



ankura 

Restaurant Sector

CQ4 - 2023 UPDATE



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Executive Summary

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Top Level Review

Summary

The restaurant sector experienced minor growth during CQ4-2023 (gaining 3.40%) and materially underperformed when compared to the broader S&P 500 index's performance (**gaining 11.31%**) during the same period.

Companies that managed to increase their respective share prices during CQ4-2023 saw an **average growth of nearly ~20% in their respective stock prices**. Despite the overall gains across the sector this quarter, companies that experienced a **decrease in growth lost an average of ~10% of their total share value**.

While there are considerable on-going challenges faced by the restaurant industry today, analysts have remained optimistic about the continued growth of the sector entering in to 2024 and beyond.

Share Price % Change Winners

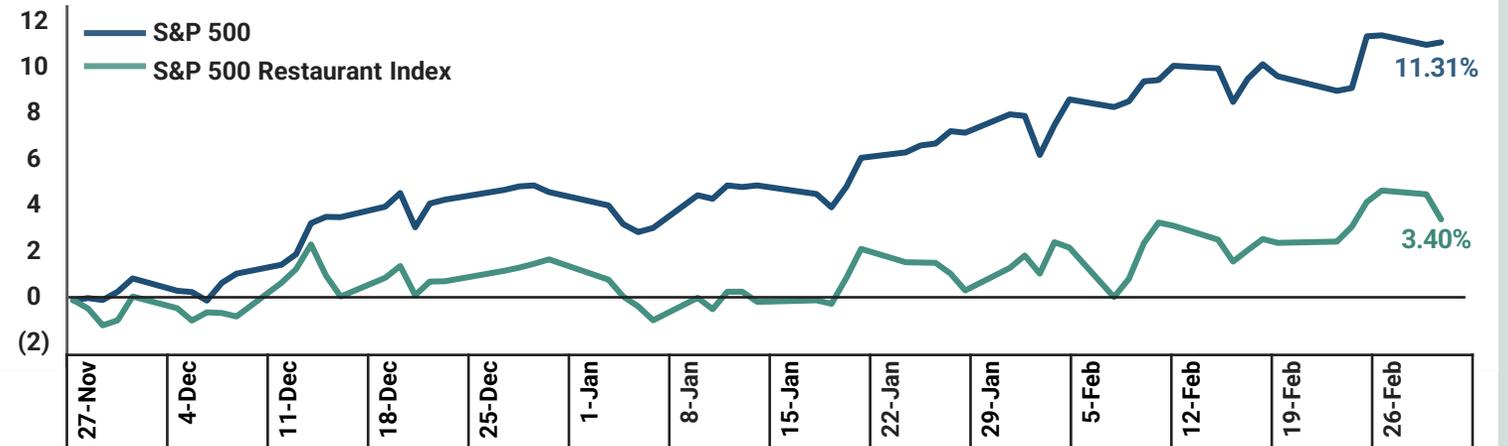


Share Price % Change Losers

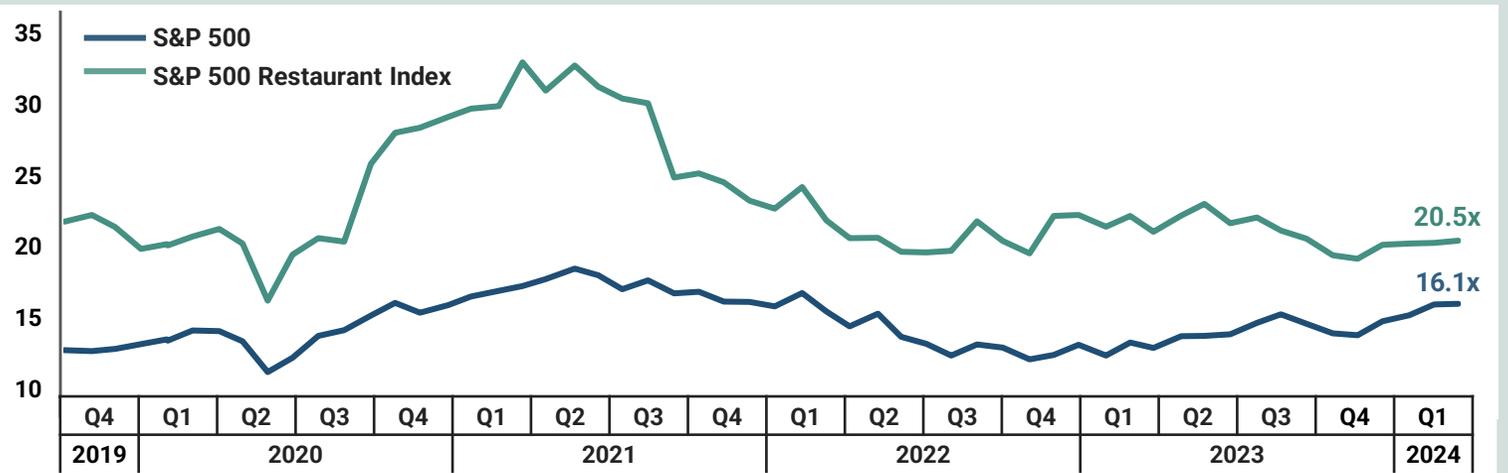


Source: Capital IQ; trailing 3 months ending February 27, 2024

CQ4-2023 % Price Change: Restaurant Index vs. S&P 500 Index



Historical EV/EBITDA Multiples: Restaurant Index vs. S&P 500 Index



Source: Capital IQ; includes Q1 2024 calendar data through February 27, 2024

Key Themes

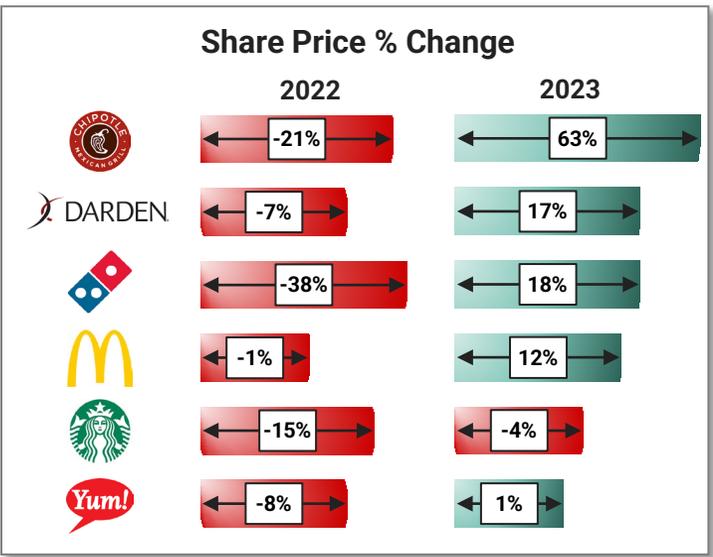
1

2023 Dishes Out Tasty Returns

Shares of restaurant companies **joined the broader stock market recovery in 2023** (see image below), marking a contrast with the prior year (S&P 500 +24% in '23, -20% in '22).

While most all restaurant brands continued to grapple with persistent inflation and elevated interest rates, many successfully refined their 2022 strategies, **identifying opportunities to sustain or improve margins**.

A notable standout in 2023 was **Chipotle, registering a 63% increase in stock price**. Although a significant portion of the gain (54%) occurred in the 1Q, the company-maintained momentum in subsequent quarters.



Source: Capital IQ; calendar year dates

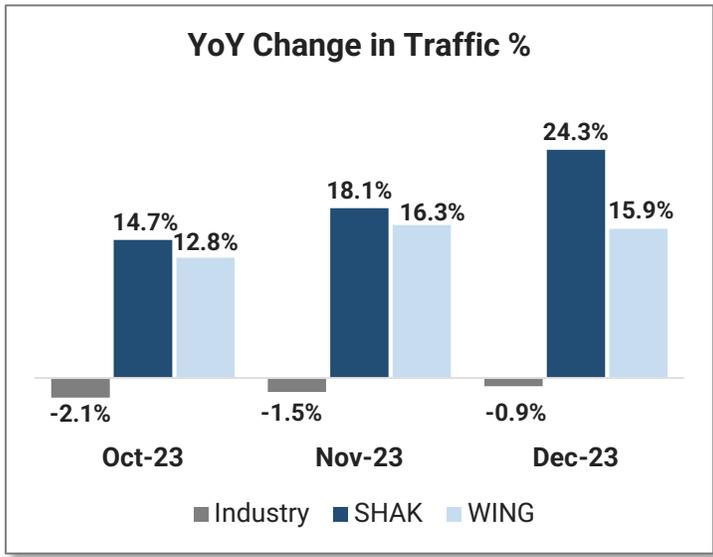
2

Digital Helps Offset Declining Traffic

Amid a **broader industry downturn in customer traffic**, companies such as Shake Shack and Wingstop bucked the trend with robust traffic growth (see image below), a testament to their strategic **emphasis on digital engagement** and takeout/delivery models.

