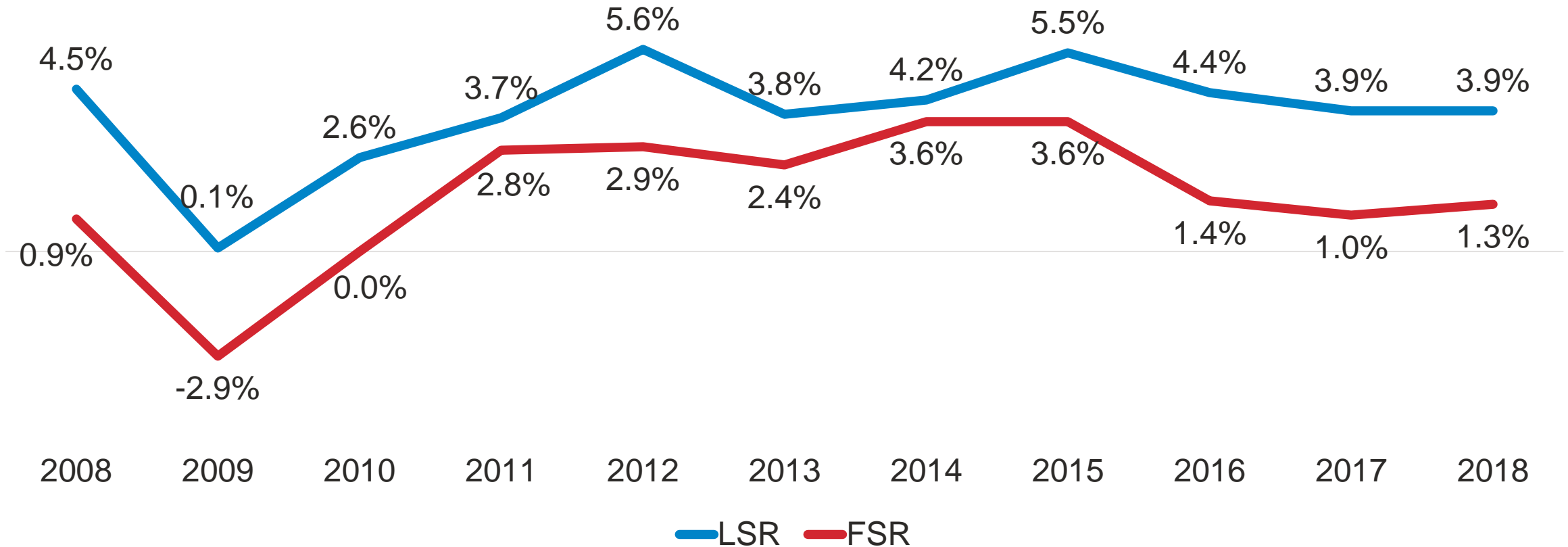


Managing Pricing in Today's Economic Climate



No Big Improvement

Top 500 chains sales growth vs. previous year

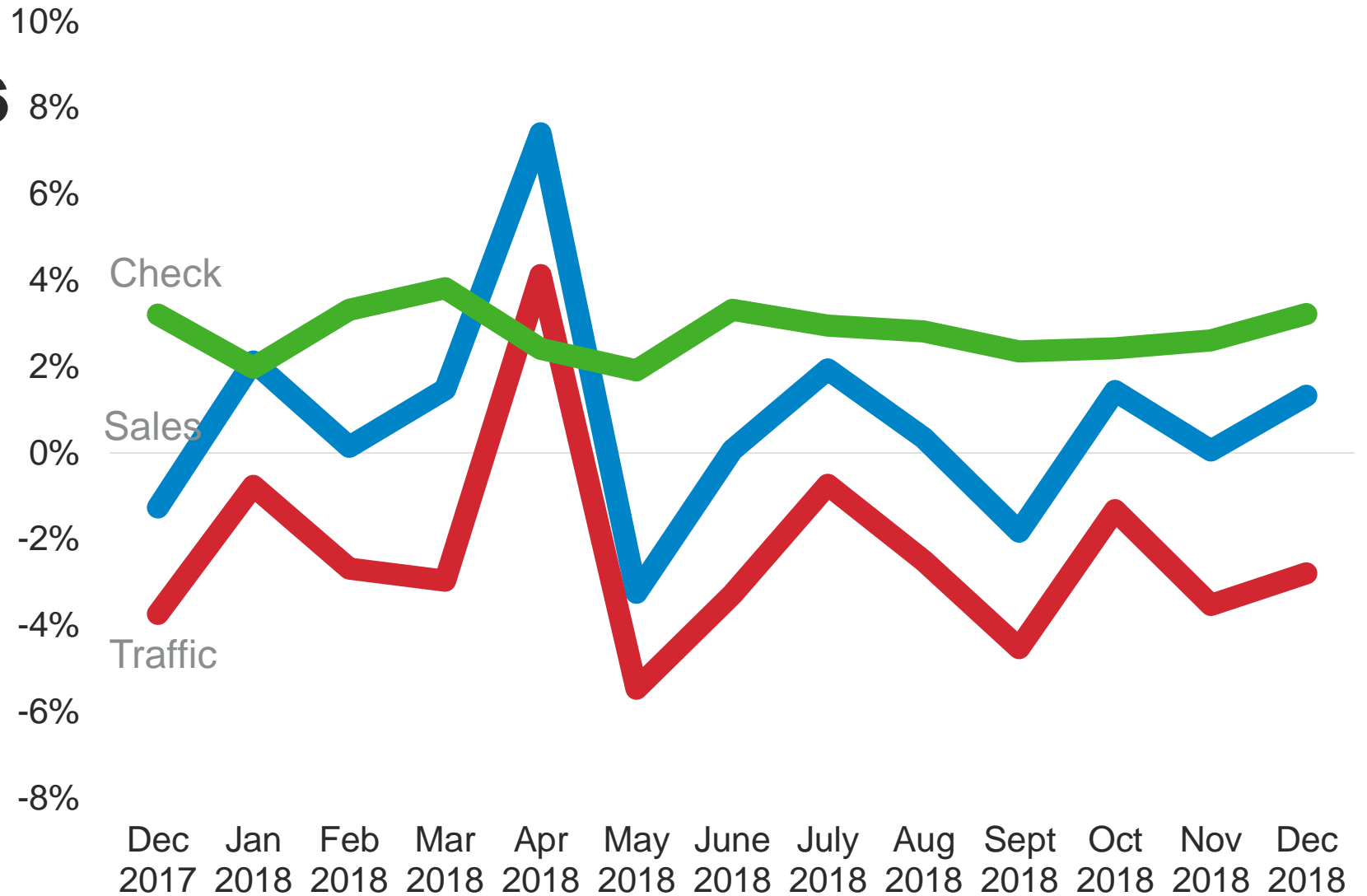


