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COMPANIES MENTIONED IN THIS REPORT:

INDUSTRY BUSINESS CONDITIONS:

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

SSS		Traffic	
Industry =	+2.4%	Industry =	<0.6%>

CONSUMERS AND OPERATORS PROVIDE THEIR TAKE:

- OPERATORS: Optimism continues to run high – concerns return to finding/keeping qualified employees.

- CONSUMERS: Confidence remains high – stems from better jobs and pay.

MARGINS:

- 15% of our contacts reported increases in food costs during August.

SALES DRIVING INITIATIVES:

- Publicly traded restaurant chains utilize multiple platforms for brand messaging:

  o **Fine Dining** – Primary focus: 50% Special Occasion. Secondary focus: 35% Happy Hour.

  o **Casual Dining** – Primary focus: 75% Price Point. Secondary focus: 35% Bar Specials; 30% Curbside/To-Go Service

  o **Fast Casual** – Primary focus: 65% Menu Items. Secondary focus: 30% Mobile Apps; 10% Delivery.

  o **QSR** – Primary focus: 75% Price Points. Secondary focus: 35% LTO's; 40% Delivery.

HEADLINE NEWS (see pg. 5 for details):

- **Delivery Sales Grow by 20% in August.**

- **NLRB – Increases investigations into Employee Wage Theft.**

- **Non-Poaching Policy – More chains drop Non-Poaching policy. Chains now include: MCD, WEN, DIN, SONC, Church's, Five Guys, and Panera Bread.**

SEPTEMBER OUTLOOK/TRENDS

- **Brands that will perform well:**
  o Applebee's
  o Del Taco
  o Domino's
  o McDonald's
  o Wingstop

- **Brands that will perform poorly:**
  o Chili's
  o Pizza Hut
  o Red Robin

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