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Chili's Grill & Bar

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[Contact RR with Questions or to Discuss Model](#)

Unit Economic Recovery Model - Projected Full Year 2020 Results = Pre-Restricted Period + Restricted Period + Recovery Period

Chili's Grill & Bar

Only Blue Cells Can be Modified

Unit Valuation (12/19)			Pre-Restricted Period			Restricted Period			Recovery Period		
EBITDA Multiple	0.00		Days in Period	68		Days in Period	45		Days in Period	252	
Value	\$0										
RR Financing Assumptions						Change in Sales Mix & Margin vs. Baseline			Change in Sales Mix & Margin vs. Baseline		
	Baseline Ratio	Current Ratio				Dine-In	-100%	↓	Dine-In	-15%	↓
Max. Loan to Value	75%	#DIV/o!				Drive-Thru	-10%	↓	Drive-Thru	-5%	↓
Max. Adj. Leverage	5.25	#DIV/o!				Delivery	90%	↑	Delivery	20%	↑
Min. FCCR	1.50	#DIV/o!				Take-out	10%	↑	Take-out	5%	↑
						COGS	0.0%	↔	COGS	0.0%	↔
						Labor	4.0%	↑	Labor	2.0%	↑
New Borrowing Rate	5.50%					Royalty Fee	0.0%	↔	Royalty	0.0%	↔
Amort Term	120					Ad Fee	0.0%	↔	Ad Fee	0.0%	↔
Max. RR Loan Amt.	\$0					Other Op. Exp.	3.0%	↑	Other Op. Exp.	1.0%	↑
Annual P&I PMT	\$0										

Baseline: FYE 2019			Pre-Restricted Period			Restricted Period			Recovery Period			Pro Forma Full Year 2020		
	\$	% of Total Sales		\$	% of Total Sales		\$	% of Total Sales		\$	% of Total Sales		\$	% of Total Sales
Dine-In AUV	\$0	0.0%	Dine-In AUV	\$0	0.0%	Dine-In AUV	\$0	#DIV/o!	Dine-In AUV	\$0	#DIV/o!	Dine-In AUV	\$0	#DIV/o!
Drive-Thru	\$0	0.0%	Drive-Thru	\$0	0.0%	Drive-Thru	\$0	#DIV/o!	Drive-Thru	\$0	#DIV/o!	Drive-Thru	\$0	#DIV/o!
Delivery	\$0	0.0%	Delivery	\$0	0.0%	Delivery	\$0	#DIV/o!	Delivery	\$0	#DIV/o!	Delivery	\$0	#DIV/o!
Take-out	\$0	0.0%	Take-out	\$0	0.0%	Take-out	\$0	#DIV/o!	Take-out	\$0	#DIV/o!	Take-out	\$0	#DIV/o!
Total AUV	\$0	0.0%	Total AUV	\$0	0.0%	Total AUV	\$0	#DIV/o!	Total AUV	\$0	#DIV/o!	Total AUV	\$0	#DIV/o!
COGS	\$0	0.0%	COGS	\$0	0.0%	COGS	\$0	0.0%	COGS	\$0	0.0%	COGS	\$0	#DIV/o!
Labor	\$0	0.0%	Labor	\$0	0.0%	Labor	\$0	4.0%	Labor	\$0	2.0%	Labor	\$0	#DIV/o!
Royalty	\$0	0.0%	Royalty	\$0	0.0%	Royalty	\$0	0.0%	Royalty	\$0	0.0%	Royalty	\$0	#DIV/o!
Advertising	\$0	0.0%	Advertising	\$0	0.0%	Advertising	\$0	0.0%	Advertising	\$0	0.0%	Advertising	\$0	#DIV/o!
Other Op. Exp.	\$0	0.0%	Other Op. Exp.	\$0	0.0%	Other Op. Exp.	\$0	3.0%	Other Op. Exp.	\$0	1.0%	Other Op. Exp.	\$0	#DIV/o!
Rent	\$0	0.0%	Rent	\$0	#DIV/o!	Rent	\$0	#DIV/o!	Rent	\$0	#DIV/o!	Rent	\$0	#DIV/o!
G&A	\$0	#DIV/o!	G&A	\$0	#DIV/o!	G&A	\$0	#DIV/o!	G&A	\$0	#DIV/o!	G&A	\$0	#DIV/o!
EBITDAR	\$0	#DIV/o!	EBITDAR	\$0	#DIV/o!	EBITDAR	\$0	#DIV/o!	EBITDAR	\$0	#DIV/o!	EBITDAR	\$0	#DIV/o!
Rent	\$0	#DIV/o!	Rent	\$0	#DIV/o!	Rent	\$0	#DIV/o!	Rent	\$0	#DIV/o!	Rent	\$0	#DIV/o!
EBITDA	\$0	#DIV/o!	EBITDA	\$0	#DIV/o!	EBITDA	\$0	#DIV/o!	EBITDA	\$0	#DIV/o!	EBITDA	\$0	#DIV/o!
Existing P&I	\$0	#DIV/o!	Existing P&I	\$0	#DIV/o!	Existing P&I	\$0	#DIV/o!	Existing P&I	\$0	#DIV/o!	Existing P&I	\$0	#DIV/o!
New Debt	\$0		New Debt	\$0		New Debt	\$0		New Debt	\$0		New Debt	\$0	
New Interest	\$0		New Interest	\$0	#DIV/o!	New Interest	\$0	#DIV/o!	New Interest	\$0	#DIV/o!	New Interest	\$0	#DIV/o!
FCF	\$0	#DIV/o!	FCF	\$0	#DIV/o!	FCF	\$0	#DIV/o!	FCF	\$0	#DIV/o!	FCF	\$0	#DIV/o!