Source: Technomic Top 500 Reports

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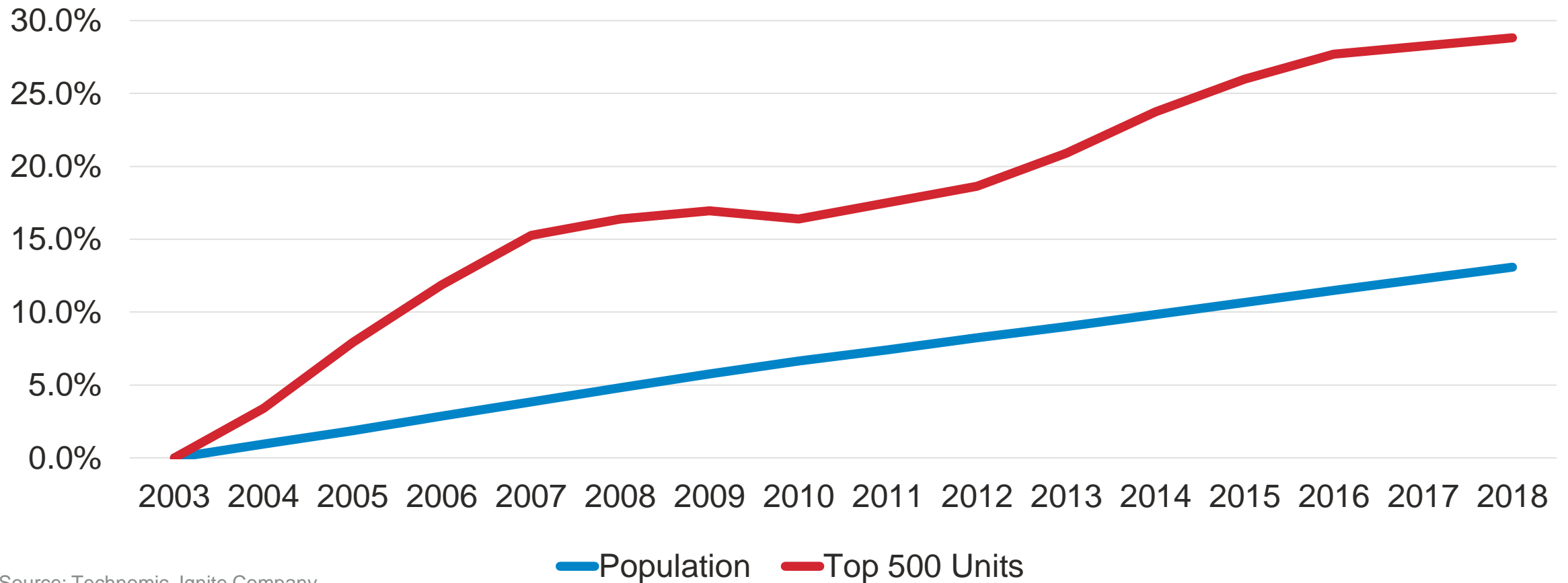
As Traffic Lags, Chains Focus On Check Average

