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COMPANIES MENTIONED IN THIS REPORT:

CORE COVERAGE

COMPANY	TICKER	PAGE
QSR		
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
FAST CASUAL		
Chipotle	CMG	18
Starbucks	SBUX	19
Wingstop	WING	20
CASUAL		
Applebee's	DIN	21
IHOP	DIN	22
Chili's	EAT	23
Chuy's	CHUY	24
Longhorn	DRI	25
Olive Garden	DRI	26
Red Robin	RRGB	27

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:
 - **Fine Dining** – Primary focus: 50% Special Occasion. Secondary focus: 35% Happy Hour.
 - **Casual Dining** – Primary focus: 75% Price Point. Secondary focus: 35% Bar Specials; 30% Curbside/To-Go Service
 - **Fast Casual** – Primary focus: 65% Menu Items. Secondary focus: 30% Mobile Apps; 10% Delivery.
 - **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:**
 - Applebee's
 - Del Taco
 - Domino's
 - McDonald's
 - Wingstop
- **Brands that will perform poorly:**
 - Chili's
 - Pizza Hut
 - Red Robin

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