New Financing Needs (New Debt) = EBITDA shortfall during Restricted Operations Period & interest only.

Free Cash Flow (FCF) = EBITDAR (Post G&A) - Rent - P&I.

Model Forecasts AUV & Free Cash Flow Estimates for Pro Forma FY 2020 (Sorted Best - Worst Y/Y Change FCF)

Recovery Period Assumptions (Excludes Royalty & Ad Fee Abatements)									
Change in Sales Mix & Margin vs. Baseline									
Dine-In	Drive-Thru	Delivery	Take-out	COGS	Labor	Royalty Fee	Ad Fee	Other Op. Exp.	
-15.0%	-5.0%	20.0%	5.0%	0.0%	2.0%	0.0%	0.0%	1.0%	

Concept	Baseline - 2019										Pro Forma FY 2020 ⁽²⁾		Y/Y % Change	
	AUV	Sales Mix				EBITDAR (Post G&A)	Rent	Estimated Current Debt	P&I	FCF ⁽¹⁾	45 Days Restricted Period		AUV	FCF
		Dine-In	Drive-Thru	Take-Out	Delivery						AUV	FCF ⁽¹⁾		
Domino's														
Papa John's														
Wingstop														
Pizza Hut														
Little Caesars														
Taco Bell														
McDonald's														
Popeyes														
Jimmy John's														
Firehouse Subs														
Culver's														
Dunkin Donuts														
Jersey Mike's														
Carl's Jr.														
Sonic Drive-In														
Burger King														
Arby's														
Wendy's														
Bojangles'														
Qdoba														
Jack in the Box														
Hardee's														
Checkers/ Rally's														
KFC														
Dairy Queen														
Buffalo Wild Wings														
Zaxby's														
Panera Bread														
Five Guys														
Corner Bakery Café														
IHOP														
Texas Roadhouse														
Red Robin														
Perkins														
Applebee's														
T.G.I. Friday's														
Chili's Grill & Bar														
Golden Corral														
Denny's														
Subway														
Church's														
Moe's Southwest Grill														

(1) Free Cash Flow (FCF) = EBITDAR (Post G&A) - Rent - P&I.
(2) Reflects baseline RR assumptions and does not flow through model.

10-Year Unit-Level Free Cash Flow Valuation Model

Chili's Grill & Bar

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Baseline Valuation (2019)			Current Valuation (Discounted Cash Flow)							
Adjusted EBITDA	EBITDA Mult. \$0	"Implied" Discount Rate 0.0%	Discount Rate Risk Premium 0.0%	New Discount Rate 0.0%	AUV Growth Rate (1) 0.0%			Terminal FCF	#DIV/o!	
EBITDA Multiple	0.00	0.0%	0.0%	0.0%	Click here to modify growth rate			Terminal Cap Rate (2)	0.0%	
EBITDA Multiple Value		\$0	Click here to modify discount rates			Click here to modify growth rate			Terminal Value (3)	#DIV/o!
									NPV (FCF)	#DIV/o!