YOY Monthly Change %



Restaurant Growth Outpacing Population

YOY cumulative growth

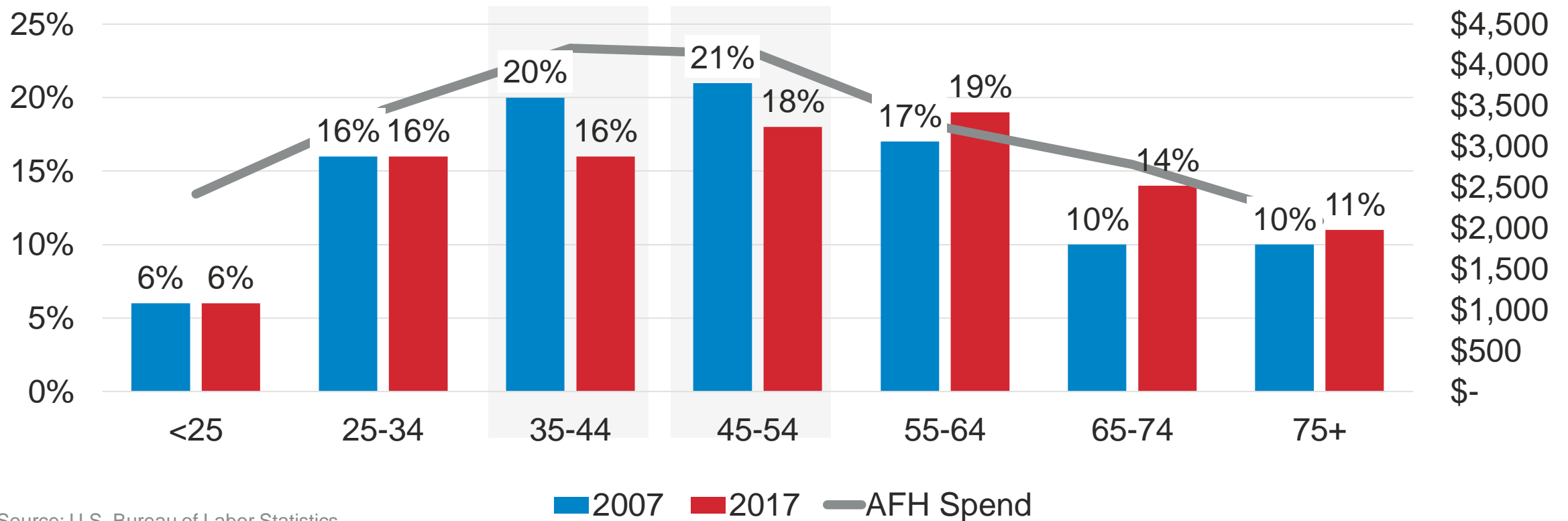


Source: Technomic, Ignite Company
U.S. Census

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Fewer Consumers in Sweet Spot

