

Team 16 – UNC Alpha Challenge 2025

Long Recommendation – Brinker International (NYSE: EAT)

ALPHA_αCHALLENGE

Brinker International (NYSE: EAT) Company Overview

Company Summary

- Brinker International is a restaurant company – Brinker operates the “Chili’s Grill and Bar” & “Maggiano’s Little Italy” brands
- Brinker is a market-leader and best-in-class restaurant operator; Chili’s is the #1 casual dining brand in North America



Kevin Hochman, CEO
Joined: 2022

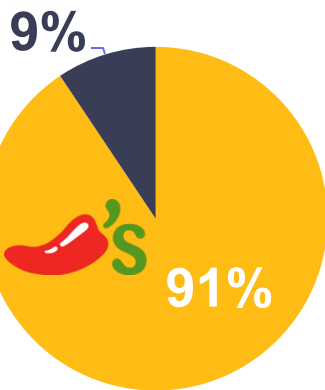


Mika Ware, CFO
Joined: 1988



George Felix, CMO
Joined: 2022

MAGGIANO'S
LITTLE ITALY



Franchise

1%

Company
99%

Recommendation and Price Target

- We recommend a **LONG** position

| | |
|-----------------------------|-----------------|
| 6/30/27 Price Target | \$178.69 |
|-----------------------------|-----------------|

| | |
|-----------------|-------|
| Upside/Downside | 32.4% |
| IRR | 19.1% |

| | |
|---------------------|----------|
| Current Share Price | \$134.96 |
|---------------------|----------|

| | |
|------------|--------|
| Market Cap | \$6.0B |
|------------|--------|

| | |
|-----|--------|
| TEV | \$7.9B |
|-----|--------|

| | |
|----------------|----------------------|
| Short Interest | 12% Float / 2.9 Days |
|----------------|----------------------|

| | |
|-------|------------|
| As Of | 11/21/2025 |
|-------|------------|

Historical Financials

| June FYE (\$mm) | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------|--------|--------|--------|--------|--------|
| Revenue | 3,338 | 3,804 | 4,133 | 4,415 | 5,384 |
| COGs | 868 | 1,049 | 1,146 | 1,108 | 1,351 |
| Labor | 1,108 | 1,288 | 1,389 | 1,467 | 1,717 |
| Other | 859 | 968 | 1,098 | 1,213 | 1,334 |
| 4-Wall Margin | 445 | 407 | 460 | 583 | 934 |
| Margin% | 13.3% | 10.7% | 11.1% | 13.2% | 17.3% |
| Operating Profit | 218.9 | 191.2 | 177.5 | 272.8 | 553.8 |
| Margin% | 6.6% | 5.0% | 4.3% | 6.2% | 10.3% |
| Adj. EBITDA | 368.5 | 355.1 | 345.6 | 443.6 | 760.4 |
| Margin% | 11.0% | 9.3% | 8.4% | 10.0% | 14.1% |
| Diluted EPS | \$3.13 | \$3.09 | \$2.85 | \$4.13 | \$8.90 |

EAT Share Price Performance and Current Valuation

Brinker International 2025 YTD Share Price Performance



Significant Recent Increase

- Team 16 initiated a **LONG** recommendation on EAT on 11/2 (share price of \$108.66)
- EAT shares have since appreciated meaningfully and are **~+24%** in the intervening period
- Regardless, we believe there is still room to run

Brinker International 5-Year Share Price Performance



Valuation Metrics

- **LTM TEV / EBITDA: 7.4x**
Peer Median: 14.8x
- **NTM P/E: 12.8x**
Peer Median: 19.8x

1

Chili's is the #1 casual dining brand in the USA and is poised to continue robust traffic growth despite a weaker outlook for the broader QSR/Casual dining industry

2

Maggiano's Little Italy is an overlooked "diamond-in-the-rough" that is primed to beat consensus expectations as Brinker's veteran management turns their focus to turnaround efforts

3

The Market meaningfully underestimates Chili's new restaurant opening expansion opportunity with significant whitespace in Northeast / West markets

1 Street Is Underestimating Chili's Traffic Growth

Historical traffic trends consistently point to materially higher growth than consensus, indicating Street estimates are too low even under conservative assumptions and without requiring Chili's to repeat peak momentum.

Underestimated Momentum

- Historical traffic averages imply meaningfully higher growth than consensus across Y26–Y28, regardless of whether a 2-yr, 3-yr, or 5-yr trend is applied

Market share Capture

- We forecast Chili's sustaining ~5% traffic growth through FY27, **driving an estimated ~\$400M (~7%) revenue beat vs. consensus**, ~4% of our EPS upside vs consensus. This outperformance is supported by continued share gains from (1) lower-income casual diners trading down into value, (2) QSR/fast casual guests trading up as price gaps narrow, and (3) heightened Gen Z/millennial demand amplified by Chili's superior social and viral reach

Chili's Sustainable Traffic Growth Strategy

Value-Led Share Capture

Three-for-Me remains the sector's most compelling value platform: The \$10.99 bundle continues to anchor Chili's differentiated "full-service at fast-casual prices" positioning, driving incremental weekday traffic and widening the value gap vs peers

Advantageous Consumer Mix

With 88–93% of <\$70K households moving to lower-priced dining, Chili's is outperforming peers as <\$60K becomes its fastest-growing cohort, reinforcing its position as the category's value leader

Sticky Repeat Customers

Chili's has 25% of its customers in the millennial/Gen Z demographic vs. a 15% peer average. Chili's outperforms the entire restaurant peer set on virality, pairing one of the highest share rates with above-average view engagement

Monthly tokenized cohorts show stable repeat frequency, with new guests returning at the same rate as existing guests. Incremental visits persist beyond the first trip, disproving a promotional or one-time lift

1 Street Is Underestimating Traffic Growth

Historical traffic trends consistently point to materially higher growth than consensus, indicating Street estimates are too low even under conservative assumptions and without requiring Chili's to repeat peak momentum.

