive Officer* (Principal Executive Officer)
Date: April 28, 2021	By: /s/ Michael J. Skipworth *Chief Financial Officer* (Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles R. Morrison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wingstop Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2021

By: /s/ Charles R. Morrison
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Skipworth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wingstop Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2021

By: /s/ Michael J. Skipworth
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the period ended March 27, 2021 of Wingstop Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles R. Morrison, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 28, 2021

By: /s/ Charles R. Morrison
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the period ended March 27, 2021 of Wingstop Inc. (the "Company”), as filed with the Securities and Exchange Commission on the date hereof (the "Report”), I, Michael J. Skipworth, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 28, 2021

By: /s/ Michael J. Skipworth
Chief Financial Officer
(Principal Financial and Accounting Officer)