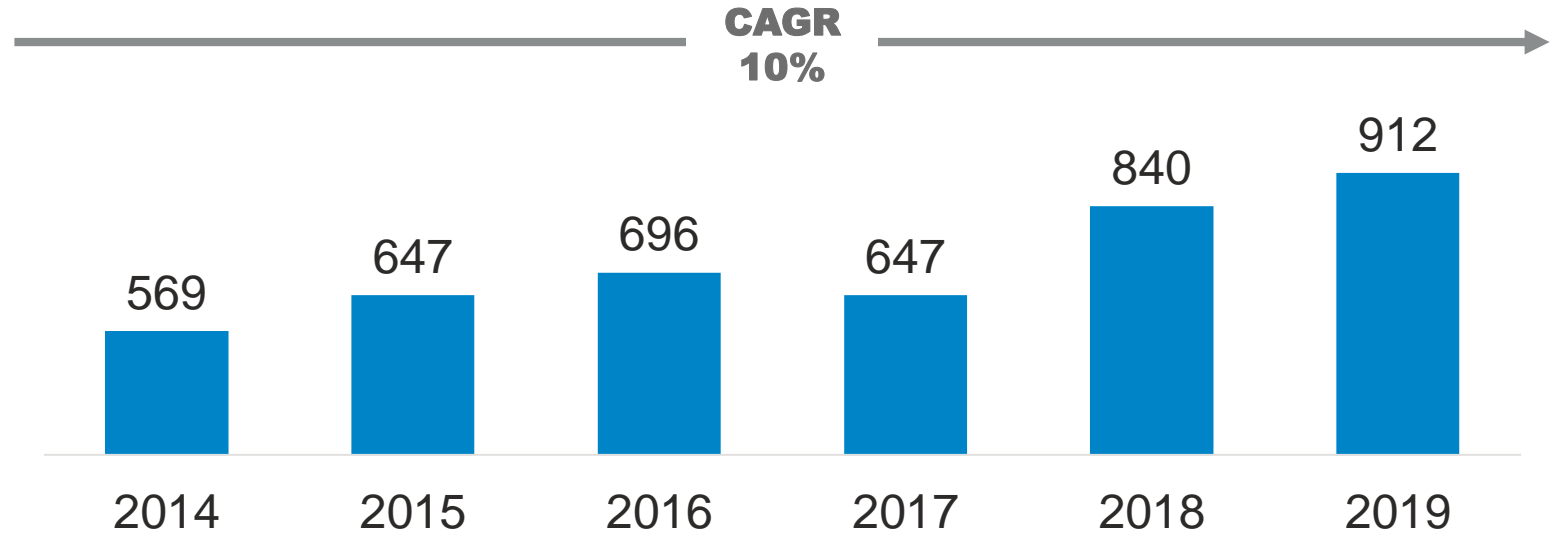
Share of households (by age of the head of the household) vs. AFH spending



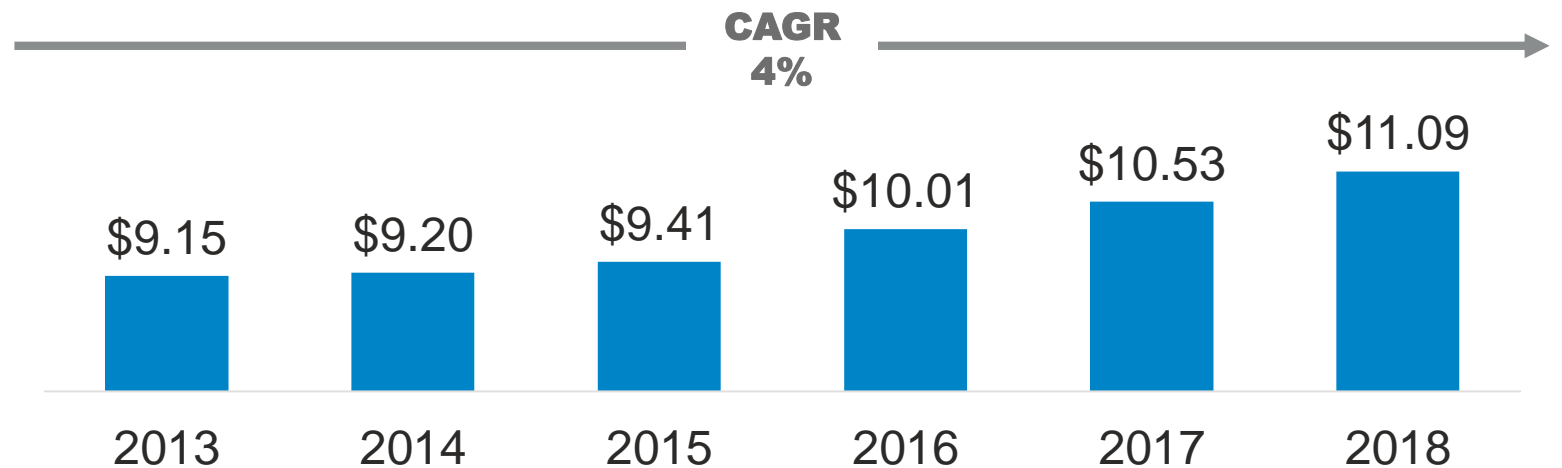
Source: U.S. Bureau of Labor Statistics
U.S. Census

