



## Annual RR Databook 2018-2019

Benchmarking for \$1B+ Chains and Other Select Concepts

### Unit Sales & Margins, Build Costs, Valuations, System Stats, Units by State

<b>Casual</b>	Five Guys
Applebee's	Hardee's
Buffalo Wild Wings	Jack in the Box
Cheesecake Factory	McDonald's
Chili's Grill & Bar	Sonic Drive-In
Long Horn	Taco Bell
Olive Garden	Wendy's
Outback	Whataburger
Red Robin	Zaxby's
Texas Roadhouse	<b>Sub-sandwich</b>
TGI Friday's	Firehouse Subs
<b>Family</b>	Jersey Mike's
Cracker Barrel	Jimmy John's
Denny's	Subway
Golden Corral	<b>Pizza</b>
IHOP	Domino's
<b>Fast Casual</b>	Little Caesar's
Chipotle	Papa John's
Corner Bakery	Pizza Hut
Moe's Southwest Grill	<b>Chicken</b>
Panera Bread	Bojangles'
Qdoba	Church's
<b>Sandwich</b>	KFC
Arby's	Popeyes
Burger King	Wingstop
Carl's Jr.	<b>Coffee/Bakery</b>
Checkers/Rally's	Dunkin Donuts
Chick-fil-A	Krispy Kreme
Culver's	Starbucks
Dairy Queen	Tim Horton's

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# Applebee's

# Casual

## RR Dashboard - Domestic System

	Chain	Segment Avg./Total	Chain	Segment Avg./Total
<b>System Scale</b>				
System Sales (\$'000)	\$4,117,000	\$30,184,000		
Market Share by Sales	13.6%			
System Units	1,782	9,244		
Market Share by Units	19.3%			
<b>Growth</b>				
System Sales 2 Yr. Avg.	-6.5%	-0.4%		
System Sales 10 Yr. Avg.	-0.8%	1.7%		
Gross New Units 2 Yr. Avg.	0.8%	1.6%		
Gross New Units 10 Yr. Avg.	1.1%	2.7%		
<b>Same-Store-Sales (Systemwide Calendar Year)</b>				
2 Yr. Avg.	-5.2%	-1.0%		
10 Yr. Avg.	-1.3%	-0.2%		
RR SSS Index (Base Yr. 2008)	93.6	102.5		
<b>Unit Closures</b>				
2 Yr. Avg.	3.4%	2.2%		
10 Yr. Avg.	1.5%	1.5%		
<b>Marketing</b>				
Gross Local Contribution	0.50%	0.7%		
Gross National Contribution	3.25%	3.2%		
Total Net Marketing Spend (\$ MM)	\$125	\$917		
Segment Market Share	13.6%			
<b>Menu, Marketing &amp; Promotions</b>				
Menu Size	77	86		
# New Products 2017	11	17		
# New Products YTD 2018	16	18		
Average check	\$14.25	\$18.02		
<b>Daypart sales</b>				
Breakfast	0%	N/a		
Lunch	23%	N/a		
Dinner	48%	N/a		
Afternoon & Late Night	29%			
<b>Store Level Labor Structure</b>				
Total Hourly/Crew Employees	70 - 90	50 - 200		
Average Employees @ Peak Shift	25 - 40	25 - 40		
<b>Unit Economics</b>				
	<b>Dec-17</b>			
Average Unit Volume "AUV"	\$2,272,000	\$4,260,857		
COGs	26.5%	27.1%		
Labor	34.0%	32.1%		
EBITDAR (Pre G&A)	16.3%	18.1%		
<b>Unit Level M&amp;A Multiple</b>				
	4.71	4.85		
<b>Unit Transfers</b>				
2 Yr. Avg. (2016-2017)	0.3%	1.2%		
10 Yr. Avg. (2008-2017)	4.1%	2.7%		
<b>New Build Economics</b>				
New Build AUV	\$2,600,000	\$3,333,333		
New Build Costs (Ex. Land)	\$2,276,400	\$2,920,358		
Building Size (Sq. Ft.)	5,410	6,115		
Sales-to-Investment Ratio	1.14	1.14		
Sales/Sq. Ft.	\$480.6	\$545.1		
Investment/Sq. Ft.	\$420.8	\$477.6		
New Build Cost/Acquisition Cost	3.91			
Unlevered New Build ROI	11.7%	14.5%		
<b>System Condition</b>				
% of System New &/or Remodeled	100.0%	64.8%		
% of System Built in Last 7 Years	7.9%	16.3%		
<b>Franchise Summary</b>				
Total # Franchised Units	1,782	3,408		
% of System Franchised	100.0%	36.9%		
Total Franchisees	35	227		
Avg. # Units/Franchisee	50.9	15.0		
Initial & Development Fees (Net)	\$35,000	\$41,667		
Royalty Fee	4.0%	4.1%		
Minimum Net Worth Requirement	N/a	\$2,250,000		
<b>Franchisor Condition</b>				
S&P Debt Rating	Not Rated			
Stock Performance LTM	98.4%	21.9%		
Leverage (Net Debt/EBITDA)	5.77	2.84		