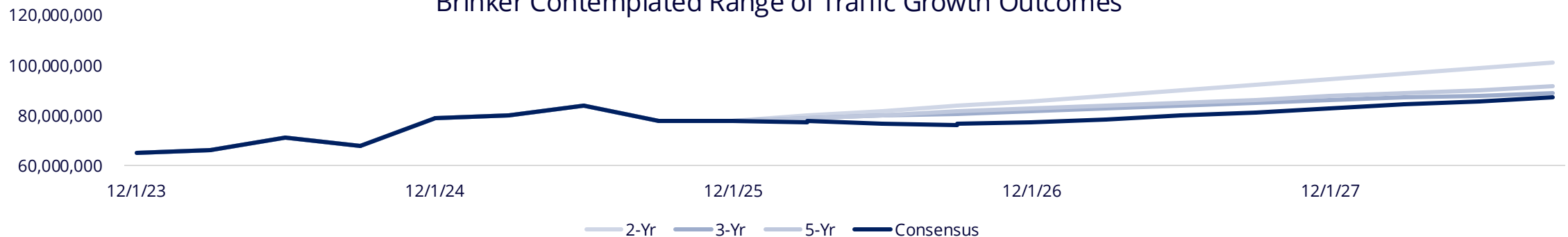
| Chili's Average Traffic Rates | | |
|-------------------------------|--------|-----------|
| | Yearly | Quarterly |
| 2-Yr Avg. YoY | 10% | 2% |
| 3-Yr Avg. YoY | 5% | 1% |
| 5-Yr Avg. YoY | 6% | 1% |

| Estimated Chili's Traffic Scenarios | | | |
|-------------------------------------|---------|---------|---------|
| | FY26 | FY27 | FY28 |
| Consensus | 308,830 | 316,964 | 339,441 |
| 2-Yr Avg. YoY | 323,005 | 355,306 | 390,836 |
| 3-Yr Avg. YoY | 317,336 | 333,203 | 349,863 |
| 5-Yr Avg. YoY | 318,479 | 337,587 | 357,843 |

Consensus Underappreciates Momentum

- Historical traffic averages imply meaningfully higher growth than consensus across Y26–Y28, regardless of whether a 2-yr, 3-yr, or 5-yr trend is applied.
- Consensus embeds a deceleration that is not reflected in historical traffic patterns, even when smoothed over longer 3–5 year periods.
- Even conservative long-term averages (5–6% YoY) generate traffic levels above Street expectations.
- Y27 and Y28 remain materially above consensus under all three historical scenarios, suggesting estimates are too low.
- Chili's does not need to repeat peak momentum for the model to outperform Street numbers.