Labor Expenses

Accommodation & Foodservice Job Openings (000)*



Restaurant Wages (Median)



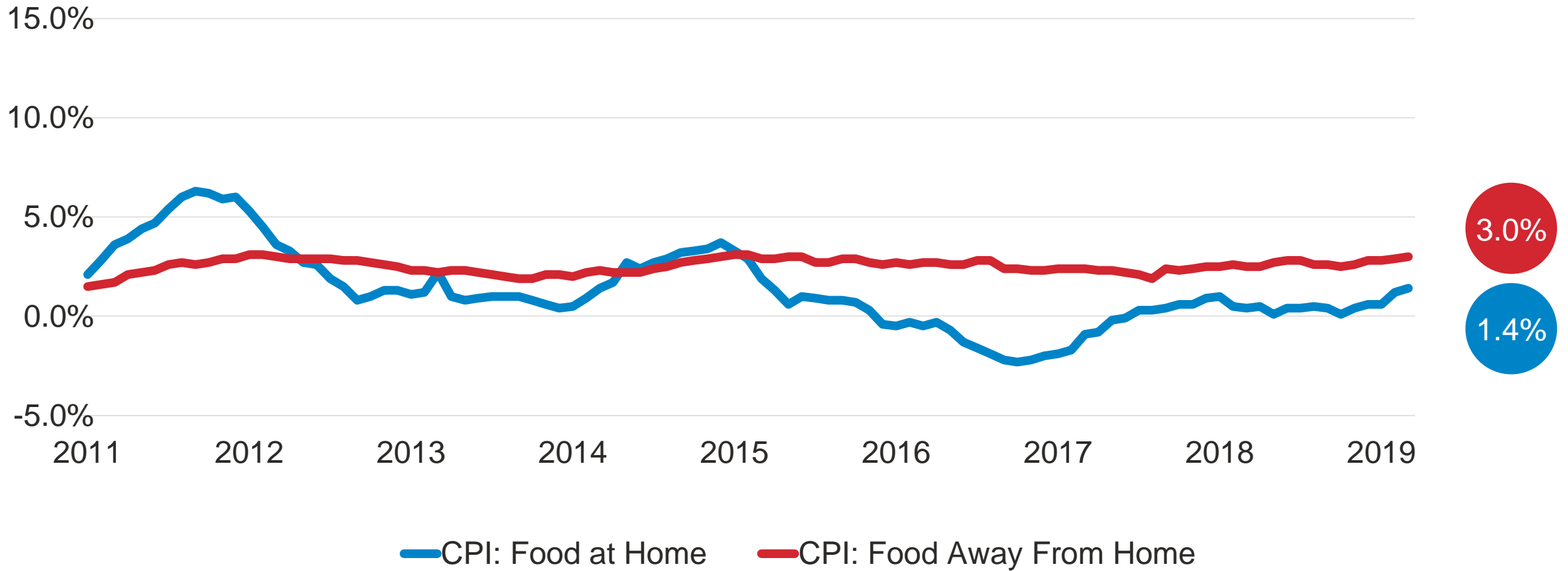
*March of respective year
Source: U.S. Bureau of Labor Statistics