Like other digital leaders, SHAK and WING have seized the trend toward **convenience and contactless dining**.

By enhancing **digital platforms and prioritizing efficient off-premise dining with delivery services**, they've attracted, retained customers, surpassed competitors, and gained a larger market share.



Source: Placer AI; National Restaurant News report on Jan 25, 2024

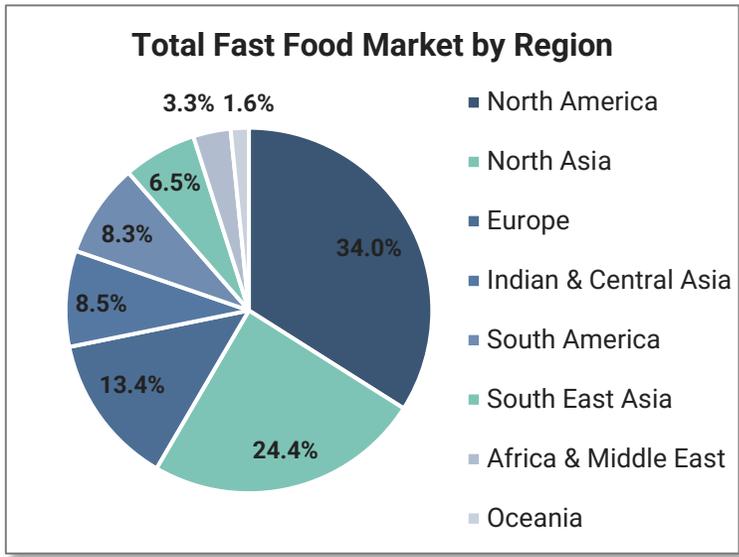
3

Strategic Expansion and Growth Initiatives

Many companies are focused on **aggressive expansion and strategic growth**, with leading brands CMG, DPZ and RBI all focusing on planned growth during their Q4 earnings calls.

This indicates that companies are investing in new locations and markets to **increase their footprint and capitalize on market opportunities across the globe**.

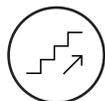
As companies look to expand, they increasingly consider international markets, particularly in developing regions. Specifically, in the fast-food market, the industry has recently **experienced significant growth in Southeast and North Asia** (see green in image below).



Source: G4621-GL: Global Fast-Food Restaurants. IBISWorld. September. 2023

Special Feature: Restaurant Level Margins

CQ4-2023 KEY TAKEAWAYS



Many of the major restaurant operators **improved store-level margins** in Q4 2023, as compared to the same period in 2022 [See below](#)



Chipotle and Shake Shack were among the companies who **highlighted tech investments** during Q4 earnings calls as pivotal for enhanced operations



Looking **ahead to 2024**, operators acknowledged challenges, especially in a **dynamic labor market** with significant changes, notably in California

DETAILED VIEW OF SELECT COMPANIES



\$ in millions	CHIPOTLE			SHAKE SHACK			DARDEN			TEXAS ROADHOUSE			Brinker INTERNATIONAL		
	CQ4-22	CQ4-23	% Growth	CQ4-22	CQ4-23	% Growth	CQ4-22	CQ4-23	% Growth	CQ4-22	CQ4-23	% Growth	CQ4-22	CQ4-23	% Growth
Restaurant Revenues	\$2,181	\$2,516		\$230	\$276		\$2,487	\$2,727		\$1,003	\$1,157		\$1,009	\$1,064	
Restaurant Cost Of Sales	\$639	\$747		\$68	\$80		\$818	\$846		\$352	\$396		\$289	\$273	
% of Store Sales	29%	30%	40 bps	30%	29%	(42 bps)	33%	31%	(190 bps)	35%	34%	(86 bps)	29%	26%	(300 bps)
Restaurant Labor	\$559	\$629		\$66	\$79		\$809	\$881		\$335	\$383		\$335	\$356	
% of Store Sales	26%	25%	(62 bps)	29%	29%	(38 bps)	33%	32%	(22 bps)	33%	33%	(27 bps)	33%	33%	33 bps
Other Restaurant Expenses	\$460	\$502		\$52	\$62		\$417	\$450		\$170	\$201		\$268	\$295	
% of Store Sales	21%	20%	(117 bps)	23%	23%	(16 bps)	17%	17%	(26 bps)	17%	17%	40 bps	27%	28%	112 bps
Restaurant Expenses	\$1,658	\$1,878		\$187	\$221		\$2,044	\$2,177		\$857	\$980		\$892	\$924	
Restaurant Level Profit	\$523	\$638		\$43	\$55		\$443	\$550		\$146	\$177		\$117	\$140	
% of Store Sales	24%	25%	139 bps	19%	20%	96 bps	18%	20%	237 bps	15%	15%	73 bps	12%	13%	155 bps

Performance to Plan

QSR & Fast Casual

4 of 11 beat EPS and Comp Sales estimates in CQ4-2023*

- While many companies beat EPS estimates, almost two-thirds fell short of analysts' comp sales growth expectations for the quarter.
- Notable EPS misses included **Wendy's** (missing estimates by ~8%), **YUM Brands** (missing estimates by ~10%), and **Starbucks** (missing estimates by 4%).

CQ4-2023 Actuals vs. Consensus Estimates

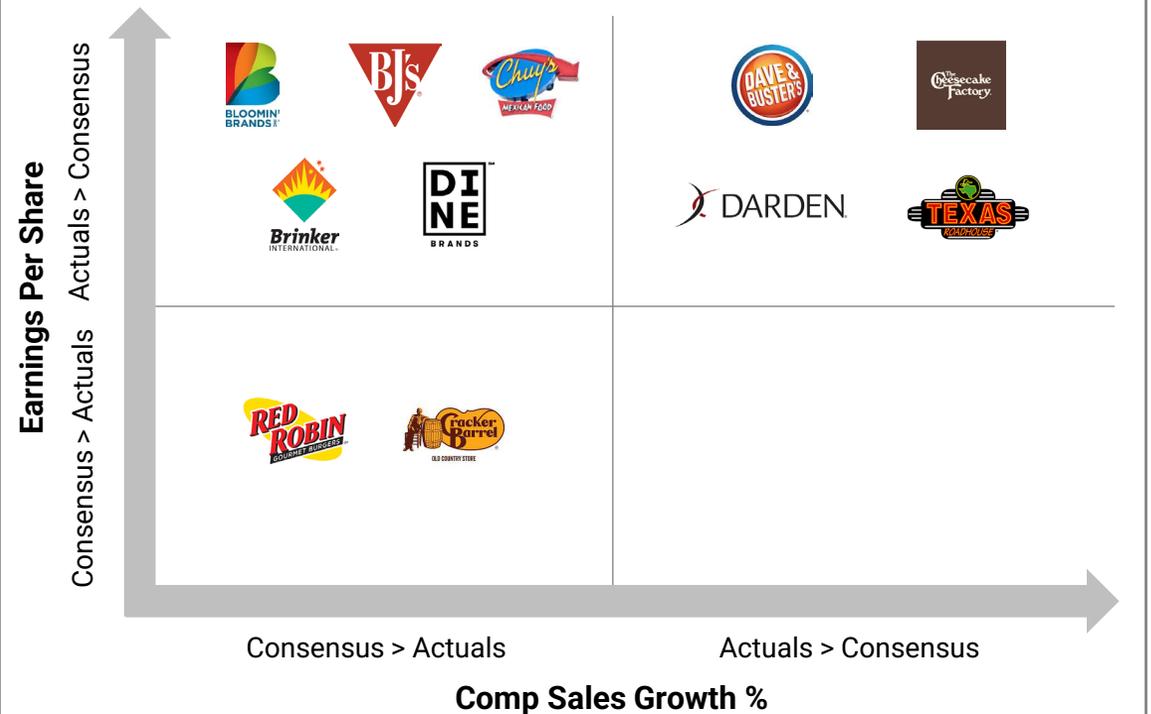


Casual & Fine Dining

4 of 11 beat EPS and Comp Sales estimates in CQ4-2023*

- Nearly all Casual & Fine Dining companies met the mark on EPS for the period, but over half fell short of analysts' comp sales expectations for the quarter.
- Cracker Barrel & Red Robin were the only Casual & Fine Dining companies to miss estimates on both EPS and comp sales growth for Q4.