Difference Between Baseline EBITDA Mult. Valuation and Current Discounted Cash Flow Valuation

	\$ Amount					% of EBITDA Mult. Value						
	#DIV/o!					#DIV/o!						
	Base 2019	2020 (4)	2021 (5)	2022	2023	2024	2025	2026	2027	2028	2029	Terminal Value (1)
AUV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Y/Y Change (1)		#DIV/o!	#DIV/o!	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
EBITDAR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
G&A	\$0	\$0	\$0	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
EBITDA	\$0	\$0	\$0	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	
CAPEX (6)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Taxes (7)	\$0	\$0	\$0	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	
FCF	\$0	\$0	\$0	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!
Margins												
EBITDAR (8)	0.0%	#DIV/o!	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
G&A (9)	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	
Rent (10)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
EBITDA	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	#DIV/o!	
CAPEX (6)	3.8%	1.8%	1.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	

(1) AUV growth rate based on 10-year same store sales average (Max 3%/Min 0%).

(2) Terminal Cap Rate = New Discount Rate - Growth Rate.

(3) Terminal Value = 2029 FCF/Terminal Cap Rate.

(4) Assumes dine-in restricted 45 days.

(5) [Click here to modify 2021 AUV assumption.](#)

(6) CAPEX includes 1.75% for R&M and 2% for remodel expense and only R&M in 2020 & 2021.

(7) Tax rate assumes the maximum corporate tax rate and no state tax. 21%

(8) Modify EBITDAR margin by year (1% change = 100 bps change in base margin)	2021	2022	2023	2024	2025	2026	2027	2028	2029
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

(9) [Click here to modify rent assumption.](#)

(10) [Click here to modify G&A assumption.](#)

Only Blue Cells Can be Modified
Estimated Unit Level Valuation Impact by Chain (Sorted by Difference in Valuations High - Low)

Concept	Base Valuation (FYE 2019)				Current Valuation Estimate					Difference in Valuations	% Change
	EBITDA Multiple	"Implied" Discount Rate	Terminal Value Cap Rate	Value ⁽¹⁾	Discount Rate Risk Premium	New 10 Yr. Discount Rate ⁽²⁾	AUV Growth Rate ⁽³⁾	Terminal Value Cap Rate ⁽⁴⁾	NPV (FCF) ⁽¹⁾⁽⁵⁾		
Papa John's											
McDonald's											
Domino's											
Church's											
Jimmy John's											
Checkers/ Rally's											
Pizza Hut											
KFC											
Hardee's											
Wingstop											
Carl's Jr.											
Burger King											
Jack in the Box											
Sonic Drive-In											
Bojangles'											
Wendy's											
Culver's											
Dairy Queen											
Dunkin Donuts											
Popeyes											
Taco Bell											
Arby's											
Subway											
Zaxby's											
Little Caesars											
Firehouse Subs											
Jersey Mike's											
Corner Bakery Café											
Five Guys											
Panera Bread											
Qdoba											
Moe's Southwest Grill											
Chili's Grill & Bar											
T.G.I. Friday's											
Golden Corral											
Applebee's											
Perkins											
Buffalo Wild Wings											
Red Robin											
Denny's											
IHOP											
Texas Roadhouse											
Average											

- (1) Reflects baseline RR assumptions and does not flow through model.
(2) New 10 Yr. Discount Rate = "Implied" Base Discount Rate * (1+Risk Premium).
(3) AUV growth rate based on 10-year same store sales average (Max 3%/Min 0%).
(4) Terminal Cap Rate = New Discount Rate - Growth Rate.
(5) Free Cash Flow = EBITDA (post G&A) - Annual CapEx - Taxes.