Brinker Contemplated Range of Traffic Growth Outcomes



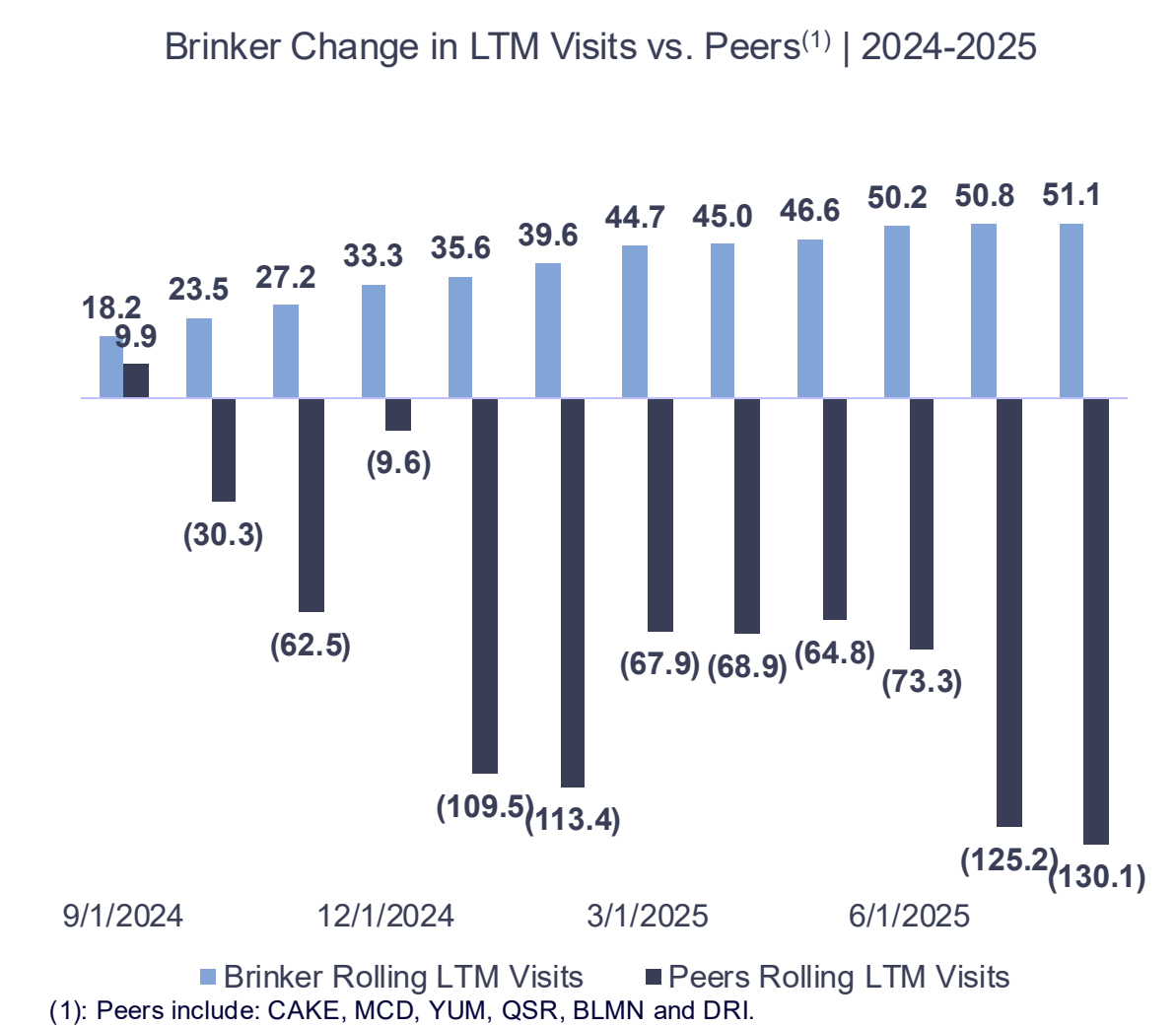
1

As Fast Casual and QSR Meal Prices Converge Brinker Takes Market Share



Team 16 – UNC Alpha Challenge

Chili’s is poised to gain meaningful share as QSR traffic softens, with ~5% sustained traffic growth through FY27 driven by value trade-down, QSR trade-up as prices converge, and strong Gen Z/millennial pull—creating a clear path to revenue and EPS upside vs. consensus.



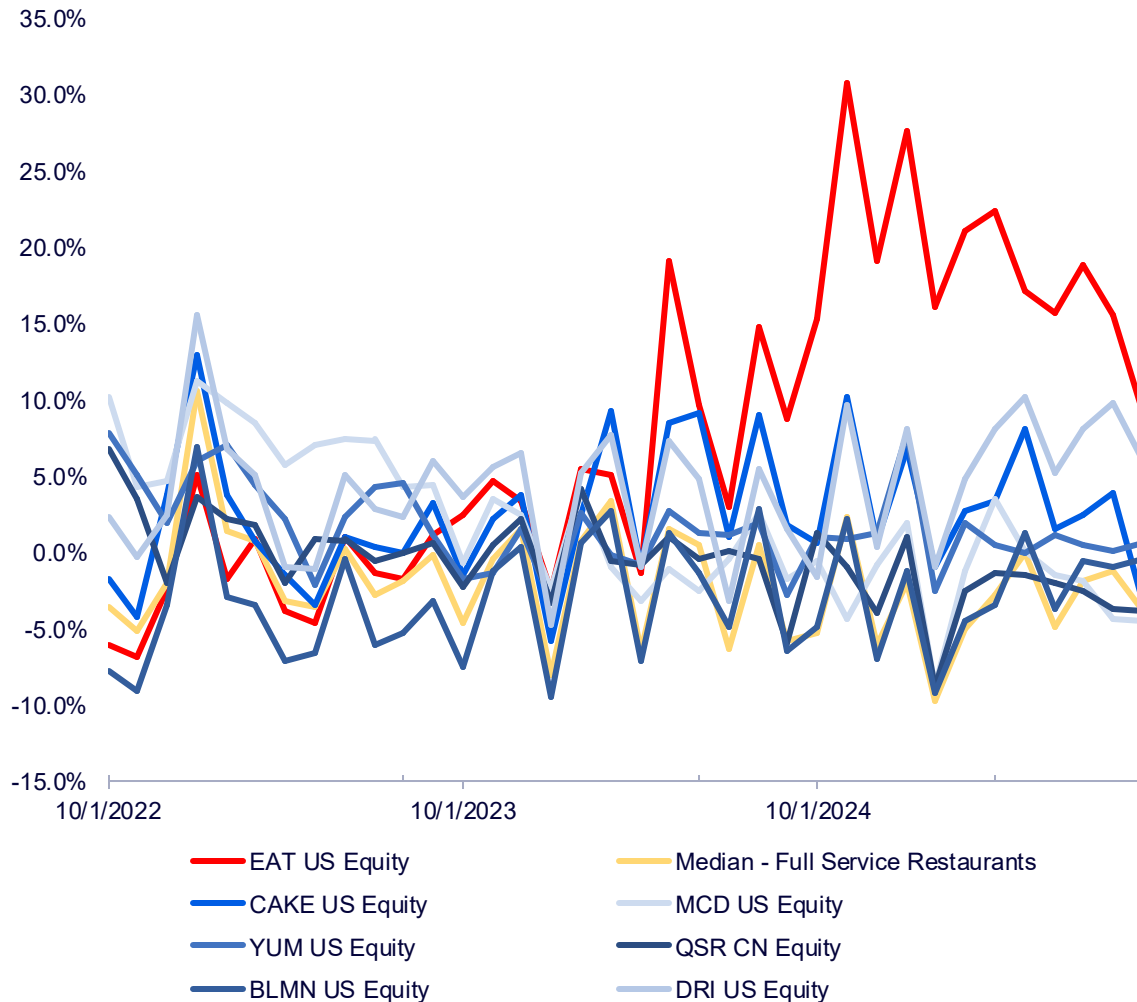
Thesis #1 Variance vs. Consensus

| | FY2026E | | | | |
|---------------|-----------|-----------|-----------|-----------|-----------|
| | Q2 | Q3 | Q4 | FY2026E | FY2027E |
| Total Revenue | 1,432,814 | 1,528,443 | 1,572,213 | 5,882,669 | 6,450,215 |
| YoY Growth % | 5.5% | 7.3% | 7.5% | 9.3% | 9.6% |
| Consensus | 1,411,273 | 1,472,861 | 1,521,791 | 5,755,125 | 6,077,780 |
| YoY Growth % | 3.9% | 3.4% | 4.1% | 6.9% | 5.6% |
| Variance | +1.5% | +3.8% | +3.3% | +2.2% | +6.1% |
| 4-Wall Margin | 268,322 | 295,746 | 296,076 | 1,089,027 | 1,213,553 |
| % of Sales | 18.7% | 19.3% | 18.8% | 18.5% | 18.8% |
| EBIT | 158,348 | 174,764 | 172,796 | 623,913 | 716,406 |
| % of Sales | 11.1% | 11.4% | 11.0% | 10.6% | 11.1% |
| EPS | \$ 2.68 | \$ 2.91 | \$ 2.84 | \$ 10.35 | \$ 12.38 |
| Consensus | \$2.64 | \$2.81 | \$2.74 | \$10.12 | \$11.65 |
| Variance | +1.6% | +3.9% | +3.4% | +2.3% | +6.2% |

① As Fast Casual and QSR Meal Prices Converge Brinker Takes Market Share

Brinker's traffic has broken sharply away from peers, operating at a clear step-function higher level, and this outperformance positions Chili's to continue taking share from weakening QSR traffic.