CQ4-2023 Actuals vs. Consensus Estimates



Source: Capital IQ - "Plan" and "Consensus" and "Estimates" refer to consensus estimates per Capital IQ

Note: includes companies that reported CQ4-2023 results as of February 29, 2024

* Cracker Barrel and Dave & Busters – quarter ended Oct-23; DRI – quarter ended Nov-23

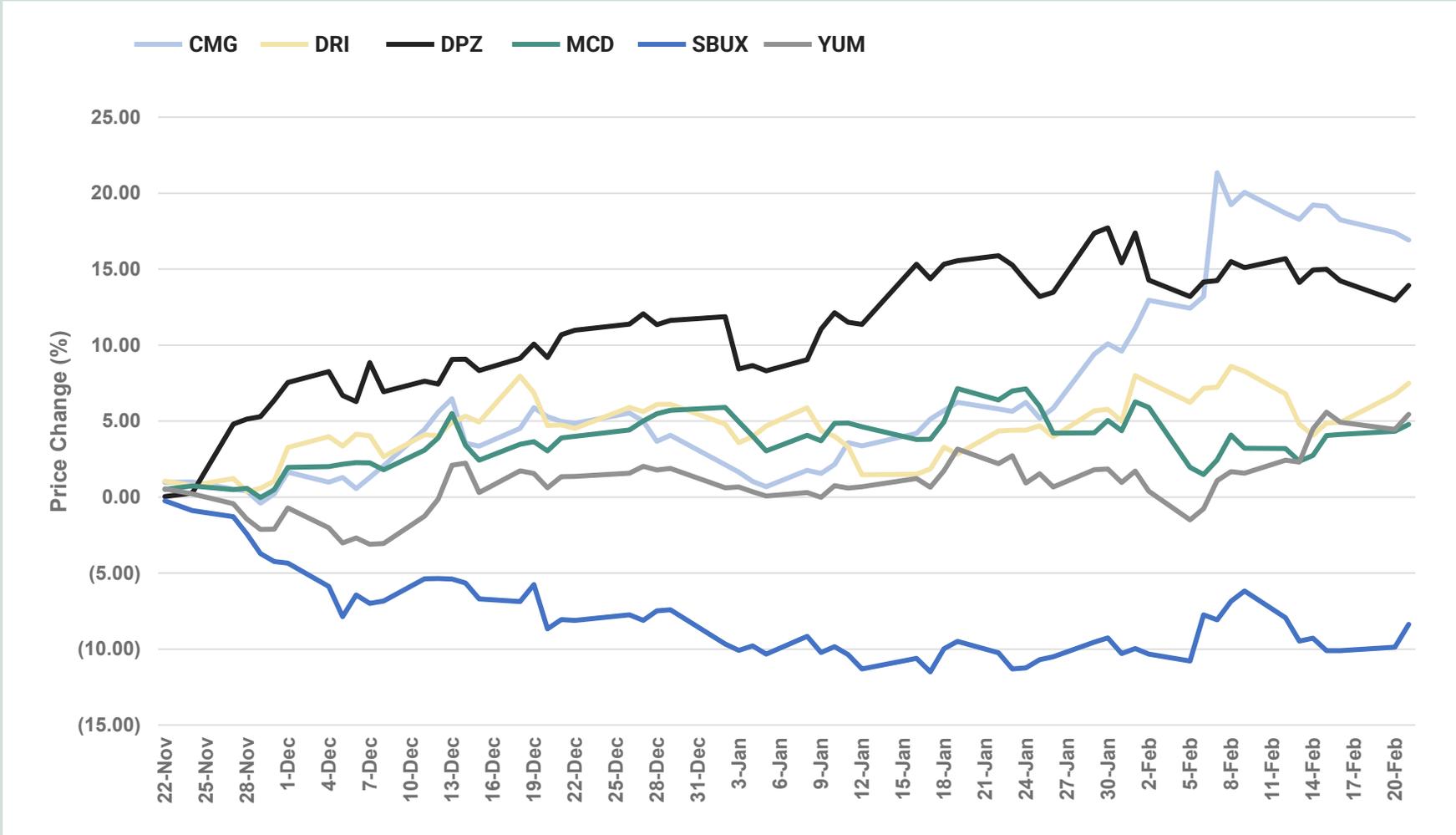
Restaurant Index Performance

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Restaurant Index Performance

CQ4-2023 Price Change: Restaurant Index Stocks



Stock	Price Change
CMG – Chipotle	16.9%
DRI – Darden	7.5%
DPZ – Domino’s	13.9%
MCD – McDonald’s	4.8%
SBUX – Starbucks	(8.4%)
YUM – Yum Brands	5.5%
Restaurant Index*	4.5%

Select Commentary

- Among the six stocks making up the Restaurant Sector Index, **Chipotle was the clear winner of Q4 with an 17% gain during the period.**
- CMG experienced a sharp rise in early February, jumping **7.2% on February 7th** following the company’s strong results in its Q4 earnings.
- **Starbucks was the only stock of the six to see a decrease** in share price during Q4. The company’s lackluster earnings release could not keep up with its Q3 trend, which saw the stock jump 9.5% on earnings day in early November.

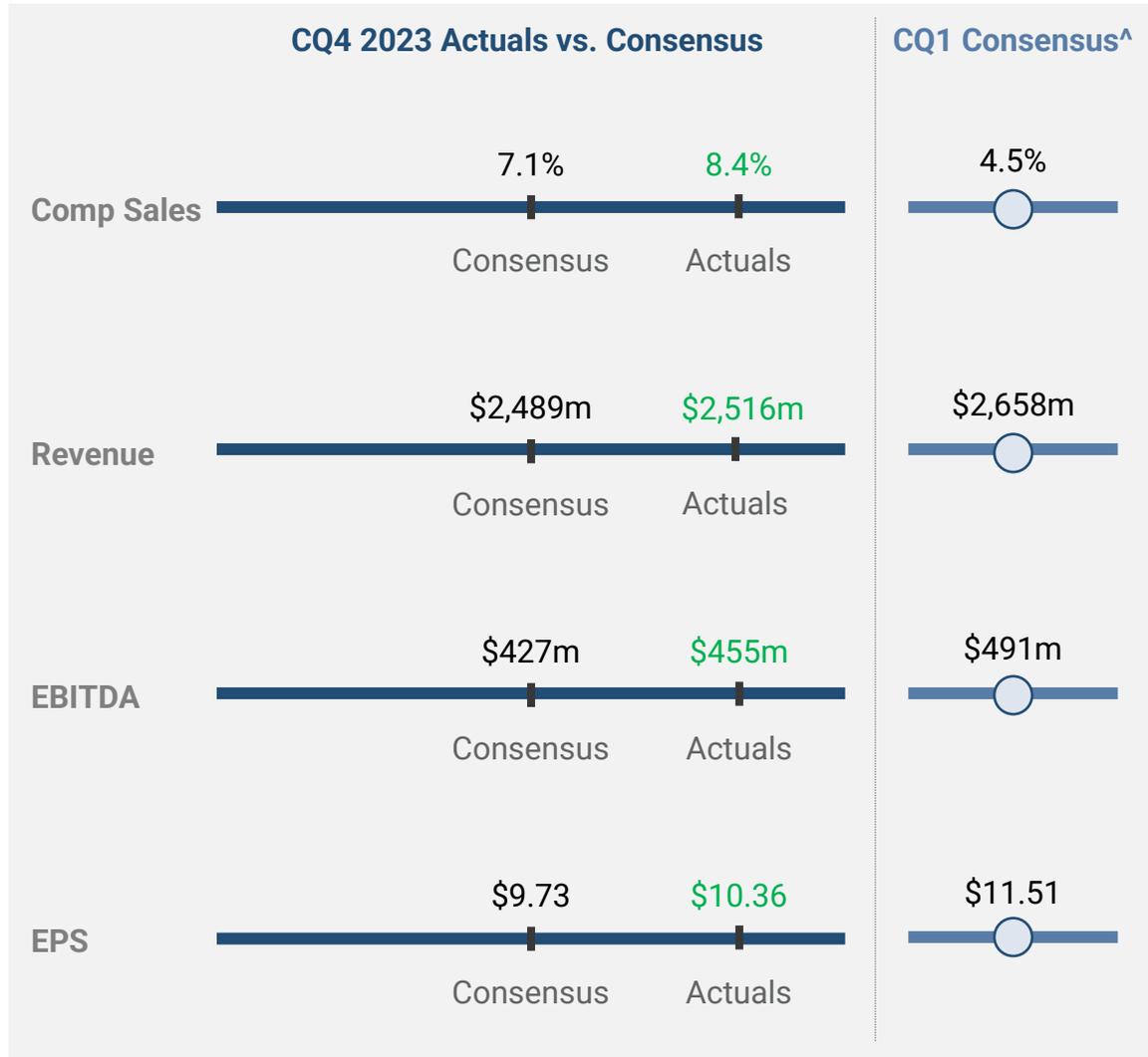
Source: Capital IQ; trailing 3 months ending February 22, 2024