Menu Price Inflation Rising



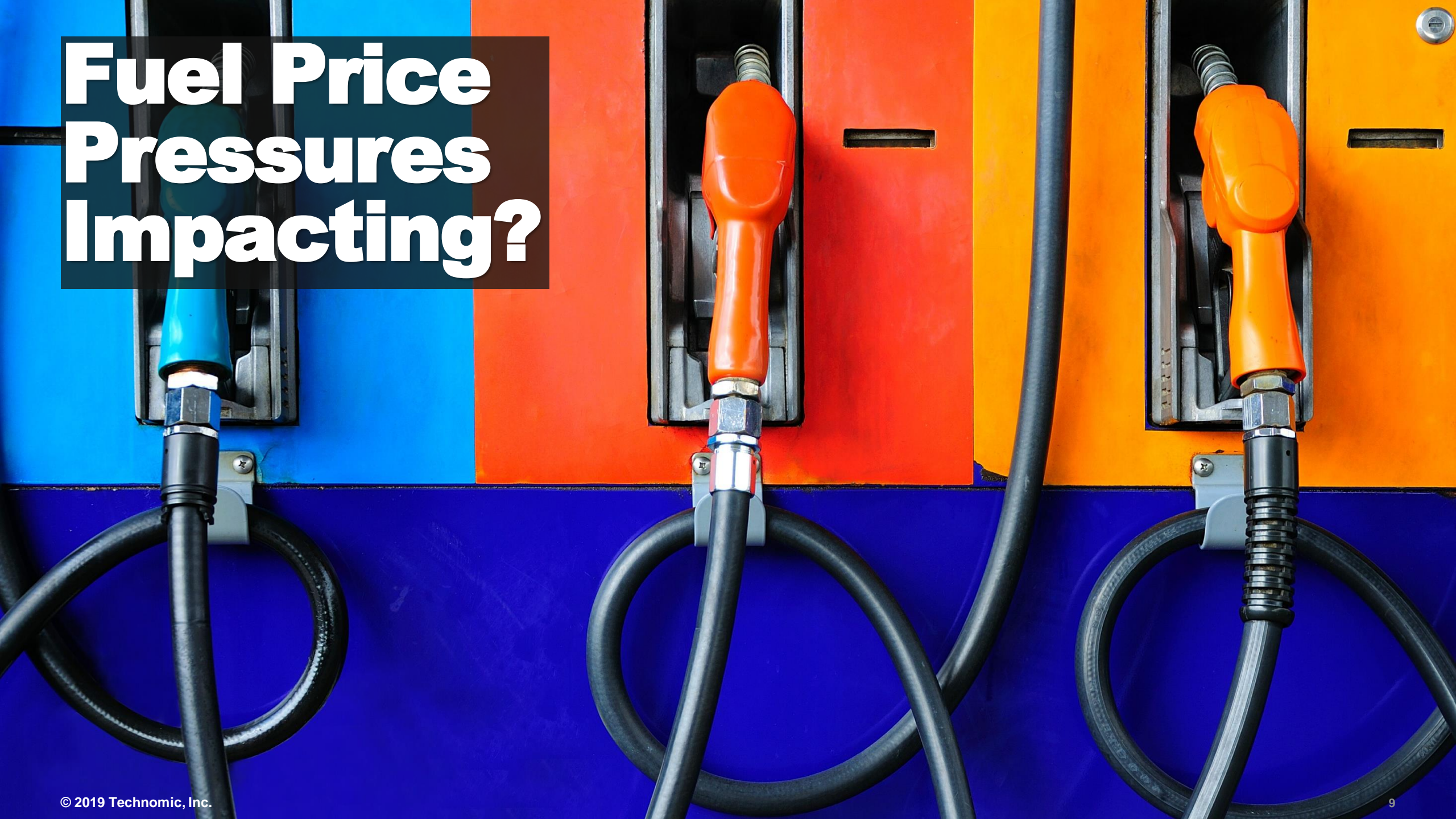
Source: U.S. Bureau of Labor Statistics
Monthly YOY CPI: FAFH

Restaurant Inflation Outpaces Retail



*March of respective year
Source: U.S. Bureau of Labor Statistics

Fuel Price Pressures Impacting?



3rd Party Delivery Changes the Equation

3.3%

2017-18 growth
Top 500 restaurants

55%

2018 YOY Third-party
sales growth

Key Issues



- Traffic Declining
- Price, mix driving growth
- Unit Saturation & demographics not favorable
- Competition over labor increases costs
- Price inflation outpacing retail
- Fuel prices impacting consumers
- 3rd party delivery eating profits

Manage Your Pricing Strategy without Impacting Traffic



Mark Kelnhofer
President & CEO,
Return On Ingredients



Jessica Sattler
Director, Research, Insights
and Marketing Analytics,
PF Chang's

Moderated by: Richard Shank, Director
of Consumer Insights, Technomic, Inc.