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**COMPANIES MENTIONED IN THIS REPORT:**

**CORE COVERAGE**

COMPANY	TICKER	PAGE
<b>QSR</b>		
McDonald's	MCD	6
Sonic	SONC	7
Burger King	BKW	8
Wendy's	WEN	9
Jack in the Box	JACK	10
Bojangles'	BOJA	11
Popeye's	PLKI	12
KFC	YUM	13
Del Taco	TACO	14
Taco Bell	YUM	15
Pizza Hut	YUM	16
Domino's	DPZ	17
<b>FAST CASUAL</b>		
Chipotle	CMG	18
Starbucks	SBUX	19
Wingstop	WING	20
<b>CASUAL</b>		
Applebee's	DIN	21
IHOP	DIN	22
Chili's	EAT	23
Chuy's	CHUY	24
Longhorn	DRI	25
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**INDUSTRY BUSINESS CONDITIONS:**

**SAME STORE SALES (SSS) & TRAFFIC (Compass RCR Coverage):**

	<u>SSS</u>		<u>Traffic</u>
Industry	=	2.0%	Industry = <0.8%>

**CONSUMERS AND OPERATORS PROVIDE THEIR TAKE:**

- OPERATORS: Optimism continues to run high – concerns shifting to potential Tariff impact.
- CONSUMERS: Optimism grows as job market becomes more stable.

**MARGINS:**

- 10% of our contacts reported an increase in costs during July.

**SALES DRIVING INITIATIVES:**

- Publicly traded restaurant chains utilize multiple platforms for brand messaging:
  - **Fine Dining** – Primary focus: 55% Wine Pouring. Secondary focus: 25% Happy Hour; 15% Gift Cards.
  - **Casual Dining** – Primary focus: 65% Price Point \$12.99 or less. Secondary focus: 25% Bar Specials; 25% Convenience – Curb Service; 30% Rewards/Loyalty Programs.
  - **Fast Casual** – Primary focus: 75% Menu Items. Secondary focus: 30% Mobile Apps.
  - **QSR** – Primary focus: 75% Price Points/Value. Secondary focus: 60% LTO's; 28% Delivery.

**HEADLINE NEWS (see pg. 5 for details):**

- **GrubHub reports record Qtr-2 results.**
- **Groceries are Amazon's fastest growing category.**
- **Quick to Prepare Foods/Meals dominate all other categories at grocery stores.**
- **No Poaching Policy under investigation by NLRB.**
- **9 Executive Changes in Qtr-2.**

**AUGUST OUTLOOK/TRENDS**

- **Brands that will perform well:**
  - Applebee's
  - Del Taco
  - Domino's
  - McDonald's
  - Wingstop
- **Brands that will perform poorly:**
  - Bojangles'
  - Chili's
  - Pizza Hut
  - Red Robin

▪ "Mean" Source on Charts on pages 6-25 – Company Filings