*Weighted change of S&P 500 Restaurants Index

Restaurant Index Performance



Chipotle



CQ4-2023 Headlines

1

Strong Financial Performance

- Chipotle reported another robust quarter of sales growth, increasing total revenue by 15%, reaching \$2.5 billion in Q4, driven by 8.4% in comp. sales growth.
- Diluted earnings per grew 25% compared to last year, totaling \$10.36 for the quarter.

2

Market Expansion

- In Q4, Chipotle opened 121 new restaurants, totaling 271 for FY2023, marking records for locations opened in a single quarter and year for the company.
- The company also surpassed 800 Chipotle locations in the quarter as the brand continues to pursue growth of its drive-thru real estate presence.

3

Digital Sales and Rewards

- Digital sales represented 37% of sales for the year, demonstrating the effectiveness of CMG's digital strategy in catering to changing consumer preferences.
- Chipotle continues to drive engagement through the brand's rewards program post-pandemic, now reaching nearly 40 million users.

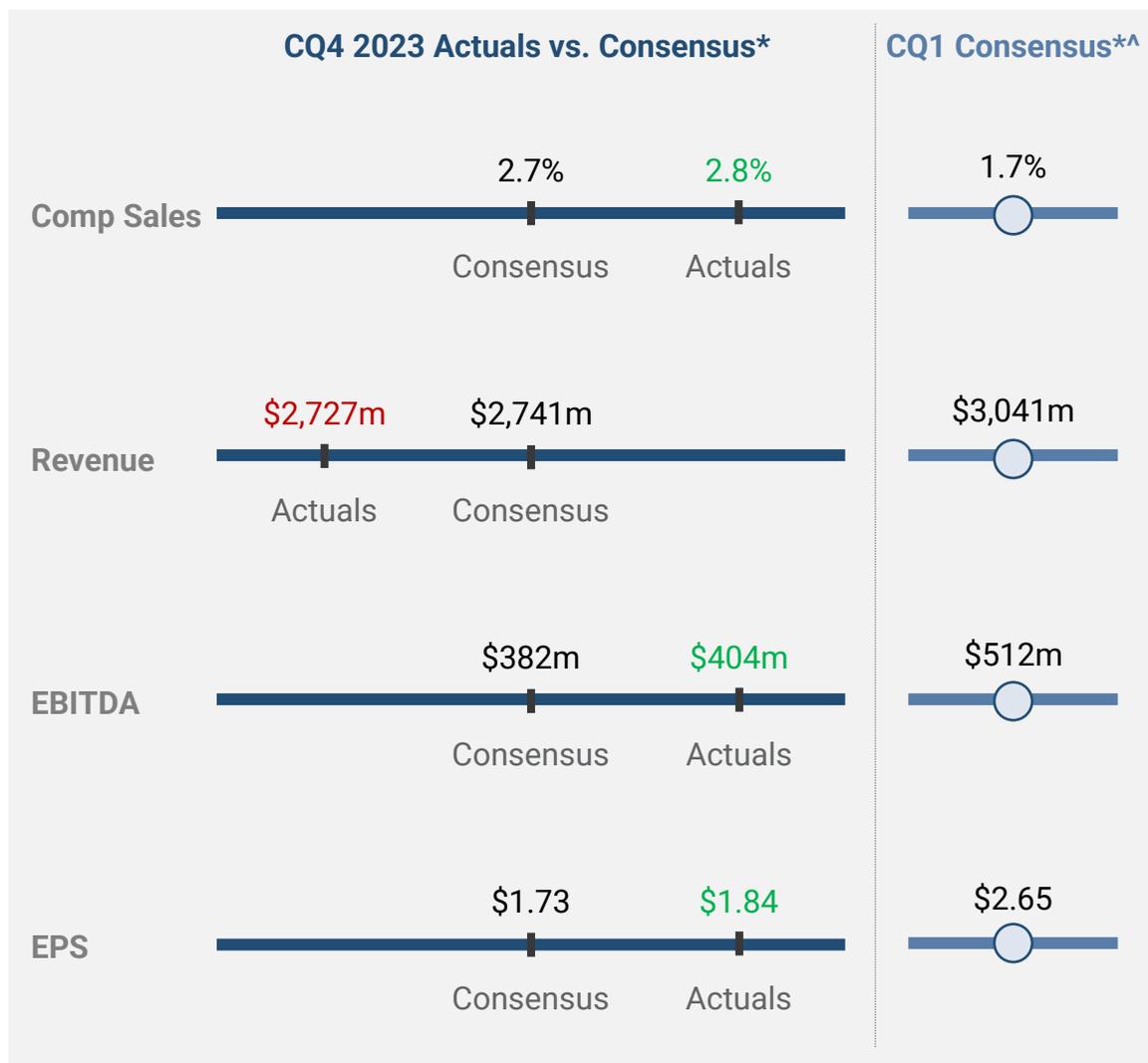
4

Future Partnerships and Unit Growth

- In 2024 the company plans to partner with health app, Strava, to encourage healthy habits among customers.
- Capping off a successful 2023, Chipotle plans to continue its growth in the North American market, targeting 7,000 locations and 4 million average unit volumes in the near future.

[^]Consensus estimates as of February 22, 2024 / Source: Capital IQ

Restaurant Index Performance Darden



CQ4-2023 Headlines

1

Strategic Acquisitions and Synergies

- Darden continued the integration of the Ruth's Chris brand into the company's portfolio following its acquisition last quarter.
- Darden made several strategic changes to the steak house brand including shutting down third-party delivery operations and closing most restaurant locations during lunch hours.

2

Strong Fiscal Performance

- Darden's \$2.8 billion total sales figure marked a 9.7% increase from the previous year.
- The growth was largely attributed to the addition of 78 new company-owned Ruth's Chris steak house locations and 45 new legacy Darden restaurant locations.

3

Capital Returns

- The company's strong financial performance was generated the company \$403 million in adjusted EBITDA for the quarter.
- This allowed the company to return \$158 million in dividends back to shareholders and repurchase an additional \$181 million worth of shares.

4

Positive Outlook for 2024

- Outlook for fiscal 2024 includes total sales of \$11.5 billion to \$11.6 billion, driven by the addition of Ruth's Chris. Same-restaurant sales growth is expected to be 2.5%-3.0%.
- The Company increased its diluted EPS outlook from \$8.75 to \$8.90, signaling a strong financial view ahead of 2024.

*CQ4 2023 includes DRI's fiscal quarter ended Nov-23; CQ1 2024 includes DRI's fiscal quarter ending Feb-24

^AConsensus estimates as of Feb 22, 2024 / Source: Capital IQ

Restaurant Index Performance



Domino's



CQ4-2023 Headlines

1 Five-Year Plan Roll-Out

- In December, the company announced its five-year plan titled, 'Hungry for MORE', which stands for 'Most delicious food', 'Operational Excellence', 'Renowned Value', and 'Enhanced by best-in-class franchisees'.
- The plan targets global annual sales growth of 7% and annual operating income growth of 8%.