Above Average

Below Average

# Applebee's

## Domestic System Statistics (\*)

FYE December	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Outlook	10 yr. Average ('08-'17)
<b>Systemwide Sales (\$'000)</b>												
Systemwide Sales	\$4,485,000	\$4,390,000	\$4,328,000	\$4,440,000	\$4,515,000	\$4,530,000	\$4,590,000	\$4,712,000	\$4,419,000	\$4,117,000		
% Growth	-0.4%	-2.1%	-1.4%	2.6%	1.7%	0.3%	1.3%	2.7%	-6.2%	-6.8%		-0.8%
Segment % Growth	2.5%	-1.2%	-0.3%	3.8%	4.2%	2.2%	2.7%	4.1%	-0.3%	-0.5%		1.7%
Segment Market Share	17.2%	17.0%	16.8%	16.6%	16.2%	15.9%	15.7%	15.5%	14.6%	13.6%		
Market Share Change	-0.5%	-0.2%	-0.2%	-0.2%	-0.4%	-0.3%	-0.2%	-0.2%	-0.9%	-0.9%		-0.4%
<b>Same Store Sales</b>												
Franchised	-2.4%	-4.4%	0.6%	2.0%	1.3%	-0.3%	N/a	N/a	N/a	N/a	N/a	-0.5%
Company	-1.3%	-4.8%	-1.9%	1.8%	0.6%	N/a	N/a	N/a	N/a	N/a	N/a	-1.1%
Total System	-2.2%	-4.5%	0.3%	2.0%	1.2%	-0.3%	1.1%	0.2%	-5.0%	-5.3%	0.0% to 3.0%	-1.3%
Segment SSS	-2.6%	-4.8%	-0.1%	1.9%	1.7%	-0.1%	1.8%	2.0%	-1.5%	-0.4%		-0.2%
<b>Unit Counts</b>												
Franchised	1,470	1,470	1,553	1,694	1,862	1,838	1,847	1,878	1,858	1,782		
Company	405	398	309	177	23	23	23	0	0	0		
Total	1,875	1,868	1,862	1,871	1,885	1,861	1,870	1,878	1,858	1,782		
% Net Growth	0.6%	-0.4%	-0.3%	0.5%	0.7%	-1.3%	0.5%	0.4%	-1.1%	-4.1%		-0.4%
Segment % Net Growth	3.6%	1.3%	1.0%	1.8%	1.4%	1.8%	1.0%	1.5%	0.6%	-1.8%		1.2%
<b>Gross New Unit Development</b>												
Franchised	28	18	14	15	20	20	29	27	19	10	3	
Company	1	0	0	0	0	0	0	0	0	0	0	
Total	29	18	14	15	20	20	29	27	19	10	3	
% Growth	1.6%	1.0%	0.7%	0.8%	1.1%	1.1%	1.6%	1.4%	1.0%	0.5%	0.2%	1.1%
Segment % Growth	4.9%	3.4%	2.5%	2.8%	2.7%	3.0%	2.6%	2.5%	1.9%	1.3%	1.3%	2.7%
<b>Transfers &amp; Closure Rates</b>												
Franchised Transfers	7.7%	1.0%	0.5%	3.5%	15.5%	8.3%	1.0%	2.8%	0.0%	0.6%		4.1%
Segment Transfers	4.5%	0.6%	0.5%	2.4%	8.4%	4.7%	0.8%	3.2%	0.7%	1.6%		2.7%
Franchised Closings	1.1%	1.7%	1.0%	0.4%	0.4%	2.4%	1.1%	1.0%	2.1%	4.6%		1.6%
Company Closings	0.6%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.2%
System Closings	1.0%	1.3%	1.1%	0.3%	0.3%	2.3%	1.1%	1.0%	2.1%	4.6%		1.5%
Segment Closings	1.2%	2.1%	1.4%	1.0%	1.3%	1.2%	1.6%	1.0%	1.3%	3.1%		1.5%

