October 20, 2023

Joshua Long, CFA, CMT, Analyst

713-993-4230

joshua.long@stephens.com

Tyler Prause, Associate

501-377-2257

tyler.prause@stephens.com

#### **Covered Companies Mentioned:**

Covered Companies mentioned.	
BJRI	\$24.04
CAKE	\$31.02
CHUY	\$33.52
CMG	\$1,847.63
DPZ	\$344.31
DRI	\$142.26
KRUS	\$64.69
MCD	\$258.38
NDLS	\$2.29
PZZA	\$66.37
QSR	\$65.98
SBUX	\$94.42
STKS	\$4.40
TAST	\$5.38
TXRH	\$96.48
WEN	\$19.26
WING	\$181.50

# Consumer: Restaurants & Food Distribution

Reason for Report: Industry Update

#### **3Q23 Earnings Preview: Full Service Restaurants**

#### **INVESTMENT CONCLUSION:**

At a high level, shares of the full service restaurant group have underperformed the market year-to-date with the group being up  $\sim$ 2% on average (with a high of +45% and a low of (30%)) vs. the S&P500 at up 12%.

Normalizing commodity prices and stabilizing labor trends are nearterm tailwinds for restaurant stocks. That said, it remains to be seen if these can be "enough" to overcome the cloudy macro backdrop on account of high-level recession concerns and concerns around slowing restaurant traffic.

From a stock perspective, we believe shares of TXRH, CHUY, and KRUS are best-positioned into the quarter. Valuations on CAKE, BJRI, and STKS shares are at or below the lows from the 2017-2019 pre-Covid period which could prove interesting to patient investors. We believe evidence of near-term operational execution is likely needed to build momentum around shares.

#### **KEY POINTS:**

We outline our company-specific thoughts and notable estimate changes across our full service restaurant coverage universe ahead of the upcoming calendar 3Q23 earnings period (organized chronologically by reporting date). See additional data and detail in the back pages of this note. For GAAP EPS, please see the attached company models.

• Texas Roadhouse (TXRH): EW-Rated, Maintaining Price Target at \$115: TXRH is scheduled to report earnings 10/26 AMC. We are increasing our 3Q23 comp estimate to +7.5% (vs. 6.0% prior) now reflecting what we believe to be steady top-line performance through the quarter offset by relatively high levels of food cost inflation vs. our prior expectations. For 4Q23, our same-store sales estimate is moving higher to +6.5% (vs. +5.0% prior) while our EPS estimate ticks lower to \$1.07 (vs. \$1.09 prior) driven in part by our now marginally lower restaurant-level margin estimate. For FY24E, our sales and EPS estimates are moving higher to \$5.0 bil. and \$5.41, up from \$4.9 bil. and \$5.39, respectively, previously reflecting flow through from our now higher comp estimates detailed above. We are maintaining our \$115 price target based on ~13x our FY24E EV/EBITDA. Our multiple is in-line with the stock's 7-year average.

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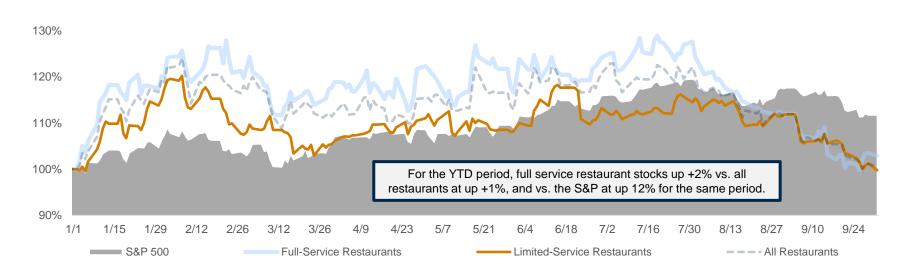
See important disclosures and analyst certification on pages 26 - 27 of this report. This report constitutes a compendium report (covers six or more subject companies). As such, Stephens Inc. chooses to provide specific disclosures for the companies mentioned by reference. To access current disclosures for the companies in this report, clients should refer to https://stephens2.bluematrix.com/sellside/Disclosures.action or contact your Stephens Inc. representative for additional information.

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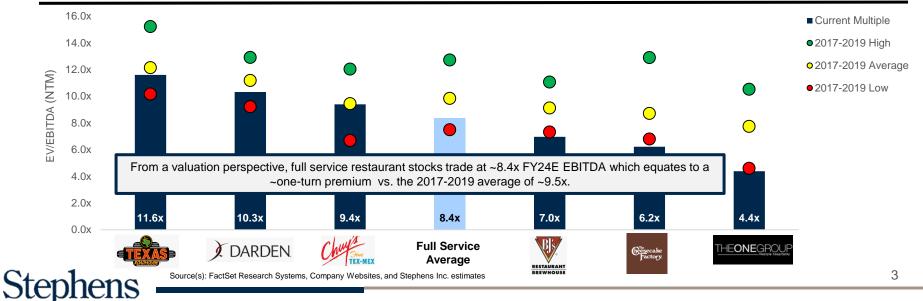
- BJ's Restaurants (BJRI): EW-Rated, Maintaining \$38 PT: BJRI is scheduled to report their call on 10/26 AMC. We are maintaining our 3Q23 estimates. Our EPS estimate of (\$0.01) is a touch below consensus at \$0.01 driven primarily by our lower restaurant-level margin and middle of the P&L estimates. We believe greater visibility into traffic, sales, and margin opportunities could be needed before valuations for full service stocks (BJRI included) can stabilize. That said, BJRI shares are trading below the low-end of the stock's pre-Covid range which could ultimately prove to be a compelling entry point for patient investors with a long-term time horizon. We maintain our \$38 price target based on ~9x our FY24E EV/EBITDA with our multiple being a half tour below the stock's ten-year average. From a sensitivity perspective, each 1x in valuation multiple equates to \$4/share for BJRI shares. Each 100 bps in margin equates to \$0.56 in incremental EPS on an annual basis which equates to a ~47% lift vs. our estimates.
- Cheesecake Factory (CAKE): OW-Rated, Maintaining \$40 PT: CAKE is scheduled to report earnings 11/01 AMC. Our 3Q23 restaurant-level margin and EPS estimates move lower to 13.8% and \$0.43 vs. 14.0% and \$0.47, respectively, prior and vs. the Street at 13.5% and \$0.43, respectively. Our FY23E estimates around restaurant-level margins move to 14.3% (vs. 14.4% prior) and our Op. EPS estimate moves to \$2.71 (vs. \$2.73 prior) vs. the Street at 14.3% and \$2.71, respectively. Our FY24 estimates are unchanged. We maintain our \$40 price target based on ~8x our FY24E EV/EBITDA. Our multiple is a 1x discount to the stock's ten-year pre-Covid average.
- Chuy's (CHUY): OW-Rated, Maintaining PT at \$45: CHUY is scheduled to report earnings 11/2 AMC. We are increasing our 3Q23 EPS estimate to \$0.36 (vs. \$0.34 prior) driven in part by our maintained expectations for a +2.5% comp (vs. the Street at +2.0%) where we believe momentum is being driven by new menu introductions and operational execution. Our +4.1% comp estimate for the year is maintained and above the Street at +3.8%. Our Op. EPS for the year moves higher to \$1.85 (vs. \$1.83 prior and the Street at \$1.84). For FY24E, we are maintaining our revenue estimate at \$489.5 mil. and increasing our EPS estimate to \$1.92 vs. \$1.87 prior. We are maintaining our price target of \$45 based on ~12x our FY24E. From a valuation perspective, shares of CHUY have moved back in-line with the stock's pre-Covid average range of late. Similarly, the stock has held up well on a YTD basis relative to full service peers with CHUY shares up 18% vs. the SP500 at up 11%.
- Kura Sushi USA (KRUS): OW/Vol.-Rated, Maintaining PT at \$95: KRUS is scheduled to report earnings 11/8 AMC. We are maintaining our +9.0% comp estimate which is a touch below consensus expectations at +9.6% (noting there are only 3 analysts in the consensus data set we are referencing with a range of +9.0%-+10%). We have moved our store-level margin estimates up marginally as food cost inflation has slowed, the labor environment has largely stabilized, and we believe the company continues to dial in operational execution at the store-level. Our 4Q23 EPS estimate moves higher to \$0.24 (vs. \$0.22 prior). For FY24, we are maintaining our revenue estimate at \$237.4 mil. and increasing our EPS estimate to \$0.40 vs. \$0.33 prior reflecting our now higher restaurant-level margin assumption of 15.6% vs. 15.3% prior. Our maintained \$95 price target is based on our 11-year DCF. From a multiple perspective, KRUS shares are now trading near the one standard deviation below the stock's average multiple since the beginning of 2022 (noting this time frame was chosen in an attempt to avoid Covid-related disruptions).
- The One Group (STKS): OW-Rated, Maintaining \$12 PT: STKS has not yet scheduled its earnings report; however, we expect this to take place AMC in early November. We are maintaining our estimates into the print. From a stock perspective, we continue to believe the STKS growth story remains compelling, however, we believe execution against an ambitious unit development pipeline and getting into a cadence of under promising and over delivering (relative to expectations) are key focal points among investors heading into the print. We are maintaining our \$12 price target based on a sum-of-the-parts analysis (with 8x STK and Kona Grill EBITDA and 15x high-margin managed EBITDA). From a valuation perspective, shares are trading at the lower end of the stock's pre-Covid range.

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#### **Full Service YTD Indexed Returns**



## Full Service EV/EBITDA (NTM) Multiples

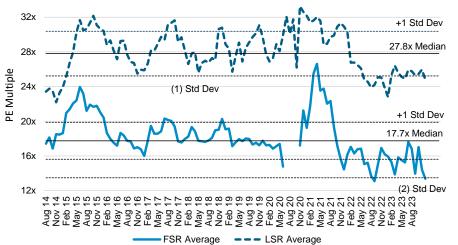


## P/E Multiples

The chart on the left below outlines monthly P/E multiples from 2014 through the 2023 YTD period.

The long-run PE multiple for the full service restaurant (FSR) segment is  $\sim$ 17.7x at the median while the comparable multiple for the limited service restaurant (LSR) segment is  $\sim$ 27.8x at the median.

Going into 3Q23 earnings season, the LSR segment is a bit over 1 standard deviation below the long-run median (or (11%)) and the FSR segment is 2 standard deviations below (or roughly 25%) below its long-run median.

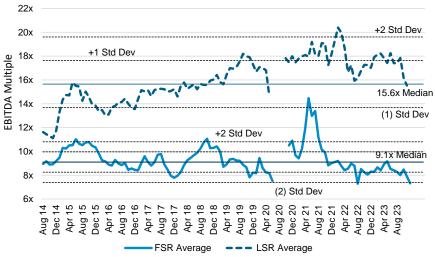


## **EBITDA Multiples**

The chart on the right below outlines monthly EBITDA multiples from 2014 through the 2023 YTD period.

The long-run multiple for the full service restaurant (FSR) segment is  $\sim$ 9.1x at the median while the comparable multiple for the limited service restaurant (LSR) segment is  $\sim$ 15.6x at the median.

Going into 3Q23 earnings season, the LSR segment is approximately inline with its long-run median while the FSR segment is 2 standard deviations (or roughly (20%)) below the long-run median.



## Short Interest Ticking Up From Early July: BJRI, CHUY, and KRUS in Focus

The chart below outlines short interest across our full service coverage list since the start of the 3Q period.

In general, short interest among full service names has moved lower since the beginning of July. Of late, the stocks with the most incremental short interest include BJRI, CHUY, and KRUS and the names with the largest declines in short interest include CAKE, STKS, and TXRH.

		Jι	ıly			Auç	just				September			Octo	ober
	7/7/23	7/14/23	7/21/23	7/28/23	8/4/23	8/11/23	8/18/23	8/25/23	9/1/23	9/8/23	9/15/23	9/22/23	9/29/23	10/6/23	10/10/23
BJRI	5.8%	6.2%	6.2%	6.2%	5.3%	5.3%	5.8%	5.8%	6.7%	6.7%	6.8%	6.8%	7.4%	7.4%	7.4%
CAKE	17.5%	18.6%	18.6%	18.6%	15.1%	15.1%	16.2%	16.2%	15.0%	15.0%	15.5%	15.5%	13.8%	13.8%	13.8%
CHUY	4.6%	4.5%	4.5%	4.5%	4.4%	4.4%	4.7%	4.7%	4.8%	4.8%	4.8%	4.8%	6.1%	6.1%	6.1%
DRI	4.9%	5.2%	5.2%	5.2%	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	5.3%	5.3%	4.4%	4.4%	4.4%
KRUS	23.9%	22.3%	22.3%	22.3%	21.6%	21.6%	22.4%	22.4%	23.7%	23.7%	23.9%	23.9%	24.6%	24.6%	24.6%
STKS	6.3%	6.5%	6.5%	6.5%	6.7%	6.7%	6.9%	6.9%	6.5%	6.5%	6.1%	6.1%	5.9%	5.9%	5.9%
TXRH	6.7%	5.9%	5.9%	5.9%	5.3%	5.3%	5.3%	5.3%	4.4%	4.4%	4.0%	4.0%	3.9%	3.9%	3.9%
Average	9.9%	9.9%	9.9%	9.9%	8.9%	8.9%	9.3%	9.3%	9.4%	9.4%	9.5%	9.5%	9.4%	9.4%	9.4%

						Wee	ek Over We	ek Change	;					
BJRI	0.4%	0.0%	0.0%	(0.9%)	0.0%	0.6%	0.0%	0.9%	0.0%	0.1%	0.0%	0.6%	0.0%	0.0%
CAKE	1.1%	0.0%	0.0%	(3.4%)	0.0%	1.1%	0.0%	(1.2%)	0.0%	0.4%	0.0%	(1.7%)	0.0%	0.0%
CHUY	(0.0%)	0.0%	0.0%	(0.1%)	0.0%	0.3%	0.0%	0.0%	0.0%	0.1%	0.0%	1.2%	0.0%	0.0%
DRI	0.3%	0.0%	0.0%	(1.0%)	0.0%	(0.1%)	0.0%	0.4%	0.0%	0.9%	0.0%	(0.9%)	0.0%	0.0%
KRUS	(1.6%)	0.0%	0.0%	(0.7%)	0.0%	0.7%	0.0%	1.3%	0.0%	0.2%	0.0%	0.7%	(0.0%)	0.0%
STKS	0.2%	0.0%	0.0%	0.3%	0.0%	0.1%	0.0%	(0.4%)	0.0%	(0.4%)	0.0%	(0.2%)	0.0%	0.0%
TXRH	(0.8%)	0.0%	0.0%	(0.7%)	0.0%	0.0%	0.0%	(0.9%)	0.0%	(0.4%)	0.0%	(0.1%)	0.0%	0.0%
Average	(0.1%)	0.0%	0.0%	(0.9%)	0.0%	0.4%	0.0%	0.0%	0.0%	0.1%	0.0%	(0.1%)	0.0%	0.0%

## Texas Roadhouse (TXRH): EW-Rated; \$115 Price Target



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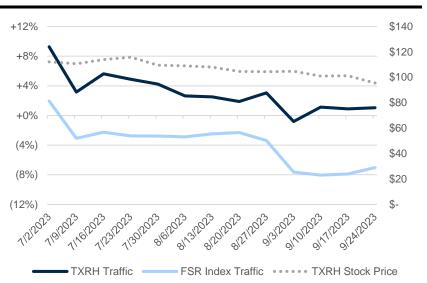
## **Our Thoughts Into The Quarter**

**Stephens Focus:** We believe that experience and overall value proposition are going to be important aspects for consumers when determining where to dine out. On these marks, we view Texas Roadhouse as best-in-class and well-positioned to drive continued brand momentum. We maintain a favorable bias on TXRH shares. As outlined in the chart at bottom right, the stock's multiple is moving below the average pre-Covid multiple range. It remains to be seen how industry traffic holds up into the end of the year, however, we would flag this as a potentially compelling entry point for patient investors to scale into a high quality restaurant brand.

**3Q23 Channel Checks:** On the company's 2Q23 earnings call, the company shared that July trends were running at +10.7%. Our checks suggest trends remained generally strong but did normalize over the course of the quarter from +LDD% in July (in-line with stated exit rate) to the +MSD% range in August and September as YoY comparisons became more challenging.

Texas Roadhouse Outperforming Other Full Service Names From Traffic/Credit Card Data Perspective: Texas Roadhouse continues to be an out-performer driving mostly positive traffic throughout 3Q23 while outperforming the FSR index by ~LSD% bps during the same time frame. Further, Roadhouse credit card data outpaced the FSR index.

#### 3Q23 TXRH Traffic vs. FSR Index Traffic

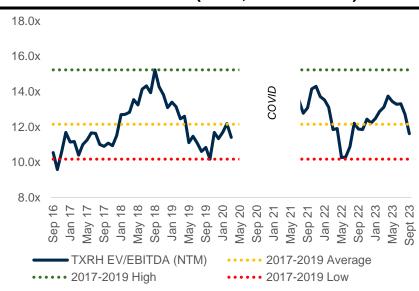


### **Stephens Estimates vs. Consensus**

TXRH		Fis	cal 3Q23E				Fi	scal 2023E		
	Step	hen	S	С	onsensus	Step	hen	ns	C	onsensus
	Prior		New	Ex	pectations	Prior		New	Ex	pectations
SSS	+6.0%		+7.5%		+7.4%	+8.0%		+8.8%		+9.0%
Revenue in mil.	\$ 1,112.5	\$	1,128.0	\$	1,122.0	\$ 4,582.5	\$	4,613.8	\$	4,602.8
RLM	15.4%		15.2%		15.2%	15.6%		15.5%		15.5%
Adjusted EPS	\$ 1.07	\$	1.06	\$	1.06	\$ 4.67	\$	4.64	\$	4.64
	[		Mixed	]		[		Mixed		

Tweaking Top-Line Estimates Higher While Moderating EPS Estimates to Now In-Line With Consensus Expectations: We are moving our estimates in-line with consensus expectations as outlined above. Our updated comp of +7.5% (vs. 6.0% prior) now reflects what we believe to be steady top-line performance through the quarter offset by relatively high levels of food cost inflation vs. our prior expectations. For FY24E, our sales and EPS estimates are moving higher to \$5.0 bil. and \$5.41 up from \$4.9 bil. and \$5.39, respectively, previously. This change reflects flow through from our now higher comp estimates detailed above. We are maintaining our \$115 price target based on ~13x our FY24E EV/EBITDA. Our multiple is in-line with the stock's 7-year average.

## **Historical EV/EBITDA (NTM, Consensus)**





## Texas Roadhouse (TXRH): EW-Rated; \$115 Price Target



Industry Note October 20, 2023

Texas Roadhouse, Inc. Earnings Model		2022	Actual			2023 E	stimate			2024 Es	timate		Fis	cal Year En	ded Decembe	r
Fiscal Year Ended December	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E	2021	2022	2023E	2024E
Revised 10/19/23 (\$ millions) Texas Roadhouse Same-Store-Sales	03/29/22 +5.8%	06/28/22 +7.6%	09/27/22 +8.2%	12/27/22 +7.3%	03/28/23	06/28/23	09/27/23 +7.5%	12/27/23 +6.5%	03/27/24 +3.5%	06/27/24 +3.5%	09/26/24	12/26/24	52-wks +40.3%	52-wks +9.7%	52-wks +9.1%	52-wks +3.5%
Bubba's 33 Same-Store-Sales	+21.3%	+8.1%	+6.2%	+6.6%	+8.7%	+3.9%	+7.5%	+6.5%	+3.5%	+3.5%	+3.5%	+3.5%	+49.0%	+10.6%	+6.7%	+3.5%
Company-Owned All Concepts Same-Store-Sales	+16.0%	+7.6%	+8.2%	+7.3%	+12.7%	+8.7%	+7.5%	+6.5%	+3.5%	+3.5%	+3.5%	+3.5%	+40.6%	+9.7%	+8.8%	+3.4%
U.S. Franchised Same-Store-Sales	+20.4%	46.2%	+6.7%	+7.2%	+13.3%	+9.2%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+40.0%	+10.1%	+7 1%	+3.0%
International Franchised Same-Store Sales - Implied	+27.7%	+13.3%	+9.2%	+4.3%	+12.5%	+13.1%	+3.0%	+3.0%	+2.0%	+2.0%	+2.0%	+2.0%	+410%	+13.6%	+7.9%	+2.0%
Franchised Same-Store-Sales	+22.9%	+8.7%	+7.6%	+6.1%	+13.0%	+10.9%	+3.0%	+3.0%	+2.6%	+2.6%	+2.6%	+2.6%	+40.3%	+11.3%	+7.5%	+2.6%
INCOME STATEMENT Systemwide Sales	\$ 1,143.8	\$ 1,181.8	\$ 1,144.5	\$ 1,171.9	\$ 1,336.9	\$ 1,334.8	\$ 1,282.1	\$ 1,306.8	\$ 1,459.3	\$ 1,449.6	\$ 1,396.0	\$ 1,420.0	\$ 4,058.4	\$ 4,641.9	\$ 5,260.6	\$ 5,724.8
System wide Sales	\$ 1,H3.0	\$ 1,010	φ ι, μ.σ	\$ 1,171.5	\$ 1,550.5	9 1,004.0	9 (202.1	ų i,300.0	\$ 1,405.0	ş (445.0	ų 1,350.0	\$ 1,420.0	\$ 4,050.4	9 4,041.5	\$ 3,200.0	9 3,724.0
Restaurant and Other Sales		\$ 1,018.1	\$ 987.0	\$ 1,002.8		\$ 1,164.4	\$ 1,1215	\$ 1,133.3	\$ 1,267.6			\$ 1,229.4	\$ 3,439.2		\$ 4,586.8	\$ 4,970.4
Franchise Royalties and Fees Total Revenue	987.5	1.024.6	6.3 993.3	1,009.5	1174.4	1,1712	6.4 1128.0	6.9 1140.2	1275.2	7.7 1264.8	7.2 1223.6	7.6 1237.0	24.8 3.463.9	26.1 4,014.9	27.0 4.613.8	30.2 5,000.6
Cost of Sales	337.4	347.0	342.0	3517	410.7	4012	389.2	394.4	4411	432.4	419.6	424.1	1156.6	1378.2	1595.5	1717.3
Labor	3219	333.0	330.2	334.8	385.8	3913	379.1	378.5	419.6	416.1	402.6	406.9	1,123.0	1,320.0	1,534.8	1,645.2
Rent	16.4	16.7 152.5	16.7 146.0	17.0 153.6	17.8 167.5	18.0 1711	18.3 164.9	19.3	18.4 183.2	18.6 184.8	18.9 180.0	19.1 179.5	60.0 517.8	66.8 596.3	73.4 671.0	74.9
Other Operating Restaurant-Level Income	1612	168.7	152.0	145.6	185.7	182.8	170.1	167.5	205.3	205.2	195.2	179.5	517.8	627.5	712.2	727.5 805.5
Pre-Opening	4.3	5.3	5.7	6.6	5.4	5.7	6.8	7.3	5.6	6.8	7.7	8.0	24.3	21.9	25.1	28.1
Depreciation and Amortization Other Non-Operating Expenses	33.6 (0.6)	34.4 0.4	33.7 0.8	35.5 11	36.2 0.1	37.4 0.1	38.1 0.1	39.7 0.1	412 0.1	41.5 0.1	42.6 0.1	43.0 0.1	126.8 0.7	137.2 1.6	151.4 0.4	168.3 0.5
General and Administrative Expense	(0.6)	49.2	42.8	40.4	49.9	510	47.7	48.7	54.5	54.1	52.3	52.9	157.5	172.7	197.3	0.5 213.7
Operating Income	90.1	85.9	75.3	68.9	100.9	95.4	83.8	84.8	111.6	110.3	99.8	103.4	297.2	320.2	365.0	425.1
Interest Expense, Net Equity Income from Investments	0.4 0.3	0.4	0.1	(0.8)	(12) 0.8	(10) 0.3	(10) 0.3	(10) 0.3	(1.1) 0.3	(1.1) 0.3	(11) 0.3	(1.1) 0.3	3.7 (0.6)	0.1 12	(4.3) 16	(4.4) 1.1
Income (Loss) Before Income Taxes	90.1	86.1	75.4	69.8	102.9	96.7	85.1	86.1	113.0	111.7	101.1	104.7	292.9	3213	370.8	430.6
Income Tax Expense/(Benefit)	12.7	11.5	11.4	8.0	14.3	12.3	11.9	12.0	15.8	15.6	14.2	14.7	39.6	43.7	50.6	60.3
Operating Net Income (Including NCI) Income Attributable to NCI	77.3	74.5	64.0	618 19	88.6	84.4	73.2	74.0 2.3	97.2 2.6	96.1 2.6	86.9 2.5	90.1 2.5	253.3 8.0	277.6 7.8	320.2 9.0	370.3 10.3
Operating Net Income (Less NCI)	75.2	72.4	62.3	59.9	86.4	82.3	70.9	717	94.6	93.5	2.5 84.4	2.5 87.5	245.3	7.8 269.8	9.0 311.2	360.0
Non-Operating Items		-	-	-	-		-	-		-				-		
Reported Net Income Shares Outstanding - Diluted Shares Outstanding	75.2 69.4	72.4 67.9	62.3 67.2	59.9 67.3	86.4 67.3	82.3 67.2	70.9 67.0	717 66.8	94.6 66.7	93.5 66.6	84.4 66.5	87.5 66.4	245.3 70.1	269.8 67.9	311.2 67.1	360.0 66.6
Shares Outstanding - Diluted Shares Outstanding Shares Outstanding - Basic Shares Outstanding	69.4	67.7	66.9	66.9	67.3 67.0	67.2	67.0	67.0	67.0	67.0	67.0	67.0	69.7	67.9	67.1	67.0
•																
EBITDA EPSOperating	123.8 \$ 1.08	120.3 \$ 1.07	109.0 \$ 0.93	104.3 \$ 0.89	\$ 1,28	132.8	1219 \$ 1,06	124.5 \$ 1.07	\$ 1,42	151.8 \$ 1,40	142.3 \$ 1,27	146.4 \$ 1.32	424.0	457.4 \$ 3.97	516.4	593.4 \$ 5.41
EPSOperating EPSExtraordinary	\$ 1.08	\$ 1.07	\$ 0.93	\$ 0.89	\$ 1.28	\$ 1.22	\$ 1.06	\$ 1.07	\$ 1.42	\$ 1.40	\$ 1.27	\$ 1.32	\$ 3.50	\$ 3.97	\$ 4.64	\$ 5.41
EPSReported	\$ 1.08	\$ 1.07	\$ 0.93	\$ 0.89	\$ 1.28	\$ 1.22	\$ 1.06	\$ 1.07	\$ 1.42	\$ 1.40	\$ 1.27	\$ 1.32	\$ 3.50	\$ 3.97	\$ 4.64	\$ 5.41
MARGIN ANALYSIS																
Restaurant and Other Sales	99.3%	99.4%	99.4%	99.3%	99.4%	99.4%	99,4%	99.4%	99.4%	99.4%	99,4%	99.4%	99.3%	99.3%	99.4%	99.4%
Franchise Royalties and Fees	0.7%	0.6%	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.6%	0.6%
Total Revenue Cost of Sales	100.0% 34.4%	100.0%	100.0% 34.7%	100.0% 35.1%	100.0% 35.2%	100.0% 34.5%	100.0% 34.7%	100.0% 34.8%	100.0% 34.8%	100.0% 34.4%	100.0% 34.5%	100.0% 34.5%	100.0% 33.6%	100.0% 34.6%	100.0% 34.8%	100.0% 34.6%
Labor	32.8%	32.7%	33.5%	33.4%	33.0%	33.6%	33.8%	33.4%	33.1%	33.1%	33.1%	33.1%	32.7%	33.1%	33.5%	33.1%
Rent	17%	1.6%	1.7%	17%	15%	1.5%	16%	17%	15%	1.5%	1.6%	1.6%	17%	17%	1.6%	15%
Other Operating Restaurant-Level Income	14.7%	15.0% 16.6%	14.8% 15.4%	15.3% 14.5%	14.3%	14.7% 15.7%	14.7% 15.2%	14.8% 15.3%	16.2%	14.7% 16.3%	14.8% 16.1%	16.3%	15.1%	14.9% 15.7%	14.6% 15.5%	14.6%
Pre-Opening	0.4%	0.5%	0.6%	0.7%	0.5%	0.5%	0.6%	0.6%	0.4%	0.5%	0.6%	0.7%	0.7%	0.5%	0.5%	0.6%
Depreciation and Amortization	3.4%	3.4%	3.4%	3.5%	3.1%	3.2%	3.4%	3.5%	3.3%	3.3%	3.5%	3.5%	3.7%	3.4%	3.3%	3.4%
Other Non-Operating Expenses General and Administrative Expense	(0.1%)	0.0%	0.1% 4.3%	0.1% 4.0%	0.0% 4.2%	0.0%	0.0% 4.3%	0.0% 4.3%	0.0% 4.3%	0.0% 4.3%	0.0% 4.3%	0.0%	0.0% 4.5%	0.0% 4.3%	0.0% 4.3%	0.0% 4.3%
Operating Income	9.1%	8.4%	7.6%	6.8%	8.6%	8.1%	7.4%	7.4%	8.8%	8.7%	8.2%	8.4%	8.6%	8.0%	7.9%	8.5%
Interest Expense, Net	0.0%	0.0%	0.0%	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	0.1%	0.0%	(0.1%)	(0.1%)
Equity Income from Investments Income (Loss) Before Income Taxes	9.1%	0.1% 8.4%	0.0% 7.6%	0.0% 6.9%	0.1% 8.8%	0.0% 8.3%	0.0% 7.5%	7.5%	0.0% 8.9%	0.0% 8.8%	0.0% 8.3%	0.0% 8.5%	(0.0%)	0.0% 8.0%	0.0% 8.0%	0.0% 8.6%
Income Tax Expense/(Benefit)	14.2%	13.4%	15.2%	11.5%	13.9%	12.7%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	1.1%	13.6%	13.6%	14.0%
Operating Net Income (Including NCI)	7.8% 0.2%	7.3%	6.4%	6.1%	7.5% 0.2%	7.2%	6.5%	6.5%	7.6%	7.6%	7.1%	7.3%	7.3% 0.2%	6.9%	6.9%	7.4%
Income Attributable to NCI Operating Net Income (Less NCI)	7.6%	7.1%	6.3%	0.2% 5.9%	7.4%	7.0%	6.3%	6.3%	7.4%	7.4%	6.9%	7.1%	7.1%	6.7%	6.7%	0.2% 7.2%
Non-Operating Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reported Net Income EBITDA	7.6% 12.5%	7.1% 11.7%	6.3% 11.0%	5.9% 10.3%	7.4% 11.7%	7.0% 11.3%	6.3% 10.8%	6.3% 10.9%	7.4% 12.0%	7.4% 12.0%	6.9% 11.6%	7.1% 11.8%	7.1% 12.2%	6.7% 11.4%	6.7% 11.2%	7.2% 11.9%
Company-Owned Units	85.7%	85.8%	85.7%	85.7%	86.8%	86.6%	86.4%	86.1%	86.1%	86.2%	86.2%	86.1%	84.9%	85.7%	86.1%	86.1%
Franchised Units	14.3%	14.2%	14.3%	14.3%	13.2%	13.4%	13.6%	13.9%	13.9%	13.8%	13.8%	13.9%	15.1%	14.3%	13.9%	13.9%
Total Units	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
YEAR-OVER-YEAR % CHANGE Restaurant and Other Sales	23.4%	14.1%	14.4%	12.8%	19.0%	14.4%	13.6%	13.0%	8.6%	8.0%	8.5%	8.5%	44.5%	16.0%	15.0%	8.4%
Franchise Royalties and Fees	14.1%	3.2%	18%	3.6%	4.0%	4.1%	19%	2.6%	13.2%	12.9%	11.9%	9.8%	38.0%	5.5%	3.2%	11.9%
Total Revenues General and Administrative Expense	23.3% 9.8%	14.0% 33.5%	14.3% 3.8%	12.7% (5.3%)	18.9% 23.8%	14.3% 3.6%	13.6% 11.3%	12.9% 20.6%	8.6% 9.3%	8.0% 6.0%	8.5% 9.7%	8.5% 8.5%	44.4% 31.8%	15.9% 9.7%	14.9% 14.2%	8.4% 8.3%
Operating Net Income (Less NCI)	17.2%	(4.1%)	18.5%	12.8%	14.9%	13.6%	13.7%	19.7%	9.5%	13.6%	19.2%	22.1%	684.8%	10.0%	15.3%	15.7%
Operating EPS	18.5%	(0.8%)	23.8%	17.4%	18.4%	14.7%	13.9%	20.5%	10.4%	14.7%	20.1%	22.9%	6813%	13.5%	16.8%	16.6%
EBITDA	10.7%	(0.9%)	16.8%	7.0%	10.8%	10.4%	11.8%	19.3% 4.7%	11.4% 3.2%	14.3%	16.7%	17.6% 4.5%	199.1%	7.9%	12.9%	14.9% 4.5%
Company-Owned Stores (Roadhouse) Company-Owned Stores (Bubba's 33)	6.1% 12.5%	5.9% 8.8%	5.4% 8.6%	4.9% 11.1%	5.2% 11.1%	4.6% 10.8%	4.8% 15.8%	4.7% 20.0%	3.2% 22.5%	3.9% 22.0%	4.0% 18.2%	4.5% 12.5%	4.6% 16.1%	4.9% 11.1%	4.7% 20.0%	4.5% 12.5%
Company-Owned Stores (Jaggers)	33.3%	33.3%	33.3%	25.0%	75.0%	75.0%	75.0%	40.0%	14.3%	28.6%	42.9%	57.1%	33.3%	25.0%	40.0%	57.1%
International Franchised Stores	17.9%	13.3%	20.0%	22.6%	18.2%	20.6%	16.7%	13.2%	12.8%	9.8%	9.5%	11.6%	10.7%	22.6%	13.2%	11.6%
Domestic Franchised Stores Total Unit Growth	(8.7%)	(10.1%)		(11.4%)	(14.3%)	(12.9%) 4.6%	(9.7%)	(4.8%)	9.3%	9.3% 5.9%	5.4% 5.7%	1.7% 5.7%	1.4% 5.2%	(11.4%) 4.5%	(4.8%) 5.5%	1.7% 5.7%
UNIT DATA															0.076	
Company-Owned Stores - Texas Roadhouse	536	541	545	552	564	566	571	578	582	588	594	604	526	552	578	604
Company-Owned Stores - Bubba's 33 Company-Owned Stores - Jaggers	36 4	37 4	38	40 5	40 7	41 7	44 7	48 7	49 8	50 9	52 10	54 11	36 4	40 5	48 7	54 11
Company-Owned Stores Total	576	582	587	597	611	614	622	633	639	647	656	669	566	597	633	669
International Franchised Stores - Texas Roadhouse	33	34	36	38	39	41	42	43	44	45	46	48	31	38	43	48
Domestic Franchised Stores - Roadhouse & Jagger's Total Franchised	63 96	62 96	62 98	100	54 93	54 95	56 98	59 102	59 103	59 104	59 105	108	70 101	62 100	59 102	108
Systemwide Stores	672	678		697	704	709	720	735	742	751	761	777	667	697	735	777