2 Domestic Same-Store Growth

- Domino's signed an exclusive third-party delivery deal with Uber Eats in Q3, resulting in 2.8% same-store sales growth for US locations in Q4.
- The brand's 'Emergency Pizza' promotional also contributed to this growth on both the delivery and carryout sides, increasing comp sales at 2.0% and 3.9%, respectively.

3 Rewards Re-Launch Success

- The end of Q3 saw Domino's launch a revamped rewards system that offers customers a tiered redemption rewards system.
- Since the re-launch, over 2 million new members signed up for the program, marking 33 million active members by the end of Q4.

4 2024 Profitability & Market Expansion

- In 2024, Domino's expects to open 1,100 new stores, which includes 925 international locations. The company's expansion in India and China has been vital to the chain's strategy, expecting half of 2024 openings to be in those markets.
- As a result of this expansion, the company projects 8% year-over-year increase in operating income.

*DPZ reports US and Int'l Comp Sales; this figure represents Int'l Comp Sales given it represents majority of system

[^]Consensus estimates as of February 26, 2024 / Source: Capital IQ

Restaurant Index Performance McDonald's



CQ4-2023 Headlines

1 Global Sales Momentum

- McDonald's achieved nearly 9% comparable global sales growth for the full year.
- With nearly a 3% global guest count increase, McDonald's increased market share in most major markets. Foreign currency translation had a positive impact on the bottom line.

2 Strategic Initiatives

- The Accelerating Arches strategy has fueled over 30% comparable sales growth since 2019.
- McDonald's loyalty program has been expanded to 50 markets, reaching over \$20 billion in annual loyalty system-wide sales.

3 Operational Enhancements

- McDonald's has streamlined operations with the Ready on Arrival initiative to reduce wait times and improve customer satisfaction.
- Customer data is being utilized to offer targeted deals and personalized ad promotions.

4 Future Investments

- Looking to 2024, McDonald's expects comp sales growth between 3% to 4% for the U.S. and International Operated Markets segments.
- McDonald's plans to open more than 2,100 restaurants in 2024, aiming to reach 50,000 restaurants by the end of 2027.

[^]Consensus estimates as of Feb 22, 2024 / Source: Capital IQ

Restaurant Index Performance Starbucks



CQ4-2023 Headlines

1

Record Revenue

- Starbucks achieved record total company revenue of \$9.4 billion in Q1 2024, an 8% year-over-year increase.
- Global comp store sales grew by 5%, 5% growth in North America and 10% in China.

2

Customer Engagement

- The strength of brand and loyalty programs was highlighted with 13% year-over-year growth in active rewards members and record spend per member.
- Starbucks is focusing on product innovation such as the introduction of new beverages and food items aimed at different dayparts, especially the afternoon.

3

Strategic Initiatives

- The strategic priorities include elevating the brand through store experience and product innovation, strengthening digital leadership, global expansion, achieving operational efficiencies, and enhancing partner culture.
- Recovery in China is slower than expected, Starbucks experienced 20% revenue growth.

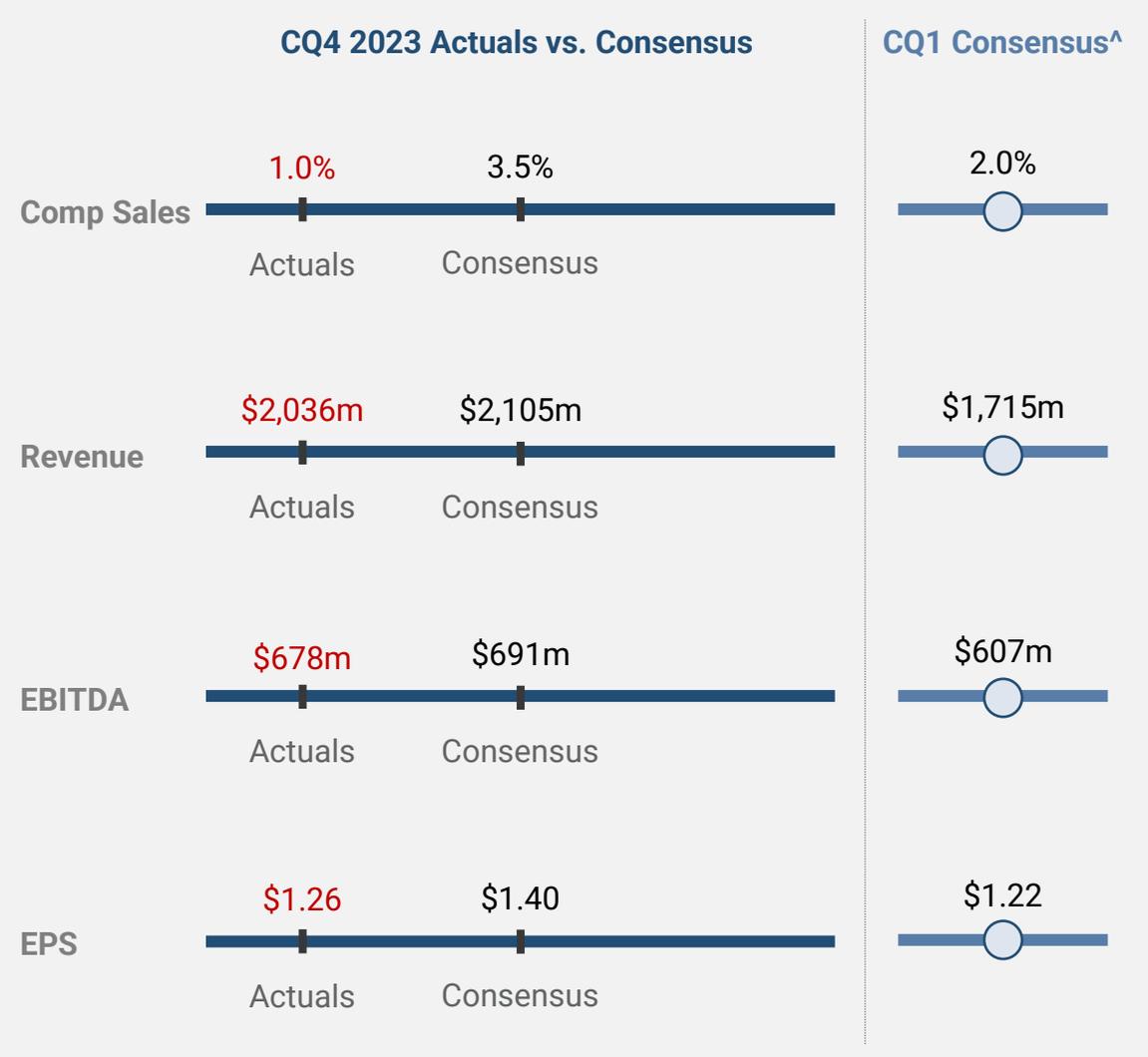
4

Expansion and Impact

- Starbucks is on track with store expansion, opening 420 new stores in the quarter and improve efficiency with the goal to save \$3 billion over the next three years.
- Starbucks leadership is actively engaging with partners in stores and aims to impact with local community involvement.

*Starbucks CQ4 represents company's Fiscal 2024 Q1; CQ1 represents company's Fiscal 2024 Q2
^AConsensus estimates as of Feb 22, 2024/ Source: Capital IQ

Restaurant Index Performance Yum Brands



CQ4 -2023 Headlines

1 Sales Growth

- 2023 growth exceeded the long-term growth algorithm, over \$60 billion system sales were reported in 2023.
- Yum! Brands has opened almost 10,000 new restaurants over the last three years
- Digital sales growth has been a main driver.

2 Conflict Challenges

- Yum! Brands faced challenges due to conflict in the Middle East this slowed the same-store sales growth.
- This same-store sales growth is expected to impact the first quarter of 2024 but lessen throughout 2024. This is expected to be driven by unit development pipelines and franchisee investments.

3 Key Growth Engines

- Taco Bell U.S. and KFC International are the key growth engines for Yum! Brands. Taco Bell U.S. outperformed industry trends and KFC International is planning for further global expansion.
- Taco Bell U.S. digital sales mix and loyalty program saw growth and new product innovations are planned to maintain growth.