Brinker Monthly Traffic YoY Growth vs. Foodservice Peers



Source: BBG data

Brinker Takes Market Share

- Double-digit YoY price increases across QSR chains have driven most SSS growth at take-out competitors (e.g., MCD)
- Over the same period, Chili's delivered 31% YoY SSS growth driven primarily by ~19% traffic, capturing an estimated 5–10% of QSR traffic declines
- Forecasts call for continued ~1% QSR traffic decline through 2027, and consensus underestimates Chili's ability to capture this shift — as well as broader gains from value-focused casual diners, and strong Gen Z/millennial pull
- We project Chili's traffic moderating to ~5% through the forecast period, driving ~\$400M (~7%) of revenue variance vs. FY27 consensus, equating to ~4% EPS upside relative to consensus

Brinker Intl Market Share Analysis Summary

| | |
|-------------------------------------|-------------|
| Competitor Visit Loss (June 2027) | 201,986,701 |
| Share of Brinker Capture | 15.0% |
| Brinker Capture (Annual) | 30,298,005 |
| Brinker Capture (Monthly) | 2,524,834 |
| LTM Avg Monthly Visits (9/30/25) | 26,770,577 |
| PF RR Monthly Visits | 29,295,411 |
| % Change | 9.4% |
| Months to Achieve | 21 |
| Visit Count CAGR (Thru end of FY27) | 5.3% |

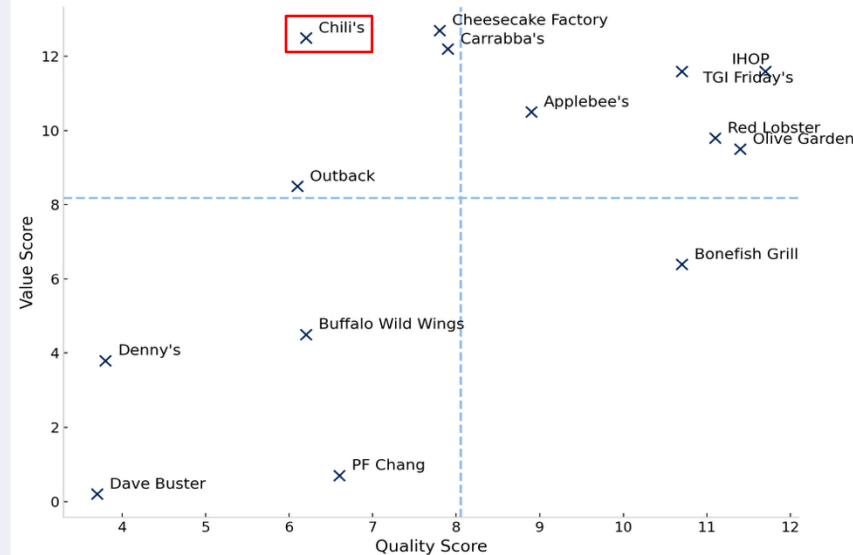
1 A Value-Forward Menu Set to Accelerate Traffic and Repeat Visits

Chili's value platform is driving incremental traffic while premium mix strengthens on quality upgrades. A proven barbell strategy and multi-year menu pipeline support sustained traffic momentum and increasing guest stickiness.

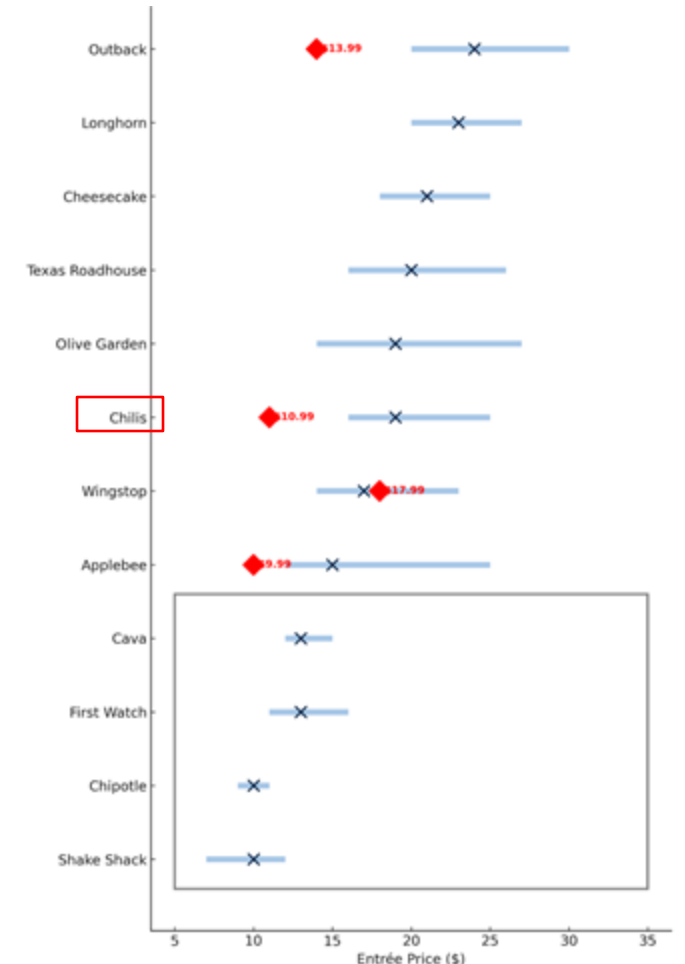
Menu Momentum

- **Product quality upgrades are translating into measurable repeat gains:** The July rib upgrade (+35% lift; +1% mix) and other quality improvements are improving craveability and reinforcing return-visit behavior
- **Multi-year innovation pipeline provides visibility into sustained traffic momentum:** Upcoming menu programs — Chicken Sandwich (F2H26), Steak (F27), Salad (F27) — create a consistent cadence of quality news designed to deepen guest stickiness and support durable traffic growth through FY26–27