## BJ's Restaurants (BJRI): EW-Rated; \$38 Price Target

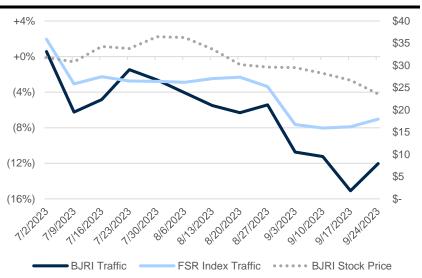


## **Our Thoughts Into The Quarter**

Stephens Focus: We are maintaining our estimates on BJ's into the quarter. The company is in the early stages of rolling out a series of sales and operations focused initiatives including a more streamlined menu (~10% fewer menu items started in July), a combination of improvements in back of the house operations, and sourcing initiatives (including new recipes and menu innovation efforts such as those seen in the new slow roasted chicken wings product). Training and technology investments could also help build upon improving retention rates over the next 12-18 months. The potential of these efforts were on display in the 2Q earnings period where margins came in ahead of expectations. We believe there is room for potential upside to our 3Q estimates, however, we also note that the 3Q period is a seasonally slower quarter with lower overall sales volumes. This dynamic is likely to (we believe) overshadow the upside potential which could mean that the November analyst day and 4Q earnings could be needed before investors meaningfully reengage with the long-term investment thesis.

BJ's Traffic and Credit Card Sales Trends Appear to Trail Full Service Peers in 3Q: On the 2Q23 call, the company cited choppy topline trends in early July with pressure steadying into the (LSD%) range as it's moved past the 4th of July period which gave management confidence to guide 3Q23 same-store sales of high 3% to low 4%. We believe BJ's traffic trailed full service peers from the perspective of traffic and other credit card data sets that we follow.

#### 3Q23 BJRI Traffic vs. FSR Index Traffic

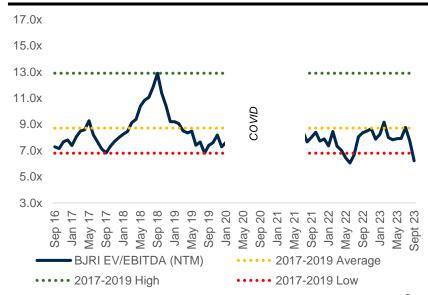


## **Stephens Estimates vs. Consensus**

BJRI		Fis	cal 3Q23E				Fis	scal 2023E		
	Step	hens		С	onsensus	Step	hen	S	C	onsensus
	Prior New				pectations	Prior		New	Ex	pectations
SSS	+3.8%		+3.8%		+3.3%	+5.6%		+5.6%		+5.2%
Revenue in mil.	\$ 329.7	\$	329.7	\$	327.6	\$ 1,356.8	\$	1,356.8	\$	1,355.3
RLM	12.3%		12.3%		12.4%	13.4%		13.4%		13.4%
Adjusted EPS	\$ (0.01)	\$	(0.01)	\$	0.01	\$ 0.88	\$	0.88	\$	0.96
		Uı	nchanged	7		ſ	U	nchanged	1	

Maintaining Estimates & Price Target: We are maintaining our 3Q23 estimates. Our EPS estimate of (\$0.01) is a touch below consensus at \$0.01 driven primarily by our lower restaurant-level margin and middle of the P&L estimates. We maintain our \$38 price target based on ~9x our FY24E EV/EBITDA with our multiple being a half tour below the stock's ten-year average. We believe greater visibility into traffic, sales, and margin opportunities could be needed before valuations for full service stocks (BJRI included) can stabilize. That said, BJRI shares are trading below the low-end of the stock's pre-Covid range which could ultimately prove to be a compelling entry point for patient investors with a long-term time horizon. From a sensitivity perspective, each 1x in valuation multiple equates to \$4/share for BJRI shares. Each 100 bps in margin equates to \$0.56 in incremental EPS on an annual basis which equates to a ~47% lift vs. our estimates.

## Historical EV/EBITDA (NTM, Consensus)



## BJ's Restaurants (BJRI): EW-Rated; \$38 Price Target



Industry Note October 20, 2023

BJ's Restaurants, Inc.		2022	l Actual	Extra Week		2022 5	stimate			2024 Es	timata				xtra Week ar Ended De	oombor .	
Earnings Model Fiscal Year Ended December	1Q22	2022 / 2Q22	Actual 3Q22	4Q22	1Q23	2023 E 2Q23	stimate 3Q23E	4Q23E	1Q24E	2024 Es	3Q24E	4Q24E	2020	Fiscal Yea	2022	2023E	2024E
Revised 10/19/23 (\$ millions)	03/28/22	06/28/22	09/27/22	12/27/22	03/28/23	06/29/23	09/27/23	12/27/23	03/27/24	06/28/24	09/26/24	12/26/24	52-wks	52-wks	53-wks	52-wks	52-wks
J's System-Wide SSS	+33.9%	+11.7%	+8.9%	+6.6%	+9.0%	+4.7%	+3.8%	+5.0%	+3.0%	+3.0%	+3.0%	+3.0%	(33.8%)	+49.1%	+15.3%	+5.6%	
J's System Wide Two-Year Stack	+16.5%	+147.9%	+54.4%	+55.2%	+46.0%	+16.9%	13.0%	11.9%	12.3%	7.8%	6.9%	8.2%	(33.1%)	(8.5%)	+68.5%	+22.0%	+
NCOME STATEMENT	110.070	1111.070	10 1.170	1001270	110.070	110.070	2.070	11.070	2.070	7.070	0.070	0.270	(00:170)	(0.070)	100.070	122.070	
otal Revenues	\$ 298.7	\$ 329.7	\$ 311.3	\$ 341.0	\$ 3413	\$ 349.7	\$ 329.7	\$ 336.2	\$ 353.7	\$ 364.0	\$ 345.0	\$ 352.6	\$ 778.5	1,087.0	1,280.7	\$ 1,356.8	\$ 1,4
Cost of Sales	815	90.9	85.0	92.2	90.9	90.6	86.4	87.4	92.7	95.0	90.0	91.7	195.6	288.1	349.6	355.3	36
abor and Benefits	116.3	123.1	117.5	126.5	128.3	126.5	121.3	122.7	130.9	131.1	125.9	128.0	305.6	403.0	483.4	498.9	5
Operating and Occupancy	717	76.6	76.9	81.0	79.1	81.9	81.4	79.0	81.3	83.7	84.5	82.2	220.9	267.9	306.2	3215	3
Restaurant Profit	29.3	39.1	31.9	413	42.9	50.6	40.6	47.1	48.8	54.2	44.5	50.8	56.4	128.0	141.6	181.2	1
General & Administrative	18.3	16.9	18.9	19.3	19.7	212	20.4	20.5	20.9	20.4	214	21.5	54.7	68.0	73.3	81.8	
Depreciation & Amortization	18.0	17.6	17.4	17.5	17.6	17.7	18.1	18.2	18.4	18.6	19.0	19.1	73.1	72.8	70.4	71.6	
Preopening	0.6	1.0	0.5	1.5	0.8	0.4	1.0	0.8	0.9	0.9	0.5	0.7	1.2	1.5	3.6	3.0	
Other	0.2	0.4	0.4	19	2.1	11	0.5	0.5	0.6	0.6	0.6	0.6	2.3	1.2	2.9	4.3	
Operating Income	(7.7)	3.1	(5.2)	1.1	2.6	10.2	0.4	7.1	8.0	13.8	3.0	8.8	(74.9)	(15.4)	(8.7)	20.4	
nterest Income/(Expense)	(0.6)	(0.4)	(0.6)	(1.2)	(1.1)	(1.1)	(1.0)	(1.0)	(0.9)	(0.9)	(0.9)	(0.9)	(7.1)	(5.0)	(2.9)	(4.2)	
Other Income/(Expense)	(0.4)	(0.2)	0.1	0.6	0.2	0.6	0.2	0.2	0.2	0.2	0.2	0.2	1.3	2.3	0.1	1.3	
Pre-Tax Income	(8.7)	2.5	(5.8)	0.5	1.7	9.7	(0.3)	6.3	7.4	13.1	2.3	8.1	(80.7)	(18.1)	(11.5)	17.4	
ncome Tax Benefit/(Expense)	10.2	(2.2)	4.1	1.1	1.8	2.2	0.0	(0.3)	(0.7)	(1.3)	(0.1)	(8.0)	29.8	12.6	13.2	3.7	
Operating Net Income	1.5	0.3	(1.6)	1.546	3.5	11.9	(0.3)	6.0	6.6	11.8	2.2	7.3	(50.9)	(5.5)	1.7	21.2	
Non-Operating Income/(Expense)	-	-	`- ´	2.4	-	-	`- ´	-	-	-	-	-	(7.0)	2.7	2.4	-	
Reported Net Income	\$ 1.5	\$ 0.3	\$ (1.6)	\$ 4.0	\$ 3.5	\$ 11.9	\$ (0.3)	\$ 6.0	\$ 6.6	\$ 11.8	\$ 2.2	\$ 7.3	(57.9)	(2.8)	4.1	21.2	
Shares OutstandingDiluted	23.7	23.6	23.4	23.8	23.9	24.0	24.0	23.9	23.5	23.27	23.2	23.1	21.2	23.4	23.6	23.9	
ů																	
BITDA	10.3	20.7	12.2	18.5	20.2	27.9	18.6	25.3	26.4	32.3	22.0	27.9	(1.7)	57.4	61.7	92.0	
Adjusted EBITDA	13.2	23.4	15.2	25.4	25.0	31.8	21.7	28.4	29.8	35.7	25.4	314	10.3	68.9	74.7	107.0	
PSOperating	\$ 0.06	\$ 0.01	\$ (0.07)	\$ 0.07	\$ 0.15	\$ 0.50	\$ (0.01)	\$ 0.25	\$ 0.28	\$ 0.51	\$ 0.10	\$ 0.32	\$ (2.40)	\$ (0.23)	0.07	\$ 0.88	\$ 1
EPSExtraordinary	\$ -	\$ -	\$ -	\$ 0.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.33)	\$ 0.11	0.10	\$ -	\$
EPSReported	\$ 0.06	\$ 0.01	\$ (0.07)	\$ 0.17	\$ 0.15	\$ 0.50	\$ (0.01)	\$ 0.25	\$ 0.28	\$ 0.51	\$ 0.10	\$ 0.32	\$ (2.74)	\$ (0.12)	0.17	\$ 0.88	\$ 1
MARGIN ANALYSIS																	
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	10
Cost of Sales	27.3%	27.6%	27.3%	27.1%	26.6%	25.9%	26.2%	26.0%	26.2%	26.1%	26.1%	26.0%	25.1%	26.5%	27.3%	26.2%	
abor and Benefits	38.9%	37.3%	37.7%	37.1%	37.6%	36.2%	36.8%	36.5%	37.0%	36.0%	36.5%	36.3%	39.3%	37.1%	37.7%	36.8%	3
Operating and Occupancy	24.0%	23.2%	24.7%	23.7%	23.2%	23.4%	24.7%	23.5%	23.0%	23.0%	24.5%	23.3%	28.4%	24.6%	23.9%	23.7%	2
Restaurant Profit	9.8%	11.9%	10.3%	12.1%	12.6%	14.5%	12.3%	14.0%	13.8%	14.9%	12.9%	14.4%	7.2%	11.8%	11.1%	13.4%	
General & Administrative	6.1%	5.1%	6.1%	5.7%	5.8%	6.1%	6.2%	6.1%	5.9%	5.6%	6.2%	6.1%	7.0%	6.3%	5.7%	6.0%	
Depreciation & Amortization	6.0%	5.3%	5.6%	5.1%	5.2%	5.1%	5.5%	5.4%	5.2%	5.1%	5.5%	5.4%	9.4%	6.7%	5.5%	5.3%	
Preopening	0.2%	0.3%	0.2%	0.4%	0.2%	0.1%	0.3%	0.2%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.3%	0.2%	
Other	0.1%	0.1%	0.1%	0.6%	0.6%	0.1%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.1%	0.2%	0.3%	
Operating Income	(2.6%)	1.0%	(1.7%)	0.3%	0.8%	2.9%	0.1%	2.1%	2.3%	3.8%	0.2%	2.5%	(9.6%)	(1.4%)	(0.7%)	1.5%	
nterest Income/(Expense)	(0.2%)	(0.1%)	(0.2%)	(0.3%)	(0.3%)	(0.3%)	(0.3%)	(0.3%)	(0.3%)	(0.2%)	(0.3%)	(0.2%)	(0.9%)	(0.5%)	(0.2%)	(0.3%)	((
Other Income	(0.1%)	(0.1%)	0.0%	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.0%	0.1%	,
Pre-Tax Income	(2.9%)	0.8%	(1.8%)	0.1%	0.5%	2.8%	(0.1%)	19%	2.1%	3.6%	0.7%	2.3%	(10.4%)	(1.7%)	(0.9%)	13%	
ncome Taxes	116.8%	88.2%	71.5%	(237.6%)	(105.9%)	(22.7%)	15.0%	5.0%	10.0%	10.0%	5.0%	10.0%	36.9%	69.6%	114.5%	-21.4%	-
Operating Net Income	0.5%	0.1%	(0.5%)	0.5%	1.0%	3.4%	(0.1%)	1.8%	1.9%	3.2%	0.6%	2.1%	(6.5%)	(0.5%)	0.1%	1.6%	
EBITDA	3.4%	6.3%	3.9%	5.4%	5.9%	8.0%	5.6%	7.5%	7.5%	8.9%	6.4%	7.9%	(0.2%)	5.3%	4.8%	6.8%	
Adjusted EBITDA	4.4%	7.1%	4.9%	7.4%	7.3%	9.1%	6.6%	8.5%	8.4%	9.8%	7.4%	8.9%	1.3%	6.3%	5.8%	7.9%	
EAR-OVER-YEAR % CHANGE	4.470	7.170	4.570	7.470	7.570	3.170	0.070	0.576	0.470	3.070	7.470	0.570	1.070	0.570	3.070	7.570	
otal Revenues	33.8%	13.6%	10.3%	17.1%	14.2%	6.1%	5.9%	(1.4%)	3.6%	4.1%	4.6%	4.9%	(33.0%)	39.6%	17.8%	5.9%	4
Restaurant Profit	14.1%		0.9%	48.2%	46.6%	29.5%	27.0%	14.0%	13.7%	7.2%	9.7%	7.9%	(69.6%)	126.9%	10.6%	28.0%	
General & Administrative	19.6%	(0.7%)	9.2%	5.0%	8.0%		8.2%	6.3%	5.9%	(3.8%)	4.6%	4.9%	(12.6%)	24.3%	7.9%	11.6%	
Operating Income	(6.4%)	(52.9%)	21.4%	(111.0%)	(134.0%)	224.7%	(108.7%)	577.6%	207.3%	34.7%	566.6%	23.2%	(268.7%)	(79.4%)	(43.7%)	(335.5%)	6
Pre-Tax Income	(6.4%)	(50.3%)	18.5%	(105.1%)	(119.4%)	285.6%	(94.5%)	1285.2%	336.0%	34.7 %	(832.2%)	28.4%	(294.1%)	(77.6%)	(36.4%)	(251.8%)	
Operating Net Income	(146.5%)	(95.3%)	(42.6%)	(126.4%)	138.4%	3917.5%	(83.5%)	289.9%	90.6%	(1.1%)	(918.3%)	21.7%	(225.6%)	(89.2%)	(130.2%)	1174.5%	
Operating EPS	(144.9%)	(95.2%)	(42.9%)	(125.8%)	136.3%	3851.3%	(83.9%)	288.1%	94.3%	1.8%	(946.6%)	25.9%	(222.2%)	(90.3%)	(130.0%)	1157.7%	3
EBITDA	3.0%	(16.9%)	(12.8%)	118.3%	96.7%		52.5%	36.4%	30.7%	15.8%	18.2%	10.5%	(101.5%)	(3392.4%)	7.6%	49.1%	
-0		0.9%	0.9%	1.9%	1.9%					1.4%	1.8%	1.8%	0.5%	1.4%	1.9%	0.5%	
Init Growth	14%																
Unit Growth	1.4%	0.9%	0.9%	1.976	19%	0.9%	1.4%	0.5%	0.9%	1.476	1.076	1.0 76	0.070	1.476	1.9%	0.578	

Source: Company Documents and Stephens Inc.

Joshua Long, CFA, CMT, Analyst (713) 993-4230

## Cheesecake Factory (CAKE): OW-Rated; \$40 Price Target



## **Our Thoughts Into The Quarter**

Stephens Focus: We are moderating our margin and EPS expectations (vs. prior) into the print (now in line with the Street) to better reflect what we believe are likely to be incremental challenges from slowing traffic in the quarter. We have maintained our below Street estimates for comps and revenues. We think that patient, long-term investors with a desire to be in the space should consider adding CAKE shares to their watch list. The company offers a blend of growth via its North Italia concept and return of capital via repurchase and dividends. Currently shares are trading at (or below) the low end of the stock's pre-Covid range which could prove to be an interesting entry point for patient investors.

**Recap of Prior 3Q23 Guidance:** Management previously guided for total revenue in 3Q23 of \$835 mil. - \$855 mil. Our estimates reflect the conservative end of this guidance at \$836.1 mil. driven in part by our +3.1% comp estimate vs. consensus of \$841.9 mil. reflecting consensus comp expectations of +4.1%.

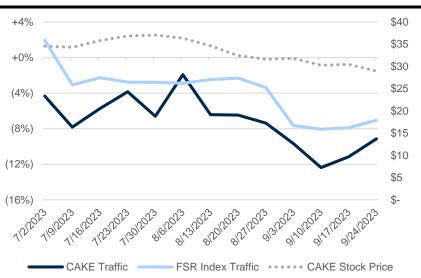
Cheesecake Factory Traffic and Credit Card Sales Trends Appear to Trail Full Service Peers in 3Q: Cheesecake Factory traffic trends were pressured in 3Q23 and the concept trailed the FSR index. According to Bloomberg's Second Measure credit card data set, The Cheesecake Factory also appeared to trail the FSR index.

### Stephens Estimates vs. Consensus

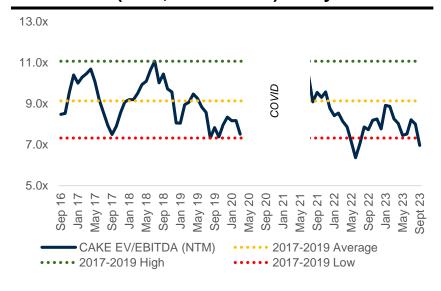
0.4145			100005				_	100005		
CAKE		FIS	cal 3Q23E				FI	scal 2023E		
	Step	hens	S	С	onsensus	Step	hen	IS	Co	onsensus
	Prior		New	E>	pectations	Prior		New	Ex	pectations
SSS - System	+3.1%		+3.1%		+4.1%	+4.0%		+4.0%		+3.8%
Revenue in mil.	\$ 836.1	\$	836.1	\$	841.9	\$ 3,466.0	\$	3,466.0	\$	3,466.2
RLM	14.0%		13.8%		13.5%	14.4%		14.3%		14.3%
Adjusted EPS	\$ 0.47	\$	0.43	\$	0.43	\$ 2.73	\$	2.71	\$	2.71
	[	I	Lowered	]				Lowered	]	

Maintaining Revenue Estimates and Moderating Margin and EPS Estimates; Maintaining Price Target: Our 3Q23 restaurant-level margin and EPS estimates move lower to 13.8% and \$0.43 (vs. the Street at 13.5% and \$0.43, respectively). Our FY23E estimates around restaurant-level margins move to 14.3% (vs. 14.4% prior) and our operating EPS estimate moves to \$2.71 (vs. \$2.73 prior) vs. the Street at 14.3% and \$2.71, respectively. Our FY24 estimates are unchanged. We maintain our \$40 price target based on ~8x our FY24E EV/EBITDA. Our multiple is a 1x discount to the stock's ten-year pre-Covid average.