4 Technology Advancement and Sustainability

- Yum! Brands has developed an AI-driven eco-system which has improved operation efficiency and customer experience.
- Operational efficiencies are contributing factors in sustainability efforts by reducing greenhouse gas emissions and sustainable packaging.

[^]Consensus estimates as of Feb 22, 2024 / Source: Capital IQ

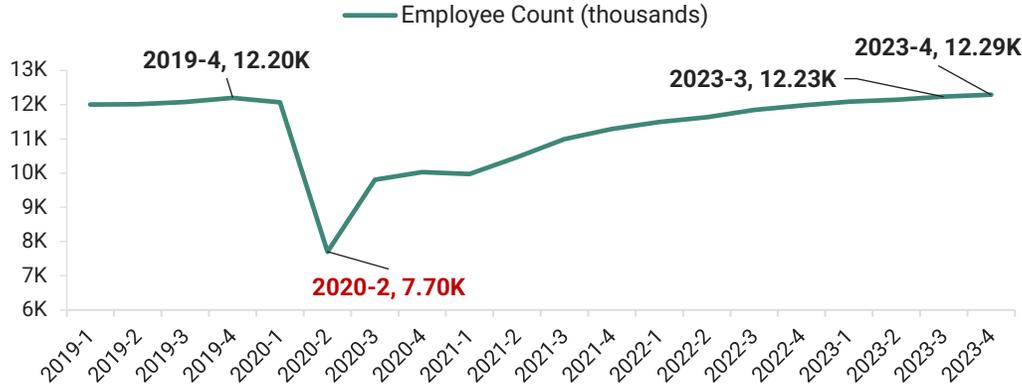
Macro Environment

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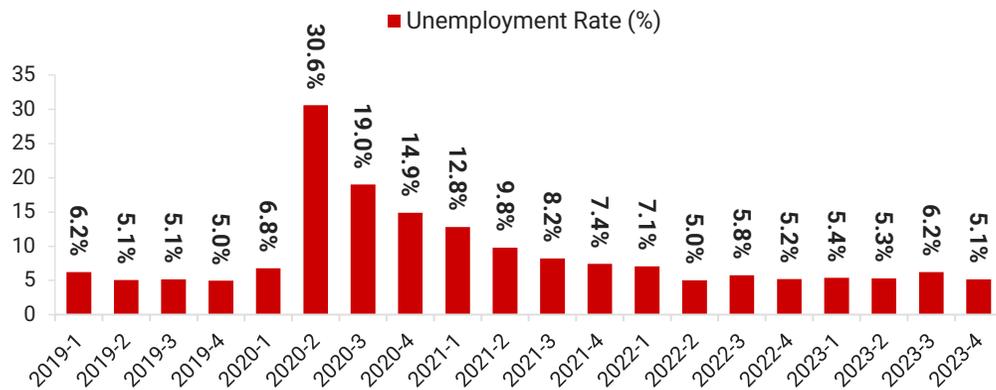
Macro Environment: Food Service Labor Market

All Employees (thousands)



Hiring remained steady in Q4, increasing 0.5% from Q3 which may be contributed to holiday season demand. Employee count for the food service industry in Q4 2023 surpassed pre-covid counts according to the U.S. Bureau of Labor Statistics.

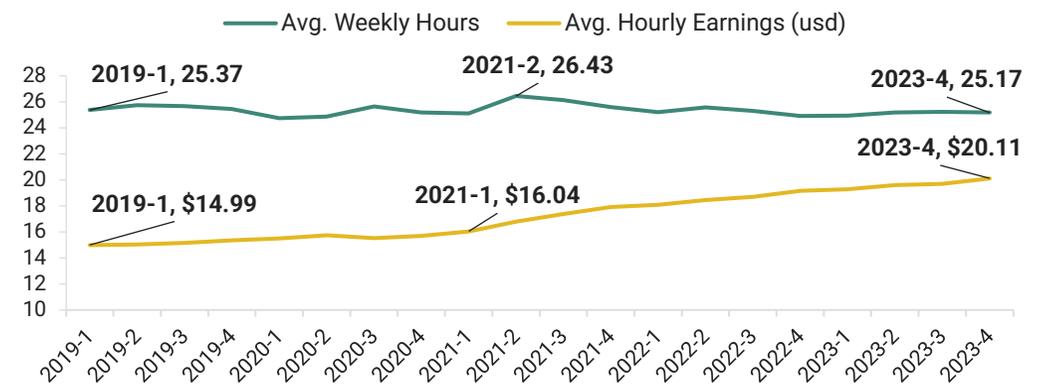
Unemployment Rate



Given the ongoing labor shortage challenges faced by restaurant operators, coupled with holiday demand contributed to the Q3 2023 - Q4 2023 unemployment rate drop from 6.2% to 5.1%.

Source: <https://www.bls.gov/>

Average Weekly Hours & Hourly Earnings



Wages continued to steadily increase in Q4. With California's upcoming minimum wage increase taking effect in Q1 2024, hourly rates will likely continue to increase heading into 2024 while weekly hours worked has slowly declined since 2021.

Key Takeaways (% Increase/Decrease)

Timeframe	Employee Count	Unemployment Rate (%)	Avg. Weekly Hours	Avg. Hourly Earnings (usd)
Q4 vs. Q3	▲ 0.46%	▲ -1.10%	▼ -0.24%	▲ 2.08%
2023 vs. 2022	▲ 3.85%	▲ -0.26%	▼ -0.47%	▲ 5.75%

- **Employee count** has recovered to pre-covid totals.
- **Hourly earnings** continue to increase as minimum wages rise.
- **Unemployment rate** continues to decrease steadily from 2020 and has reach pre-covid levels.
- **Average weekly hours worked** has remained flat.

Macro Environment: Commodities

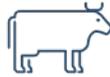
Quarterly Highlights

Overview of key changes in United States commodity prices between Q4 2023 and Q3 2023:

- **Poultry:** Prices increased slightly in Q4 compared to Q3. Bird flu outbreaks in some regions have impacted supply and prices, but overall changes were moderate.
- **Beef:** Prices increased slightly in Q4 due to various factors, including rising input costs for producers and continued strong demand.
- **Freight Costs:** Prices elevated in Q4 but have trended down since 2022.
- **Paper & Plastic Packaging:** Prices remained high in Q4 due to ongoing supply chain constraints and rising input costs for manufacturers.

2024 Outlook

- **Continued upward pressure** on commodity prices due to supply chain challenges, rising production costs, and weather-related factors.
- **Potential for stabilization or slight moderation** in some areas like freight and packaging costs.
- **High volatility** in fuel prices due to global uncertainties.

Key Commodity Trends (Q4 2023 vs. Q3 2023)		
 ↑ Poultry	 ↑ Beef	 ↑ Pork
 ↔ Coffee	 ↑ Fruits & Vegetables	 ↓ Dairy
 ↑ Freight	 ↑ Packaging	 ↔ Fuel
 ↔ Restaurant Sales		

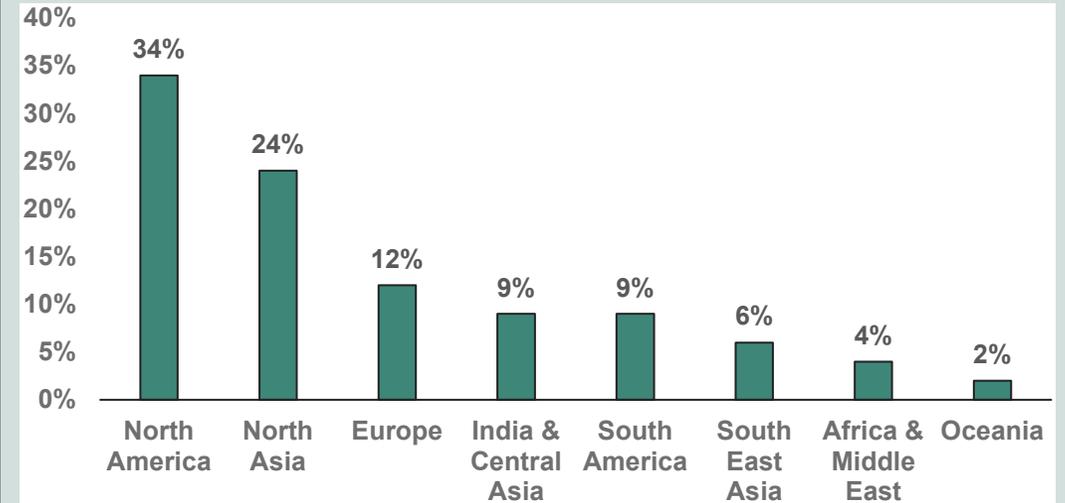
Source: U.S. Department of Agriculture
Source: U.S. Bureau of Labor Statistics