(\*) Concept results reflect company's fiscal year. Segment results reflect an average of individual concept results based on their fiscal year end closest to December.

# Applebee's

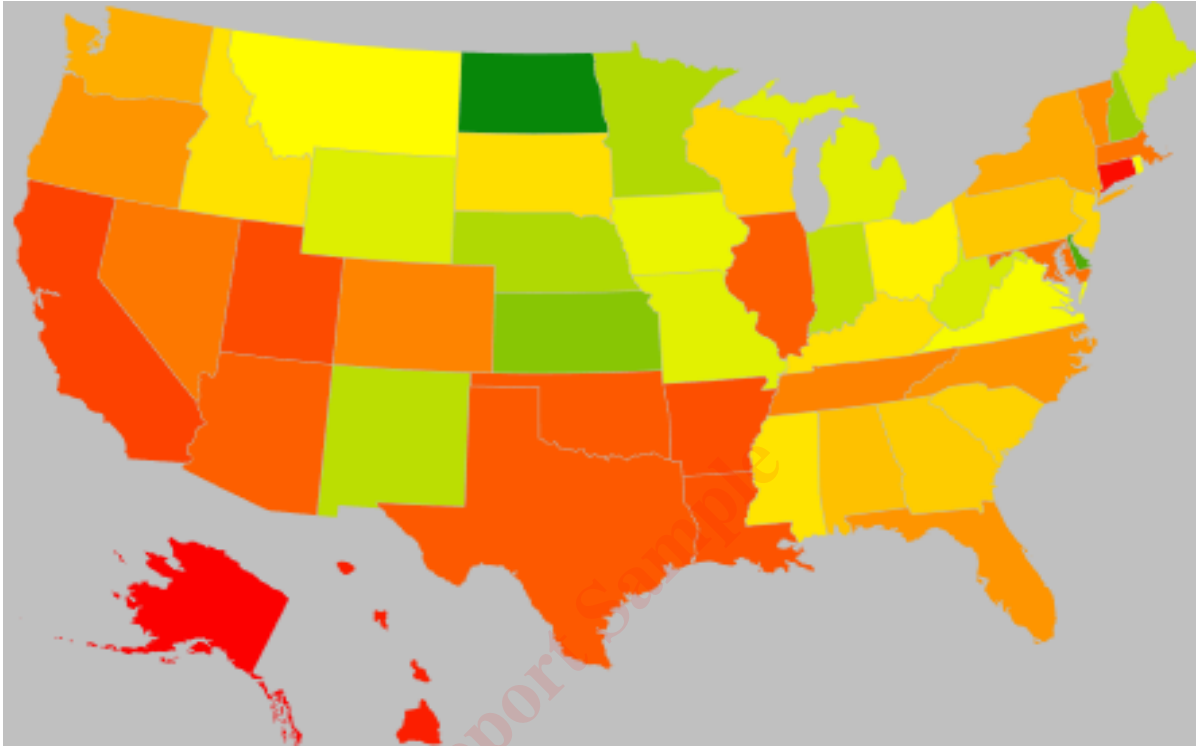
## 2017 State Unit Concentration (Units/Million People)