#### 3Q23 CAKE Traffic vs. FSR Index Traffic



## **EV/EBITDA (NTM, Consensus) Analysis**





## Cheesecake Factory (CAKE): OW-Rated; \$40 Price Target



Industry Note October 20, 2023

The Cheesecake Factory Incorporated, Inc.				Extra Week											xtra Week		
Earnings Model		2022		Extra vveek		2023 E	timata			2024 Es	timata				r Ended De	acambar	
Fiscal Year Ended December	1022	2022 /	3022	4022	1023	2023 E:	3023F	4Q23E	1024F	2024 ES	3Q24F	4024F	2020	2021	2022	2023E	2024F
Revised 10/19/23 (\$ millions)	03/31/22	07/02/22	09/28/22	01/03/23		07/04/23	09/28/23	01/03/24	04/03/24	07/03/24	09/27/24	01/02/25	52-wks	52-wks	53-wks	52-wks	52-wks
Same-Store Sales: Cheesecake Factory	+20.7%	+4.7%	+1.1%	+4.0%	+5.7%	+1.5%	+2.5%	+4.0%	+2.0%	+2.0%	+2.0%	+2.0%	(28.2%)	+44.0%	+7.6%	+3.4%	+2.0
Cheesecake Factory vs. 2015	9 +8.0%	na	na	+11.4%	+14.9%	+14.1%	na	na	na	na	na	na	na	+3.3%	na	na	
Same-Store Sales: North Italia	+32.5%	+12.0%	+10.0%	+9.0%	+9.0%	+8.0%	+7.0%	+4.0%	+3.0%	+3.0%	+3.0%	+3.0%	(27.8%)	+48.0%	+15.9%	+7.0%	+3.0
North Italia vs. 201		+22.0%	na	na	+30.0%	+30.0%	na	na	na	na	na	na	na	+7.0%	na	na	
System-Wide SSS	+22.1%	+5.6%	+2.2%	+4.7%	+6.1%	+2.4%	+3.1%	+4.0%	+2.2%	+2.2%	+2.2%	+2.2%	(28.1%)	+44.5%	+8.7%	+4.0%	+2.0
INCOME STATEMENT Cheesecake Factory Sales	\$ 609.8	S 640.9	\$ 602.9	\$ 674.5	\$ 656.0 \$	652.5	\$ 627.8	\$ 664.7	\$ 679.2 \$	684.5	658.5 S	696.1	\$ 1,585.0 \$	2.293.2	\$ 2,528.0	\$ 2,601,0	\$ 2,718
North Italia	52.8	56.2	54.1	65.5	63.3	65.9	64.2	719	75.7	80.9	79.9	88.5	102.6	171.9	228.6	265.3	324
Other Fox Restaurant Concepts	58.8	60.0	52.2	66.5	68.6	65.7	66.0	74.7	82.9	814	82.0	95.2	96.9	182.2	237.6	275.0	341
Other	72.3	75.5	74.8	86.3	78.2	82.0	78.2	86.3	82.2	85.8	81.9	90.1	198.8	280.2	308.9	324.7	340
Other Revenues (Total)	183.9	191.8	181.1	218.3	210.1	213.7	208.4	232.9	240.8	248.0	243.8	273.7	398.2	634.3	775.1	865.0	1,006
Total Revenues	793.7	832.6	784.0	892.8	866.1	866.2	836.1	897.6	920.0	932.5	902.3	969.8	1,983.2	2,927.5	3,303.2	3,466.0	3,72
Cost of Sales	188.5	204.2	197.8	220.5	206.2	2011	197.3	210.9	216.2	219.1	212.9	227.9	456.0	653.1	810.9	815.6	876
abor	295.8	304.5	293.0	318.6	311.5	306.1	3018	318.6	3312	333.8	327.5	345.2	767.1	1,072.3	1,212.0	1,238.2	1,33
Other Operating Expenses	207.6	219.2 104.7	217.0	237.8	230.9	227.0 131.9	222.0	235.2	2410	238.7 140.8	237.3 124.5	249.2	607.1 153.1	787.7 414.4	881.6 398.7	915.1 497.2	966 544
Restaurant Profit	1018 49.1	104.7 50.2	76.2 50.3	115.9 56.1	117.4 54.1	54.5	115.0 56.1	54.5	57.0	57.8	57.3	58.2	152.9	186.1	205.8	497.2 219.1	230
General & Administrative	215	22.6	22.7	25.6	23.0	23.3	23.5	24.0	24.4	24.4	24.4	25.6	914	89.7	92.4	93.8	98
Pre-Opening Costs	2.9	2.9	4.3	7.8	3.1	6.0	8.9	8.1	6.0	6.1	7.2	8.2	9.4	13.7	17.9	26.0	27
Operating Income	28.3	29.0	(1.1)	26.4	37.4	48.1	26.5	46.3	44.2	52.6	35.6	55.3	(100.6)	124.9	82.6	158.2	187
nterest Income/(Expense), net	(15)	(1.1)	(13)	(2.1)	(19)	(2.2)	(2.2)	(2.2)	(2.0)	(2.0)	(2.0)	(2.0)	(12.3)	(10.7)	(6.0)	(8.4)	(
Other Income/(Expense), net			-	-			-	-		-	-			-		-	
Pre-Tax Income	26.9	27.9	(2.4)	24.3	35.5	45.9	24.3	44.1	42.2	50.6	33.6	53.3	(112.9)	114.2	76.5	149.8	179
ncome Taxes	3.7	1.4	(1.1)	(3.2)	4.9	2.8	3.2	5.7	5.5	6.6	4.4	6.9	(33.6)	1.4	0.8	16.6	2
Operating Net Income	23.2	26.4	(13)	27.4	30.6	43.1	211	38.4	36.7	44.0	29.2	46.4	(79.3) (65.6)	112.8 (62.2)	75.7 (31.8)	133.2	15
Non-Operating Items Reported Net Income	24.0	25.7	(2.4)	(30.7)	28.1	42.7	211	38.4	36.7	44.0	29.2	46.4	(144.9)	50.6	43.9	(3.0)	15
Reported Net Income Shares OutstandingDiluted	510	50.9	49.7	49.0	49.8	49.1	48.9	48.7	47.9	47.1	46.3	45.5	50.8	52.7	50.1	49.1	4
Shares Outstanding-Blace Shares Outstanding-Basic	50.3	50.4	49.7	49.0	48.7	48.5	48.5	48.5	48.5	48.5	48.5	48.5	43.9	47.5	49.8	48.5	4
BITDA	49.8	51.6	21.5	52.0	60.3	71.4	50.0	70.3	68.5	76.9	60.0	81.0	(9.2)	214.5	175.0	252.0	28
PSOperating	\$ 0.45		\$ (0.03)	\$ 0.56	\$ 0.61 \$	0.88	\$ 0.43	\$ 0.79	\$ 0.77 \$	0.93	0.63 \$	1.02	\$ (1.56)	2.14		\$ 2.71	\$ 3.
PSExtraordinary	\$ 0.02	+ (/	\$ (0.02)	\$ (0.63)	\$ (0.05) \$		\$ -	\$ -	<u>s</u> - s	:	- \$		\$ (1.29)	(	+ (/	\$ (0.06)	\$ -
EPSReported	\$ 0.47	\$ 0.50	\$ (0.05)	\$ (0.07)	\$ 0.56 \$	0.87	\$ 0.43	\$ 0.79	\$ 0.77 \$	0.93	0.63 \$	1.02	\$ (2.85)	0.96	\$ 0.88	\$ 2.65	\$ 3.
MARGIN ANALYSIS																	
MARGIN ANALYSIS Cheesecake Factory Sales	76.8%	77.0%	76.9%	75.5%	75.7%	75.3%	75.1%	74.1%	73.8%	73.4%	73.0%	718%	79.9%	78.3%	76.5%	75.0%	73
Other	9.1%	9.1%	9.5%	9.7%	9.0%	9.5%	9.4%	9.6%	8.9%	9.2%	9.1%	9.3%	10.0%	9.6%	9.4%	9.4%	73
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100
Cost of Sales	23.7%	24.5%	25.2%	24.7%	23.8%	23.2%	23.6%	23.5%	23.5%	23.5%	23.6%	23.5%	23.0%	22.3%	24.6%	23.5%	23
abor	37.3%	36.6%	37.4%	35.7%	36.0%	35.3%	36.1%	35.5%	36.0%	35.8%	36.3%	35.6%	38.7%	36.6%	36.7%	35.7%	35
Other Operating Expenses	26.2%	26.3%	27.7%	26.6%	26.7%	26.2%	26.6%	26.2%	26.2%	25.6%	26.3%	25.7%	30.6%	26.9%	26.7%	26.4%	25
Restaurant Profit	12.8%	12.6%	9.7%	13.0%	13.6%	15.2%	13.8%	14.8%	14.3%	15.1%	13.8%	15.2%	7.7%	14.2%	12.1%	14.3%	14
General & Administrative	6.2%	6.0%	6.4%	6.3%	6.2%	6.3%	6.7%	6.1%	6.2%	6.2%	6.4%	6.0%	7.7%	6.4%	6.2%	6.3%	6
Depreciation & Amortization	2.7%	2.7%	2.9%	2.9%	2.7%	2.7%	2.8%	2.7%	2.6%	2.6%	2.7%	2.6%	4.6%	3.1%	2.8%	2.7%	2
Pre-Opening Costs	0.4%	0.4%	0.6%	0.9%	0.4%	0.7%	1. <del>1</del> %	0.9%	0.7%	0.7% 5.6%	3.9%	0.9% 5.7%	0.5%	0.5% 4.3%	0.5%	0.8%	0
Operating Income	3.6%	0.070	(0.1%)	3.0%	4.3%	5.6%		5.2%	4.8%		0.070		(5.1%)		2.5%	4.6%	5
nterest Income/(Expense), net	(0.2%)	(0.1%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.3%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.6%)	(0.4%)	(0.2%)	(0.2%)	(O.
Other Income/(Expense), net Pre-Tax Income	3.4%	3.3%		0.0% 2.7%	4.1%	5.3%		0.076					0.0%				
ncome Taxes							2 9%	4 9%	4 6%	5.4%	3 7%	5.5%	(5.7%)				
	13.8%	5.1%	(0.3%) 46.0%		4.1%	6.1%	2.9% 13.0%	4.9%	4.6% 13.0%	5.4% 13.0%	3.7% 13.0%	5.5% 13.0%	(5.7%) 29.8%	3.9% 1.2%	2.3%	4.3% 11.1%	4
Operating Net Income	13.8%			(13.1%)										3.9%	2.3%	4.3%	1
		5.1%	46.0%	(13.1%)	13.8%	6.1%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	29.8%	3.9% 1.2%	2.3% 1.1%	4.3% 11.1%	1
EBITDA Net Margin	2.9%	5.1% 3.2%	46.0% (0.2%)	(13.1%)	13.8%	6.1% 5.0%	13.0% 2.5%	13.0% 4.3%	13.0% 4.0%	13.0% 4.7%	13.0% 3.2%	13.0% 4.8%	29.8%	3.9% 1.2% 3.9%	2.3% 1.1% 2.3%	4.3% 11.1% 3.8%	1
EBITDA Net Margin YEAR-OVER-YEAR %CHANGE	2.9% 6.3% 3.0%	5.1% 3.2% 6.2% 3.1%	46.0% (0.2%) 2.7% (0.3%)	(13.1%) 3.1% 5.8% (0.4%)	13.8% 3.5% 7.0% 3.2%	6.1% 5.0% 8.2% 4.9%	13.0% 2.5% 6.0% 2.5%	13.0% 4.3% 7.8% 4.3%	13.0% 4.0% 7.5% 4.0%	13.0% 4.7% 8.3% 4.7%	3.2% 6.7% 3.2%	13.0% 4.8% 8.4% 4.8%	29.8% (4.0%) (0.5%) (7.3%)	3.9% 12% 3.9% 7.3% 17%	2.3% 11% 2.3% 5.3% 1.3%	4.3% 11.1% 3.8% 7.3% 3.8%	1
EBITDA Net Margin YEAR-OVER-YEAR %CHANGE Cheesecake Factory Sales	2.9% 6.3% 3.0% 22.1%	5.1% 3.2% 6.2% 3.1% 5.6%	46.0% (0.2%) 2.7% (0.3%)	(13.1%) 3.1% 5.8% (0.4%)	13.8% 3.5% 7.0% 3.2%	6.1% 5.0% 8.2% 4.9%	13.0% 2.5% 6.0% 2.5%	3.0% 4.3% 7.8% 4.3%	13.0% 4.0% 7.5% 4.0%	13.0% 4.7% 8.3% 4.7%	3.2% 6.7% 3.2% 4.9%	13.0% 4.8% 8.4% 4.8%	29.8% (4.0%) (0.5%) (7.3%)	3.9% 12% 3.9% 7.3% 17%	2.3% 1.1% 2.3% 5.3% 1.3%	4.3% 11.1% 3.8% 7.3% 3.8%	1
EBITDA  vlet Margin  YEAR-OVER-YEAR %CHANGE  Theesecake Factory Sales  Other	2.9% 6.3% 3.0% 22.1% 22.5%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0%	46.0% (0.2%) 2.7% (0.3%) 17% 2.1%	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6%	13.0% 4.3% 7.8% 4.3% (1.4%) (0.1%)	13.0% 4.0% 7.5% 4.0% 3.5% 5.2%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6%	3.2% 6.7% 3.2% 4.9% 4.7%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (12.5%)	3.9% 12% 3.9% 7.3% 17% 44.7% 410%	2.3% 1.1% 2.3% 5.3% 1.3% 10.2% 10.2%	4.3% 11.1% 3.8% 7.3% 3.8% 2.9% 5.1%	1
BITDA  Net Margin  YEAR-OVER-YEAR %CHANGE  Cheesecake Factory Sales  Dither  Total Revenues	2.9% 6.3% 3.0% 22.1% 22.5% 26.5%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3%	46.0% (0.2%) 2.7% (0.3%) 17% 2.1%	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1% 9.1%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7%	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 0.5%	13.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 8.0%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (2.5%) (20.1%)	3.9% 12% 3.9% 7.3% 17% 44.7% 410%	2.3% 11% 2.3% 5.3% 1.3% 10.2% 10.2% 12.8%	4.3% 11.1% 3.8% 7.3% 3.8% 2.9% 5.1% 4.9%	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
BITDA  tet Margin  YEAR-OVER-YEAR % CHANGE  heesecake Factory Sales  ther  Total Revenues  poparating Net Income	2.9% 6.3% 3.0% 22.1% 22.5% 26.5% 114.0%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3% (39.7%)	46.0% (0.2%) 2.7% (0.3%) 17% 2.1% 3.9% (104.0%)	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1% 9.1% 32.1%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (1702.1%)	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 0.5% 39.9%	13.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 19%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 8.0% 20.9%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (12.5%) (20.1%) (168.7%)	3.9% 12% 3.9% 7.3% 17% 44.7% 410% 47.6% (242.2%)	2.3% 1.1% 2.3% 5.3% 1.3% 10.2% 10.2% 12.8% (32.9%)	4.3% 11.1% 3.8% 7.3% 3.8% 2.9% 5.1% 4.9% 75.9%	7.
BITDA  tet Margin  YEAR-OVER-YEAR %CHANGE  heesecake Factory Sales  thither  Total Revenues  perating PS  S  S  T  T  T  T  T  T  T  T  T  T  T	2.9% 6.3% 3.0% 22.1% 22.5% 26.5% 14.0% 125.6%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3% (39.7%) (35.0%)	46.0% (0.2%) 2.7% (0.3%) 17% 2.1% 3.9% (104.0%) (104.1%)	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1% 9.1% 32.7% 35.3%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (1702.1%) (1727.2%)	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 0.5% 39.9% 40.7%	3.5% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 19.9% 24.7%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 19% 6.3%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 46.3%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 8.0% 20.9% 29.4%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (12.5%) (20.1%) (168.1%) (159.7%)	3.9% 12% 3.9% 7.3% 17% 44.7% 410% 47.6% (242.2%) (237.1%)	2.3% 1.1% 2.3% 5.3% 1.3% 10.2% 10.2% 12.8% (32.9%) (29.4%)	4.3% 11.1% 3.8% 7.3% 3.8% 2.9% 5.1% 4.9% 75.9%	7 1 23
BIDA  et Margin  YEAR-OVER-YEAR %CHANGE  heesecake Factory Sales  tither  Total Revenues  perating Rel Income  iperating EPS  BIDA	2.9% 6.3% 3.0% 22.1% 22.5% 26.5% 14.0% 125.6% 35.0%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3% (39.7%) (35.0%)	46.0% (0.2%) 2.7% (0.3%) 17% 2.1% 3.9% (104.0%) (104.1%) (60.6%)	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0% 7.7%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1% 9.1% 32.1% 35.3% 210%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3% 38.4%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (1702.1%) (1727.2%)	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 0.5% 39.9% 40.7% 35.1%	13.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 19.9% 24.7%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 6.3% 7.7%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 46.3% 20.0%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 8.0% 20.9% 29.4% 15.2%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (12.5%) (20.1%) (168.1%) (159.7%) (104.3%)	3.9% 12% 3.9% 7.3% 17% 44.7% 410% 47.6% (242.2%) (237.1%) (2428.7%)	2.3% 1.1% 2.3% 5.3% 1.3% 10.2% 10.2% (32.9%) (29.4%) (18.4%)	4.3% 11.1% 3.8% 7.3% 3.8% 2.9% 5.1% 4.9% 75.9% 74.0%	77 1 233 1
BITDA  tet Margin  YEAR-OVER-YEAR %CHANGE heesecake Factor y Sales ther  Total Revenues perating Net Income perating EPS  BITDA  Heesecake Factory Units	2.9% 6.3% 3.0% 22.1% 22.5% 26.5% 14.0% 125.6%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3% (39.7%) (35.0%)	46.0% (0.2%) 2.7% (0.3%) 17% 2.1% 3.9% (104.0%) (104.1%)	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1% 9.1% 32.7% 35.3%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (1702.1%) (1727.2%)	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 0.5% 39.9% 40.7%	3.5% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 19.9% 24.7%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 19% 6.3%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 46.3%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 8.0% 20.9% 29.4%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (12.5%) (20.1%) (168.1%) (159.7%)	3.9% 12% 3.9% 7.3% 17% 44.7% 410% 47.6% (242.2%) (237.1%)	2.3% 1.1% 2.3% 5.3% 1.3% 10.2% 10.2% 12.8% (32.9%) (29.4%)	4.3% 11.1% 3.8% 7.3% 3.8% 2.9% 5.1% 4.9% 75.9%	77 11 233 11
BITDA  ist Margin  YEAR-OVER-YEAR %CHANGE  heesecake Factory Sales  thither  Total Revenues  perating Net Income  perating EP S  BITDA  heesecake Factory Units  forth Italia Units	2.9% 6.3% 3.0% 22.7% 22.5% 26.5% 114.0% 125.6% 0.5%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3% (39.7%) (35.0%) (30.9%)	46.0% (0.2%) 2.7% (0.3%) 17% 2.1% 3.9% (104.0%) (104.1%) (60.6%)	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0% 7.7%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1% 9.1% 32.1% 35.3% 21.0% 10%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3% 38.4%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (1702.7%) 132.2% 19%	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 0.5% 39.9% 40.7% 35.7% 2.4%	13.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 19.9% 24.7% 2.9%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 6.3% 7.7% 2.8%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 46.3% 20.0% 2.8%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 20.9% 29.4% 15.2% 2.3%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (25.5%) (20.1%) (168.7%) (159.7%) (104.3%) 0.0%	3.9% 12% 3.9% 7.3% 17% 44.7% 410% 47.6% (242.2%) (237.1%) (2428.7%) 10%	2.3% 1.1% 2.3% 5.3% 13% 10.2% 12.8% (32.9%) (29.4%) (18.4%)	4.3% 11.1% 3.8% 7.3% 3.8% 5.1% 4.9% 75.9% 79.6% 44.0% 2.4%	7. 15 23.
BITDA lett Margin YEAR-OVER-YEAR %CHANGE heesecake Factory Sales ther Total Revenues operating Net Income operating EPS BITDA heesecake Factory Units forth Italia Units CC Units (Ek. Flower Child)	2.9% 6.3% 3.0% 22.1% 22.5% 14.0% 125.6% 35.0% 0.5% 20.8%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3% (39.7%) (30.9%) 0.5% 15.4%	46.0% (0.2%) 2.7% (0.3%) 17% 2.1% (104.0%) (104.1%) (60.6%) 10.7%	(13.1%) 3.7% 5.8% (0.4%) 13.4% 12.5% 14.9% 15.0% 7.7% 14% 13.8%	13.8% 3.5% 7.0% 3.2% 7.6% 8.7% 9.1% 32.7% 35.3% 210% 10% 13.8%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 63.2% 69.3% 1.4% 10.0%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (1702.1%) (1727.2%) 132.2% 19%	13.0% 4.3% 7.8% 4.3% (1.4%) (0.1%) 0.5 % 39.9% 40.7 % 35.1% 2.4% 5.2%	13.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 19.9% 24.7% 13.6% 2.9%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 19% 6.3% 7.7% 2.8% 212%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 46.3% 20.0% 2.8% 20.0%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 20.9% 29.4% 15.2% 2.3% 18.4%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (25.5%) (20.1%) (188.7%) (159.7%) (104.3%) 0.0% 4.5%	3.9% 12% 3.9% 7.3% 1.7% 44.7% 410% 47.6% (242.2%) (237.1%) (2428.7%) 10% 26.1%	2.3% 1.1% 2.3% 5.3% 10.2% 10.2% (32.9%) (29.4%) (18.4%) 13.8%	4.3% 11.1% 3.8% 7.3% 3.8% 5.1% 4.9% 75.9% 79.6% 44.0%	77 1 23 3 1 2 2 3 1 2 2 3 1 2 2 3 1 2 2 3 1 2 2 3 1 2 2 3 1 2 3 1 2 2 3 1 2 3 1 2 3 1 2 3 1 2 3 1 1 2 3 1 1 2 3 1 1 2 3 1 1 2 3 1 1 2 3 1 1 1 2 3 1 1 1 1
BITDA  Let Margin YEAR-OVER-YEAR %CHANGE Pheesecake Factory Sales Vither Total Revenues Operating Net Income Operating EPS BITDA Cheesecake Factory Units Lorth Ralia Units RC Units (Ext. Flower Child) Vither Units Leterational Locations	2.9% 6.3% 3.0% 22.7% 22.5% 26.5% 14.0% 35.0% 0.5% 20.8% 10.7% nm 7.4%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3% (39.7%) (35.0%) 0.5% 15.4% 10.7% nm 3.6%	46.0% (0.2%) (0.2%) (2.7% (0.3%) 17% (2.1%) (104.0%) (104.1%) (60.6%) 10% 10.7% 10.3% nm 3.6%	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 14.9% 15.0% 7.7% 14% 9.7% 0.0% 0.0% 3.4%	13.8% 3.5% 7.0% 3.2% 7.6% 8.1% 32.1% 32.1% 35.3% 21.0% 1.0% 1.0% 1.8% 12.9% nm	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3% 38.4% 1.4% 10.0% 19.4% nm 3.4%	13.0% 6.0% 2.5% 4.1% 4.6% (1702.1%) (1727.2%) 132.2% 19% 15.6% nm	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 39.9% 40.7% 35.7% 2.4% 7.6% nm 10.0%	3.0% 4.0% 7.5% 4.0% 3.5% 6.2% 19.9% 24.7% 2.9% 2.9% 20.0% nm 13.3%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 19% 6.3% 7.7% 2.8% 212% 18.9%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 46.3% 20.0% 2.8% 20.0% 24.3% nm 20.0%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 20.9% 29.4% 15.2% 2.3% 18.4% 22.5% nm 9.1%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (20.1%) (20.1%) (155.7%) (104.3%) 0.0% 4.5% 8.0% 0.0%	3.9% 12% 3.9% 7.3% 17% 44.7% 410% 47.6% (2422%) (237.1%) (2428.7%) (2428.7%) 41.8% 2.6% 7.4%	2.3% 1.7% 2.3% 5.3% 5.3% 10.2% 10.2% 12.8% (32.9%) (49.4%) 14% 13.8% 9.7% 5.00%	4.3% 11.1% 3.8% 7.3% 3.8% 5.1% 4.9% 75.9% 79.6% 44.0% 2.4% 5.2% 77.6% 4.8% 4.8%	77 1 233 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
BITDA  Net Margin  YEAR-OVER-YEAR %CHANGE  Cheesecake Factory Sales  Other  Total Revenues  Operating Net Income  Operating EP S  BITDA  Cheesecake Factory Units  North Italia Units  First Fower Child)	2.9% 6.3% 3.0% 22.7% 22.5% 26.5% 14.0% 125.6% 35.0% 0.5% 20.8% 10.7%	5.1% 3.2% 6.2% 3.1% 5.6% 6.0% 8.3.3% (39.7%) (35.0%) (30.9%) 0.5% 15.4% nm	46.0% (0.2%) 2.7% (0.3%) 17% 2.1% 3.9% (104.0%) (60.6%) 10.7% 10.3% nm	(13.1%) 3.7% 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0% 14.9% 13.8% 9.7% 0.0%	3.8% 3.5% 3.2% 7.0% 3.2% 7.6% 8.1% 9.1% 22.1% 35.3% 2.10% 1.0% 13.8% 2.9%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3% 38.4% 10.0% 19.4%	13.0% 2.5% 6.0% 2.5% 4.6% 4.6% (1702.7%) (1727.2%) 132.2% 12.9% 5.6% nm	13.0% 4.3% 7.8% 4.3% (1.4%) (0.1%) 0.5% 39.9% 40.7% 35.7% 2.4% 15.2% 17.6%	13.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 19.9% 24.7% 13.6% 2.9% 18.2% 20.0%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 19% 6.3% 7.7% 2.8% 212% 9.9%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 46.3% 20.0% 2.8% 20.0% 2.8%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 20.9% 29.4% 15.2% 2.3% 18.4% 22.5% nm	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (20.1%) (188.8%) (159.7%) (0.0%) 4.5% 8.0%	3.9% 12% 3.9% 7.3% 17% 44.7% 41.0% 47.6% (242.2%) (237.1%) (2428.7%) 10% 26.1% 26.5%	2.3% 1.1% 2.3% 5.3% 13% 10.2% 12.8% (32.9%) (18.4%) 1.4% 13.8% 9.7%	4.3% 11.1% 3.8% 7.3% 3.8% 2.9% 5.1% 4.9% 75.9% 79.6% 44.0% 2.4% 15.2% 17.6% 4.8%	77 1 233 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
BITDA  WEM Argin  YEAR-OVER-YEAR %CHANGE  Cheesecake Factory Sales  Other  Total Revenues  Operating Net Income  Operating EPS  BITDA  Cheesecake Factory Units  Onth Ralia Units  FRC Units (EM. Flower Child)  Other Units  Total Units  Total Units  Total Units  Total Units  TOTAL UNITS	2.9% 6.3% 3.0% 22.7% 22.5% 26.5% 14.0% 125.6% 35.0% 0.5% 20.8% 10.7% nm 7.4%	5.7% 3.2% 6.2% 3.7% 5.6% 8.3% (39.7%) (35.0%) 0.5% 15.4% 10.7% nm 3.6% 2.7%	46.0% (0.2%) (0.2%) (0.3%) (0.3%) (0.3%) (17% (2.8%) (104.1%) (60.6%) (104.1%) (105.6%) (105.	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0% 7.7% 14% 13.8% 9.7% 0.0% 3.4% 3.3%	13.8% 3.5% 7.0% 3.2% 7.6% 8.7% 9.1% 32.7% 35.3% 21.0% 1.0% 13.8% 12.9% 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0	6.1% 5.0% 8.2% 4.9% 18% 8.6% 4.0% 63.2% 69.3% 14% 10.0% 19.4% nm 3.4% 4.2%	13.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (1702.7%) 132.2% 12.9% 12.9% 5.6% and 4.7%	13.0% 4.3% 7.8% 4.3% (1.4%) (0.1%) 0.5% 39.9% 40.7% 35.1% 15.2% 17.6% nm 10.0% 6.0%	3.0% 4.0% 7.5% 4.0% 3.5% 6.2% 19.9% 24.7% 13.6% 2.9% 20.0% nm 13.3% 7.2%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 6.3% 7.7% 2.8% 2.12% 18.9% nm 16.7% 7.7%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 46.3% 20.0% 2.8% 20.0% 24.3% nm 20.0% 8.4%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 20.9% 29.4% 15.2% 2.3% 18.4% 22.5% nm 9.7%	29.8% (4.0%) (4.0%) (0.5%) (7.3%) (27.3%) (27.3%) (25.5%) (20.1%) (188.7%) (194.3%) (0.0%) 4.5% 8.0% (0.0%) 3.8% 13%	3.9% 12% 3.9% 7.3% 17% 41.0% 47.6% (242.2%) (237.1%) (242.2%) 10% 26.7% 14.8% 4.7%	2.3% 1.7% 2.3% 5.3% 10.2% 10.2% 12.8% (32.9%) (29.4%) 14% 5.0% 3.4% 3.9%	4.3% 117% 3.8% 7.3% 3.8% 5.7% 4.9% 75.5% 44.0% 2.4% 5.2% 17.6% 4.8% 4.0%	77 1 23 3 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2
BEITDA  Net Margin  YEAR-OVER-YEAR %CHANGE  Cheesecake Factory Sales  Chief Cheesecake Factory Sales  Chief Cheesecake Factory Sales  Deparating Net Income  Operating Net Income  Operating BEP S  BEIDT  Cheesecake Factory Units  North Italia Units  FRC Units (E.M. Flower Child)  Cher Units  International Locations  Total Units  UNIT DATA  Cheesecake Factory Units	2.9% 6.3% 3.0% 22.7% 22.5% 24.5% 14.0% 15.0% 0.5% 20.8% 10.7% nm 7.4% 3.4%	5.7% 3.2% 6.2% 3.7% 6.0% 6.3% (39.7%) (35.0%) (35.0%) 15.4% 10.7% nm 3.6% 2.7%	46.0% (0.2%) 2.7% (0.3%) 1.7% 2.1% (104.0%) (104.1%) 1.0% 1.0% 10.7% 10.3% nm 3.6% 2.4%	(13.1%) 3.1% 5.8% (0.4%) 13.4% 12.5% 10.2% 15.0% 14.9% 14.9% 13.8% 9.7% 0.0% 3.4% 3.3%	13.8% 3.5% 3.2% 7.0% 3.2% 7.6% 8.1% 9.1% 32.1% 32.10% 10% 13.8% 12.9% nm 3.4% 3.9%	6.1% 5.0% 8.2% 4.9% 18% 63.2% 69.3% 38.4% 10.0% 19.4% nm 3.4% 4.2%	\$3.0% 2.5% 6.0% 2.5% 4.1% 4.6% 6.7% (102.1%) 132.2% 132.2% 1.9% 5.6% 4.7%	3.0% 4.3% 7.8% 4.3% (1.4%) (0.1%) 0.5% 39.9% 40.7% 52.4% 52.2% 76.6% nm 10.0%	3.0% 4.0% 4.0% 3.5% 5.2% 6.2% 19.9% 13.6% 2.9% 13.6% 2.9% 13.2% 2.00% nm 13.3% 7.2%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 1.9% 6.3% 7.7% 2.8% 9.9% nm 16.7% 7.7%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 38.5% 46.3% 40.0% 2.8% 20.0% 24.3% nm 20.0% 8.4%	13.0% 4.8% 8.4% 4.8% 4.4% 4.4% 5.2% 29.4% 15.2% 2.3% 18.4% 22.5% nm 9.7%	28.8% (4.0%) (0.5%) (7.3%) (27.3%) (20.1%) (185.7%) (104.3%) 0.0% 4.5% 8.0% 0.0% 3.8% 2.06	3.9% 12% 3.9% 7.3% 17% 44.7% 410% (242.2%) (2428.7%) 10% 26.7% 14.8% 4.7%	2.3% 11% 2.3% 5.3% 10.2% 10.2% 12.8% (32.9%) (29.4%) 14.9% 13.8% 9.7% 5.0% 5.0%	4.3% 11.86 3.8% 7.3% 3.8% 2.9% 5.5% 4.9% 79.6% 44.0% 2.4% 6.0%	7. 1 23. 1 1 2 2 2 2 4 4
EBITDA  WEM Arajin YEAR-OVER-YEAR "SCHANGE Cheesecake Factory Sales Other Total Revenues Operating Net Income Operating EPS EBITDA Cheesecake Factory Units Worth Ralia Units PRC Units (EM. Flower Child) Other Units International Locations Total Units UNIT DATA Cheesecake Factory Units Ownth Ralia Units Other Units Other Units Other Units Other Childs Other Childs Other Childs Other Units Other Units Other Units Other Units Other Units Other Childs Other Units Other Unit	2.9% 6.3% 3.0% 22.7% 22.5% 26.5% 140.0% 125.6% 35.0% 0.5% 0.7% nm 7.4% 3.4%	5.1% 3.2% 6.2% 5.6% 6.0% 8.3% (39.7%) (30.9%) 0.5% 10.7% nm 3.6%% 2.7%	46.0% (0.2%) (2.7% (0.3%) (0.2%) (0.3%) (0.3%) (0.3%) (10.4%) (10.6%) (10.4%) (10.5%)	(13.7%) 3.7% 5.8% (0.4%) 13.4% 12.5% 14.9% 1.2% 15.0% 7.7% 0.0% 3.4% 3.3%	13.8% 3.5% 3.2% 7.6% 3.2% 7.6% 9.1% 32.1% 21.0% 10.0% 12.9% 12.9% 12.9% 12.9% 12.9% 12.9% 13.8% 12.9% 13.3% 12.9% 13.3%	6.1% 5.0% 8.2% 4.9% 1.8% 6.6% 4.0% 63.2% 69.3% 38.4% 1.4% nm 3.4% 4.2%	2.5% 6.0% 2.5% 4.1% 4.6% (172.7.2%) 132.2% 1.9% 1.9% 1.9% 1.4% 1.4%	13.0% 4.3% 4.3% (1.4%) 0.5% 39.9% 40.7% 35.7% 2.4% 7.6% nm 10.0% 6.0%	3.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 19.9% 2.9% 2.9% 2.0.0% 13.3% 7.2% 3.5% 2.9% 2.9% 2.9% 2.9% 2.9% 2.9% 2.9% 2.9	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 6.3% 7.7% 2.12% 8.9% 6.37 7.7% 7.7% 2.12%	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 46.3% 20.0% 2.8% 20.00% 24.3% nm 20.00% 8.4%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 20.9% 29.4% 15.2% 18.4% 22.5% nm 9.1% 7.0%	29.8% (4.0%) (4.0%) (0.5%) (7.3%) (7.3%) (7.3%) (7.3%) (7.5%) (15.5%) (15.7%) (15.7%) (15.7%) (15.7%) (15.3%) 0.0% 4.5% 8.0% 0.38% 13% 2.06 2.3	3.9% 12% 3.9% 7.3% 1.7% 41.7% 41.0% (242.2%) (242.2%) (242.2%) 1.0% 2.6% 7.4% 4.7% 2.8% 7.4%	2.3% 1.7% 2.3% 5.3% 10.2% 10.2% 10.2% 12.8% (32.9%) (49.4%) 1.4% 13.8% 9.7% 5.0% 3.4% 3.99 2.11	4.3% 11% 3.8% 7.3% 3.8% 2.9% 5.5% 4.9% 7.9% 4.0% 2.4% 5.2% 7.6% 4.8% 0.0%	7. 1 23. 1 1 2 2 2 2 4 4
EBITDA  New Margin  YEAR-OVER-YEAR %CHANGE  Chessecake Factory Sales  Other  Total Revenues  Operating New Horome  Operating EP S  EBITDA  Chessecake Factory Units  North Italia Units  FRC Units (EM. Flower Child)  Other Units  International Locations  Total Units  LINIT DATA  Chessecake Factory Units  North Italia	2.9% 6.3% 3.0% 22.7% 22.5% 26.5% 14.0% 15.0% 0.5% 20.8% 10.7% nm 7.4% 3.4%	5.7% 3.2% 3.2% 3.7% 5.6% 6.0% 8.3% (39.7%) (35.0%) (5.4% 10.7% nm 3.6% 2.7%	46.0% (0.2%) (0.2%) (0.2%) (0.3%) (0.3%) (0.3%) (17% (2.7%) (10.4%) (10.4%) (10.4%) (10.5%) (1	(3.%) 3.16 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0% 14.9% 3.3% 2.11 3.3 3.44	13.8% 3.5% 7.0% 3.2% 7.6% 7.6% 9.1% 32.7% 35.3% 21.0% 10.0% 13.8% 22.9% nm 3.4% 3.9%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3% 38.4% 1.4% nm 3.4% 2211 333 37	2.5% 6.0% 2.5% 4.7% 4.6% 6.7% (1702.89) (1727.2%) 19% 5.6% 9.7% 19.7% 2.2% 3.35 3.35 3.37	(1.4%) (1.4%) (1.4%) (0.5%) (3.99%) (4.7%) (3.5%) (4.7%) (5.2%) (7.6%) (1.0%) (6.0%)	3.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 13.6% 13.6% 12.9% 18.2% 20.0% nm 13.3% 7.2%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 19% 6.3% 2.12% 6.89% nm 16.7% 7.7% 2.217 40 44	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 38.5% 46.3% 2.8% 20.0% 24.3% nm 20.0% 8.4%	13.0% 4.8% 4.8% 4.8% 4.4% 4.7% 4.4% 29.4% 15.2% 29.4% 15.2% 7.0% 22.3% 18.4% 22.5% 18.4% 22.5% 18.4% 22.5% 18.4% 22.5% 18.4% 4.4% 4.4% 4.4% 4.4% 4.4% 4.4% 4.4%	28.8% (4.0%) (0.5%) (7.3%) (27.3%) (20.1%) (188.8%) (159.7%) (104.3%) 0.0% 4.5% 8.0% 0.0% 3.8% 206 23 27	3.9% (12% 3.9% 7.3% 17% 12% 12% 12% 12% 12% 12% 12% 12% 12% 12	2.3% 1.7% 2.3% 5.3% 13% 10.2% 12.8% (32.9%) (29.4%) 1.4% 5.0% 9.7% 5.0% 5.0% 3.4%	4.3% 1175 3.8% 7.3% 3.8% 5.75 4.9% 75.9% 79.6% 4.40% 6.2% 0.0% 6.0%	4 4 7. 10 233. Et 22 22 4 9. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7.
EBITDA  Net Margin  YEAR-OVER-YEAR %CHANGE  Cheesecake Factory Sales  Other  Total Revenues  Operating Net Income  Operating Ret S  EBITDA  Cheesecake Factory Units  North Italia Units  FRC Units (Ext. Flower Child)  Other Units  International Locations  Total Units  UNIT DATA  Cheesecake Factory Units  North Italia  FOR Restaurant Concepts (Ex. Flower Child)	2.9% 6.3% 6.3% 6.3% 6.3% 6.2% 6.5% 14.0% 6.5% 14.0% 0.5% 0.5% 10.7% 6.0% 0.5% 6.2.3% 6.3.4% 0	5.% 3.2% 3.2% 3.7% 6.0% 6.0% 6.0% 6.0% 6.0% 13.6% 13.4% 10.7	46.0% (0.2%) (0.2%) (0.2%) (0.3%) (0.3%) (0.3%) (0.3%) (0.3%) (0.4%) (0.6%) (0.4%) (0.6%) (0.4%) (0.6%) (0.4%) (0.5%) (0.4%) (0.5%) (0.4%) (0.5%) (0.5%) (0.4%) (0.5%) (0.	(13.7%) 3.1% 5.89% (0.4%) 13.4% 12.5% 14.9% 7.7% 13.8% 9.7% 0.00% 3.49% 3.33% 3.33% 4.440	13.8% 3.5% 7.0% 3.2% 7.6% 8.7% 32.7% 35.3% 2.10% 10% 13.8% 12.9% 0.10% 13.8% 2.29% 0.10% 0.34% 0.34% 0.34% 0.34% 0.34% 0.34% 0.34% 0.34% 0.34%	6.% 5.0% 8.2% 4.9% 18% 8.6% 4.0% 63.2% 69.3% 14.4% 10.0% 12.4% 12.4% 12.4% 13.3 3.7 4.0	2.0% 2.5% 6.0% 2.5% 4.7% 4.6% 4.6% 6.7% (1702.8) 19% 12.2% 19% 12.3% 13.35 3.37 41	13.0% 4.3% 7.8% 4.3% (1.4%) (0.7%) 0.5% 39.9% 40.7% 55.7% 5.2% 77.6% nm 10.0% 6.0% 2.38 40.44 40.44	3.0% 4.0% 4.0% 3.5% 4.0% 5.2% 6.2% 19.9% 13.6% 2.9% 13.6% 2.9% 10.0% 13.3% 7.2% 2.46 3.39 4.2	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 7.7% 2.8% 2.2% 6.3% 7.7% 2.8% 2.2% 4.4 4.4 4.4 4.4	15.0% 3.2% 6.7% 3.2% 4.9% 4.7% 7.9% 38.5% 20.0% 2.8% 20.0% 24.3% 10.00% 34.4%	13.0% 4.8% 8.4% 4.8% 4.7% 4.4% 20.9% 29.4% 15.2% 6.3% 19.7% 17.0% 22.5% 18.4% 22.5% 19.9% 22.5% 19.9% 24.4% 24.4% 24.4% 24.4% 25.4% 26.4% 27.4%	29.8% (4.0%) (0.5%) (7.3%) (27.3%) (20.1%) (185.7%) (194.3%) 0.0% 4.5% 8.0% 0.0% 3.8% 13% 206 23 27	3.9% 3.9% 3.9% 7.3% 41.7% 41.0% 47.6% (242.2%) 10% 26.7% 10% 26.7% 2.6% 7.4% 4.7% 2.9% 3.11 4.0	2.3% 1.7% 2.3% 5.3% 1.3% 10.2% 10.2% 12.8% (32.9%) (49.4%) 1.4% 13.8% 9.7% 5.0% 3.9% 2.11 3.3 3.4 4.2	4.3% 1.8% 7.3% 7.3% 3.8% 5.5% 4.9% 4.9% 4.9% 6.0% 6.0%	233. 222. 44. 7. 7. 10. 23. 10. 24.
EBITDA  Well Margin  YEAR-OVER-YEAR %CHANGE  Cheesecake Factory Sales  Unitro  Total Revenues  Operating Net Income  Operating EPS  BBITDA  Cheesecake Factory Units  Worth Italia Units  FCR Units (EM. Flower Child)  Unitro  Total Units  Total Units  Total Units  LINIT DATA  Cheesecake Factory Units  Worth Italia	2.9% 6.3% 3.0% 22.7% 22.5% 26.5% 14.0% 15.0% 0.5% 20.8% 10.7% nm 7.4% 3.4%	5.7% 3.2% 3.2% 3.7% 5.6% 6.0% 8.3% (39.7%) (35.0%) (5.4% 10.7% nm 3.6% 2.7%	46.0% (0.2%) (0.2%) (0.2%) (0.3%) (0.3%) (0.3%) (17% (2.7%) (10.4%) (10.4%) (10.4%) (10.5%) (1	(3.%) 3.16 5.8% (0.4%) 13.4% 12.5% 14.9% 10.2% 15.0% 14.9% 3.3% 2.11 3.3 3.44	13.8% 3.5% 7.0% 3.2% 7.6% 7.6% 9.1% 32.7% 35.3% 21.0% 10.0% 13.8% 22.9% nm 3.4% 3.9%	6.1% 5.0% 8.2% 4.9% 1.8% 8.6% 4.0% 63.2% 69.3% 38.4% 1.4% nm 3.4% 2211 333 37	2.5% 6.0% 2.5% 4.7% 4.6% 6.7% (1702.89) (1727.2%) 19% 5.6% 9.7% 19.7% 2.2% 3.35 3.35 3.37	(1.4%) (1.4%) (1.4%) (0.5%) (3.99%) (4.7%) (3.5%) (4.7%) (5.2%) (7.6%) (1.0%) (6.0%)	3.0% 4.0% 7.5% 4.0% 3.5% 5.2% 6.2% 13.6% 13.6% 12.9% 18.2% 20.0% nm 13.3% 7.2%	13.0% 4.7% 8.3% 4.7% 4.9% 4.6% 19% 6.3% 2.12% 6.89% nm 16.7% 7.7% 2.217 40 44	13.0% 3.2% 6.7% 3.2% 4.9% 4.7% 38.5% 46.3% 2.8% 20.0% 24.3% nm 20.0% 8.4%	13.0% 4.8% 4.8% 4.8% 4.4% 4.7% 4.4% 29.4% 15.2% 29.4% 15.2% 7.0% 22.3% 18.4% 22.5% 18.4% 22.5% 18.4% 22.5% 18.4% 22.5% 18.4% 4.4% 4.4% 4.4% 4.4% 4.4% 4.4% 4.4%	28.8% (4.0%) (0.5%) (7.3%) (27.3%) (20.1%) (188.8%) (159.7%) (104.3%) 0.0% 4.5% 8.0% 0.0% 3.8% 206 23 27	3.9% (12% 3.9% 7.3% 17% 12% 12% 12% 12% 12% 12% 12% 12% 12% 12	2.3% 1.7% 2.3% 5.3% 13% 10.2% 12.8% (32.9%) (29.4%) 1.4% 5.0% 9.7% 5.0% 5.0% 3.4%	4.3% 1175 3.8% 7.3% 3.8% 5.75 4.9% 75.9% 79.6% 4.40% 6.2% 0.0% 6.0%	4 4 7. 10 233. Et 22 22 4 9. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7.