Macro Environment: International

International Observations

- Brands continue to accelerate their international strategies and plans. These plans will contribute to steady growth through 2028, with North Asia as a target. China remains in focus for expansion, with established brands Yum and McDonalds increasing their footprint. Other brands like Dairy Queen are making moves in China.
- In the China market, companies are grappling with a competitive landscape in Tier 1 (e.g., Beijing, Shanghai) and Tier 2 cities (e.g., Dalian). Accordingly, Tier 3 and Tier 4 cities are attractive even faced with local competitors. Brands are also navigating a nuanced real estate environment when selecting store locations. While economic conditions in China are evolving, the performance, and lessons learned of established brands appear to help pave the way for entrants to understand, enter, and operate in China.
- Technologies and digital transformation for front and back of house operations will enable global expansion. While stores are not on the verge of being fully automated, digital advancements in kitchen technology, restaurant operations and consumer engagement will continue to shape opportunities.

Percentage of Revenue by Region



Source: G4621-GL: Global Fast-Food Restaurants. IBISWorld. September. 2023

Brand Expansion Examples



International Dairy Queen and CFB Group (operator based in Shanghai) are expanding the brand's footprint in China.



Long John Silver's expanded globally in 2021, focusing on Indonesia. Thailand and Malaysia are also part of their plans.



In January 2024, Jersey Mike's shared they are going international, opening stores in Canada.



RBI continues international growth and China expansion. Tim Horton's entered South Korea's market in 2023.

Digital Engagement

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Digital Engagement: Audience Overlap

Visitors to a "Primary Site" who also visited a "Secondary Site" over the November 2023 – January 2024 period

Cross-Browsing Behaviors																			
... Also Visited (i.e. Secondary Sites)																			
		Jersey Mikes	Jimmy John's	Subway	Burger King	McDonald's	Shake Shack	Wendy's	Chick-fil-A	KFC	Chipotle	Qdoba	Taco Bell	Domino's	Papa John's	CAVA	Sweetgreen		
VISITORS TO (i.e. PRIMARY SITE) ...	SUBS	Jersey Mikes	4.7%	4.4%	2.3%	2.1%	0.7%	1.7%	2.2%	2.5%	2.7%	0.9%	3.5%	2.6%	4.9%	NA	NA		
	Jimmy John's	4.3%		2.7%	1.7%	2.6%	NA	0.5%	2.0%	1.3%	2.1%	0.5%	2.1%	6.0%	1.9%	NA	NA		
	Subway	1.4%	1.2%		1.4%	2.4%	NA	1.6%	1.4%	1.0%	1.4%	0.2%	1.9%	2.3%	1.3%	↓	0.3%	NA	
	BURGERS	Burger King	2.3%	1.4%	3.1%		7.5%	0.7%	5.4%	3.1%	3.5%	2.9%	NA	5.8%	3.9%	2.6%	NA	NA	
	McDonald's	0.5%	0.5%	1.2%	1.7%		0.5%	1.5%	1.0%	1.1%	0.6%	0.2%	1.7%	1.2%	0.6%	0.2%	NA		
	Shake Shack	1.2%	NA	NA	1.4%	3.1%		4.2%	3.2%	1.3%	4.2%	NA	1.6%	4.3%	1.3%	NA	1.5%		
	Wendy's	1.5%	1.0%	2.9%	5.0%	6.4%	1.6%		2.7%	3.6%	1.9%	NA	4.9%	2.8%	2.5%	NA	NA		
	CHICKEN	Chick-fil-A	1.1%	1.1%	1.6%	1.7%	2.6%	1.1%	1.9%		2.3%	1.9%	NA	1.8%	1.9%	1.9%	0.6%	NA	
	KFC	2.4%	1.4%	3.0%	4.4%	5.1%	0.7%	4.2%	4.2%		2.6%	NA	0.5%	↓	4.0%	3.1%	NA	NA	
	MEXICAN	Chipotle	1.0%	0.9%	1.3%	1.2%	1.3%	0.8%	1.0%	1.5%	0.8%		0.8%	1.6%	2.1%	0.9%	1.1%	0.6%	
	Qdoba	2.2%	5.9%	↑	2.1%	NA	4.0%	NA	2.7%	NA	NA	9.0%	↓	10.5%	↑	3.5%	NA	2.0%	NA
	Taco Bell	1.3%	1.0%	2.0%	2.6%	3.8%	0.4%	2.5%	1.6%	2.2%	1.4%	1.0%		2.3%	1.5%	NA	NA		
	PIZZA	Domino's	0.3%	0.4%	0.6%	0.5%	0.7%	0.2%	0.5%	0.3%	0.5%	0.4%	NA	0.6%		4.2%	0.1%	NA	
	Papa John's	0.6%	0.7%	1.1%	0.7%	1.2%	0.2%	0.8%	0.7%	0.8%	0.7%	NA	1.0%	11.6%		NA	NA		
	OTHER	CAVA	NA	NA	1.4%	NA	3.0%	NA	NA	2.1%	NA	5.2%	NA	1.1%	1.8%	NA		4.1%	
	Sweetgreen	NA	NA	NA	NA	NA	0.7%	NA	NA	NA	2.0%	NA	NA	NA	NA	3.5%			

Source: Ankura database and analysis; SimilarWeb (2/19/24)