Lowest Concentration

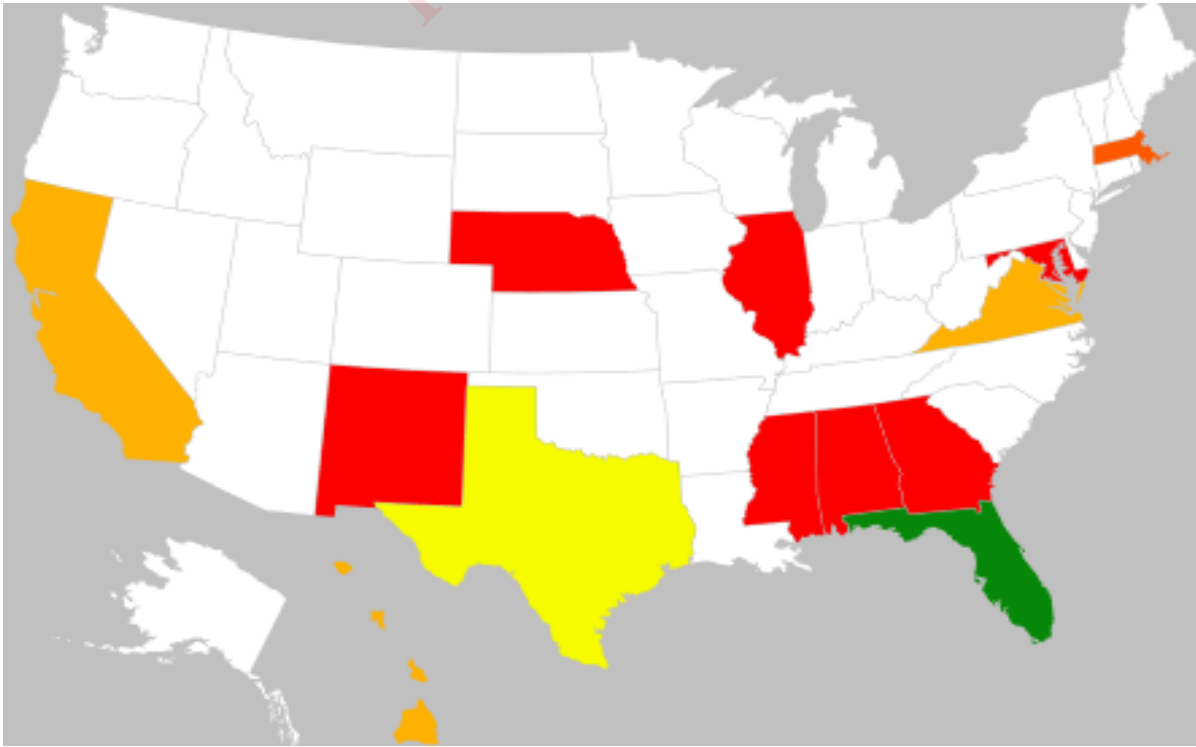
Highest Concentration

Least Development

Most Development



## Total Gross New Unit Development (2016-2018P)



## Applebee's Unit Activity by State

State	2017 Unit Count				Gross Openings					Closings				Net Openings				Transfers				
	Total	Franchised	Company	% Total	2014	2015	2016	2017	2018E	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	
Alabama	30	30		1.7%	2			1		1	1	1	1	1	(1)							
Alaska	1	1		0.1%								1			(1)							1
Arizona	26	26		1.5%		1						2		1		(2)						
Arkansas	10	10		0.6%								1			(1)							
California	118	118		6.6%	2	6	2	1		2	2	2	4		4		(3)	18	8			
Colorado	26	26		1.5%	1	1						1		1	1	(1)						
Connecticut	6	6		0.3%						1					(1)			1				
Delaware	12	12		0.7%																		
Dist. of Columbia																						
Florida	106	106		5.9%	1	2	5	2			5	1	6	1	(3)	4	(4)			10		
Georgia	67	67		3.8%	2	3	1					3	4	2	3	(2)	(4)					
Hawaii	3	3		0.2%			1	2								1	2					
Idaho	12	12		0.7%																		
Illinois	47	47		2.6%			1					1										
Indiana	63	63		3.5%		1				1		2	1	(1)	1	(2)	(1)			22		
Iowa	26	26		1.5%						1				(1)								
Kansas	32	32		1.8%	1					1		1	1			(1)	(1)					
Kentucky	31	31		1.7%								3	3			(3)	(3)					
Louisiana	16	16		0.9%						1		1		(1)		(1)						
Maine	12	12		0.7%																		
Maryland	25	25		1.4%			1			2				(2)		1						
Massachusetts	29	29		1.6%			2				1				(1)	2						
Michigan	85	85		4.8%	2	2				1		1	3	1	2	(1)	(3)					
Minnesota	55	55		3.1%	1					1			3				(3)					
Mississippi	21	21		1.2%	1		1				1	1	1	1	(1)	1	(1)					
Missouri	52	52		2.9%								2	4			(2)	(4)					
Montana	8	8		0.4%																		
Nebraska	19	19		1.1%		1	1				2				(1)	1						
Nevada	13	13		0.7%								1					(1)					
New Hampshire	14	14		0.8%																		
New Jersey	60	60		3.4%	1	2								1	2							
New Mexico	20	20		1.1%	2		1					1		2		1	(1)					