Restaurants: Value vs Quality



Restaurants: Value vs Quality



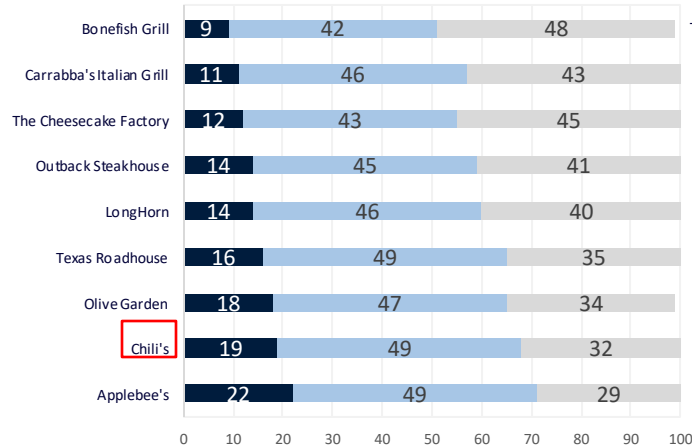
Chili's Value Proposition

- **Three-for-Me remains the sector's most compelling value platform:** The \$10.99 bundle continues to anchor Chili's differentiated "full-service at fast-casual prices" positioning, driving incremental weekday traffic and widening the value gap vs peers
- **Value mix stability underscores healthy traffic quality:** The \$10.99 tier slipped modestly from ~8% to ~7%, indicating value is attracting incremental guests without over-mixing or pressuring average checks
- **Barbell menu architecture broadens daypart and occasion coverage:** Value tiers pull weekday utility visits, while upgraded proteins and beverages capture weekend, celebratory, and higher-check occasions, diversifying total traffic drivers

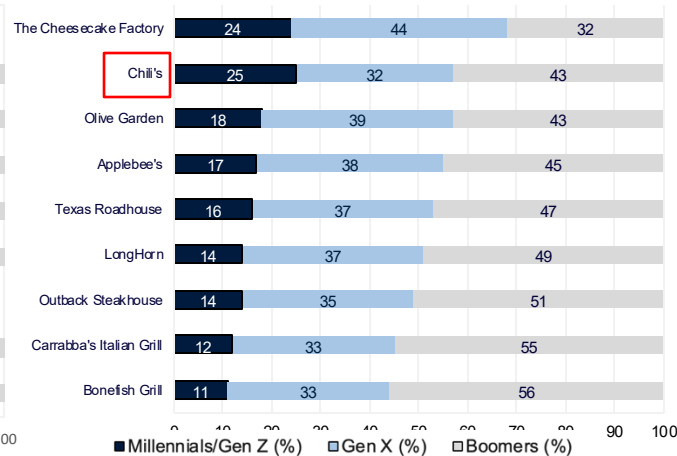
① Customer Segmentation Creates a Structural Traffic Tailwind for Chili's

Chili's is winning value-seeking consumers as low-income households trade down. The brand is also gaining younger guests, boosted by strong social momentum and above-peer Gen Z/millennial mix.