Source(s): Company Documents and Stephens Inc.

Joshua Long, CFA, CMT, Analyst (713) 993-4230



## Chuy's (CHUY): OW-Rated; \$45 Price Target

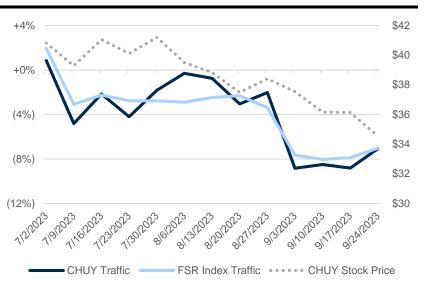


### **Our Thoughts Into The Quarter**

Stephens Focus: Our checks suggest Chuy's same-store sales were in the +LSD% range in July/August/Sept (vs. 3Q23 consensus expectations of +2.0%). That said, our conversation with operators suggest that Chuy's could be on the verge of unlocking comp tailwinds in the near-term quarters given the menu innovation efforts around the Chuy's Knock Out (CKO) value platform. Our checks suggest these items are easy on operations, offer better relative margins, and appear to be popular with customers across on- and off-premise channels. Said differently, the new menu innovation efforts appear to be working. We believe Chuy's could be positioned to deliver continued operational execution along with sales and margin performance to help the stock to work higher from here. From a multiple perspective, we note that CHUY shares are trading near the average of the stock's pre-Covid range.

Chuy's Traffic Trends Appear to Perform In-Line With Full Service Peers in 3Q: Chuy's 3Q23 traffic data appears to be relatively in-line with the FSR index while credit card data suggests trends trailed the FSR index.

#### 3Q23 CHUY Traffic vs. FSR Index Traffic

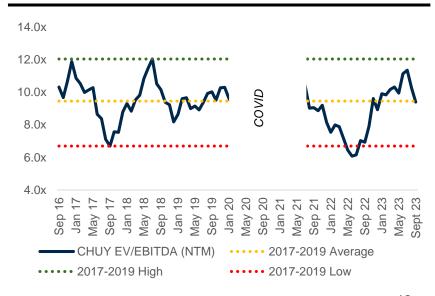


## **Stephens Estimates vs. Consensus**

CHUY		Fi	scal 3Q23E				F	iscal 2023E		
	Step	her	าร	C	Consensus	Step	he	ns	(	Consensus
	Prior		New	E	xpectations	Prior		New	Е	xpectations
SSS	+2.5%		+2.5%		+2.0%	+4.1%		+4.1%		+3.8%
Revenue in mil.	\$ 112.2	\$	112.2	\$	111.5	\$ 462.6	\$	462.6	\$	461.5
RLM	17.6%		18.0%		18.0%	19.4%		19.5%		19.4%
Adjusted EPS	\$ 0.34	\$	0.36	\$	0.36	\$ 1.83	\$	1.85	\$	1.84
			Increased					Increased		

Increasing Estimates & Maintaining Price Target: We are increasing our 3Q23 EPS estimate to \$0.36 (vs. \$0.34 prior) driven in part by our maintained expectations for a +2.5% comp (vs. the Street at +2.0%) where we believe momentum is being driven by new menu introductions and operational execution. Our +4.1% comp estimate for the year is maintained and above the Street at +3.8%. Our operating EPS for the year moves higher to \$1.85 (vs. \$1.83 prior and the Street at \$1.84). For FY24E, we are maintaining our revenue estimate at \$489.5 mil. and increasing our EPS estimate to \$1.92 vs. \$1.87 prior. We are maintaining our price target of \$45 based on ~12x our FY24E. From a valuation perspective, shares of CHUY have moved back in-line with the stock's pre-Covid average range of late. Similarly, the stock has held up well on a YTD basis relative to full service peers with CHUY shares up 18% vs. the SP500 at up 11%.