New York	111	111		6.2%	2	2				2		1	3		2	(1)	(3)					
North Carolina	52	52		2.9%	2						1	3	4	2	(1)	(3)	(4)					
North Dakota	11	11		0.6%									1				(1)					
Ohio	86	86		4.8%						1	1	2	3	(1)	(1)	(2)	(3)			11		
Oklahoma	14	14		0.8%		1						4	6		1	(4)	(6)					
Oregon	21	21		1.2%																		
Pennsylvania	81	81		4.5%	2	2								2	2							
Rhode Island	8	8		0.4%																		
South Carolina	33	33		1.9%		1				1		1	6	(1)	1	(1)	(6)					
South Dakota	6	6		0.3%																		
Tennessee	31	31		1.7%	2					1	1	3	8	1	(1)	(3)	(8)					
Texas	101	101		5.7%	5	1	2	2		1		1	8	4	1	1	(6)					
Utah	10	10		0.6%							2	2	2		(2)	(2)	(2)					10
Vermont	3	3		0.2%																		
Virginia	67	67		3.8%			1	2			1	1	7		(1)		(5)					
Washington	42	42		2.4%																		
West Virginia	16	16		0.9%								1					(1)					
Wisconsin	39	39		2.2%		1				2	1	1	2	(2)		(1)	(2)					
Wyoming	5	5		0.3%																		
<b>Total</b>	<b>1,782</b>	<b>1,782</b>	<b>0</b>	<b>100.0%</b>	<b>29</b>	<b>27</b>	<b>19</b>	<b>10</b>	<b>0</b>	<b>20</b>	<b>19</b>	<b>39</b>	<b>86</b>	<b>9</b>	<b>8</b>	<b>(20)</b>	<b>(76)</b>	<b>19</b>	<b>51</b>	<b>0</b>	<b>11</b>	
% YOY Growth	-4.1%	-4.1%			1.6%	1.4%	1.0%	0.5%		1.1%	1.0%	2.1%	4.6%	0.5%	0.4%	-1.1%	-4.3%	1.0%	2.8%			0.6%

Please note state unit data is derived from FDDs and may vary from figures reported in 10-Ks and annual reports.

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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 Grill & Bar	Church's	Denny's	Domino's
Hardee's	IHOP	Jack in the Box	KFC
McDonald's	Panera Bread	Papa John's	Pizza Hut
Popeyes	Sonic Drive-In	Subway	Taco Bell
TGI Friday's	Wendy's	Quarterly Concept Updates*	

## Industry Benchmarking (49 Chains)

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

\* Only available as part of subscription.

## FDD/UFOC library for 37 Chains

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