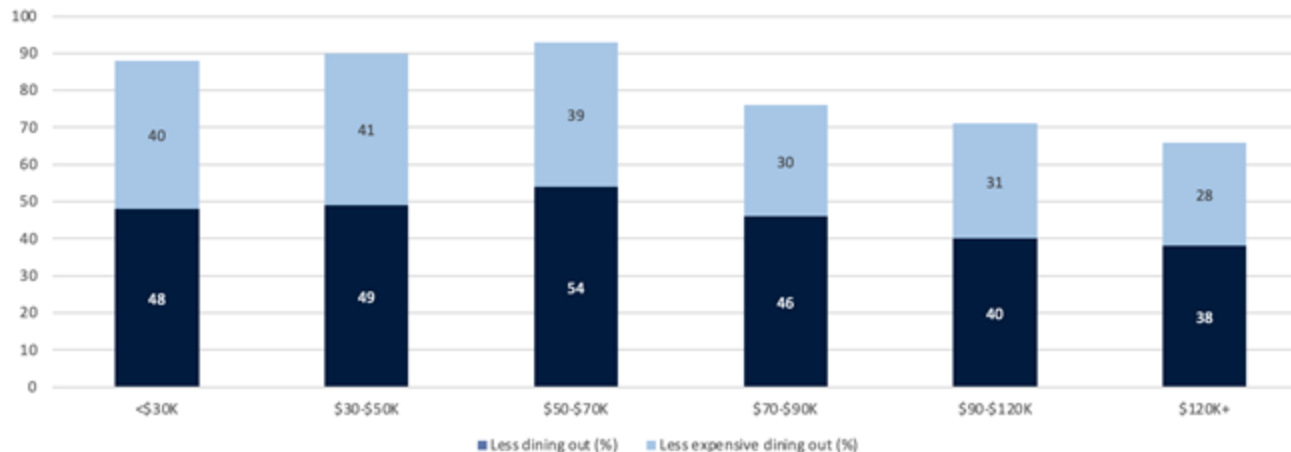
Income Distribution



Age Demographics



Reduced "Dining Out" Intentions Amongst Lower Income Cohort



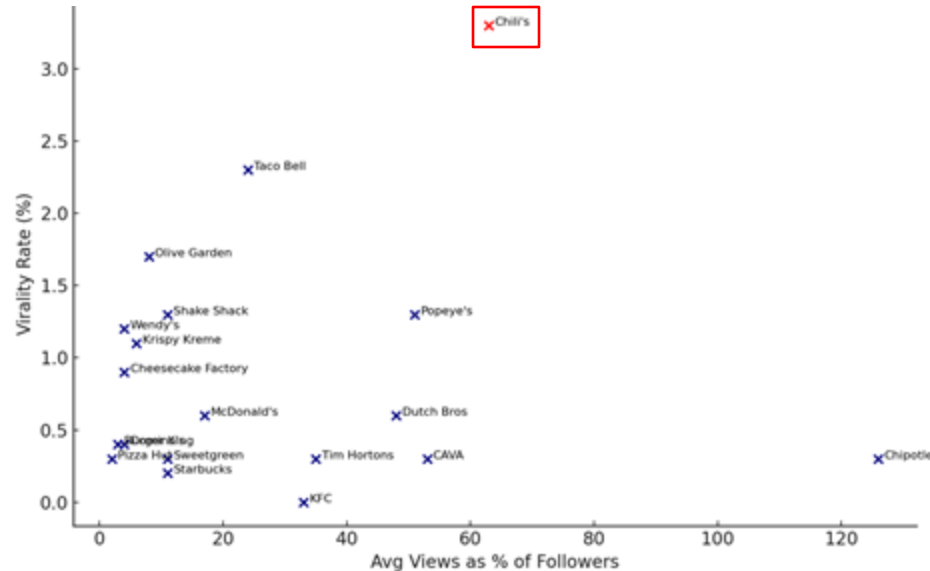
Chili's Strategically Positioned Customer Base

- **Chili's has 22% of its customers in the low-income cohort** vs. the casual dining peer average of 14.4%.
- **Lower-income consumers are not exiting restaurants**—they're trading into value, and Chili's is capturing that shift.
- **With 88–93% of <\$70K households moving to lower-priced dining**, Chili's is outperforming peers as <\$60K becomes its fastest-growing cohort, reinforcing its position as the category's value leader.
- **Chili's has 25% of its customers in the millennial/Gen Z demographic** vs. a 15% peer average.
- **Chili's is gaining momentum with younger consumers**, supported by sustained TikTok and social activation that is pulling in Gen Z and young urban guests with repeat rates comparable to older cohorts.

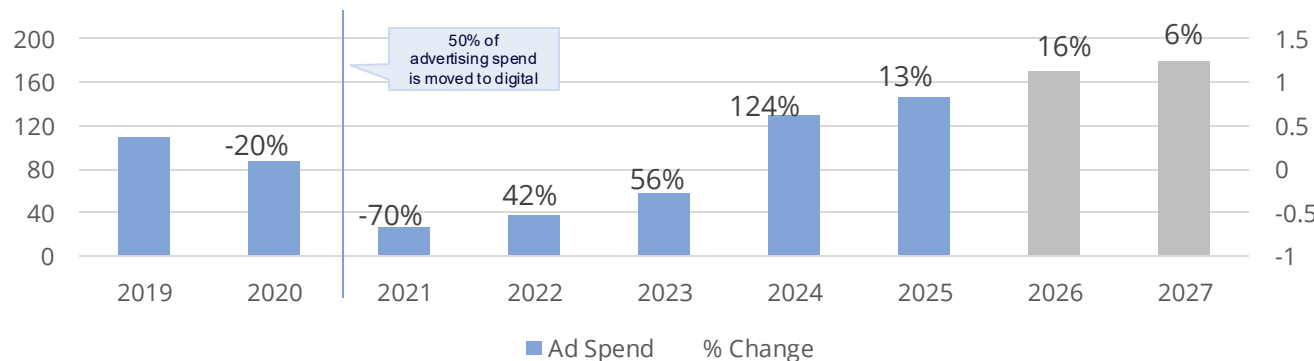
1 Cohort Data Shows Chili's Traffic Is Highly Sticky

Chili's traffic is uniquely "sticky," driven by superior social media virality, consistent value-focused messaging, and a sustained digital advertising pivot that continues to outperform peers in both guest acquisition and retention.

Chili's Social Media Advertising is Superior to Peers



Chili's Strategic Pivot in 2020 to Accelerate Digital Advertising



Chili's Virality Brings "Sticky" Customer

- **Cohort data confirms Chili's traffic lift is structural:** Monthly tokenized cohorts show stable repeat frequency, with new guests returning at the same rate as existing guests
- **Traffic gains are being retained, not fading:** Incremental visits persist beyond the first trip, disproving a promotional or one-time lift
- **Consistent brand messaging amplifies retention:** Chili's has sustained a unified value message across TV and social for over two years
- **Higher marketing spend supports stickier traffic:** Stronger media investment paired with an improved in-restaurant experience delivers repeat visits competitors' episodic discounting fails to capture
- **Competitors' later value/digital pivots haven't matched Chili's retention:** Industry panel data shows other chains that copied Chili's value messaging and digital push 1–2 years later still trail Chili's repeat rates and traffic stability, underscoring Chili's execution advantage

Note: Grey bars reflect management's guided spending

2) Maggiano's is Fundamentally a Beloved Brand Despite Recent Weakness

Despite weaker recent performance the Maggiano's segment is a diamond-in-the-rough; customer ratings are meaningfully higher than similar peers. Customers cite food quality, service, ambience and other factors as superior.

| Maggiano's Location | Google Rating |
|---------------------|---------------|
| Annapolis, MD | 4.4 |
| Atlanta, GA | 4.5 |
| Austin, TX | 4.4 |
| Baybrook, TX | 4.5 |
| Boca Raton, FL | 4.3 |
| Boston, MA | 4.5 |
| Buckhead, GA | 4.5 |
| : | |
| : | |
| Springfield, VA | 4.4 |
| Tampa, FL | 4.5 |
| Troy, MI | 4.4 |

| | |
|------------------------|-----|
| Median Google Rating | 4.5 |
| Average Gooogle Rating | 4.5 |


N = 42 Locations

Illustrative Comparables

| | |
|---------------------|-----|
| Chilis | 4.0 |
| Cheesecake Factory | 4.2 |
| Olive Garden | 4.3 |
| Longhorn Steakhouse | 3.7 |
| Yard House | 4.2 |

Source: Google reviews

Maggiano's is a beloved brand with thousands of 5-star and 4-star reviews across the system




Prutha Patel
Local Guide · 15 reviews · 12 photos

★★★★★ a month ago

Dinner | \$30–50



I had an absolutely wonderful experience at Maggiano's.