Franchisor Relief Programs

Concept	Relief Program	Program Term
Applebee's		
Arby's		
BJ's Restaurants		
Bojangles'		
Buffalo Wild Wings		
Burger King		
Carl's Jr.		
Hardee's		
Checkers/ Rally's		
Cheesecake Factory		
Chick-fil-A		
Chili's Grill & Bar		
Chipotle		
Church's		
Corner Bakery Café		
Cracker Barrel		
Culver's		
Dairy Queen		
Denny's		
Domino's		
Dunkin Donuts		
Firehouse Subs		
Five Guys		
Golden Corral		
IHOP		
Jack in the Box		
Jersey Mike's		
Jimmy John's		
KFC		
Krispy Kreme		
Little Caesars		
LongHorn		
McDonald's		
Moe's Southwest Grill		
Olive Garden		
Outback		
Panera Bread		
Papa John's		
Perkins		
Pizza Hut		
Popeyes		
Qdoba		
Red Lobster		
Red Robin		
Sonic Drive-In		
Starbucks		
Subway		
Taco Bell		
Tim Horton's		
Texas Roadhouse		
T.G.I. Friday's		
Wendy's		
Whataburger		
Wingstop		
Zaxby's		

Only Blue Cells Can be Modified
Same Store Sales

Concept	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10 Yr. Avg.	Valuation Model Growth Assumption ⁽¹⁾
Applebee's												
Arby's												
Bojangles'												
Buffalo Wild Wings												
Burger King												
Carl's Jr.												
Checkers/ Rally's												
Chili's Grill & Bar												
Church's												
Corner Bakery Café												
Culver's												
Dairy Queen												
Denny's												
Domino's												
Dunkin Donuts												
Firehouse Subs												
Five Guys												
Golden Corral												
Hardee's												
IHOP												
Jack in the Box												
Jersey Mike's												
Jimmy John's												
KFC												
Little Caesars												
McDonald's												
Moe's Southwest Grill												
Panera Bread												
Papa John's												
Perkins												
Pizza Hut												
Popeyes												
Qdoba												
Red Robin												
Sonic Drive-In												
Subway												
T.G.I. Friday's												
Taco Bell												
Texas Roadhouse												
Wendy's												
Wingstop												
Zaxby's												

(1) Y/Y change in AUV assumption based on 10-year same store sales average (Max 3%/Min 0%).

Only Blue Cells Can be Modified
RR's 2019 Franchisee Unit Economic Estimates - Draft 4/21/20⁽¹⁾

Concept	As of Date	2019 AUV	2021 AUV	Food & Paper	Labor & Benefits	Royalty	Advertising	Other Operating	EBITDAR (Pre G&A)
Applebee's									
BJ's Restaurants									
Buffalo Wild Wings									
Cheesecake Factory									
Chili's Grill & Bar									
LongHorn									
Olive Garden									
Outback									
Red Lobster									
Red Robin									
T.G.I. Friday's									
Texas Roadhouse									
Casual									
Chipotle									
Corner Bakery Café									
Moe's Southwest Grill									
Qdoba									
Panera Bread									
Fast Casual									
IHOP									
Denny's									
Golden Corral									
Perkins									
Cracker Barrel									
Family									
Starbucks									
Dunkin Donuts									
Krispy Kreme									
Tim Horton's									
Coffee/Bakery									
Bojangles'									
Church's									
KFC									
Popeyes									
Wingstop									
Chicken									
Arby's									
Burger King									
Carl's Jr.									
Checkers/ Rally's									
Chick-fil-A									
Culver's									
Dairy Queen									
Five Guys									
Hardee's									
Jack in the Box									
McDonald's									
Sonic Drive-In									
Taco Bell									
Wendy's									
Whataburger									
Zaxby's									
Sandwich									
Firehouse Subs									
Jersey Mike's									
Jimmy John's									
Subway									
Sub-Sandwich									
Pizza Hut									
Little Caesars									
Papa John's									
Domino's									
Pizza									
Average									

(1) RR's unit economic figures represent estimated franchisee results derived from surveys and FDD's. Texas Roadhouse, Chipotle and Cracker Barrel company results have been adjusted to include a royalty fee for comparability purposes.

(2) Dairy Queen unit economic estimates represent Grill & Chill format.

(3) Sonic has a scaled royalty fee ranging from 2% to 5% of sales that averaged 4.3% as of FYE 2019.