### **Historical EV/EBITDA (NTM, Consensus)**





## Chuy's (CHUY): OW-Rated; \$45 Price Target



Industry Note October 20, 2023

Chuy's Holdings, Inc. Earnings Model		2022	Actual			2023 Es	timates	Extra Week		2024 Est	imates			Fiscal Yea	ar Ended De	Extra Week cember	
Fiscal Year Ended December	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23E	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E	2020	2021	2022	2023E	2024E
Revised 10/19/23 (\$ millions)	03/27/22	06/26/22	09/25/22	12/25/22	03/25/23	06/25/23	09/23/23	12/31/23	03/29/24	06/28/24	09/27/24	12/28/24	52-wks	52-wks	52-wks	53-wks	52-wks
Company Owned Same-Store-Sales	+11.4%	+17%	+2.6%	+3.4%	+8.0%	+3.2%	+2.5%	+2.5%	+2.0%	+2.0%	+2.0%	+2.0%	(21.7%)	+24.5%	+4.8%	+4.1%	+2.0
Company Owned Same-Store-Sales (Two-Year)	+7.8%	+62.7%	+23.6%	+24.9%	+20.3%	+5.0%	+5.2%	+6.0%	+10.2%	+5.3%	+4.6%	+4.6%	(19.6%)	(4.9%)	+29.8%	+9.1%	+6.1
Company Owned Same-Store-Sales (Three-Year)	(2.6%)	+0.6%	(0.8%)	+2.0%	+16.5%	+67.9%	+26.7%	+28.0%	+22.7%	+7.1%	+7.3%	+8.1%	(19.5%)	(2.4%)	(0.2%)	+34.8%	+11.3
INCOME STATEMENT																	
Total Revenue	100.5	110.9	106.7	104.1	112.5	119.0	112.2	118.9	119.7	127.5	121.9	120.4	3210	396.5	422.2	462.6	489
Cost of Sales	26.2	30.9	29.1	28.6	28.7	29.4	28.8	30.3	30.5	31.8	317	30.7	79.0	96.5	114.9	117.3	124
Labor	29.8	32.3	32.4	31.8	34.1	35.2	35.2	36.9	36.6	38.1	37.5	37.6	98.2	113.6	126.2	141.3	149
Operating	16.2	17.5	17.4	17.3	18.1	18.9	18.3	19.6	19.3	20.4	19.9	20.1	50.4	59.6	68.4	74.9	79
Occupancy	7.7	7.6	7.5	7.3	7.9	8.1	8.0	8.3	8.6	8.7	8.5	8.4	29.4	29.3	30.0	32.3	34
Marketing	1.4	16	15	1.4	1.6	17	17	1.8	1.7	1.8	1.8	1.8	2.7	4.4	6.0	6.7	
Restaurant-Level Income	19.1	211	18.7	17.7	22.2	25.7	20.2	22.0	22.9	26.8	22.4	21.8	61.2	93.1	76.7	90.1	93
General and Administrative Expense	6.7	6.5	6.7	6.5	7.8	7.7	7.4	7.5	7.5	7.8	7.7	7.5	22.2	26.6	26.3	30.4	30
Restaurant Pre-Opening	0.1	0.3	0.3	0.6	0.5	0.6	0.6	1.1	0.7	0.8	0.9	1.3	1.8	1.7	1.4	2.7	3
Depreciation and Amortization	5.0	5.0	5.1	5.1	5.1	5.2	5.4	5.5	5.6	5.7	5.8	5.8	20.0	20.2	20.2	21.3	22
Other		-	-			-	-	<u> </u>		-	-			-		-	-
Operating Income	7.4	9.3	6.6	5.5	8.7	12.2	6.8	7.9	9.1	12.4	8.0	7.2	17.3	44.6	28.8	35.7	36
Interest Expense	0.0	(0.1)	(0.3)	(0.5)	(0.8)	(0.9)	(0.8)	(8.0)	(0.8)	(0.8)	(0.8)	(0.8)	0.3	0.1	(0.9)	(3.2)	(3
Income (Loss) Before Income Taxes	7.3	9.4	6.9	6.0	9.5	13.0	7.6	8.7	9.9	13.2	8.8	8.0	17.0	44.4	29.7	38.9	40
Income Tax Expense/(Benefit)	0.8	10	10	1.0	1.0	1.9	1.1	1.2	13	1.7	1.1	1.0	16	6.4	3.8	5.2	5
Operating Net Income	6.5	8.4	5.9	4.977	8.5	11.1	6.6	7.5	8.6	11.5	7.7	7.0	15.4	38.0	25.8	33.7	34
Non-Operating Items	(1.0)	(0.6)	(0.9)	(2.5)	(0.3)	(0.4)	-	<u> </u>		-	-		(18.7)	(7.8)	(5.0)	(0.7)	-
Reported Net Income	5.5	7.9	5.0	2.477	8.2	10.7	6.6	7.5	8.6	11.5	7.7	7.0	(3.3)	30.2	20.9	33.0	34
Basic Shares Outstanding	19.1	18.9	18.8	18.0	18.0	18.1	18.1	18.1	17.9	17.7	17.5	17.4	18.4	19.8	18.7	18.1	17
Diluted Shares Outstanding	19.3	19.0	18.7	18.2	18.2	18.2	18.1	18.1	18.1	18.1	18.1	18.1	18.5	20.1	18.8	18.2	10
EBITDA	12.3	14.3	11.7	10.6	13.9	17.4	12.2	13.4	14.7	18.1	13.8	13.0	37.3	64.8	49.0	57.0	59
Adjusted EBITDA	12.5	14.6	12.0	11.2	14.4	18.0	12.8	14.5	15.4	18.9	14.7	14.3	39.1	66.5	50.0	57.5	60
EPSOperating	\$ 0.34	\$ 0.44	\$ 0.32	\$ 0.27	\$ 0.47	\$ 0.61	\$ 0.36	\$ 0.41	\$ 0.48	\$ 0.63	\$ 0.42	\$ 0.38	\$ 0.83	\$ 1.89 \$	1.38	\$ 1.85	\$ 1.9
EPSExtraordinary	\$ (0.05)	\$ (0.03)	\$ (0.05)	\$ (0.14)	\$ (0.02)	\$ (0.02)	s -	s -	\$ -	s -	s -	\$ -	\$ (1.01)	\$ (0.39)	(0.26)	\$ (0.04)	s -
EPSReported	\$ 0.29	\$ 0.41	\$ 0.27	\$ 0.14	\$ 0.45	\$ 0.59	\$ 0.36	\$ 0.41	\$ 0.48	\$ 0.63	\$ 0.42	\$ 0.38	\$ (0.18)	\$ 1.50	\$ 1.11	\$ 1.82	\$ 1.92
M ARGIN ANALYSIS																	
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0
Cost of Sales	26.1%	27.8%	27.3%	27.5%	25.5%	24.7%	25.7%	25.5%	25.5%	24.9%	26.0%	25.5%	24.6%	24.3%	27.2%	25.4%	25.5
Labor	29.7%	29.1%	30.4%	30.5%	30.3%	29.5%	31.4%	31.0%	30.6%	29.9%	30.8%	31.2%	30.6%	28.7%	29.9%	30.6%	30.6
Operating	16.2%	15.8%	16.3%	16.6%	16.1%	15.9%	16.3%	16.5%		16.0%	16.3%	16.7%					
Occupancy	7.6%	0.00/		7.00/	7.00/	0.00/	7.40/		16.1%				15.7%	15.0%	16.2%	16.2%	
Marketing		6.8%	7.0%	7.0%	7.0%	6.8%	7.1%	7.0%	7.2%	6.8%	7.0%	7.0%	9.2%	7.4%	7.1%	7.0%	7.0
B 1 11 11	14%	15%	1.4%	1.4%	1.4%	14%	1.5%	7.0% 1.5%	7.2% 1.4%	14%	7.0% 1.5%	7.0% 1.5%	9.2% 0.9%	7.4% 1.1%	7.1% 1.4%	7.0% 1.5%	7.0 14
Restaurant-Level Income	19.0%	1.5% 19.1%	1.4% 17.5%	1.4% 17.0%	1.4% 19.7%	14% 216%	1.5% 18.0%	7.0% 1.5% 18.5%	7.2% 1.4% 19.2%	14% 210%	7.0% 1.5% 18.4%	7.0% 1.5% 18.1%	9.2% 0.9% 19.1%	7.4% 1.1% 23.5%	7.1% 1.4% 18.2%	7.0% 1.5% 19.5%	7.0 14 19.2
G&A	19.0% 6.6%	15% 19.1% 5.9%	1.4% 17.5% 6.3%	1.4% 17.0% 6.2%	1.4% 19.7% 6.9%	14% 216% 6.5%	1.5% 18.0% 6.6%	7.0% 1.5% 18.5% 6.3%	7.2% 1.4% 19.2% 6.3%	14% 210% 6.2%	7.0% 1.5% 18.4% 6.3%	7.0% 1.5% 18.1% 6.2%	9.2% 0.9% 19.1% 6.9%	7.4% 1.1% 23.5% 6.7%	7.1% 1.4% 18.2% 6.2%	7.0% 1.5% 19.5% 6.6%	7.0 1.4 19.2 6.2
G&A Restaurant Pre-Opening	19.0% 6.6% 0.1%	1.5% 19.1% 5.9% 0.3%	14% 17.5% 6.3% 0.2%	1.4% 17.0% 6.2% 0.6%	1.4% 19.7% 6.9% 0.4%	14% 216% 6.5% 0.5%	1.5% 18.0% 6.6% 0.5%	7.0% 1.5% 18.5% 6.3% 0.9%	7.2% 1.4% 19.2% 6.3% 0.6%	14% 210% 6.2% 0.7%	7.0% 15% 18.4% 6.3% 0.8%	7.0% 1.5% 18.1% 6.2% 1.1%	9.2% 0.9% 19.1% 6.9% 0.6%	7.4% 1.1% 23.5% 6.7% 0.4%	7.1% 1.4% 18.2% 6.2% 0.3%	7.0% 1.5% 19.5% 6.6% 0.6%	7.0 1.4 19.2 6.2 0.8
G&A Restaurant Pre-Opening Depreciation and Amortization	19.0% 6.6% 0.1% 5.0%	15% 19.1% 5.9% 0.3% 4.5%	1.4% 17.5% 6.3% 0.2% 4.8%	14% 17.0% 6.2% 0.6% 4.9%	1.4% 19.7% 6.9% 0.4% 4.6%	14% 216% 6.5% 0.5% 4.4%	1.5% 18.0% 6.6% 0.5% 4.8%	7.0% 1.5% 18.5% 6.3% 0.9% 4.7%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7%	14% 210% 6.2% 0.7% 4.5%	7.0% 1.5% 18.4% 6.3% 0.8% 4.8%	7.0% 1.5% 18.1% 6.2% 1.1% 4.8%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1%	7.1% 1.4% 18.2% 6.2% 0.3% 4.8%	7.0% 1.5% 19.5% 6.6% 0.6% 4.6%	7.0 14 19.2 6.2 0.8 4.7
G&A Restaurant Pre-Opening Depreciation and Amortization Other	19.0% 6.6% 0.1% 5.0% 0.0%	15% 19.1% 5.9% 0.3% 4.5% 0.0%	1.4% 17.5% 6.3% 0.2% 4.8% 0.0%	1.4% 17.0% 6.2% 0.6% 4.9% 0.0%	14% 19.7% 6.9% 0.4% 4.6% 0.0%	14% 216% 6.5% 0.5% 4.4% 0.0%	1.5% 18.0% 6.6% 0.5% 4.8% 0.0%	7.0% 1.5% 18.5% 6.3% 0.9% 4.7% 0.0%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0%	14% 210% 6.2% 0.7% 4.5% 0.0%	7.0% 1.5% 18.4% 6.3% 0.8% 4.8% 0.0%	7.0% 1.5% 18.1% 6.2% 1.1% 4.8% 0.0%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0%	7.1% 1.4% 18.2% 6.2% 0.3% 4.8% 0.0%	7.0% 1.5% 19.5% 6.6% 0.6% 4.6% 0.0%	7.0 14 19.2 6.2 0.8 4.7 0.0
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income	19.0% 6.6% 0.1% 5.0% 0.0% 7.3%	15% 19.1% 5.9% 0.3% 4.5% 0.0% 8.4%	1.4% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2%	1.4% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3%	14% 19.7% 6.9% 0.4% 4.6% 0.0%	14% 216% 6.5% 0.5% 4.4% 0.0%	15% 18.0% 6.6% 0.5% 4.8% 0.0%	7.0% 15% 18.5% 6.3% 0.9% 4.7% 0.0% 6.6%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7%	7.0% 15% 18.4% 6.3% 0.8% 4.8% 0.0%	7.0% 1.5% 18.1% 6.2% 1.1% 4.8% 0.0%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0%	7.1% 1.4% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8%	7.0% 1.5% 19.5% 6.6% 0.6% 4.6% 0.0%	7.0 14 19.2 6.2 0.8 4.7 0.0
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating income Interest Expense	19.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0%	15% 19.1% 5.9% 0.3% 4.5% 0.0% 8.4% (0.1%)	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%)	1.4% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%)	14% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%)	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%)	15% 18.0% 6.6% 0.5% 4.8% 0.0% 6.1% (0.7%)	7.0% 15% 18.5% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%)	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%)	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% (0.6%)	7.0% 15% 18.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%)	7.0% 1.5% 18.1% 6.2% 1.1% 4.8% 0.0% 6.0% (0.7%)	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0% 5.4% 0.1%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0%	7.1% 14% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%)	7.0% 1.5% 19.5% 6.6% 0.6% 4.6% 0.0% 7.7% (0.7%)	7.0 14 19.2 6.2 0.8 4.7 0.0 7.5 (0.7
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes	19.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0%	1.5% 19.1% 5.9% 0.3% 4.5% 0.0% 8.4% (0.1%) 8.5%	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%)	1.4% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%)	1.4% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%)	1.4% 21.6% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%)	15% 18.0% 6.6% 0.5% 4.8% 0.0% 6.1% (0.7%) 6.8%	7.0% 15% 18.5% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% (0.6%)	7.0% 15% 18.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%) 7.2%	7.0% 15% 18.1% 6.2% 1.1% 4.8% 0.0% 6.0% (0.7%) 6.6%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0% 5.4% 0.1%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0%	7.1% 14% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%)	7.0% 1.5% 19.5% 6.6% 0.6% 4.6% 0.0% 7.7% (0.7%)	7.0 14 19.2 6.2 0.8 4.7 0.0 7.5 (0.7
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit)	19.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 11.3%	1.5% 19.1% 5.9% 0.3% 4.5% 0.0% 8.4% (0.1%) 8.5% 10.3%	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5%	1.4% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7%	1.4% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%) 8.5%	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 10.9%	15% 18.0% 6.6% 0.5% 4.8% 0.0% 6.1% (0.7%) 6.8% 14.0%	7.0% 15% 18.5% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% (0.6%) 10.4% 13.0%	7.0% 15% 18.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%) 7.2%	7.0% 1.5% 18.7% 6.2% 1.1% 4.8% 0.0% 6.0% (0.7%) 6.6%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0% 5.4% 0.1% 5.3% 9.4%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.2% 14.5%	7.1% 14% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0%	7.0% 15% 19.5% 6.6% 0.6% 4.6% 0.0% 7.7% (0.7%) 8.4%	7.0 14 19.2 6.2 0.8 4.7 0.0 7.5 (0.7
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 113% 6.5%	1.5% 19.1% 5.9% 0.3% 4.5% 0.0% 8.4% (0.1%) 8.5% 10.3%	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 15.0%	1.4% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 16.8% 4.8%	1.4% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%) 8.5% 10.6% 7.6%	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 10.9% 14.7%	1.5% 18.0% 6.6% 0.5% 4.8% 0.0% 6.1% (0.7%) 6.8% 14.0%	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 14.0% 6.3%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3% 13.0%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% (0.6%) 10.4% 13.0%	7.0% 1.5% 18.4% 6.3% 6.8% 4.8% 0.0% 6.6% (0.7%) 7.2% 13.0% 6.3%	7.0% 1.5% 18.1% 6.2% 6.2% 4.8% 0.0% 6.0% 6.0% 5.6% 13.0% 5.8%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0% 5.4% 0.1% 5.3% 9.4% 4.8%	7.4% 1.1% 23.55% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.2% 9.6%	7.1% 14% 18.2% 6.2% 6.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 6.7%	7.0% 15% 19.5% 6.6% 0.6% 4.6% 0.0% 7.7% (0.7%) 8.4% 13.4%	7.0 14 19.2 6.2 0.8 4.7 0.0 7.5 (0.7 8.2 13.0
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Net Income	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 113% 6.5% (10%)	15% 19.1% 5.9% 0.3% 4.5% 0.0% 8.4% (0.1%) 8.5% 10.3% 7.6% (0.5%)	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 15.0% 5.5% (0.9%)	14% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 6.8% 4.8% (2.4%)	1.4% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%) 8.5% 10.6% 7.6% (0.3%)	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 10.9% 14.7% 9.3% (0.3%)	15% 18.0% 6.6% 0.5% 4.8% 0.0% 6.7% 6.8% 14.0% 5.9%	7.0% 15% 8.5% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 44.0% 6.3%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3% 13.0% 7.2%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% (0.6%) 10.4% 13.0% 9.0% 0.0%	7.0% 15% 18.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%) 7.2% 13.0% 6.3%	7.0% 15% 8.1% 6.2% 11% 4.8% 0.0% (0.7%) 6.6% 13.0% 5.8%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0% 5.4% 0.1% 5.3% 9.4% (5.8%)	7.4% 1.7% 23.5% 6.7% 0.4% 5.7% 0.0% 11.2% 11.2% 14.5% 14.5% (2.0%)	7.1% 14% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 6.1% (12%)	7.0% 15% 9.5% 6.6% 0.6% 4.6% 0.0% 7.7% (0.7%) 8.4% 13.4% 7.3% (0.7%)	7.0 14 19.2 6.2 0.8 4.7 0.0 (0.7 8.2 13.0 7.
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 113% 6.5%	15% 19.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 8.5% 10.3% 7.6% (0.5%)	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.0% (0.9%) 4.7%	14% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 18.8% 4.8% (2.4%) 2.4%	1.4% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%) 8.5% 10.6% 7.6% 7.6% 0.3%) 7.3%	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 10.9% 14.7% 9.3% (0.3%) 9.0%	15% 18.0% 6.6% 0.5% 4.8% 0.09% 6.1% (0.7%) 6.8% 14.0% 5.9% 0.0%	7.0% 15% 8.5% 6.3% 0.9% 4.7% 6.6% (0.7%) 7.3% 14.0% 6.3% 0.0%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3% 13.0% 7.2% 0.0% 7.2%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% 10.6% 9.0% 9.0% 9.0% 9.0% 9.0%	7.0% 15% 8.4% 6.3% 4.8% 0.0% 6.6% (0.7%) 7.2% 13.0% 6.3%	7.0% 15% 18.1% 6.2% 1.1% 4.8% 0.0% 6.0% (0.7%) 6.6% 13.0% 5.8%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0% 5.4% 0.1% 9.4% 4.8% (5.8% (10%)	7.4% 11% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.29% 14.5% 9.6% (2.0%)	7.1% 14% 18.2% 6.2% 6.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 6.1% (1.2%) 4.9%	7.0% 15% 19.5% 6.6% 0.6% 4.6% 0.0% (0.7%) 8.4% 13.4% 7.3% (0.7%) 7.7%	7.0 14 19.2 6.2 0.8 4.7 0.0 7.5 (0.7 8.2 13.0 7.7
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 113% 6.5% (10%) 5.5%	15% 9.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 7.6% (0.5%) 7.7%	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 15.0% 4.7% 4.7%	14% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 6.8% 4.8% (2.4%) 2.4%	14% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%) 8.5% 7.6% (0.3%) 7.3% 2.3%	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 10.9% 14.7% 9.3% (0.3%) 9.0%	15% 18.0% 6.6% 0.5% 4.8% 0.0% 6.8% 14.0% 5.9% 10.0%	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 4.0% 6.3% 0.0%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 13.0% 7.2% 0.0% 7.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% 6.6.8% 10.4% 13.0% 9.0% 9.0% 4.2%	7.0% 15% 18.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%) 7.2% 6.3% 6.3% 6.3% 11.4%	7.0% 15% 18.7% 6.2% 1.1% 4.8% 0.0% (0.7%) 6.6% (0.7%) 5.8% 0.0%	9.2% 0.9% 9.7% 6.9% 0.6% 6.2% 0.0% 5.4% 5.3% 9.4% (5.8%) (10%)	7.4% 11% 23.5% 6.7% 0.4% 5.1% 0.0% 112% 0.0% 112% 9.6% (2.0%) 7.6%	7.1% 14% 18.2% 6.2% 6.2% 6.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 6.1% (12%) 4.9% 11.6%	7.0% 15% 6.6% 0.6% 4.6% 0.0% 7.7% (0.7%) 8.4% 7.3% (0.1%) 7.1% 12.3%	7.0 14 19.2 6.2 0.8 4.7 0.0 7.5 (0.7 8.2 13.0 7.1
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 113% 6.5%	15% 19.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 8.5% 10.3% 7.6% (0.5%)	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.0% (0.9%) 4.7%	14% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 18.8% 4.8% (2.4%) 2.4%	1.4% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% (0.7%) 8.5% 10.6% 7.6% 7.6% 0.3%) 7.3%	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 10.9% 14.7% 9.3% (0.3%) 9.0%	15% 18.0% 6.6% 0.5% 4.8% 0.09% 6.1% (0.7%) 6.8% 14.0% 5.9% 0.0%	7.0% 15% 8.5% 6.3% 0.9% 4.7% 6.6% (0.7%) 7.3% 14.0% 6.3% 0.0%	7.2% 14% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3% 13.0% 7.2% 0.0% 7.2%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% 10.6% 9.0% 9.0% 9.0% 9.0% 9.0%	7.0% 15% 8.4% 6.3% 4.8% 0.0% 6.6% (0.7%) 7.2% 13.0% 6.3%	7.0% 15% 18.1% 6.2% 1.1% 4.8% 0.0% 6.0% (0.7%) 6.6% 13.0% 5.8%	9.2% 0.9% 19.1% 6.9% 0.6% 6.2% 0.0% 5.4% 0.1% 9.4% 4.8% (5.8% (10%)	7.4% 11% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.29% 14.5% 9.6% (2.0%)	7.1% 14% 18.2% 6.2% 6.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 6.1% (1.2%) 4.9%	7.0% 15% 19.5% 6.6% 0.6% 4.6% 0.0% (0.7%) 8.4% 13.4% 7.3% (0.7%) 7.7%	7.0 14 19.2 6.2 0.8 4.7 0.0 7.5 (0.7 8.2 13.0 7.1
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE	9.0% 6.6% 0.7% 5.0% 0.0% 7.3% 0.0% 7.3% 6.5% (10%) 5.5% 2.3%	15% 19.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 8.5% 10.3% (0.5%) 7.6% (0.5%) 12.9%	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.0% 4.7% 11.0%	14% 17.0% 6.2% 0.6% 4.9% (0.5%) 5.3% (0.5%) 6.8% 4.8% (2.4%) 2.4% 10.2% 10.8%	14% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% 10.6% 7.6% 10.3%, 7.3% 12.3% 12.8%	14% 216% 6.5% 0.5% 4.4% 0.0% 10.2% 10.9% 14.7% 9.3% (0.3%) 9.0% 14.6% 5.1%	15% 18.0% 6.6% 0.5% 4.8% 0.0% 6.1% (0.7%) 6.8% 14.0% 5.9% 10.9% 11.4%	7.0% 1.5% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 6.3% 14.0% 6.3% 11.3% 12.2%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3% 7.2% 7.2% 1.30% 7.2% 1.39%	14% 210% 62% 0.7% 4.5% 0.0% 9.7% (0.6%) 10.4% 13.0% 9.0% 9.0% 4.2% 14.9%	7.0% 1.5% 8.4% 6.3% 0.8% 4.8% 4.00% 6.6% 0.7% 7.2% 13.0% 6.3% 1.4% 12.1%	7.0% 15% 6.2% 1.1% 6.2% 1.1% 4.8% 4.8% (0.7%) 6.6% 13.0% 5.8% 10.0% 10.0%	9.2% 0.9% 0.8% 0.6% 6.2% 0.0% 5.4% 0.1% 5.3% 4.8% (5.8%) (10%) 116%	7.4% 1.7% 23.5% 6.7% 0.4% 5.7% 0.0% 11.2% 0.0% 11.29% (2.0%) 7.6% (6.3%	7. % 14% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 6. % (12.2%) 4.9% 11.6%	7.0% 15% 6.6% 0.6% 4.6% 4.0% 7.7% (0.7%) 8.4% 7.3% (0.1%) 7.1% 12.3%	7.0 14 19.2 0.8 4.7 0.0 (0.7 7.5 13.0 0.0 7.7 12.2
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) B efore Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 113% 6.5% (10%) 5.5% 2.3%	15% 19.7% 5.99% 0.3% 4.55% 0.0% 8.49% (0.7%) 8.59% (0.5%) 7.6% (0.5%) 7.2% 13.2% 2.6%	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.0% 1.0% 112%	14% 77.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 18.8% (2.4%) 2.4% 10.2% 10.8%	14% 19.7% 6.9% 0.4% 4.6% (0.7%) 8.5% 10.6% (0.3%) 7.3% 2.3% 2.8%	14% 216% 6.5% 6.5% 4.4% 0.0% 10.2% (0.7%) 10.9% (0.3%) 9.3% (1.6% 14.6% 7.3%	15% 8.0% 6.6% 6.6% 0.5% 4.8% 0.0% 6.8% (0.7%) 6.8% 5.9% 10.9% 11.4% 5.1%	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% 0.7% 7.3% 14.0% 6.3% 0.0% 6.3% 11.3%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 13.0% 7.2% 0.09% 7.2% 12.3% 12.9%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% (0.6%) 13.0% 9.0% 14.2% 14.9%	7.0% 1.5% 18.4% 6.3% 0.8% 0.0% 6.6% 7.2% 13.0% 6.3% 0.0% 6.3% 11.4% 12.7%	7.0% 15% 18.7% 6.2% 1.7% 6.2% 6.0% 6.0% 6.0% 6.0% 5.8% 1.0% 5.8% 1.0.9% 1.3%	9.2% 0.9% 6.9% 0.6% 6.2% 0.0% 5.4% 5.3% 9.4% (5.8%) (10%) 116% 2.2%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 14.5% (2.0%) 7.6% (2.0%) 7.6% 6.3%	7.% 14% 12.% 6.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 6.7% 6.7% 11.6% 11.8%	7.0% 15% 6.6% 0.6% 4.6% 0.0% 7.7% 8.4% 13.4% 13.4% 17.3% (0.1%) 7.3% 9.6%	7.0 14 9.2.6 6.2.6 0.8.4 4.7.7 7.5 13.0 0.0 7.7 12.2 12.3
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income Tax Expense/(Benefit) Operating Net Income Non-Operating Net Income Reported Net Income Reported Net Income BITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative	9.0% 6.6% 0.7% 5.0% 0.0% 7.3% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 2.4% (2.8%)	15% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.7% 19.2% 19	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.0% 15.0% 11.2% 4.7% 4.7% 4.7% 4.7% 4.7% 4.7% 4.7% 4.7	14% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 18.8% 4.8% 0.24% 10.2% 10.8%	14% 19.7% 6.9% 0.4% 4.6% 7.8% (0.7%) 8.5% 10.6% 7.3% 2.3% 2.8%	1.4% 2.16% 6.5% 4.4% 0.0% 10.2% (0.7%) 10.9% 14.7% (0.3%) 9.0% 14.6% 15.7%	1.5% 18.0% 6.6% 0.5% 4.8% 0.0% 6.1% (0.7%) 6.8% 14.0% 5.9% 10.9% 11.4%	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 11.0% 6.3% 11.3% 12.2%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 6.37% 13.0% 7.2% 12.3% 12.3% 6.4% 6.4% 6.4% (3.4%)	14% 210% 62% 0.7% 4.5% 0.0% 9.7% (0.6%) 10.4% 13.0% 9.0% 41.2% 7.2% 11.9%	7.0% 15% 8.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%) 7.2% 6.3% 13.0% 6.3% 11.4% 12.7% 8.7%	7.0% 15% 18.7% 6.2% 1.7% 4.8% 0.0% (0.7%) 6.6% (0.7%) 5.8% 10.8% 11.9%	9.2% 0.9% 19.7% 6.9% 0.6% 6.2% 0.0% 5.4% 0.7% 5.3% 4.8% (5.8%) (10%) 116% 2.2% (24.7%) (6.3%)	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.09% 11.2% 12.5% 9.6% 9.6% 16.3% 16.3% 23.5% 19.8%	7.% 14% 18.2% 6.2% 0.3% 4.8% (0.2%) 7.0% 6.8% (0.2%) 4.9% 1.16% 1.16% 1.16% 1.16%	7.0% 15% 9.5% 6.6% 0.6% 4.6% 0.0% 7.7% (0.7%) 8.4% 7.3% (0.7%) 7.7% 12.3% 12.3% 12.4%	7.0 14 19.2 0.8 4.7 0.0 0.7 5.5 13.0 7.7 7.7 12.2 12.3 5.8 8
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net income	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 2.4% (2.8%) (2.3.1%)	15% 15.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 7.6% 10.3% 7.7% 12.9% 13.2%	1.4% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 15.0% 1.0% 1.10% 1.12% 4.7% (4.2%) (3.4.8%) (3.4.8%)	14% 77.0% 6.2% 0.6% 4.9% 4.9% 5.3% (0.5%) 5.7% 6.8% 4.8% (2.4%) 2.4% 10.2% 10.8%	14% 19.7% 6.9% 0.4% 4.6% 0.0% 7.8% 10.7% 10.3% 7.6% 10.3% 7.3% 12.3% 12.8% 12.9% 13.9	1.4% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 13.3% 14.7% 9.3% 14.6% 15.5% 15.5%	15% 8.0% 8.0% 0.5% 4.8% 0.5% 4.8% 6.8% 6.8% 6.8% 6.8% 6.8% 6.8% 6.8% 6	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 6.3% 11.3% 12.2% 15.5% 50.3%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 7.6% 7.2% 13.10% 7.2% 12.3% 12.9% 6.4% (3.4%) 1.4%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% 10.4% 13.0% 9.0% 10.4% 13.0% 10.4% 10.9% 10.	7.0% 1.5% 1.5% 6.3% 0.8% 0.8% 0.0% 6.6% (0.7%) 7.2% 0.0% 6.3% 11.4% 12.7% 3.7% 3.7%	7.0% 15% 18.9% 6.2% 1.9% 6.2% 6.0% 6.0% 6.0% 6.0% 6.6% 6.6% 9.00% 5.8% 10.8% 11.9% 13.9% 13.9%	9.2% 0.9% 0.9% 0.6% 6.2% 0.0% 5.4% 4.8% (5.8%) (10%) 115% 12.2%	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.2% 9.6% (2.0%) 7.6% 16.3% 16.3% 19.8% 14.59%	7. % 14% 18.2% 6.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 6.7% 116% 116% 118%	7.0% 155% 6.6% 0.6% 0.0% 7.7% 0.07% 13.4% 7.3% (0.1%) 12.3% 12.3% 12.4%	7.0 14 19.2 6.2 0.8 0.0 0.0 7.5 7.7 7.7 7.7 12.2 2.3 5.8 6.2 6.2 6.2 6.2 6.2 6.2 6.2 6.2 6.2 6.2
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) B efore Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Net Income BITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net Income Operating Income Operating Income	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 11.3% 6.5% 1.23% 2.24% 14.6% (2.8%) (2.3.7%)	15% 15.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 10.3% (0.5%) 7.7% (0.5%) 13.2% (2.8%) (2.8%) (2.8%) (2.8%) (2.8%) (2.8%) (2.8%) (2.8%)	1.4% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.5% (0.9%) 4.7% 11.2% 4.7% (4.2%) (34.8%) (29.9%)	14% 77.0% 6.2% 0.6% 4.9% 5.3% (0.5%) 5.7% 16.8% 4.8% (2.4%) 2.4% 10.2% 10.8% 6.7% (36.9%) (30.8%)	14% 19.7% 6.9% 0.4% 4.6% 7.8% 0.7% 8.5% 10.6% 7.5% 12.3% 12.3% 12.3% 13.8% 13.8%	14% 216% 6.5% 0.5% 4.4% 4.9% 10.2% 10.7% 10.9% 14.7% 9.9% 15.7% 15.5% 15.5% 13.6% 37.6%	15% 8.0% 6.6% 4.8% 6.7% 6.8% 10.7% 5.9% 11.4% 15.5% 11.2% 11.2%	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% 0.7% 7.3% 11.3% 12.2% 14.2% 15.5% 50.3% 50.4%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 7.6% 7.2% 0.09% 7.2% 13.0% 7.2% 0.09% 7.2% 0.34% 14.9%	14% 210% 6.2% 0.7% 4.5% 9.7% 9.7% 10.4% 10.9% 10.4% 10.9% 10	7.0% 1.5% 18.4% 6.3% 0.8% 0.0% 6.6% 7.2% 13.0% 6.3% 0.0% 6.3% 11.4% 12.7%	7.0% 15% 18.7% 6.2% 1.7% 6.2% 1.8% 6.0% 6.0% 6.0% 6.0% 5.8% 1.0% 5.8% 1.0.8% 11.9%	9.2% 0.9% 0.6% 6.2% 0.0% 5.4% 0.7% 6.3% 9.4% (10%) 116% 12.2% (24.7%) (6.3%) (12.7%) (20.7%)	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 14.5% (2.0%) 7.6% (2.0%) 7.6% 16.3% 16.8%	7. % 14% 8.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% (12%) 4.9% (110%) 18% (10%) (32.7%) (32.7%)	7.0% 155% 6.6% 0.6% 0.0% 7.7% (0.7%) (0.7%) (0.1%) 7.2% 12.3% 12.4%	7.0 14 19.2 62.2 0.8 4.7 7.5 (0.7 7. 0.0 7. 13.0 7. 12.2 12.3 13.0 14.3 15.0 16.0 16.0 16.0 16.0 16.0 16.0 16.0 16
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues Operating Net income Operating Net income Operating Service	9.0% 6.6% 0.7% 5.0% 0.0% 7.3% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 12.4% (2.8%) (2.3.7%) (19.8%) (19.8%)	15% 15% 15.7	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.0% 11.0% 4.7% 11.2% 4.7% (4.2%) (34.8%) (29.9%) (28.4%)	14% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 18.8% 4.8% 2.4% 10.2% 5.5% 6.7% (36.9%) (30.8%) (28.7%)	14% 19.7% 6.9% 0.4% 4.6% 7.8% (0.7%) 8.5% 10.6% 7.8% 12.3% 12.3% 12.3% 38.8% 38.8% 38.8%	1.4% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 14.7% 9.3% 14.6% 5.1% 31.6% 31.6% 31.6%	15% 80% 80% 6.6% 0.5% 4.8% 0.5% 4.8% 0.5% 6.7% 0.7% 0.7% 0.7% 0.7% 0.7% 0.7% 0.7% 0	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 6.3% 11.0% 6.3% 11.2% 5.3% 5.3% 5.3% 5.3% 5.3%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 0.7% 7.2% 13.0% 7.2% 12.9% 6.3% 14.4% 14% 1.7% 5.5%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% 9.0% 13.0% 9.0% 14.2% 14.2% 14.5% 3.5% 3.6% 4.8%	7.0% 1.5% 18.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%) 7.2% 6.3% 11.4% 12.1% 8.7% 3.7% 17.0% 17.1%	7.0% 15% 18.7% 6.2% 1.7% 4.8% 0.0% 6.0% 6.0% 6.5% 5.8% 1.9% 5.8% 1.9% 6.8%) 6.8%) 6.8%) 6.8%) 6.8%)	9.2% 0.9% 9.7% 6.9% 0.6% 6.2% 0.0% 5.4% 4.8% (5.8%) (10%) 116% (2.4.7%) (6.3%) (2.7%) (2.7%) (2.7%) (4.3%)	7.4% 11% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.2% 9.6% 14.5% 9.6% 16.3% 16.8% 23.5% 19.8% 146.9% 17.3% 17.3%	7. % 14% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 6.1% 116% 116% 116% 118% 6.5% (10%) (32.1%) (27.4%)	7.0% 155% 6.6% 0.6% 0.0% 7.7% (0.7%) 8.4% 7.3% (0.8%) 7.8% 7.3% (0.8%) 12.4% 9.6% 9.6% 9.6% 9.6% 9.6% 9.6% 9.6% 9.6	7.0 14 19.2 0.8 0.0 7.5 (0.0 13.0 7.7 7.7 7.7 2.2 2.3 3.3 3.3 4.4.4
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income BBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating EYS BBITDA Adjusted EBITDA Adjusted EBITDA Adjusted EBITDA Adjusted EBITDA Adjusted EBITDA	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 2.4% (1.8%) (2.8%) (6.8%) (6.8%) (6.8%)	15% 15.7% 15	1.4%. 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 15.0% 1.5% (0.9%) 4.7% (4.2%) (3.48%) (29.9%) (28.4%) (28.4%) (28.4%)	14% 77.0% 6.2% 0.6% 4.9% 4.9% 6.0% 5.3% (0.5%) 5.7% 6.8% (2.4%) 2.4% 6.7% 6.7% 6.6.9% (30.8%) (28.7%) (24.9%)	14% 19.7% 6.9% 0.4% 4.6% 7.8% 10.7% 8.5% 10.6% 7.6% 12.3% 12.8% 12.9% 12.9% 12.9% 12.5% 13.88% 12.5% 13.88% 13.88% 14.5% 15.5%	14% 216% 6.5% 0.5% 0.5% 1.5% 1.4% 1.4% 1.2% 1.9% 1.9% 1.7% 1.3% 1.5% 1.5% 1.6% 1.6% 1.6% 1.6% 1.6% 1.6%	15% 80% 6.6% 4.8% 0.0% 6.8% 4.8% 6.8% 4.0% 6.8% 4.0% 6.8% 1.0% 6.8% 1.0% 6.8% 1.0% 6.8% 1.0% 6.8% 1.0% 6.6% 6.6% 6.6% 6.6% 6.6% 6.6% 6.6% 6	7.0% 15% 6.3% 0.9% 6.6% 6.07% 7.3% 0.0% 6.3% 11.3% 12.2% 14.2% 5.5% 50.3% 50.4% 26.9%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 7.6% 7.2% 7.2% 13.0% 7.2% 12.3% 12.9%	14% 210% 6.2% 0.7% 4.5% 9.7% 9.7% 9.7% 10.4% 13.0% 9.9% 14.9% 14.9% 14.9% 15.6% 15.6% 15.6% 15.6% 15.6%	7.0% 1.5% 1.4% 6.3% 0.8% 0.8% 6.6% (0.7%) 7.2% 6.3% 0.0% 6.3% 11.4% 12.7% 3.7% 17.0% 17.7% 17.0% 17.7%	7.0% 15% 18.9% 6.2% 1.9% 4.8% 0.0% 6.0% 6.0% 5.8% 13.0% 5.8% 0.0% 11.9% 13.9% (6.8%) (6.8%) (6.8%) (6.8%) (6.8%) (1.2%)	9.2% 0.9% 9.7% 6.9% 6.2% 0.0% 5.4% 4.8% (5.8%) (10%) 2.2% (24.7%) (6.3%) (2.7%) (4.3%) (4.3%) (4.3%) (6.8%) (6.8%)	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.2% 9.6% (2.0%) 7.6% 16.3% 16.3% 16.8% 23.5% 19.8% 7.3% 7.3% 7.3%	7. % 14% 18.2% 6.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 116% 118% 6.5% (10%) (2.7.4%) (2.4.4%) (2.4.8%)	7.0% 155% 6.6% 0.6% 0.0% 7.7% 0.7% 13.4% 7.3% 12.3% 12.4% 14.4% 15.4% 16	7.0 14 19.2 6.2 6.2 6.2 6.2 6.2 7.5 7.0 7.7 7.7 12.2 12.3 13.6 14.7 14.7 14.7 14.7 14.7 14.7 14.7 14.7
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) B efore Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Net Income BITDA Adjusted EBITDA Total Revenues General & Administrative Operating Net income Operating Income EBITDA Adjusted EBITDA Total Unit Growth	9.0% 6.6% 0.7% 5.0% 0.0% 7.3% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 12.4% (2.8%) (2.3.7%) (19.8%) (19.8%)	15% 15% 15.7	14% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 5.0% 11.0% 4.7% 11.2% 4.7% (4.2%) (34.8%) (29.9%) (28.4%)	14% 17.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 5.7% 18.8% 4.8% 2.4% 10.2% 5.5% 6.7% (36.9%) (30.8%) (28.7%)	14% 19.7% 6.9% 0.4% 4.6% 7.8% (0.7%) 8.5% 10.6% 7.8% 12.3% 12.3% 12.3% 38.8% 38.8% 38.8%	1.4% 216% 6.5% 0.5% 4.4% 0.0% 10.2% (0.7%) 14.7% 9.3% 14.6% 5.1% 31.6% 31.6% 31.6%	15% 80% 80% 6.6% 0.5% 4.8% 0.5% 4.8% 0.5% 6.7% 0.7% 0.7% 0.7% 0.7% 0.7% 0.7% 0.7% 0	7.0% 15% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 6.3% 11.0% 6.3% 11.2% 5.3% 5.3% 5.3% 5.3% 5.3%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 0.7% 7.2% 13.0% 7.2% 12.9% 6.3% 14.4% 14% 1.7% 5.5%	14% 210% 6.2% 0.7% 4.5% 0.0% 9.7% 9.0% 13.0% 9.0% 14.2% 14.2% 14.5% 3.5% 3.6% 4.8%	7.0% 1.5% 18.4% 6.3% 0.8% 4.8% 0.0% 6.6% (0.7%) 7.2% 6.3% 11.4% 12.1% 8.7% 3.7% 17.0% 17.1%	7.0% 15% 18.7% 6.2% 1.7% 4.8% 0.0% 6.0% 6.0% 6.5% 5.8% 1.9% 5.8% 1.9% 6.8%) 6.8%) 6.8%) 6.8%) 6.8%)	9.2% 0.9% 9.7% 6.9% 0.6% 6.2% 0.0% 5.4% 4.8% (5.8%) (10%) 116% (2.4.7%) (6.3%) (2.7%) (2.7%) (2.7%) (4.3%)	7.4% 11% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 0.0% 11.2% 9.6% 14.5% 9.6% 16.3% 16.8% 23.5% 19.8% 146.9% 17.3% 17.3%	7. % 14% 18.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 6.1% 116% 116% 116% 118% 6.5% (10%) (32.1%) (27.4%)	7.0% 155% 6.6% 0.6% 0.0% 7.7% (0.7%) 8.4% 7.3% (0.8%) 7.8% 7.3% (0.8%) 12.4% 9.6% 9.6% 9.6% 9.6% 9.6% 9.6% 9.6% 9.6	7.0 14 19.2 6.2 6.2 6.2 6.2 7.5 6.0 7.5 7.0 7.7 12.2 12.3 13.0 14.3 14.4 14.4 14.4 14.4 14.4 14.4 14.4
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income BEITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues Operating Net income Operating PS EBITDA Adjusted EBITDA Total Change Operating PS EBITDA Adjusted EBITDA Total Unit Growth UNIT DATA	9.0% 6.6% 0.7% 5.0% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 14.6% (2.28%) (2.3 Pa) (6.6%) (6.6%)	15% 15.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 10.5% 10.5% 12.9% 12.2% (2.8%) (2.8%) (2.8%) (3.3.7%) (3.0.7%) (3.0.7%) (3.0.7%)	1.4% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% 6.5% 5.5% (0.3%) 4.7% 11.0% 4.7% (4.2%) (34.8%) (29.5%) (28.3%) 1.0%	14% 7.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 6.8% 4.8% (2.4%) 10.2% 10.8% 6.7% (36.9%) (30.8%) (30.8%) (28.7%) (24.9%) (2.1%)	14% 19.7% 6.9% 0.4% 4.6% 4.6% 7.8% 10.6% 7.5% 10.5% 12.3% 12.3% 12.3% 12.8% 13.3% 13.3% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8%	14% 216% 6.5% 0.5% 0.5% 0.0% 10.2% 10.7% 10.9% 10.7% 10.3% 1	15% 8.0% 6.6% 0.5% 4.8% 4.0% 6.8% 10.0% 5.5% 10.9% 11.4% 11.2% 11.2% 11.2% 11.2% 11.2% 11.2% 11.2%	7.0% 1.5% 18.5% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 6.3% 11.0% 6.3% 12.2% 14.2% 5.5% 50.3% 50.4% 26.9% 29.2% 4.1%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3% 7.2% 12.9% 12.3% 12.9% 6.4% (3.4%) 14% 17% 5.5% 7.2% 4.0%	14% 210% 6.2% 0.7% 4.5% 4.5% 9.7% 10.4% 10.4% 10.0% 10.4% 10.9% 10.4% 10.9% 10	7.0% 1.5% 18.4% 6.3% 0.8% 6.6% 6.6% 6.7% 7.2% 6.3% 1.4% 12.7% 7.0% 7.7% 7.0% 7.8% 7.0%	7.0% 15% 18.76 6.2% 1.76 6.2% 1.76 6.0% 6.0% 6.0% 6.0% 13.0% 5.8% 10.8% 11.9% 1.3% 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.9%	9.2% 0.9% 0.9% 0.6% 6.2% 0.0% 5.4% 4.8% (5.8%) (10%) 116% 12.2% (24.7%) (6.3%) (2.7%) (8.3%) (8.8%) (8.9%)	7.4% 11% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 11.2% 9.6% 14.5% 9.6% 16.3% 16.3% 16.8% 17.3% 18.8% 18.8%	7. % 14% 18.2% 6.2% 6.2% 0.3% 4.8% 0.0% 6.8% 6.1% 1.2% 1.6% 1.1% 1.5% 1.6% 1.8% 1.5% 1.6% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2	7.0% 155% 6.6% 0.6% 0.0% 7.7% (0.7%) 8.4% 7.3% (0.1%) 7.8% 2.3% 2.4% 30.4% 34.6% 5.6% 4.6% 4.6% 5.6% 4.6% 5.6% 5.6% 5.6% 5.6% 5.6% 5.6% 5.6% 5	7.0 144 19.2 2.3 14.4 14.6 14.6 14.6 14.6 14.6 14.6 14.6
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income BITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating EPS EBITDA Adjusted EBITDA Total Unit DaTA Company-Owned Units (Beginning)	9.0% 6.6% 0.1% 5.0% 0.0% 7.3% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 2.4% (1.8%) (2.8%) (6.8%) (6.8%) (6.8%)	15% 15.7% 15	1.4%. 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% (0.3%) 6.5% 15.0% 1.5% (0.9%) 4.7% (4.2%) (3.48%) (29.9%) (28.4%) (28.4%) (28.4%)	14% 77.0% 6.2% 0.6% 4.9% 4.9% 5.3% 5.7% 18.8% (2.4%) 2.4% 10.2% 10.8% 5.5% 6.7% (36.9%) (30.8%) (28.7%) (24.9%) 2.7%	14% 19.7% 6.9% 0.4% 4.6% 7.8% 10.7% 8.5% 10.6% 7.6% 10.3% 7.3% 12.3% 12.8% 12.9% 12.9% 13.88% 14.5% 15	14% 216% 6.5% 0.5% 0.5% 1.5% 1.4% 1.4% 1.2% 1.9% 1.9% 1.7% 1.3% 1.5% 1.5% 1.6% 1.6% 1.6% 1.6% 1.6% 1.6%	15% 80% 6.6% 4.8% 0.0% 6.8% 4.8% 6.8% 4.0% 6.8% 4.0% 6.8% 1.0% 6.8% 1.0% 6.8% 1.0% 6.8% 1.0% 6.8% 1.0% 6.6% 6.6% 6.6% 6.6% 6.6% 6.6% 6.6% 6	7.0% 15% 18.5% 6.3% 0.9% 4.7% 0.0% 6.6% 6.6% 6.3% 0.0% 6.3% 11.3% 12.2% 14.2% 5.5% 50.3% 50.4% 26.9% 4.1%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% 7.6% 7.2% 7.2% 13.0% 7.2% 12.3% 12.9%	14% 210% 6.2% 0.7% 4.5% 9.7% 9.7% 10.4% 10.9% 10.9% 10.9% 10.9% 14.9% 14.2% 14.2% 15.6% 16.6% 16.6%	7.0% 1.5% 18.4% 6.3% 0.8% 6.6% (0.7%) 7.2% 6.3% 0.0% 6.3% 14.4% 12.7% 8.7% 3.7% 5.3% 5	7.0% 15% 18.9% 6.2% 1.9% 6.0% 6.0% 6.0% 6.0% 5.8% 13.0% 5.8% 0.0% 5.8% 10.8% 11.9% 13% (6.8%) (6.8%) (6.8%) (6.8%) (6.9%	9.2% 0.9% 19.76 6.9% 0.6% 6.2% 0.0% 5.4% 4.8% (5.8%) (10%) 116% 2.2% (24.7%) (20.7%) (4.3%) (6.8%) (6.8%) (6.8%) (8.0%)	7.4% 1.1% 23.5% 6.7% 0.4% 5.1% 0.0% 112% 0.0% 112% 1.26% 9.6% (2.0%) 7.6% 16.3% 16.3% 16.8% 23.5% 19.8% 73.8% 73.8% 70.3% 4.3%	7. % 14% 8.2% 6.2% 6.2% 0.3% 4.8% 0.0% 6.8% (0.2%) 7.0% 12.9% 116% 116% 118% 6.5% (10%) (27.4%) (24.4%) (24.4%) (24.4%) (24.5%)	7.0% 155% 6.6% 0.6% 0.0% 7.7% (0.7%) 8.4% 13.4% 12.3% 12.4% 13.3% 12.4% 14.4% 15.0% 16.3% 16.3% 16.3%	7.0 1.4 1.5 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6
G&A Restaurant Pre-Opening Depreciation and Amortization Other Operating Income Interest Expense Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Net Income BITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net Income Operating Income EBITDA Adjusted EBITDA Total Revenues General & Administrative Operating PS EBITDA Adjusted EBITDA Total Unit Growth	9.0% 6.6% 0.7% 5.0% 0.0% 7.3% 6.5% (10%) 5.5% 2.3% 14.6% (2.28%) (2.3 Pa) (6.6%) (6.6%)	15% 15.7% 5.9% 0.3% 4.5% 0.0% 8.4% (0.7%) 10.5% 10.5% 12.9% 12.2% (2.8%) (2.8%) (2.8%) (3.3.7%) (3.0.7%) (3.0.7%) (3.0.7%)	1.4% 17.5% 6.3% 0.2% 4.8% 0.0% 6.2% 6.5% 5.5% (0.3%) 4.7% 11.0% 4.7% (4.2%) (34.8%) (29.5%) (28.3%) 1.0%	14% 7.0% 6.2% 0.6% 4.9% 0.0% 5.3% (0.5%) 6.8% 4.8% (2.4%) 10.2% 10.8% 6.7% (36.9%) (30.8%) (30.8%) (28.7%) (24.9%) (2.1%)	14% 19.7% 6.9% 0.4% 4.6% 4.6% 7.8% 10.6% 7.5% 10.5% 12.3% 12.3% 12.3% 12.8% 13.3% 13.3% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8% 13.8%	14% 216% 6.5% 0.5% 0.5% 0.0% 10.2% 10.7% 10.9% 10.7% 10.3% 1	15% 8.0% 6.6% 0.5% 4.8% 4.0% 6.8% 10.0% 5.5% 10.9% 11.4% 11.2% 11.2% 11.2% 11.2% 11.2% 11.2% 11.2%	7.0% 1.5% 18.5% 6.3% 0.9% 4.7% 0.0% 6.6% (0.7%) 7.3% 6.3% 11.0% 6.3% 12.2% 14.2% 5.5% 50.3% 50.4% 26.9% 29.2% 4.1%	7.2% 1.4% 19.2% 6.3% 0.6% 4.7% 0.0% 7.6% (0.7%) 8.3% 7.2% 12.9% 12.3% 12.9% 6.4% (3.4%) 14% 17% 5.5% 7.2% 4.0%	14% 210% 6.2% 0.7% 4.5% 4.5% 9.7% 10.4% 10.4% 10.0% 10.4% 10.9% 10.4% 10.9% 10	7.0% 1.5% 18.4% 6.3% 0.8% 6.6% 6.6% 6.7% 7.2% 6.3% 1.4% 12.7% 7.0% 7.7% 7.0% 7.8% 7.0%	7.0% 15% 18.76 6.2% 1.76 6.2% 1.76 6.0% 6.0% 6.0% 6.0% 13.0% 5.8% 10.8% 11.9% 1.3% 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.8%) 6.9%	9.2% 0.9% 0.9% 0.6% 6.2% 0.0% 5.4% 4.8% (5.8%) (10%) 116% 12.2% (24.7%) (6.3%) (2.7%) (8.3%) (8.8%) (8.9%)	7.4% 11% 23.5% 6.7% 0.4% 5.1% 0.0% 11.2% 11.2% 9.6% 14.5% 9.6% 16.3% 16.3% 16.8% 17.3% 18.8% 18.8%	7. % 14% 18.2% 6.2% 6.2% 0.3% 4.8% 0.0% 6.8% 6.1% 1.2% 1.6% 1.1% 1.5% 1.6% 1.8% 1.5% 1.6% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2% 1.2	7.0% 155% 6.6% 0.6% 0.0% 7.7% (0.7%) 8.4% 7.3% (0.1%) 7.8% 2.3% 2.4% 30.4% 34.6% 5.6% 4.6% 4.6% 5.6% 4.6% 5.6% 5.6% 5.6% 5.6% 5.6% 5.6% 5.6% 5	6.3.70 7.00 144 19.2.0 8.2.0 8.2.0 10.0 7.5.0 13.0 10.0 10.0 10.0 10.0 10.0 10.0 10