Jay Hollingsworth
Local Guide · 104 reviews · 6 photos

★★★★★ 3 months ago

Dinner | \$50–100

This place is amazing, from the hostess to the waiter, it was one of the best restaurants we have been to on our trip to Boston - we came twice because it was so amazing. The hostess wrote down all the restaurants they have in Texas because ... [More](#)



Stephanie Daley
Local Guide · 125 reviews · 126 photos

★★★★★ 2 months ago

Listen everything here was great! This is the your of service and atmosphere you desire to achieve whel fine dining. This is not your average family dining place. The good, service and atmosphere were excellent. I highly recommend. Just to ... [More](#)

② Boosting Maggiano's Performance is a Key Focus of Management

Brinker Management is keenly focused on turning around Maggiano's performance; the team is well-positioned to do so following a successful turnaround of Chilis post-covid.

"Back to Maggiano's" Turnaround Plan

- 1 Getting back to classic recipes and scratch-made guest favorites
- 2 Improving speed and quality of service
- 3 Repairs and maintenance of guest-facing areas
- 4 Reinvigorating pride in Maggiano's among local leadership teams

Chili's Ops Mastermind has Moved to Maggiano's



Rich Kissel
*COO, Maggiano's
Little Italy*

Source: Bloomberg, LinkedIn, Filings

Experience



Vice President / COO at Maggiano's Little Italy
Brinker International · Full-time
Aug 2025 - Present · 4 mos
United States · Hybrid



Vice President of Operations
Chili's
Jan 1994 - Aug 2025 · 31 yrs 8 mos
Miami/Fort Lauderdale Area

Chili's Turnaround Case Study: The Precedent!

Key Drivers:



1. 25% Menu Streamline
2. Focus on mitigating management and staff turnover
3. Reinvestment into Chili's appearance/maintenance
4. Putting value on the menu – "3 for me" for \$10.99
5. Focusing on boosting Chili's cultural relevance (ex. Boyz II Men jingle reboot)

Results:

17 Quarters of consecutive revenue growth

~600 bps Operating margin expansion (2022-2025)

#1 Casual dining brand in the USA

② Maggiano's Will Benefit from Uplift Analogous to Chilis Turnaround

The Maggiano's turnaround will drive upside to consensus earnings over the coming years.

- We anticipate Maggiano's turnaround efforts will drive incremental growth and margin expansion in the business; this is predicated on the fact that the team is using a similar playbook as contemplated during the successful Chili's turnaround
- We underwrite:
Return to LSD-traffic growth (2.5-3.0%)
600bps of operating margin expansion in Y2

Consensus Views Maggiano's as a "Write Off"

| (\$mm) | FY24A | FY25A | FY26E | | | FY26E | FY27E |
|----------------|-------|-------|---------|--------|--------|--------|-------|
| | | | Q2 | Q3 | Q4 | | |
| Revenue | 495 | 501 | 128 | 111 | 117 | 455 | 488 |
| Growth % | 1.8% | 1.1% | (14.1%) | (8.3%) | (4.5%) | (9.1%) | 7.3% |
| SSS | 3.5% | 1.4% | (10.5%) | (4.5%) | (2.5%) | (7.0%) | 2.0% |
| AWS | 190 | 193 | 205 | 177 | 185 | 181 | 185 |
| YoY AWS Growth | 3.3% | 1.3% | (10.5%) | (4.5%) | (2.5%) | (6.1%) | 2.1% |

Maggiano's Turnaround Drives Brinker EPS Uplift

| | FY2026E | | | FY2026E | FY2027E |
|---------------|-----------|-----------|-----------|-----------|-----------|
| | Q2 | Q3 | Q4 | | |
| Total Revenue | 1,411,273 | 1,482,138 | 1,528,969 | 5,771,581 | 6,113,217 |
| YoY Growth % | 3.9% | 4.0% | 4.6% | 7.2% | 5.9% |
| Consensus | 1,411,273 | 1,472,861 | 1,521,791 | 5,755,125 | 6,077,780 |
| YoY Growth % | 3.9% | 3.4% | 4.1% | 6.9% | 5.6% |
| Variance | +0.0% | +0.6% | +0.5% | +0.3% | +0.6% |
| 4-Wall Margin | 259,525 | 281,851 | 274,989 | 1,037,471 | 1,129,601 |
| % of Sales | 18.6% | 19.2% | 18.1% | 18.1% | 18.6% |
| EBIT | 164,052 | 177,215 | 168,712 | 634,081 | 714,452 |
| % of Sales | 11.6% | 12.0% | 11.0% | 11.0% | 11.7% |
| EPS | \$ 2.79 | \$ 2.96 | \$ 2.77 | \$ 10.53 | \$ 12.34 |
| Consensus | \$2.64 | \$2.81 | \$2.74 | \$10.12 | \$11.65 |
| Variance | +5.5% | +5.4% | +0.8% | +4.1% | +5.9% |

3 Chili's Is Poised to Undergo Meaningful Unit Expansion in Coming Years

Current Chili's average AUV of ~\$4.5mm represents a greater than 1:1 sales-to-investment ratio, a key turning point for new unit development; our variant view calls for Chili's new restaurant openings (NRO) in states that are meaningfully under-penetrated.