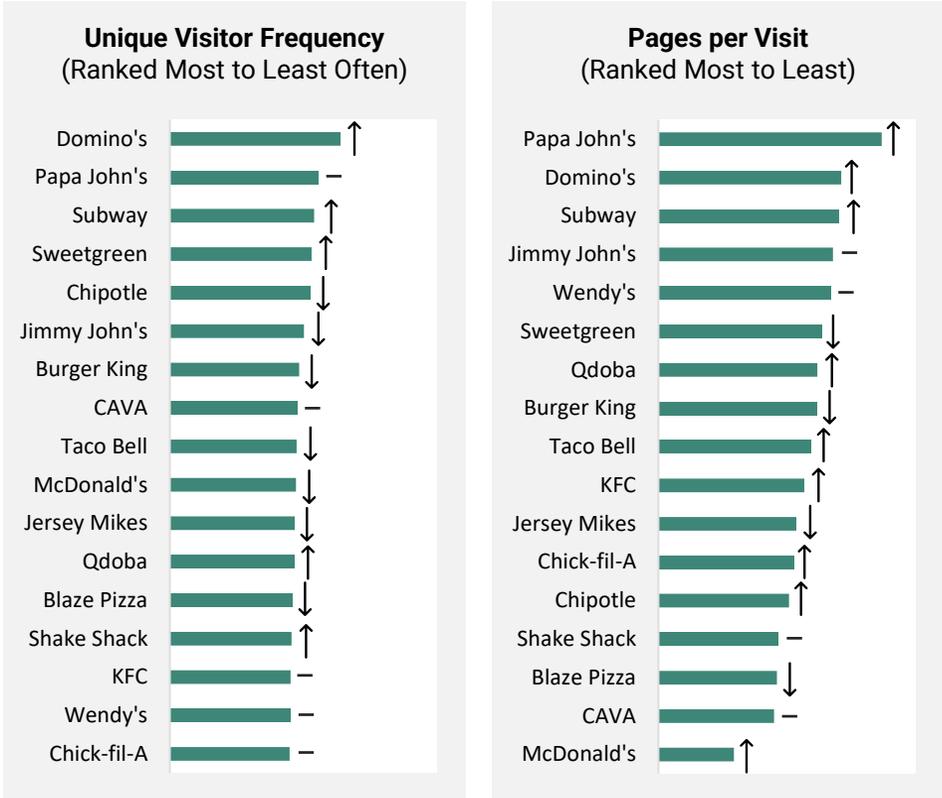
Digital Engagement

Key Metrics: Site Speed, Unique Traffic, and Engagement

	Category	Brand	All Traffic								
			All Traffic		Site Speed (Seconds)	Est. Traffic (Millions)		Engagement			
			US Rank	% change from last Q	Mobile	Monthly Visits	Monthly UVs	Visits / UV	Pages per Visit	Bounce	Time on Site
Subs		Jersey Mikes	2,093	-1.4%	2.2	4.3	3.1	Average	Average	Average	Average
		Jimmy John's	2,310	11.3%	4.5	3.6	2.4	Leading	Leading	Leading	Leading
		Subway	622	-24.1%	4.8	13.0	8.0	Leading	Leading	Average	Leading
Burgers		Burger King	1,552	4.2%	5.2	6.0	4.1	Average	Average	Lagging	Lagging
		McDonald's	1,111	7.1%	1.8	21.6	15.2	Average	Lagging	Lagging	Lagging
		Shake Shack	5,737	-25.4%	2.9	1.7	1.2	Lagging	Lagging	Leading	Average
		Wendy's	1,226	3.5%	2.9	7.4	5.5	Lagging	Leading	Leading	Average
CHX		Chick-fil-A	762	-12.5%	3.1	11.8	8.8	Lagging	Average	Average	Lagging
		KFC	1,827	-1.5%	8.9	5.4	4.0	Lagging	Average	Average	Average
Mexican		Chipotle	1,098	12.7%	7.4	8.8	5.6	Leading	Lagging	Leading	Average
		Qdoba	6,073	-26.7%	2.5	1.1	0.8	Average	Average	Average	Average
		Taco Bell	823	-0.6%	2.6	10.5	7.4	Average	Average	Average	Average
Pizza		Blaze Pizza	13,997	8.7%	4.2	0.6	0.4	Lagging	Lagging	Lagging	Lagging
		Domino's	201	13.6%	5.1	36.3	18.9	Leading	Leading	Leading	Leading
		Papa John's	615	10.8%	7.1	12.5	7.5	Leading	Leading	Leading	Leading
Other		CAVA	7,477	4.7%	1.4	1.3	0.9	Average	Lagging	Leading	Average
		Sweetgreen	9,420	16.2%	2.3	0.8	0.5	Leading	Leading	Lagging	Lagging

Sources: Site Speed: Largest Contentful Paint (LCP) from Google Site Speed (2/13/24); Traffic and Engagement Data: 3-month (Nov 2023 – Jan 2024) estimated website traffic data provided by Similarweb (2/13/24); Global site ranking data: Similarweb and Ankura database.

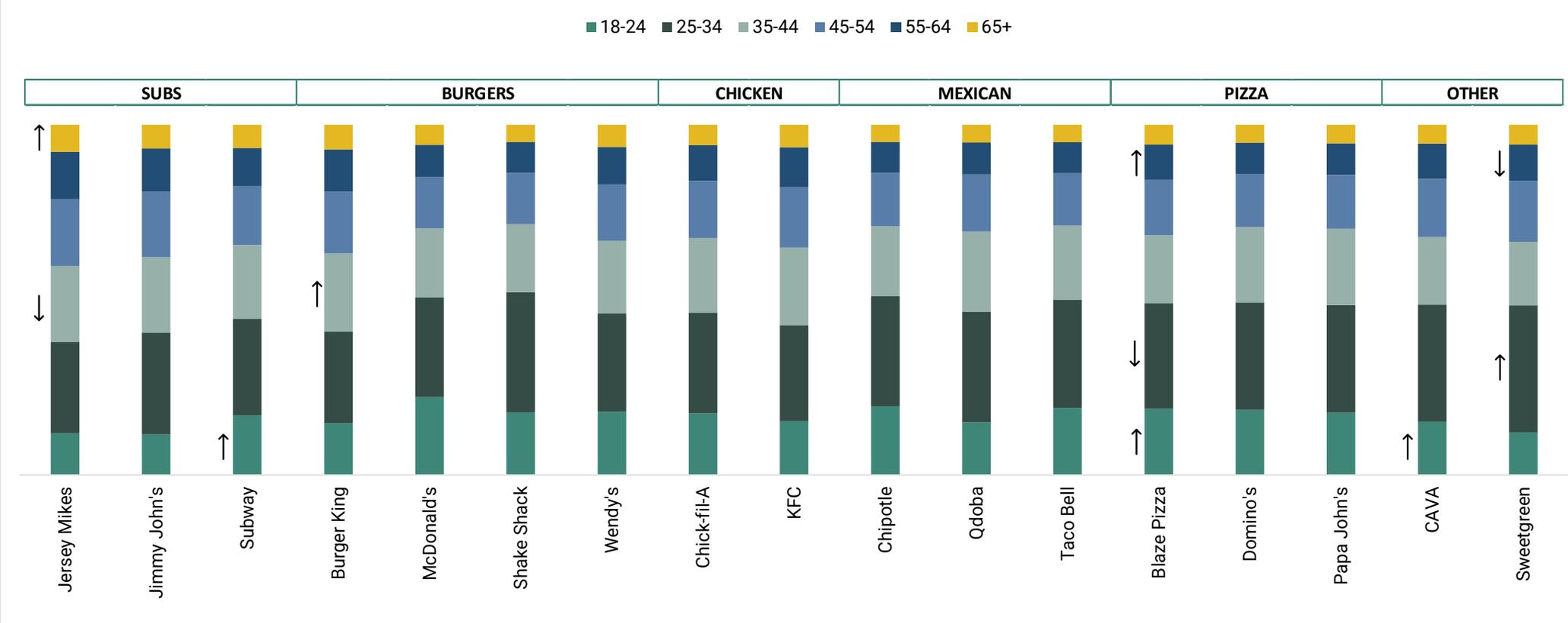
Sites Unique Visitor Frequency and Pages/Visit



Source: Ankura Datasets and Analysis; Similarweb data from the 3-month period of Nov 2023 – Jan 2024 (Data extracted 2/13/24)

Digital Engagement: Demographics

Demographic Metrics: Site Visitor Age Brackets



Source: Ankura database and analysis; SimilarWeb (2/19/24)

Ankura's Restaurant Practice

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Ankura's Restaurant Practice

Performance Improvement



Keith Jelinek
Senior Managing Director | New York



Rick Maicki
Senior Managing Director | Florida



Michael Casey
Managing Director | Kansas



Frank Jones
Managing Director | Virginia



Chris Ventry
Managing Director | New York



Laura Wheeler
Managing Director | New York

Ankura Office of the CFO®



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Senior Managing Director | Georgia



JoLynn Brown
Managing Director | Illinois



Jordyn Peck
Managing Director | Connecticut



Jason Kaspar
Senior Director | Georgia



Brad Portnoy
Senior Director | Ohio



Ryan Patrick
Director | Texas

Labor Strategy



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Senior Managing Director | New York

Data & Technology



Sean Ennis
Senior Associate | Illinois

Global Strategic Advisory



Chris Caulfield
Managing Director | Washington DC



Case Study: Corporate Cash Accounting

A privately held multi-brand restaurant company faced a variety of challenges within its Corporate Cash Accounting team due to inconsistent and undocumented processes, uneven work distribution, and a lack of project management capabilities and oversight. As a result, the team was siloed and heavily dependent on institutional knowledge of a few team members, leaving the company at significant departure risk. The Vice President of Accounting Shared Services sought out advisory services to document current-state processes, review period-end reconciliations, and design brand-agnostic future state processes.

Engagement Execution

- Facilitated multiple working sessions with the Cash Accounting team to review and understand current state processes:
 - Identified significant pain points and discussed solutions to mitigate risks
 - Documented all tasks, activities, systems, and dependencies along with owners of each
- Developed and performed a time-study in order to prioritize key issues and inform future staffing decisions
- Worked with Corporate Cash, Corporate Accounting, Treasury, and IT teams to develop work-transition and improvement plans
- Developed brand-agnostic onboarding playbooks and desktop level procedures to mitigate the risk of turnover and streamline integrations
- Identified potential future-state cash systems and involved Ankura SMEs to lead discussions

Results

- Completed the redesign of Cash Accounting processes and built workplans for prioritized pain point remediations
- Transitioned all non-Cash Accounting processes to appropriate teams, saving ~150 hours per month and eliminating the need to hire additional headcount
- Restructured team responsibilities to align with future state goals of streamlining brand onboarding and technology implementations
- Developed desktop level procedures for the reconciliation of all remaining cash accounts to facilitate onboarding and mitigate the risk of team turnover



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