(4) Dunkin's new royalty rate is 5.9% but effective royalty rate was 5.5% as of FYE 2018.

(5) The royalty fee for new Pizza Hut unit is 6%. However, most franchisees operate under older agreements and pay 5% to 6%.

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Rent and G&A Assumptions

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Concept	Land & Building Rent % (Freestanding)	Per Unit G&A
Applebee's		
BJ's Restaurants		
Buffalo Wild Wings		
Cheesecake Factory		
Chili's Grill & Bar		
LongHorn		
Olive Garden		
Outback		
Red Lobster		
Red Robin		
T.G.I. Friday's		
Texas Roadhouse		
Church's		
Bojangles'		
KFC		
Popeyes		
Wingstop		
Dunkin Donuts		
Krispy Kreme		
Starbucks		
Tim Horton's		
Bob Evans		
Cracker Barrel		
Denny's		
Golden Corral		
IHOP		
Perkins		
Chipotle		
Corner Bakery Café		
Panera Bread		
Moe's Southwest Grill		
Qdoba		
Arby's		
Burger King		
Carl's Jr.		
Checkers/ Rally's		
Chick-fil-A		
Culver's		
Dairy Queen		
Five Guys		
Hardee's		
Jack in the Box		
McDonald's		
Sonic Drive-In		
Taco Bell		
Wendy's		
Whataburger		
Zaxby's		
Domino's		
Little Caesars		
Papa John's		
Pizza Hut		
Firehouse Subs		
Jersey Mike's		
Jimmy John's		
Subway		

Only Blue Cells can be Modified
2H:19 Estimated \$1B+ Chains Enterprise Valuations (EBITDA Multiple)

Concept	Dec-15	Jun-16	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	% Change Dec-19 vs. Jun-19	2H:19 Average & Range		
											Low	High	# Estimates
Applebee's													
Buffalo Wild Wings													
Chili's Grill & Bar													
Red Robin													
T.G.I. Friday's													
Texas Roadhouse													
Casual													
Corner Bakery Café													
Moe's Southwest Grill													
Panera Bread													
Qdoba													
Fast Casual													
Denny's													
Golden Corral													
IHOP													
Perkins													
Family													
Arby's													
Burger King													
Carl's Jr.													
Checkers/ Rally's													
Culver's													
Dairy Queen													
Five Guys													
Hardee's													
Jack in the Box													
McDonald's													
Sonic Drive-In													
Taco Bell													
Wendy's													
Zaxby's													
Sandwich													
Firehouse Subs													
Jersey Mike's													
Jimmy John's													
Subway													
Sub-Sandwich													
Dunkin Donuts													
Tim Horton's													
Krispy Kreme													
Coffee/bakery													
Bojangles'													
Church's													
KFC													
Popeyes													
Wingstop													
Chicken													
Domino's													
Little Caesars													
Papa John's													
Pizza Hut													
Pizza													
Average													
% Change													

10 Year Treasury Rate

(1) Valuation averages are based on estimates provided by survey participants (not individual transactions) as well as RR estimates and reflect "normal" operating businesses with 5 units after an adjustment for G&A.

(2) December 2019 survey participants include Advanced Restaurant Sales, EPK National Restaurant Appraisal, FranBizNetwork, National Franchise Sales, Newmark Knight Frank, Praetorian Group and Trinity Capital.

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Value-Added Data & Insight for \$1B+ Chains

Concept Benchmarking Reports

Applebee's	Arby's	Burger King	Carl's Jr.
Chili's	Church's	Denny's	Domino's
Hardee's	IHOP	Jack in the Box	KFC
McDonald's	Panera	Papa John's	Pizza Hut
Popeyes	Sonic	Subway	Taco Bell
TGI Friday's	Wendy's	Quarterly Concept Updates*	

Industry Benchmarking (50+ Chains)

Store Level	Systemwide	Finance
New Unit Investment	Quarterly Same Store Sales*	Unit Valuations
Remodeling	Annual RR Databook*	Franchise Finance
Unit Economics	Unit & Sales Growth Analysis	
Marketing Spend	Menu & Promotions	
	Commodities Database*	

* Only available as part of subscription.

FDD library for 40+ Chains

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