Source: Company reports and Stephens Inc. estimates.

Joshua Long, CFA, CMT, Analyst (713) 993-4230



## Kura Sushi (KRUS): OW/Vol.-Rated; \$95 Price Target

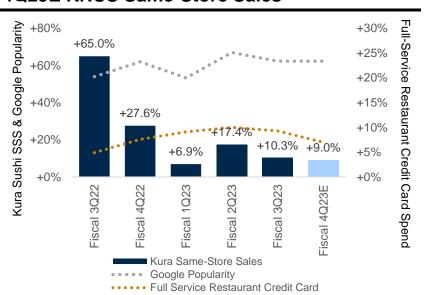


## **Our Thoughts Into The Quarter**

**Stephens Focus:** We view Kura Sushi as a compelling restaurant growth story. Heading into the quarter we believe the company is positioned for continued strength in sales, traffic, and new unit development. From an estimate perspective, we have maintained our revenue and same-store sales estimates into the quarter. On its last call, the company discussed June comps were running at +14.7% for the 4Q23-to-date period. Our maintained +9% comp estimate bakes in an assumption of +14.7% for June, +6.5% in July, and +5.5% in August. We believe that there could upside to our and street top-line estimates as the company leverages more mainstream brand collaborations and continues to execute against its efforts to improve the efficiency and reach of its marketing. See the following page for an updated view on the company's recent collaboration partnerships.

**New Unit Development Progressing:** We believe the company's new unit pipeline remains in good shape. See the following page for a deeper dive into our proprietary unit scraping analysis as it relates to development for the fiscal 4Q23 period.

#### 4Q23E KRUS Same-Store Sales

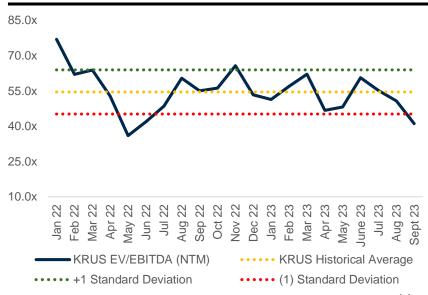


## Stephens Estimates vs. Consensus

KRUS		Fis	cal 4Q23E				Fis	scal 2023E		
	Step	hen	S	С	onsensus	Step	hen	S	Co	nsensus
	Prior		New	Ex	pectations	Prior		New	Exp	ectations
SSS	+9.0%		+9.0%		+9.6%	+10.9%		+10.9%		+11.0%
Revenue in mil.	\$ 55.5	\$	55.5	\$	55.8	\$ 188.0	\$	188.0	\$	188.3
RLM	17.5%		17.7%		17.7%	15.3%		15.4%		15.4%
Adjusted EPS	\$ 0.22	\$	0.24	\$	0.24	\$ 0.11_	\$	0.13	\$	0.13
		I	ncreased				lı	ncreased		

Increasing Estimates & Maintaining Price Target: We are maintaining our +9.0% comp estimate which is a touch below consensus expectations at +9.6% (noting there are only 3 analysts in the consensus data set we are referencing with a range of +9.0%-+10%). We have moved our store-level margin estimates up marginally as food cost inflation has slowed, the labor environment has largely stabilized, and we believe the company continues to dial in operational execution at the store-level. Our 4Q23 EPS estimate moves higher to \$0.24 (vs. \$0.22 prior). For FY24, we are maintaining our revenue estimate at \$237.4 mil. and increasing our EPS estimate to \$0.40 vs. \$0.33 prior reflecting our now higher restaurant-level margin assumption of 15.6% vs. 15.3% prior. Our maintained \$95 price target is based on our 11-year DCF. From a multiple perspective, KRUS shares are now trading near the one standard deviation below the stock's average multiple since the beginning of 2022 (noting this time frame was chosen in an attempt to avoid Covid-related disruptions).

### Historical EV/EBITDA (NTM, Consensus)



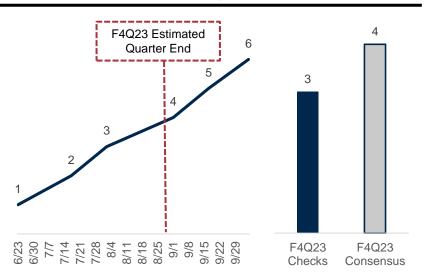


## Commentary

**Unit Analysis:** Kura's FY23 new store guidance is 9-11 new units for the year (midpoint of 25%). A reminder, Kura has opened 6 units for the fiscal year in F1Q23 (+2), F2Q23 (+3), and F3Q23 (+1). Regarding F4Q23, we calculated 3 net openings in F4Q23E (vs. consensus of 4). That said, we believe the slight miss is due to timing as we estimate the F4Q23 quarter close of 8/31/23 and the company has opened additional units on 9/1/23, 9/17/23, and 10/5/23.

**Growing Collaboration Pipeline:** Kura has a stated goal of capturing a greater number of first-time guests in FY23. We believe a refined approach to targeted marketing, search engine optimization, and strengthened engagement across digital marketing channels are likely to prove the most impactful within this overarching strategy. Although it remains early, we believe the company is gaining traction through its initial efforts. In part, we believe the company's collaborations pipeline with a growing list of impressive partner brands (including Hello Kitty, anime hits Demon Slayer & My Hero Academia, DC Comics, and Jujutsu Kaisen as examples) can help drive awareness, customer traffic, and revenue, going forward (below).

## **F4Q23 New Unit Openings**



## **Driving Top-Line Momentum With Expanded Reach + Growing Collaboration Pipeline**

	Fis	cal Period	Coll	aboration Pipe	line		Social Media Followers (in Millions)						
Hello Kitty Holds an Impressive	Quarter	Start - End Date	Partner	Start	End	Days	Twitter	Instagram	TikTok	Facebook	Total	Average	
Global Fan Base	F3Q22	2/29/2022	Hello Kitty	2/1/2022	3/29/2022	56	0.3	3.0	2.5	12.0	17.8		
Global Fall Bass 7		5/31/2022	Origami Crane	4/6/2022	4/26/2022	20	0.0	0.0	0.0	0.0	0.0		
			Puglie Pug	4/11/2022	6/2/2022	52	0.0	0.0	0.0	0.0	0.1	6.0	
First Iteration of Demon Slayer	F4Q22	6/1/2022	Puglie Pug	4/11/2022	6/2/2022	52	0.0	0.0	0.0	0.0	0.1		
Collab Very Popular		8/31/2022	Demon Slayer	7/1/2022	8/20/2022	50	1.5	0.5	0.3	1.3	3.6	1.8	
	F1Q23	9/1/2022	Pacman	9/1/2022	10/23/2022	52	0.0	0.1	0.0	7.1	7.2		
Tetris Holds Multi-Generational		11/30/2022	Tetris	11/1/2022	12/22/2022	51	0.0	0.0	0.0	1.7	1.8	4.5	
Appeal	F2Q23	12/1/2022	Tetris	11/1/2022	12/22/2022	51	0.0	0.0	0.0	1.7	1.8		
		2/28/2023	My Heros Academia	2/1/2023	3/14/2023	41	1.6	1.0	0.2	1.3	4.1	2.9	
2 <sup>nd</sup> Iteration of Highly Popular	F3Q23	2/29/23	My Heros Academia	2/1/2023	3/14/2023	41	1.6	1.0	0.2	1.3	4.1		
Demon Slayer Collab		5/31/2023	Demon Slayer	4/1/2023	5/23/2023	52	1.5	0.5	0.3	1.3	3.6	3.8	
,	F4Q23E	6/1/2023	We Bare Bears	6/1/2023	7/31/2023	60	0.0	0.6	0.0	1.6	2.2		
DC Comics Has 2 <sup>nd</sup> Largest		8/31/2023	DC Comics	8/8/2023	9/20/2023	43	5.7	0.6	1.7	6.5	14.5	8.4	
Reach of Collab Partnerships	F1Q24E	9/1/2023	DC Comics	8/8/2023	9/20/2023	43	5.7	0.6	1.7	6.5	14.5		
Jujutsu Kaisen has a strong IG		11/30/2023	Jujutsu Kaisen	10/1/2023	TBD	nm	0.3	2.3	0.6	0.6	3.9	9.2	
Following		_								<u> </u>			



## Kura Sushi (KRUS): OW/Vol.-Rated; \$95 Price Target



Industry Note October 20, 2023

Kura Sushi USA, Inc. Earnings Model		2022	Actual			2023 Es	timata —			2024 Es	timata .			Figure	ear Ended A	. uguat	
· ·				1000	40.00			1000	400-15			100-					00015
Fiscal Year Ended August	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	1Q24E	2Q24E	3Q24E	4Q24E	2020	2021	2022	2023E	2024E
Revised 10/19/23 (\$ millions)	11/30/21	02/28/22	05/31/22	08/31/22			05/31/23	08/31/23	11/30/23	02/28/24	05/30/24	08/30/24	52-wks	52-wks	52-wks	52-wks	52-wks
Company-Owned Same-Store Sales	+154.0%	+183.0%	+65.0%	+27.6%	+6.9%	+17.4%	+10.3%	+9.0%	+6.0%	+4.0%	+3.0%	+3.0%	(37.8%)	+16.0%	+81.9%	+10.9%	+4.09
Company-Owned Same-Store Sales (2-Yr Stack)	+25.0%	+12.6%	+817.4%	+398.9%	+171.5%	+232.2%	+82.0%	+39.1%	+13.3%	+22.1%	+13.6%	+12.3%	+22.6%	(27.8%)	+111.0%	+101.7%	+15.3%
Company-Owned Same-Store Sales (3-Yr Stack)	+34.8%	+24.8%	+33.9%	+36.2%	+33.6%	+32.2%	+911.9%	+443.8%	+187.8%	+245.5%	+87.5%	+43.3%	(30.5%)	(22.8%)	+312%	+134.0%	+109.8%
INCOMESTATEMENT	\$ 29.8				\$ 39.3					\$ 54.2			\$ 45.2			\$ 188.0	\$ 237.4
Revenue	Ψ 20.0	\$ 31.3	\$ 38.0	\$ 42.0	<b>Q</b> 00.0	\$ 43.9	49.2	\$ 55.5	\$ 50.6	Ψ 0	\$ 64.3	\$ 68.4	ų .o. <u>.</u>	\$ 64.9	\$ 141.1		Ψ 201
Food and Beverage Costs	9.0	9.4	11.3	12.9	12.4 12.5	13.2	14.8	16.7	15.7	16.3	19.2	20.4	14.7	20.7	42.5	57.1	71.6
Labor & Related	9.7	10.3	11.8	12.2		13.9	14.4	16.1	16.0	17.0	18.9	20.0	18.7	16.4	44.0	56.8	71.9
Occupancy & Related	2.2	2.3	2.7	2.7 1.4	2.9 1.6	3.1	3.6	3.9	3.7 2.3	3.8	4.6	4.9	6.4	7.1	9.9	13.4	17.0
Depreciation & Amortization (Store-Level)	1.2 3.6	13 4.3	1.4 4.4	1.4 5.2	1.6 5.3	1.8 5.9	2.0 6.2	2.1 6.9	2.3 6.7	2.3 6.8	2.4 8.0	2.7	3.0 6.7	4.1 10.4	5.3 17.5	7.4 24.3	9.8 30.1
Other Restaurant-Level Costs	4.2	3.7	6.5	7.6	4.6	6.2	8.4	9.8	6.2	7.9	11.2	8.6 11.8	(4.3)	6.1	21.9	24.3	30.1
Restaurant-Level Income				-													
General & Administrative	5.4	5.5	5.9	5.4	6.6	7.1	7.0	7.8	8.4	8.4	9.0	9.6	12.1	21.3	22.1	28.5	35.3
Depreciation & Amortization	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.4	0.4	0.4	0.5
Impairment of Long-Lived Assets & Other	(1.3)	(40)	-	2.1	(2.2)	(10)	1.3	1.9	(0.0)	- (0.0)		2.1	(40.5)	(45.0)	- (0.0)	0.0	1.2
Operating Income		(1.9)	0.5						(2.3)	(0.6)	2.1		(16.5)	(15.6)	(0.6)		
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.2
Interest Income	0.0	0.0	0.0	0.1 2.1	0.1	0.1	0.4	0.9 2.8	0.9	0.9	0.9 2.9	0.9	0.5	0.0	0.2	1.5	3.6 4.6
Income (Loss) Before Income Taxes	(1.3) 0.0	(19) 0.0	0.5 (0.0)	2.1 0.1	(2.1) 0.0	(10) 0.0	1.7 0.0	0.0	(1.5) 0.0	0.2	2.9 0.0	3.0	(16.2) 1.2	(15.8) 2.7	(0.5) 0.1	1.4 0.1	
Income Tax Expense/(Benefit)				2.1			1.7	2.8		0.0	2.9	0.0				1.3	0.1 4.6
Operating Net Income Non-Operating Items	(13)	(1.9)	0.5	2.1 0.2	(2.1)	(10)	1.7	2.8	(1.5)	0.2	2.9	3.0	(17.4)	(18.5) (8.1)	(0.6) 0.2	1.3	4.6
Reported Net Income	(1.3)	(1.9)	0.5	1.9	(2.1)	(10)	1.7	2.8	(1.5)	0.2	2.9	3.0	(17.4)	(8.1)	(0.8)	13	4.6
Shares Outstanding Fully Diluted	(1.3) 9.7	(1.9) 9.7	0.5 10.1	1.9	(2.1) 9.8	(1.0) 9.8	1.7	2.8 11.5	(1.5) 11.5	11.5	2.9 11.5	3.0 11.5	(17.4)	(10.4)	9.9	1.3	4.6 11.5
Shares Outstanding Fully Diluted Shares Outsanding GAAP	9.7	9.7	9.7	9.7	9.8	9.8	10.8	11.5	11.5	11.5	11.5	11.5	8.3	8.5	9.9	10.5	11.5
Snares Outsanding GAAP	9.7	9.7	9.7	9.7	9.8	9.8	10.5	71.5	TI.5	TI.5	71.5	TL5	8.3	8.5	9.7	10.4	TI.5
EBITDA	(0.0)	(0.5)	1.9	3.6	(0.5)	0.8	3.4	4.2	0.1	1.8	4.6	5.0	(13.3)	(11.1)	5.0	7.8	11.5
		(,	3.2		()	2.3	5.4		19	3.6			(12.5)	(7.9)	9.2	7.8 14.0	18.7
Adjusted EBITDA EPSOperating	0.8 \$ (0.13)	0.4 \$ (0.19)		4.8 \$ 0.21	0.6 \$ (0.21)	\$ (0.10)	0.1	6.0 \$ 0.24	\$ (0.13)		\$ 0.25	6.8 \$ 0.26	\$ (2.08)		9.2 \$ (0.06)		\$ 0.40
EPSExtraordinary	\$ (0.13) \$ -	\$ (0.19)	\$ 0.05	\$ 0.21		\$ (0.10)	D.10	\$ 0.24	\$ (0.13) \$ -	\$ 0.02 \$ -	\$ 0.25	\$ 0.26	\$ (2.08)	. ,	\$ (0.06) \$ 0.02	\$ 0.13	\$ 0.40
EPSReported	\$ (0.13)	\$ (0.19)	\$ 0.05	\$ 0.02	\$ (0.21)	Ψ	\$ - \$ 0.16	\$ 0.24		Ÿ	\$ 0.25	\$ 0.26	\$ (2.08)	\$ (0.94)		\$ 0.13	\$ 0.40
Lr 3Kepotteu	φ (0.13)	\$ (0.19)	φ 0.03	φ 0.15	φ (0.21)	\$ (0.10)	φ 0.10	\$ 0.24	\$ (0.13)	ŷ 0.02	φ 0.23	\$ 0.20	φ (2.00)	φ (1.22)	\$ (0.00)	φ 0.13	φ 0.40
MARGIN ANALYSIS																	
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Food and Beverage Costs	30.0%	30.0%	29.7%	30.7%	31.6%	30.1%	30.0%	30.0%	310%	30.1%	29.9%	29.8%	32.6%	31.9%	30.1%	30.4%	30.2%
Labor & Related	32.5%	33.1%	31.0%	28.9%	31.9%	31.5%	29.2%	29.0%	317%	31.3%	29.4%	29.3%	413%	25.3%	31.2%	30.2%	30.3%
Occupancy & Related	7.4%	7.4%	7.1%	6.5%	7.3%	7.0%	7.2%	7.0%	7.3%	7.1%	7.1%	7.1%	14.1%	10.9%	7.0%	7.1%	7.2%
Depreciation & Amortization (Store-Level)	3.9%	4.0%	3.6%	3.4%	4.0%	4.0%	4.0%	3.8%	4.5%	4.3%	3.8%	4.0%	6.6%	6.4%	3.7%	3.9%	4.1%
Other Restaurant-Level Costs	12.1%	13.9%	11.5%	12.4%	13.5%	13.3%	12.5%	12.5%	13.3%	12.6%	12.4%	12.5%	14.8%	16.1%	12.4%	12.9%	12.7%
Restaurant-Level Income	14.0%	11.7%	17.0%	18.1%	11.6%	14.0%	17.1%	17.7%	12.2%	14.6%	17.4%	17.3%	(9.4%)	9,4%	15.5%	15.4%	15.6%
General & Administrative	18.0%	17.4%	15.5%	12.9%	16.9%	16.2%	14.2%	14.0%	16.5%	15.5%	14.0%	14.0%	26.7%	32.8%	15.7%	15.2%	14.9%
Depreciation & Amortization	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.2%	0.2%	0.4%	0.6%	0.3%	0.2%	0.2%
Impairment of Long-Lived Assets & Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Income	(4.2%)	(6.0%)	1.2%	5.0%	(5.5%)	(2.4%)	2.7%	3.5%	(4.6%)	(1.2%)	3.2%	3.1%	(36.5%)	(24.0%)	(0.4%)	0.0%	0.5%
Interest Expense		0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%	0.1%	0.1%	0.1%
	U.7%																1.5%
Interest Income	0.1% 0.1%	0.1%	0.1%			0.1%	0.9%	1.6%	18%	1.7%	1.4%	1.3%	1.0%	0.0%	0.1%	0.8%	
				0.2% 5.1%	0.2%										0.1%	0.8%	2.0%
Interest Income	0.1%	0.1%	0.1%	0.2%	0.2%	0.1%	0.9%	1.6%	1.8%	1.7%	1.4%	1.3% 4.4%	1.0%	0.0%			
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit)	0.1% (4.2%) 0.0%	0.1% (6.0%) 0.0%	0.1% 1.3%	0.2% 5.1%	0.2% (5.3%) 0.0%	0.1% (2.3%) 0.0%	0.9% 3.5%	16% 5.0% 0.0%	(2.9%) 0.0%	1.7% 0.4%	1.4% 4.5%	1.3% 4.4% 0.0%	1.0% (35.8%) 2.6%	0.0% (24.3%)	(0.4%)	0.8%	2.0%
Interest Income Income (Loss) Before Income Taxes	0.1% (4.2%)	0.1% (6.0%)	0.1% 1.3% (0.0%)	0.2% 5.1% 0.1%	(5.3%)	0.1% (2.3%)	0.9% 3.5% 0.1%	1.6% 5.0%	18% (2.9%)	1.7% 0.4% 0.0%	1.4% 4.5% 0.0%	1.3% 4.4%	(35.8%)	0.0% (24.3%) 4.2%	(0.4%) 0.1%	0.8% 0.0%	2.0% 0.0%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items	0.1% (4.2%) 0.0% (4.3%) 0.0%	0.1% (6.0%) 0.0% (6.0%)	0.1% 13% (0.0%) 13%	0.2% 5.1% 0.1% 5.0%	0.2% (5.3%) 0.0% (5.3%) 0.0%	0.1% (2.3%) 0.0% (2.3%) 0.0%	0.9% 3.5% 0.1% 3.4%	1.6% 5.0% 0.0% 5.0%	1.8% (2.9%) 0.0% (2.9%) 0.0%	1.7% 0.4% 0.0% 0.4%	14% 4.5% 0.0% 4.5%	1.3% 4.4% 0.0% 4.3% 0.0%	10% (35.8%) 2.6% (38.4%)	0.0% (24.3%) 4.2% (28.6%)	(0.4%) 0.1% (0.4%) 0.1%	0.8% 0.0% 0.7%	2.0% 0.0% 1.9%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income	0.1% (4.2%) 0.0% (4.3%) 0.0% (4.3%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%)	0.1% 13% (0.0%) 13% 0.0% 13%	0.2% 5.1% 0.1% 5.0% 0.4% 4.6%	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%)	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%)	0.9% 3.5% 0.1% 3.4% 0.0% 3.4%	1.6% 5.0% 0.0% 5.0% 0.0% 5.0%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%)	1.7% 0.4% 0.0% 0.4% 0.0% 0.4%	1.4% 4.5% 0.0% 4.5% 0.0% 4.5%	13% 4.4% 0.0% 4.3% 0.0% 4.3%	1.0% (35.8%) 2.6% (38.4%) 0.0% (38.4%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (16.1%)	(0.4%) 0.1% (0.4%) 0.1% (0.5%)	0.8% 0.0% 0.7% 0.0% 0.7%	2.0% 0.0% 1.9% 0.0% 1.9%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA	0.1% (4.2%) 0.0% (4.3%) 0.0%	0.1% (6.0%) 0.0% (6.0%) 0.0%	0.1% 1.3% (0.0%) 1.3% 0.0%	0.2% 5.1% 0.1% 5.0% 0.4%	0.2% (5.3%) 0.0% (5.3%) 0.0%	0.1% (2.3%) 0.0% (2.3%) 0.0%	0.9% 3.5% 0.1% 3.4% 0.0%	1.6% 5.0% 0.0% 5.0% 0.0%	1.8% (2.9%) 0.0% (2.9%) 0.0%	1.7% 0.4% 0.0% 0.4% 0.0%	1.4% 4.5% 0.0% 4.5% 0.0%	1.3% 4.4% 0.0% 4.3% 0.0%	1.0% (35.8%) 2.6% (38.4%) 0.0%	0.0% (24.3%) 4.2% (28.6%) (12.5%)	(0.4%) 0.1% (0.4%) 0.1%	0.8% 0.0% 0.7% 0.0%	2.0% 0.0% 1.9% 0.0% 1.9% 4.9%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items	0.1% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) (17%)	0.1% 13% (0.0%) 13% 0.0% 13% 5.1%	0.2% 5.1% 0.1% 5.0% 0.4% 4.6% 8.7%	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%) (1.3%)	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18%	0.9% 3.5% 0.1% 3.4% 0.0% 3.4% 6.9%	1.6% 5.0% 0.0% 5.0% 0.0% 5.0% 7.5%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2%	17% 0.4% 0.0% 0.4% 0.0% 0.4% 0.4% 3.4%	1.4% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2%	1.3% 4.4% 0.0% 4.3% 0.0% 4.3% 7.3%	10% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (16.1%) (17.1%)	(0.4%) 0.1% (0.4%) 0.1% (0.5%) 3.6%	0.8% 0.0% 0.7% 0.0% 0.7% 4.2%	2.0% 0.0% 1.9% 0.0% 1.9% 4.9%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE	0.1% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) (17%)	0.1% 13% (0.0%) 13% 0.0% 13% 5.1%	0.2% 5.1% 0.1% 5.0% 0.4% 4.6% 8.7%	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%) (1.3%)	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18%	0.9% 3.5% 0.1% 3.4% 0.0% 3.4% 6.9%	1.6% 5.0% 0.0% 5.0% 0.0% 5.0% 7.5%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2%	17% 0.4% 0.0% 0.4% 0.0% 0.4% 0.4% 3.4%	1.4% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2%	1.3% 4.4% 0.0% 4.3% 0.0% 4.3% 7.3%	1.0% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (16.1%) (17.1%)	(0.4%) 0.1% (0.4%) 0.1% (0.5%) 3.6%	0.8% 0.0% 0.7% 0.0% 0.7% 4.2%	2.0% 0.0% 1.9% 0.0% 1.9% 4.9% 7.9%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues	0.1% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%) 2.7%	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) (1.7%) 1.2%	0.1% 13% (0.0%) 13% 0.0% 13% 5.1% 8.4%	0.2% 5.1% 0.1% 5.0% 0.4% 4.6% 8.7% 11.4%	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%) (1.3%) 1.6%	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 1.8% 5.3%	0.9% 3.5% 0.1% 3.4% 0.0% 3.4% 6.9% 10.4%	16% 5.0% 0.0% 5.0% 0.0% 5.0% 7.5% 10.7%	1.8% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2% 3.7%	1.7% 0.4% 0.0% 0.4% 0.0% 0.4% 3.4% 6.7%	14% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2% 10.0%	13% 4.4% 0.0% 4.3% 0.0% 4.3% 7.3% 9.9%	1.0% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (16.1%) (17.1%) (12.1%)	(0.4%) 0.1% (0.4%) 0.1% (0.5%) 3.6% 6.5%	0.8% 0.0% 0.7% 0.0% 0.7% 4.2% 7.5%	2.0% 0.0% 19% 0.0% 19% 4.9% 7.9%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative	0.1% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%) 2.7%	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) (1.7%) 1.2% 244.5% 89.8%	0.1% 13% (0.0%) 13% 0.0% 13% 5.1% 8.4%	0.2% 5.1% 0.1% 5.0% 0.4% 4.6% 8.7% 114% 50.4% (2.9%)	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%) (13%) 16% 31.8% 23.9%	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18% 5.3% 40.4% 30.6%	0.9% 3.5% 0.1% 3.4% 0.0% 3.4% 6.9% 10.4% 29.7% 18.8%	1.6% 5.0% 0.0% 5.0% 0.0% 5.0% 7.5% 10.7% 32.2% 43.9%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2% 3.7% 28.7% 25.7%	1.7% 0.4% 0.0% 0.4% 0.0% 0.4% 3.4% 6.7% 23.2%	14% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2% 10.0% 30.5% 28.3%	1.3% 4.4% 0.0% 4.3% 0.0% 4.3% 7.3% 9.9% 23.2% 23.2%	10% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%) (29.7%) 55.7%	0.0% (24.3%) 4.2% (28.6%) (12.5%) (16.1%) (17.1%) (12.1%) 43.7% 76.6%	(0.4%) 0.1% (0.4%) 0.1% (0.5%) 3.6% 6.5% 117.4% 3.8%	0.8% 0.0% 0.7% 0.0% 0.7% 4.2% 7.5% 33.3% 29.1%	2.0% 0.0% 1.9% 0.0% 1.9% 4.9% 7.9% 26.3% 23.7%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net Income	0.1% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%) 2.7%  216.9% (78.6%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) (17%) 12% 244.5% 89.8% (712%)	0.1% 13% (0.0%) 13% 0.0% 13% 5.1% 8.4% 105.6% (39.4%) (110.2%)	0.2% 5.1% 0.1% 5.0% 0.4% 4.6% 8.7% 114% 50.4% (2.9%) (2512%)	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%) (13%) 16% 31.8% 23.9% 63.8%	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18% 5.3% 40.4% 30.6% (46.0%)	0.9% 3.5% 0.1% 3.4% 0.0% 3.4% 6.9% 10.4% 29.7% 18.8% 252.2%	16% 5.0% 0.0% 5.0% 5.0% 7.5% 10.7% 32.2% 43.9% 32.1%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2% 3.7% 28.7% (28.7%)	1.7% 0.4% 0.0% 0.4% 0.0% 0.4% 3.4% 6.7% 23.2% 17.9% (1219%)	14% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2% 10.0% 30.5% 28.3% 72.1%	1.3% 4.4% 0.0% 4.3% 0.0% 4.3% 7.3% 9.9% 23.2% 7.3%	10% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%) (29.7%) 55.7% (1292.2%)	0.0% (24.3%) 4.2% (28.6%) (15.5%) (16.7%) (12.7%) 43.7% 76.6% 6.8%	(0.4%) 0.1% (0.4%) 0.1% (0.5%) 3.6% 6.5% 117.4% 3.8% (96.8%)	0.8% 0.0% 0.7% 0.0% 0.77% 4.2% 7.5% 33.3% 29.7% (326.7%)	2.0% 0.0% 1.9% 0.0% 1.9% 4.9% 7.9% 26.3% 23.7% 243.1%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net income	0.% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%) 2.7%  216.9% 712% (78.6%) (81.6%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) (17%) 12% 244.5% 89.8% (712%) (75.1%)	0.1% 13% (0.0%) 13% 0.0% 13% 5.1% 8.4% 105.6% (39.4%) (110.2%) (108.8%)	0.2% 5.7% 0.7% 5.0% 0.4% 4.6% 8.7% 114% 50.4% (2.9%) (2512%) (2512%) (233.3%)	0.2% (5.3%) 0.0% (5.3%) (1.3%) (1.3%) 1.6% 31.8% 23.9% 63.8% 62.4%	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18% 5.3% 40.4% 30.6% (46.0%) (46.5%)	0.9% 3.5% 0.1% 3.4% 0.0% 3.4% 6.9% 10.4%  29.7% 18.8% 252.2% 228.1%	16% 5.0% 0.0% 5.0% 0.0% 5.0% 7.5% 10.7% 32.2% 43.9% 32.7% 16.2%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2% 3.7% 28.7% (25.7% (28.7%) (39.3%)	1.7% 0.4% 0.0% 0.4% 0.0% 0.4% 3.4% 6.7% 23.2% (121.9%) (118.6%)	14% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2% 10.0% 30.5% 28.3% 72.1% 61.7%	13% 4.4% 0.0% 4.3% 0.09 4.3% 7.3% 9.9% 23.2% 23.2% 7.3% 7.3%	10% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%) (29.7.6%) (29.7.6%) (29.7.6%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (15.7%) (12.7%) 43.7% 76.6% 6.8% 3.8%	(0.4%) 0.1% (0.4%) 0.7% (0.5%) 3.6% 6.5% 117.4% (96.8%) (97.2%)	0.8% 0.0% 0.7% 0.0% 0.7% 4.2% 7.5% 33.3% 29.1% (326.7%) (314.3%)	2.0% 0.0% 1.9% 0.0% 1.99 4.9% 7.9% 26.3 % 23.79 243.19 212.5 %
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income BBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net Income Operating EP S EBITDA	0.7% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%) 2.7% 216.9% (78.6%) (81.6%) (99.9%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) 1.7% 12%  244.5% 89.8% (712%) (75.1%) (80.5%)	0.1% 13% (0.0%) 13% 0.0% 13% 5.1% 8.4% 105.6% (39.4%) (10.2%) (108.8%) (157.5%)	0.2% 5.7% 0.7% 5.0% 4.6% 8.7% 114% 50.4% (2.9%) (2512%) (233.3%) (3697.0%)	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%) 16% 31.8% 23.9% 63.8% 62.4% 9800.0%	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18% 5.3% 40.4% 30.6% (46.0%) (46.5%) (250.9%)	0.9% 3.5% 0.1% 3.4% 6.9% 10.4% 29.7% 18.8% 252.2% 228.1% 74.5%	16% 5.0% 0.0% 5.0% 5.0% 7.5% 0.7% 32.2% 43.9% 43.9% 16.2% 14.6%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2% 3.7% 28.7% (28.7%) (39.3%) (116.4%)	1.7% 0.4% 0.0% 0.4% 0.0% 0.4% 3.4% 6.7%  23.2% 17.9% (1219%) (118.6%) 131.0%	14% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2% 10.0% 30.5% 28.3% 72.1% 61.7% 37.1%	13% 44% 0.0% 4.3% 7.3% 9.9% 23.2% 23.2% 7.3% 7.3%	10% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%) (55.7% (129.2%) (975.6%) (448.6%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (16.7%) (17.7%) (12.7%) 43.7% 76.6% 6.8% 3.8% (17.0%)	(0.4%) 0.7% (0.4%) 0.7% (0.5%) 3.6% 6.5% 117.4% 3.8% (96.8%) (97.2%) (145.5%)	0.8% 0.0% 0.7% 0.0% 4.2% 7.5% 33.3% 29.1% (326.7%) (314.3%) 55.7%	2.0% 0.0% 1.9% 0.0% 1.9% 4.9% 7.9% 26.3% 23.7% 243.1% 212.5%
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income EBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net Income Operating EPS EBITDA Adjusted EBITDA Adjusted EBITDA	0.% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%) 2.7%  216.9% 712% (78.6%) (81.6%) (99.9%) (12.16%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) 1.2% (244.5% 89.8% (71.2%) (75.1%) (80.5%) (80.5%) (108.2%)	0.1% 13% (0.0%) 13% 0.0% 13% 5.1% 8.4%  105.6% (39.4%) (10.2%) (108.8%) (157.5%) (139.6%)	0.2% 5.7% 0.7% 0.4% 4.6% 8.7% 114% 50.4% (2.9%) (2512%) (233.3%) (3697.0%) 6558.3%	0.2% (5.3%) 0.0% (5.3%) 1.3%) 1.6% 31.8% 23.9% 62.4% 9800.0%	0.1% (2.3%) (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18% 5.3% 40.4% 30.6% (46.0%) (46.5%) (250.9%) 498.4%	0.9% 3.5% 0.1% 3.4% 6.9% 10.4% 29.7% 18.8% 252.2% 228.1% 74.5% 60.8%	1.6% 5.0% 0.0% 5.0% 0.09% 5.0% 5.0% 10.7% 32.2% 43.9% 32.1% 16.2% 14.6% 24.3%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2% 3.7% 28.7% (28.7%) (39.3%) (116.4%)	1.7% 0.4% 0.0% 0.4% 0.0% 0.4% 3.4% 6.7% 23.2% (1219%) (118.6%) 131.0% 57.3%	14% 4.5% 0.0% 4.5% 0.0% 4.5% 10.0% 30.5% 28.3% 72.1% 61.7% 37.1% 25.4%	13% 4.4% 0.0% 4.3% 0.0% 4.3% 9.9% 23.2% 7.3% 7.3% 7.3% 19.9%	10% (38.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%) (55.7% (192.2%) (975.6%) (448.6%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (17.7%) (12.7%) 43.7% 76.6% 6.8% 3.8% (17.0%) (36.8%)	(0.4%) 0.7% (0.4%) 0.7% (0.5%) 3.6% 6.5% 117.4% 3.8% (96.8%) (97.2%) (145.5%) (216.7%)	0.8% 0.0% 0.7% 0.0% 0.7% 4.2% 7.5% 33.3% 29.1% (326.7%) (314.3%) 55.7% 53.2%	2.0% 0.0% 1.9% 0.0% 4.9% 7.9% 26.3 % 23.79 243.19 212.5 %
Interest Income Income (Loss) Before Income Taxes Income Tax Expense/(Benefit) Operating Net Income Non-Operating Items Reported Net Income BBITDA Adjusted EBITDA YEAR-OVER-YEAR % CHANGE Total Revenues General & Administrative Operating Net Income Operating EP S EBITDA	0.7% (4.2%) 0.0% (4.3%) 0.0% (4.3%) (0.0%) 2.7% 216.9% (78.6%) (81.6%) (99.9%)	0.1% (6.0%) 0.0% (6.0%) 0.0% (6.0%) 1.7% 12%  244.5% 89.8% (712%) (75.1%) (80.5%)	0.1% 13% (0.0%) 13% 0.0% 13% 5.1% 8.4% 105.6% (39.4%) (10.2%) (108.8%) (157.5%)	0.2% 5.7% 0.7% 5.0% 4.6% 8.7% 114% 50.4% (2.9%) (2512%) (233.3%) (3697.0%)	0.2% (5.3%) 0.0% (5.3%) 0.0% (5.3%) 16% 31.8% 23.9% 63.8% 62.4% 9800.0%	0.1% (2.3%) 0.0% (2.3%) 0.0% (2.3%) 18% 5.3% 40.4% 30.6% (46.0%) (46.5%) (250.9%)	0.9% 3.5% 0.1% 3.4% 6.9% 10.4% 29.7% 18.8% 252.2% 228.1% 74.5%	16% 5.0% 0.0% 5.0% 5.0% 7.5% 0.7% 32.2% 43.9% 43.9% 16.2% 14.6%	18% (2.9%) 0.0% (2.9%) 0.0% (2.9%) 0.2% 3.7% 28.7% (28.7%) (39.3%) (116.4%)	1.7% 0.4% 0.0% 0.4% 0.0% 0.4% 3.4% 6.7%  23.2% 17.9% (1219%) (118.6%) 131.0%	14% 4.5% 0.0% 4.5% 0.0% 4.5% 7.2% 10.0% 30.5% 28.3% 72.1% 61.7% 37.1%	13% 44% 0.0% 4.3% 7.3% 9.9% 23.2% 23.2% 7.3% 7.3%	10% (35.8%) 2.6% (38.4%) 0.0% (38.4%) (29.5%) (27.6%) (55.7% (129.2%) (975.6%) (448.6%)	0.0% (24.3%) 4.2% (28.6%) (12.5%) (16.7%) (17.7%) (12.7%) 43.7% 76.6% 6.8% 3.8% (17.0%)	(0.4%) 0.1% (0.4%) 0.7% (0.5%) 3.6% 6.5% 117.4% 3.8% (96.8%) (97.2%) (145.5%)	0.8% 0.0% 0.7% 0.0% 4.2% 7.5% 33.3% 29.1% (326.7%) (314.3%) 55.7%	2.0% 0.0% 1.9% 0.0% 1.9% 4.9% 7.9% 26.3% 23.7% 243.1% 212.5%

Source: Company reports and Stephens Inc. estimates.

Joshua Long, CFA, CMT, Analyst (713) 993-4230



## Kura Sushi (KRUS): OW/Vol.-Rated; \$95 Price Target



Industry Note October 20, 2023

Kura Sushi USA, Inc.												
Earnings M o del Revised 10/19/23 (\$ millions)	2023	_	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Unit Growth	2023	E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
	40		50	62	7.5	00	400	400	45.4	400	040	0.45
Starting Units			50 12		75	90	108 22	130	154	180	210	245
Net New Units	10			13	15	18		24	26	30	35	40
Ending Units	50		62	75	90	108	130	154	180	210	245	285
Net Growth YOY	25%	'	24%	21%	20%	20%	20%	18%	17%	17%	17%	16%
Revenue Build												
Same-Store Sales		+10.9%	+4.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%
AWS		\$0.080	\$0.082	\$0.084	\$0.086	\$0.089	\$0.092	\$0.095	\$0.097	\$0.100	\$0.103	\$0.106
Base Weeks												
New Weeks												
Total Weeks												
Operating Weeks		52	52	52	52	52	52	52	52	52	52	52
AUV	\$	4.17	\$ 4.24	\$ 4.37	\$ 4.50	\$ 4.63	\$ 4.77	\$ 4.91	\$ 5.06	\$ 5.21	\$ 5.37	\$ 5.53
Growth YOY			16%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Sales	\$		\$ 237.4	\$ 299.1	\$ 371.0	\$ 458.6	\$ 567.8	\$ 697.9	\$ 845.3	\$ 1,016.7	\$ 1,2217	\$ 1,465.8
Check	\$	188.0	\$ 237.4									
EBITDA BUILD												
RLProfit	\$	28.9	\$ 37.1	\$ 47.6	\$ 60.9	\$ 77.6	\$ 99.5	\$ 126.4	\$ 158.2	\$ 196.4	\$ 243.4	\$ 294.9
RLM		15.4%										
RLM Check		15.4%	15.6%	15.9%	16.4%	16.9%	17.5%	18.1%	18.7%	19.3%	19.9%	20.1%
				0.3%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.2%
G&A	S	28.5	\$ 35.3									
% of Sales	*	15.2%	14.9%	14.0%	13.5%	13.5%	13.0%	12.5%	12.0%	11.5%		11.3%
% of Sales Check		15.2%	11.070	11.070	0.070	2.070	10.070	2.070	2.070	12070	12070	12070
Growth YOY		D.L.70	24%	19%	20%	24%	19%	18%	16%	15%	20%	18%
D&A		0.4	0.5	0.8	1.0	1.3	16	2.0	2.4	2.8		4.11
D&A Margin		0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
EBIT	\$		\$ 12			\$ 14.4						\$ 125.2
EBIT Check	\$		\$ 12	Ψ 4.5	ψ 5.0	Ψ	Ų 24.1	Ψ 37.5	Ψ 54.4	Ψ 70.0	ψ 55.4	ψ 25.2
Add back D&A - Corporate	¥	0.4	0.5	0.8	1.0	1.3	16	2.0	2.4	2.8	3.4	4.1
Add back D&A - Corporate  Add back D&A - Restaurant Level		7.4	9.8	12.0	14.8	16.1	19.9	24.4	25.4	30.5	36.7	44.0
% of Sales		3.9%	4.1%	4.0%	4.0%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%
EBITDA	\$	7.8			\$ 25.7				\$ 82.2			\$ 173.2
EBITDA Check	\$		\$ 11.5 \$ 11.5	\$ 17.7	\$ 25. <i>I</i>	φ 31.7	\$ 45.5	ф 63.6	φ 02.2	\$ 110.0	<b>р</b> 159.5	\$ 173.2
	\$	7.8 4.1%	4.9%	5.9%	6.9%	6.9%	8.0%	0.40/	9.7%	10.8%	11.4%	11.8%
EBITDA Margins		4.1%	4.9%	5.9%	6.9%	6.9%	8.0%	9.1%	9.7%	10.8%	11.4%	11.8%
Capex per store	\$	2.00	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
New Unit Capex		25.0	30.0	32.5	37.5	45.0	55.0	60.0	65.0	75.0	87.5	100.0
Other Capex		4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Capex		29.0	35.0	37.5	42.5	50.0	60.0	65.0	70.0	80.0	92.5	105.0
Capex per store	\$	(2.90)	\$ (2.92)	\$ (2.88)	\$ (2.83)	\$ (2.78)	\$ (2.73)	\$ (2.71)	\$ (2.69)	\$ (2.67)	\$ (2.64)	\$ (2.63)
Less: BS Adjustments		3.4	3.6	3.8	4.8	5.9	6.8	8.7	10.6	12.8	16.2	17.7
After Tax Unlevered Free Cash Flow		14	18	24	33	40	55	75	95	125	158	193
Cash Build/Burn												
Starting		35.8	79.5	56.0	36.2	19.4	1.1	(13.3)	(14.7)	(2.5)	27.5	74.5
EBITDA		7.8	11.5	17.7	25.7	31.7	45.5	63.6	82.2	110.0	139.5	173.2
Capex		(29.0)	(35.0)	(37.5)	(42.5)	(50.0)	(60.0)	(65.0)	(70.0)	(80.0)	(92.5)	(105.0)
Equity Raise		64.9	"	`- '	- "	- '		-	-	-	`- '	` - '
Ending Cash		79.5	56.0	36.2	19.4	11	(13.3)	(14.7)	(2.5)	27.5	74.5	142.7
		14	16	20	25	27	34	42	49	58	67	74
Terminal Value								·			•	1,732.46

		Months n Today
PV of FCF	\$	426
Add: Terminal Value (10% disc. rate)		667
Total Enterprise Value	<u></u>	1,094
Add: End of Year Cash	\$	70.5
Less: End of Year Debt		-
Net Asset Value	\$	1,164.2
Fully Diluted Shares Outstanding		11.5
Par Share Value	¢	95

Multiple 10 Discount Rate 10.0%

7.0% SP500 Return

4.75% 3 Year Treasury Yield / Risk Free Return

1.23 KRUS Beta
7.5% Discount Rate
2.5% Small Cap Premi

10.0% Discount Rate w/ Premium

Source: Company reports and Stephens Inc. estimates.

## One Group Hospitality (STKS): OW-Rated; \$12 PT



## **Our Thoughts Into The Quarter**

**Stephens Focus:** We believe execution against an ambitious unit development pipeline and getting into a cadence of under promising and over delivering relative to expectations are the two big focal points coming out of our recent investor conversations.

Looking ahead, we believe the company's stepped up efforts around guidance and communication can help add helpful guard rails to the story. We believe that as confidence around the company's ability to guide and communicate the near- and long-term plans continues to build there is an opportunity to attract new small cap growth investors to the name.

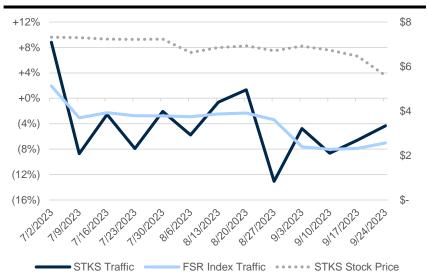
Concerns around a slowing macro environment also continue to weigh on the higher-end sector which we believe make consistent operational execution all the more important for The ONE Group going forward.

### **Stephens Estimates vs. Consensus**

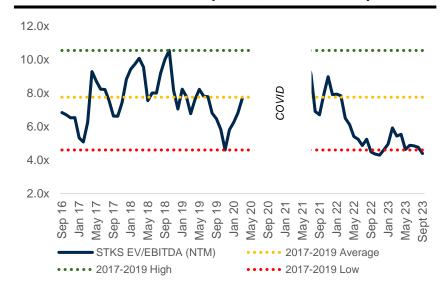
STKS		cal 3Q23E		Fiscal 2023E							
	Step	hens	3	С	onsensus		Step	hen:	S	С	onsensus
	Prior		New	Ex	pectations		Prior		New	Ex	pectations
SSS - STK	(1.0%)		(1.0%)		+0.1%		(1.0%)		(1.0%)		+0.7%
Revenue in mil.	\$ 81.5	\$	81.5	\$	82.5	\$	348.7	\$	348.7	\$	351.4
RLM	15.5%		15.5%		15.5%		17.0%		17.0%		17.1%
Adjusted EPS	\$ 0.01	\$	0.01	\$	0.04	\$	0.39	\$	0.39	\$	0.44
		U	nchanged					U	nchanged	]	

**Maintaining Estimates & Price Target:** We are maintaining our estimates and \$12 price target based on a sum-of-the-parts analysis (with 8x STK and Kona Grill EBITDA and 15x high-margin managed EBITDA). From a valuation perspective, shares are trading at the lower end of the stock's pre-Covid range.

#### 3Q23 STKS Traffic vs. FSR Index Traffic



### **Historical EV/EBITDA (NTM, Consensus)**







Industry Note October 20, 2023

																	_
The ONE Group Hospitality, Inc.																	
Earnings Model Fiscal Year Ended December	1Q22	2022 / 2Q22	Actual 3Q22	4Q22	1Q23	2023 Es	stimate 3Q23E	4Q23E	1Q24E	2024 Est 2Q24E		4Q24E	2021	al Year En 2022	ded Decem	2024E	
Revised 10/19/23 (\$ millions)	04/19/22	06/30/22	09/30/22	12/31/22		06/30/23	09/28/23	12/28/23				12/27/24	52-wks	52-wks	52-wks	52-wks	
SSS: STK Restaurants - U.S. Owned	+57.1%	+17.8%	+4.0%	+0.2%	+10%	(10.1%)	(10%)	+6.0%	+3.0%	+3.0%	+3.0%	+3.0%	+249.4%	+19.8%	(1.0%)	+3.0%	
SSS: STK Restaurants - U.S. Managed SSS: STK Restaurants - U.S. Total	+103.6%	+26.6%	+2.1%	(0.8%)	+15.4%	+2.5%	nm (10%)	+6.0%	+3.0%	nm +3.0%	nm +3.0%	+3.0%	+248.7% +247.7%	+32.9% +22.5%	nm	nm	
SSS: Kona Grill	+21.9%	+3.7%	(3.6%)	(7.6%)	(4.3%)	(15%)	+2.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+68.5%	+3.6%	(0.2%)	+3.0%	
SSS: Total Combined	+45.1%	+12.8%	+0.5%	(3.1%)	+1.6%	(4.7%)	+0.3%	+6.0%	+3.0%	+3.0%	+3.0%	+3.0%	+127.3%	+13.8%	+0.8%	+3.0%	
INCOME STATEMENT Total Owned & Managed F&B Sales	\$ 98.8	\$ 109.1	\$ 100.0	\$ 118.9	\$ 109.3	\$ 109.9	\$ 106.8	\$ 132.7	\$ 126.4	\$ 126.6	\$ 123.4 S	153.6	\$ 363.8	\$ 426.8	\$ 458.6	\$ 529.9	
Total Owned & Wallaged F&D Sales	\$ 30.0	y 105.1	\$ 100.0	Ψ 10.5	\$ 100.0	ψ 103.3	Φ 100.0	9 52.7	\$ 20.4	ψ 20.0	p 25.4 g	, 55.0	\$ 303.0	420.0	\$ 450.0	9 325.5	
Owned Restaurant Net Revenue		\$ 76.9	\$ 69.5	\$ 83.9	\$ 78.6	\$ 79.9	\$ 78.2	\$ 96.5	\$ 93.2				\$ 264.4		\$ 333.2	\$ 394.8	
M gmt, License, & Incentive Fee Revenue Total Revenues	74.2	811	73.0	88.3	82.6	83.4	3.4 815	1012	97.5	4.0 98.1	3.6 96.1	5.0	12.8 277.2	15.8 316.6	15.5 348.7	16.8 411.6	
Owned Restaurant Cost of Sales	18.1	19.9	17.3	20.1	18.9	19.2	18.8	23.2	22.8	23.1	22.7	28.2	67.5	75.4	80.0	96.7	
Owned Restaurant Operating Expenses	39.4	44.3	43.1	47.9	46.8	48.8	47.3	53.5	54.0	54.6	54.6	65.6	144.5	174.7	196.5	228.8	
Restaurant Profit General & Administrative	13.0	12.8 6.8	9.1 6.3	15.9 8.3	12.9 7.1	11.9 8.0	12.1 7.6	19.8 9.4	16.3 8.0	16.5 8.0	15.3 7.9	21.3 9.8	52.4 25.6	50.8 28.3	56.7 32.1	69.3 33.8	
Depreciation & Amortization	2.7	2.9	2.9	3.6	3.7	3.5	3.7	3.7	3.9	3.9	3.9	3.9	10.8	12.1	14.6	15.6	
Equity in (income) loss of investee companies	-		-		-	-			-	-			-	-			
Preopening Other	0.3	0.6	10 (0.3)	1.7 0.0	13	0.5	2.0	1.8	15	15	1.4	1.8	10 2.1	3.6	5.6	6.2	
Operating Income	6.5	6.7	2.7	6.8	4.9	3.4	2.2	9.6	7.3	7.0	5.6	10.7	25.7	22.6	20.0	30.6	
Interest Expense/(Income), net	0.5	0.4	0.4	0.7	1.8	16	17	1.8	18	18	1.8	1.8	3.8	2.1	7.0	7.2	
Other Expense/(Income)	-		-	-				- 70		-	-	-		- 00.5			
Pre-Tax Income Income Taxes	6.0 1.0	6.2 1.3	2.2	6.0 (0.3)	3.1 0.2	17 0.1	0.5 0.0	7.8 0.6	5.5 0.4	5.2 0.4	3.8 0.3	8.9 0.7	219 17	20.5	13.1 0.9	23.4	
Income/(Loss) From Continuing Operations	5.0	4.9	2.3	6.4	2.9	17	0.5	7.1	5.0	4.8	3.5	8.2	20.2	18.5	12.2	21.6	
Net Income attributable to noncontrolling Interest	(0.2)	(0.0)	(0.1)	(0.1)	(0.3)	(0.2)							0.2	(0.5)	(0.4)		
Operating Net Income (Attributable to ONE Group) Non-Operating Income/(Expense)	5.2 (17)	5.0 (0.7)	2.4 (2.0)	6.5 (1.4)	3.2	18 (12)	0.5	7.1	5.0	4.8	3.5	8.2	20.0	19.0 (5.7)	12.6 (1.8)	21.6	
Reported Net Income	3.6	4.3	0.4	5.1	2.6	0.6	0.5	7.1	5.0	4.8	3.5	8.2	312	13.4	10.8	21.6	
Shares OutstandingDiluted	34.2	34.0	33.9	33.2	317	32.7	32.7	32.7	32.8	32.8	32.8	32.9	33.7	33.8	32.4	32.7	
Shares OutstandingBasic	32.2	32.6	32.7	32.1	33.0	318	318	318	318	318	318	31.8	30.7	32.4	32.1	31.8	
EBITDA	9.2	9.6	5.6	9.4	8.5	6.9	5.9	13.3	11.2	10.9	9.5	14.6	36.5	34.7	34.6	46.2	
Adjusted EBITDA EPSOperating	10.4 \$ 0.15	10.9 \$ 0.15	6.8 \$ 0.07	12.1 \$ 0.19	\$ 0.10	9.9	9.1	16.3 \$ 0.22	\$ 0.15	13.1 \$ 0.15	11.7 \$ 0.11 \$	17.1 \$ 0.25	\$ 0.59	412 \$ 0.56	45.9 \$ 0.39	55.2 \$ 0.66	
EPSExtraordinary	\$ (0.05)	\$ (0.02)	\$ (0.06)	\$ (0.04)	\$ (0.02)	\$ (0.04)	\$ -	\$ 0.22	\$ 0.15	\$ 0.15	\$ 0.11 3	\$ 0.25 \$ -	\$ 0.32	\$ (0.17)	\$ (0.06)	\$ -	
EPSReported	\$ 0.11	\$ 0.13			\$ 0.08	\$ 0.02	\$ 0.01	\$ 0.22	\$ 0.15	\$ 0.15	\$ 0.11 \$	0.25		\$ 0.41	\$ 0.33	\$ 0.66	
MARGIN ANALYSIS																	
Total Owned Revenue	95.1%	94.8%	95.2%	95.0%	95.2%	95.8%	95.9%	95.3%	95.6%	95.9%	96.3%	95.9%	95.4%	95.0%	95.5%	95.9%	
Mgmt, License, & Incentive Fee Revenue	4.9%	5.2%	4.8%	5.0%	4.8%	4.2%	4.1%	4.7%	4.4%	4.1%	3.7%	4.1%	4.6%	5.0%	4.5%	4.1%	
Total Revenues Owned Restaurant Cost of Sales	100.0%	100.0% 25.8%	100.0% 24.9%	100.0%	100.0%	100.0% 24.0%	100.0% 24.0%	100.0%	100.0%	100.0% 24.5%	100.0% 24.5%	100.0% 24.5%	100.0% 25.5%	100.0% 25.1%	100.0% 24.0%	100.0% 24.5%	
Owned Restaurant Cost of Sales Owned Restaurant Operating Expenses	25.7% 55.8%	25.8% 57.6%	62.0%	24.0% 57.1%	24.0% 59.6%	61.0%	60.5%	24.0% 55.5%	24.5% 58.0%	24.5% 58.0%	24.5% 59.0%	24.5% 57.0%	25.5% 54.7%	25.1% 58.1%	24.0% 59.0%	24.5% 57.9%	
Restaurant Profit	18.5%	16.6%	13.1%	18.9%	16.4%	14.9%	15.5%	20.5%	17.5%	17.5%	16.5%	18.5%	19.8%	16.9%	17.0%	17.6%	
General & Administrative	9.3%	8.4%	8.6%	9.4%	8.5%	9.6%	9.3%	9.3%	8.2%	8.2%	8.2%	8.2%	9.2%	8.9%	9.2%	8.2%	
Depreciation & Amortization Equity in (income) loss of investee companies	3.7% 0.0%	3.6% 0.0%	4.0% 0.0%	4.0% 0.0%	4.4% 0.0%	4.2% 0.0%	4.5% 0.0%	3.7% 0.0%	4.0% 0.0%	4.0% 0.0%	4.1% 0.0%	3.3% 0.0%	3.9% 0.0%	3.8% 0.0%	4.2% 0.0%	3.8% 0.0%	
Preopening	0.5%	0.7%	13%	19%	1.6%	0.6%	2.4%	18%	1.5%	15%	1.5%	15%	0.4%	1.1%	16%	15%	
Other	0.3%	0.0%	(0.4%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	(0.0%)	0.0%	0.0%	
Operating Income Interest Income/(Expense)	8.8% 0.7%	8.2% 0.5%	3.6% 0.6%	7.7%	5.9% 2.2%	4.0%	2.8% 2.1%	9.4%	7.4% 1.8%	7.2% 1.8%	5.9% 1.9%	8.9% 1.5%	9.3% 14%	7.1% 0.7%	5.7% 2.0%	7.4%	
Other Income (net)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	NA.	NA	NA.	NA	
Pre-Tax Income	8.1%	7.7%	3.0%	6.8%	3.7%	2.1%	0.6%	7.7%	5.6%	5.3%	4.0%	7.4%	7.9%	6.5%	3.7%	5.7%	
Income Taxes (Tax Rate) Operating Net Income	16.9% 7.1%	20.8%	(12%)	(5.3%)	5.2% 3.9%	4.0% 2.2%	8.0% 0.6%	8.0% 7.1%	7.8% 5.2%	7.8% 4.9%	7.8% 3.7%	7.8% 6.8%	7.8%	9.6% 6.0%	6.8% 3.6%	7.8% 5.2%	
EBITDA	12.4%	11.8%	7.7%	10.7%	10.3%	8.2%	11.2%	16.1%	13.7%	13.4%	12.1%	14.2%	13.2%	11.0%	9.9%	11.2%	
Adjusted EBITDA	14.0%	13.5%	9.4%	13.7%	12.7%	11.9%	11.2%	16.1%	13.7%	13.4%	12.1%	14.2%	15.4%	13.0%	13.2%	13.4%	
YEAR-OVER-YEAR % CHANGE Owned Restaurant Net Revenue	43.4%	13.4%	2.3%	5.6%	11.4%	3.9%	12.4%	15.0%	18.5%	17.8%	18.3%	19.2%	93.5%	13.8%	10.7%	18.5%	
M gmt, License, & Incentive Fee Revenue	178.9%	44.1%	(10.8%)	(4.5%)	8.5%	(17.3%)	(3.3%)	6.3%	8.2%	15.0%	6.6%	5.1%	139.9%	23.5%	(1.6%)	8.4%	
Total Revenues	46.9%	14.6%	1.6%	5.0%	11.3%	2.8%	11.7%	14.6%	18.0%	17.7%	17.8%	18.6%	95.3%	14.2%	10.1%	18.1%	
Net IncomeOperating	234.4%	(23.0%)	(37.1%)	(22.0%)	(39.1%)	(63.7%)	(80.1%)	10.7% 12.2%	57.6% 52.3%	168.1% 167.0%	6513% 648.3%	14.7% 14.3%	(352.5%)	(5.1%)	(33.7%)	712% 69.3%	
EPSOperating EBITDA	212.8% 60.2%	(22.9%) (15.2%)	(36.2%)	(19.4%) (8.7%)	(34.1%) 1.0%	(62.3%) (9.1%)	(79.4%) 33.8%	34.7%	26.6%	32.0%	27.6%	47%	(313.7%) 286.1%	(4.4%)	(31.0%) 11.5%	20.2%	
Owned Restaurant Growth	2.8%	2.8%	2.7%	8.1%	8.1%	10.8%	7.9%	15.0%	15.0%	12.2%	17.1%	10.9%	2.8%	8.1%	15.0%	10.9%	
M anaged/Licensed Growth	22.2%	0.0%	0.0%	0.0%	4.5%	4.5%	0.0%	8.7%	8.7%	8.7%	8.7%	8.0%	27.8%	0.0%	8.7%	8.0%	
Total Venue Growth UNIT DATA	9.3%	1.7%	17%	5.0%	6.8%	8.5%	4.9%	12.7%	12.7%	10.9%	14.1%	9.9%	11.1%	5.0%	12.7%	9.9%	
STK - Domestic Owned	11	11	12	13	13	13	13	16	16	16	17	18	11	13	16	18	
STK - Domestic Managed	2	2	2	2	2	2	2	2	2	2	2	3	2	2	2	3	
STK - Domestic Licensed	. 1	1	. 1	1	1	1	1	. 1	1	1	1	2	1	1	1	2	
Kona Grill - Domestic Owned Kona Grill - Domestic Managed	24	24	24	25	25	26	26	28	28	28	29	31	24	25	28	31	
Kona Grill - Domestic Wanaged Kona Grill - Domestic Licensed																	
ONE Hospitality - Domestic Owned	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
ONE Hospitality - Domestic Managed Total Domestic Venues	1 41	1 41	43	47	47	48	1 48	1 54	1 54	1 54	1 56	61	41	1 47	1 54	61	
		41	43														
STK - International Managed	4	4	4	5 4	5	5	5	6	6	6	6	6	4	5	6	6	
STK - International Licensed ONE Hospitality - International Managed	4 10	4 10	10	7	7	4	4	7	7	4 7	7	7	5 10	4 7	4	7	
Total International Venues	18	18	18	16	16	16	16	17	17	17	17	17	19	16	17	17	
Total Owned	37	37	38	40	40	41	41	46	46	46	48	51	37	40	46	51	
Total Managed/Licensed	22	22	23	23	23	23	23	25	25	25	25	27	23	23	25	27	
Total Venues	59	59	61	63	63	64	64	71	71	71	73	78	60	63	71	78	

Stephens

Joshua Long, CFA, CMT, Analyst (713) 993-4230

### **Thoughts on Commodities**

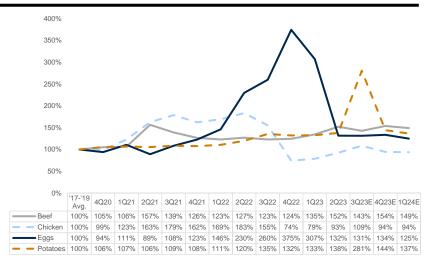
**Chicken Breast Prices Favorable:** Breast meat is in a relatively favorable position from the perspective of many of our covered companies. NDLS, WEN, and CHUY are arguably better examples of operators across our coverage list positioned to benefit from more favorable chicken breast pricing.

**Chicken Wings Moving Back to Average:** Spot wing prices have moved higher off of the recent lows back towards the longer-term average of ~\$1.50/lb. The upward trajectory is catching some attention; however, we understand that additional chicken capacity could be coming on-line driven by lower feed costs, which could help soften pricing levels.

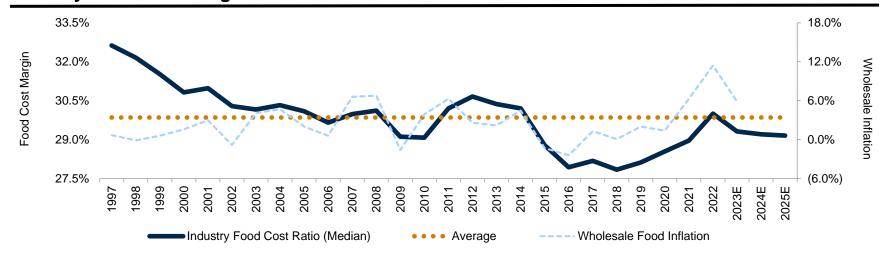
**Beef Still Inflationary:** Prices in 3Q23 remained inflationary driven by a continuation in the overarching, multiyear supply/demand backdrop. We continue to expect beef prices to experience steady upward price pressure, which is a net negative for TXRH, STKS, and limited service hamburger QSR names. Percent inflation estimates vary by company and cut/spec of product but seem to generally coalesce around the +MSD% to +HSD% (or higher) inflation range.

**Egg Prices Look Steady:** Eggs generally represent a small piece of the overall basket but remain key inputs for breakfast-focused concepts/dayparts. Prices of late have come back in line with the longer-term average, which is a net positive for the space.

## **Commodity Prices Indexed to Pre-COVID Trend**



### **Industry Food Cost Margins & Inflation**





For added perspective, the heat map below illustrates YoY changes in commodity prices through 2Q24 (assuming current spot rates hold). This is admittedly not a realistic assumption but rather a tool for sizing up the relative size of potential relief/pressure points on a YoY basis.

	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23E	3Q23	4Q23E*	1Q24E*	2Q24E*
Primal Rib (wholesale)	6%	11%	24%	43%	15%	5%	(18%)	(20%)	(2%)	19%	15%	19%	4%	4%	3%
Primal Loin (wholesale)	(2%)	10%	22%	32%	22%	16%	(17%)	(8%)	(4%)	9%	20%	15%	27%	7%	(7%)
Primal Flank (wholesale)	(8%)	(9%)	15%	33%	51%	43%	1%	2%	(9%)	7%	33%	27%	44%	23%	(5%)
Ground Beef 81% - Steer/Heifer	(10%)	(7%)	(5%)	45%	44%	51%	7%	3%	(11%)	(17%)	2%	12%	35%	21%	2%
Rib, ribeye, lip-on, bn-in (wholesale)	13%	17%	31%	47%	11%	(4%)	(24%)	(27%)	(3%)	25%	15%	21%	(4%)	2%	2%
Loin, strip, bnls, 0x1 (wholesale)	11%	29%	11%	17%	12%	1%	(17%)	3%	(8%)	10%	11%	1%	33%	(3%)	(10%)
Loin, tndrloin, trmd, heavy (wholesale)	(13%)	10%	78%	68%	26%	21%	(19%)	(25%)	14%	22%	18%	21%	(7%)	(6%)	(8%)
Boneless, Skinless Breast (wholesale)	1%	34%	87%	90%	109%	101%	68%	19%	(42%)	(50%)	(59%)	(37%)	33%	13%	8%
Boneless, Skinless Breast (wholesale) Wing (wholesale)	27%	52%	131%	85%	38%	(1%)	(44%)	(61%)	(67%)	(62%)	(54%)	(5%)	27%	27%	55%
Derind Belly 13-17# (wholesale)	13%	55%	103%	66%	22%	11%	(15%)	(16%)	(37%)	(48%)	(49%)	(26%)	20%	39%	50%
Bacon	4%	7%	17%	25%	26%	23%	15%	5%	0%	(7%)	(14%)	(14%)	(12%)	(5%)	(0%)
Hass Avocados	(31%)	(26%)	(9%)	79%	96%	60%	92%	(28%)	(42%)	(50%)	(52%)	(1%)	48%	42%	16%
Potatoes	(1%)	(3%)	(9%)	(5%)	2%	4%	4%	25%	23%	20%	15%	9%	12%	11%	7%
Beans (price / lb)	1%	(1%)	(0%)	0%	6%	8%	8%	17%	14%	9%	3%	2%	2%	1%	2%
Retail Milk (price / gal)	9%	5%	9%	7%	8%	14%	18%	16%	15%	8%	(2%)	(5%)	(6%)	(4%)	(2%)
Shortening, Cooking Oil, & Margarine	7%	16%	36%	42%	41%	41%	35%	21%	13%	(2%)	(17%)	(11%)	(8%)	(3%)	2%
Shortening, Cooking Oil, & Margarine Veggie/Fruit	3%	3%	3%	3%	4%	7%	8%	10%	9%	5%	2%	2%	1%	1%	2%
Eggs	6%	9%	(18%)	41%	29%	32%	173%	139%	233%	183%	(54%)	(52%)	(69%)	(70%)	13%
Block 40 lb Cheddar (price / lb)	7%	5%	(13%)	(18%)	(18%)	21%	26%	16%	14%	(6%)	(24%)	(11%)	(11%)	(6%)	16%
Packing Materials	1%	4%	8%	16%	18%	16%	13%	7%	3%	3%	2%	0%	1%	1%	(0%)
Soda	4%	4%	(3%)	2%	9%	6%	14%	20%	26%	28%	27%	12%	6%	0%	(4%)

\*2023 prices are not "forecasts". They are simply scenarios for Y/Y inflation if we assume the latest spot prices hold constant Note: all prices listed are per pound, unless otherwise noted



	COGS	Margin	FY23E					As	a % of COGS	S Basket			
Limited Service	3-Year Pre- Pandemic	FY23E	Menu		Proteins			Dairy &	Coffee	Grains	Produce &	Paper/Packaging,	All Othe
	Average		Price	Beef	Pork	Poultry	Seafood	Eggs			Other	Transportation, & Other	
Restaurant Brands International	nm	nm	na	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
McDonald's Corporation	nm	nm	11.0%	15.0%	nm	15.0%	Not meaningfu	on a consolid 15.0%	ated basis 4.5%	4.5%	9.0%	4.5%	32.5%
vice of laid 3 Corporation	11111		11.070	13.070			ocery basket ite				3.070	4.576	32.370
					No sir		sents more tha				ng		
Wendy's	31.6%	31.9%	7.0%	20.0%	2.0%	20.0%	2.0%	8.0%	nm	nm	10.0%	nm	38.0%
Carroll's	28.8%	28.3%	7.5%	25.0%	3.0%	11.0%	nm	nm	nm	nm	nm	nm	61.0%
Domino's	61.2%	61.4%	nm	nm	nm	nm	nm	25.0%	nm	nm	nm	nm	75.0%
						Ch	ese represents	largest single	food cost item	1			
Papa John's	nm	nm	~MSD%	nm	nm	nm	nm	nm	nm	nm	nm	nm	100.0%
Starbucks Corporation	34.8%	31.7%	na	nm	nm	nm	nm	7.0%	17.0%	nm	18.0%	10.0%	48.0%
QSR Average	43.0%	38.3%	8.5%	20.0%	2.5%	15.3%	2.0%	13.8%	10.8%	4.5%	12.3%	7.3%	59.1%
Chipotle Mexican Grill, Inc.	33.5%	29.5%	4.5%	15.0%	2.0%	15.0%	nm	7.0%	nm	1.0%	nm	nm	60.0%
							Top few item	s account for n	najority of COC	GS; typically ca	nnot be contracte	d	
					Typically							with many smaller farmers	
									0% premium f		eins versus non-o		
Noodles & Company	26.4%	25.2%	6.0%	5.0%	3.5%	12.0%	4.5%	11.0%	nm	7.0%	10.0%	20.0%	27.0%
Wingstop	36.6%	32.6%	2.0%	0.0%	0.0%	65.0%	0.0%	0.0%	0.0%	0.0%	20.0%	nm	15.0%
Fast Casual Average	32.2%	29.1%	4.2%	6.7%	1.8%	30.7%	2.3%	6.0%	0.0%	2.7%	15.0%	20.0%	34.0%
Limited Service	37.6%	33.7%	6.3%	13.3%	2.2%	23.0%	2.1%	9.9%	5.4%	3.6%	13.7%	13.6%	46.5%
	COGS	Margin						As	a % of COGS	S Basket			
	3-Year Pre-												
Full Service	Pandemic	FY23E	Menu		Proteins			Dairy &	Coffee	Grains	Produce &	Paper/Packaging,	All Othe
	Average		Price	Beef	Pork	Poultry	Seafood	Eggs	Collec	Grains	Other	Transportation, & Other	All Othe
BJ's Restaurants Inc.	25.6%	26.1%	7.0%	16.0%	nm	11.0%	12.0%	11.0%	nm	7.5%	20.5%	nm	22.0%
Cheesecake Factory Incorporated (The)	22.8%	23.5%	9.0%	nm	nm	14.0%	9.0%	13.0%	nm	na	28.0%	nm	36.0%
Chuy's	25.8%	25.4%	3.5%	21.0%	nm	13.5%	nm	12.0%	nm	nm	53.5%	nm	0.0%
Darden Restaurants, Inc.	28.6%	31.6%	4.0%	23.0%	nm	7.0%	11.0%	9.0%	nm	7.0%	12.0%	nm	31.09
Kura Sushi USA, Inc	34.2%	32.6%	11.3%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
					Top 5	purchases on	ly make up 25%	6 of the entire b	oasket				
Texas Roadhouse	32.6%	34.8%	5.5%	50.0%	5.0%	5.0%	5.0%	5.0%	nm	11.0%	8.0%	nm	11.09
Casual Dining Average	27.1%	29.0%	6.7%	27.5%	5.0%	10.1%	9.3%	10.0%	nm	8.5%	24.4%	nm	20.0%
The ONE Group Hospitality, Inc STK	25.2%	24.1%	5.0%	36.0%	nm	nm	17.5%	5.0%	nm	nm	10.0%	nm	31.5%
The ONE Group Hospitality, Inc Kona	25.2%	24.1%	5.0%	9.0%	nm	9.0%	32.5%	5.0%	nm	nm	10.0%	nm	44.0%

5.0%

10.1%

13.4%

7.5%

32.8%



**Full Service** 

27.1%

26.5%

5.9%

24.8%

8.5%

17.2%

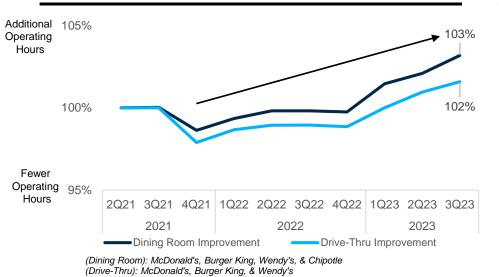
## **Labor & Human Capital Remain In Focus**

**Labor Market Stabilizing:** The restaurant industry appears to be stabilizing as employment (at a high-level) is increasingly moving towards pre-Covid levels *(bottom right)*.

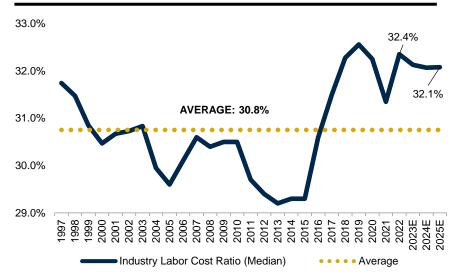
**Next Unlocks Productivity Driven?** At the store level, staffing seems to be "sufficient" (but far from perfect) as many companies are able to increase operating hours as outlined using limited service as a proxy in the chart below. We believe the next unlock for store-level profitability is driving increased productivity and throughput via retention and training among a generally less seasoned workforce. With a softer macroeconomic environment expected in the second half, there may be more job seekers, leading to further increases in labor supply (balanced, of course, against the potential for a softer demand environment).

Labor Margins to Remain At Higher End of Range; Brands That Elevate Human Capital Best Positioned: Moving ahead, we anticipate labor margins will remain elevated vs. the decade offset. In this context, we see investing in human capital and enhancing the employee experience as critical factors for brands to consider when aiming to become/remain employers of choice and magnets for attracting best-inclass human capital talent.

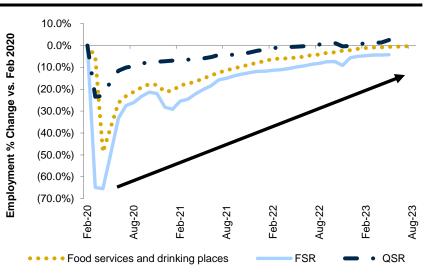
## **Operating Hours Continue to Improve**



## **Restaurant Industry Labor Cost Margins**



## **Employment Returning to Pre-Covid Levels**



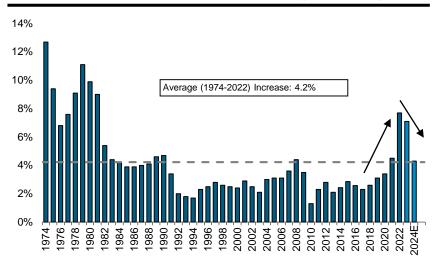


## **Thoughts on Restaurant Menu Pricing**

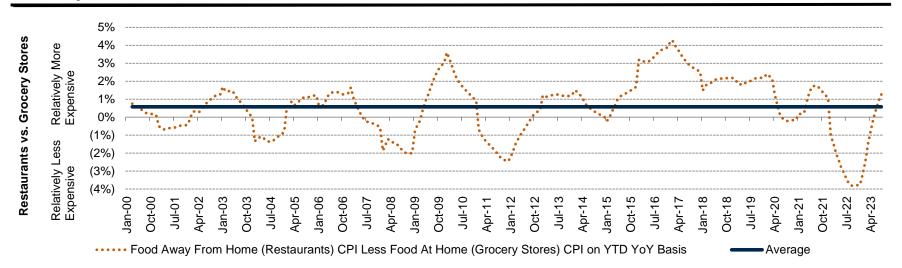
**Menu Prices Working Lower:** With food costs moderating and labor (both in terms of costs and availability) somewhat steady, we believe that operators are in a decent position to let menu pricing roll off on a go forward basis. This is in line with the current industry expectations and should create a set up for a return to more normalized menu pricing in 2024. As outlined in the chart to the right, we believe menu pricing for the industry has peaked and should be on the down swing with operators more likely to return to pricing the +LSD% range (similar to prior ranges). This, of course, assumes no major spikes in key input costs.

Pace of Restaurant Pricing More Balanced vs. Grocery Channel: From the perspective of the consumer, we believe this dynamic will be welcomed; however, we think it could take some time for it to be "felt" given the impact from compounded prices over the last few years. One additional net positive for restaurants (and secondarily foodservice distribution) is the relative affordability of the restaurant segment (outlined below). The recent datasets suggest the pace of pricing relative to the grocery channel has narrowed of late; however, we believe the convenience and experience offered by the restaurant category remain points of attraction for consumers.

## **Restaurant Industry Menu Pricing Peaking?**



## **Grocery vs. Restaurant Price Differential Trend**





Company	Ticker	Concept	Price
Alphabet Inc. Class A	GOOGL	Google Trends	\$138.39
Bandai Namco Holdings	Private	Pacman	-
ByteDance	Private	TikTok	-
Factset Research Systems Inc	FDS	Factset	\$442.34
Hub Park	Private	Origami Crane	-
Knapp Track	Private	Knapp Track	-
Meta Platforms Inc. Class A	META	Facebook & Instagram	\$313.91
My Hero Academia	Private	My Hero Academia	-
Puglie Pug	Private	Puglie Pug	-
Sanrio Company, Ltd.	SNROF	Hello Kitty	\$43.71
Sony Group Corporation Sponsored ADR	SONY	Demon Slayer	\$84.37
Tetris	Private	Tetris	-
Time Warner, Inc	Private	DC Comics	-
X Corp.	Private	Twitter	-
Jujutsu Kaisen	Private	Jujutsu Kaisen	-



#### **COMPANIES MENTIONED**

See page 25 for companies mentioned.

#### **APPENDIX A**

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OVERWEIGHT (O) - The stock's total return is expected to be greater than the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. EQUAL-WEIGHT (E) - The stock's total return is expected to be equivalent to the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. UNDERWEIGHT (U) - The stock's total return is expected to be less than the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. VOLATILE (V) - The stock's price volatility is potentially higher than that of the company's industry sector. The company stock ratings may reflect the analyst's subjective assessment of risk factors that could impact the company's business.

#### Distribution of Stephens Inc. Ratings

IB Serv./Past 12 Mos.

Rating	Count	Percent	Count	Percent
BUY [OW]	249	56.59	26	10.44
HOLD [EW]	186	42.27	19	10.22
SELL [UW]	5	1.14	0	0.00

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