Key Expansion Area

Key Expansion Area



Management Teases Accelerated Unit Expansion

- “I don't have the exact number yet that we're prepared to share, but we do know that **we can build a lot more Chili's** and we think we can build more Maggiano's”
- Kevin Hochman, CEO, Q1 26' Earnings
- “Richard spent over two decades working in development at a large convenience store chain that **built a lot of new stores over a long period of time**, and we are confident **Richard will be able to do the same at Brinker**”
-Kevin Hochman, referencing the hire of Richard Ingram, VP of Restaurant Development, Q4 25'

Consensus Points to Net-Closure Next 3Y



3 Consensus Underappreciates the Chili's Unit Expansion Opportunity

Mapping Chili's unit density from well-penetrated states shows meaningful room for white-space expansion particularly in the focus areas guided by management: the U.S. Northeast and Western states; traffic growth sustains positive AUV/Investment Ratio to support unit growth.

Key Focus Area #1 - Northeast

| | Current Units | Current Pop/Unit | Pot. New Units |
|---------------------------|---------------|------------------|----------------|
| New York | 26 | 776,923 | 53 |
| New Jersey | 5 | 1,776,000 | 30 |
| Michigan | 18 | 555,556 | 21 |
| Massachusetts | 10 | 689,000 | 17 |
| Virginia | 26 | 332,308 | 8 |
| Minnesota | 17 | 331,765 | 5 |
| Maine | 1 | 1,350,000 | 4 |
| New Hampshire | 2 | 680,000 | 3 |
| Subtotal Northeast | | | 141 |

Key Focus Area #2 - West Region

| | | | |
|---------------------|-----|-----------|-----------|
| California | 105 | 376,305 | 50 |
| Washington | 1 | 7,610,000 | 29 |
| Subtotal PNW | | | 78 |

Other

| | | | |
|-------|--|--|----|
| Other | | | 74 |
|-------|--|--|----|

Total New Unit Opportunity **293**

Memo: Median Pop. per Unit

255,714

Brinker New Restaurant Openings ("NROs") Case

| Consensus | 2024 | 2025 | 2026 | 2027 |
|--------------------------------|-------------|-------------|----------------|----------------|
| Company-Owned | | | | |
| BOP | 1,135 | 1,121 | 1,109 | 1,103 |
| Net Opens | (14) | (12) | (6) | 0 |
| Net New Stores | 1,121 | 1,109 | 1,103 | 1,103 |
| Variant Forecast | | | | |
| Company-Owned | | | | |
| BOP | 1,135 | 1,121 | 1,109 | 1,119 |
| Net Opens | (14) | (12) | 10 | 25 |
| Net New Stores | 1,121 | 1,109 | 1,119 | 1,144 |
| Chilis Revenue (Company Owned) | 3,876 | 4,835 | 5,253 | 5,600 |
| Chilis AUV (\$mm) | 3.5 | 4.4 | 4.7 | 4.9 |
| Typical New Build Cost | 3.7 | 3.8 | 3.8 | 3.9 |
| AUV / Investment Ratio | 0.9x | 1.2x | 1.2x | 1.2x |
| EPS | | | \$10.13 | \$11.77 |
| Consensus | | | \$10.12 | \$11.65 |
| Variance | | | +0.1% | +1.1% |

Valuation

We call for an undiscounted 6/30/27 price target of **\$178.69** using current valuation multiples; multiple re-rate could drive share price to more than double.

Valuation Methodology

EV / EBITDA Method

| | |
|---------------------|-------|
| Brinker EV / EBITDA | 7.4x |
| Peer Median | 14.8x |
| BEST Brinker Avg | 9.5x |

(\$000s)

EBITDA Build

| | |
|----------------|-----------|
| 6/30/2027 EBIT | 763,166 |
| (+) D&A | 247,655 |
| EBITDA | 1,010,821 |

| | |
|--------------|-----------|
| Brinker Mult | 7.4x |
| Brinker TEV | 7,480,077 |

| | |
|--------------|-----------|
| (-) Net Debt | 124,916 |
| Equity Value | 7,604,993 |

| | |
|------|--------|
| FDSO | 44,673 |
|------|--------|

| | |
|-------------|----------|
| Share Price | \$170.24 |
|-------------|----------|

P/E Method

| | |
|------------|----------|
| EPS - 2028 | \$ 14.62 |
| Consensus | \$11.65 |

| | |
|-----------------------|-------|
| Current NTM P/E Ratio | 12.8x |
| BEST Average NTM P/E | 16.3x |
| Peer Median | 19.8x |

| | |
|------------|-------|
| Active P/E | 12.8x |
|------------|-------|

| | |
|-------------|----------|
| Share Price | \$187.13 |
|-------------|----------|

| | |
|---------------------|------------|
| Current Share Price | 134.96 |
| Date - End | 6/30/2027 |
| Date - Today | 11/23/2025 |
| Yearfrac | 2 |
| Price Target | \$178.69 |

Sensitivity

EV / EBITDA Valuation Matrix

| | <i>Historical</i> | | | |
|----------|-------------------|----------|-------------|----------|
| | <i>Current</i> | | <i>Avg.</i> | |
| | 7.5x | 8.5x | 9.5x | 10.5x |
| Upside % | \$172.50 | \$195.13 | \$217.75 | \$240.38 |
| IRR | 27.8% | 44.6% | 61.3% | 78.1% |
| | 16.5% | 25.9% | 34.8% | 43.4% |

P/E Valuation Matrix

| | <i>Peer Median</i> | | | |
|----------|--------------------|----------|----------|----------|
| | <i>Current</i> | | | |
| | 12.8x | 14.8x | 16.8x | 19.8x |
| Upside % | \$187.13 | \$216.37 | \$245.61 | \$289.47 |
| IRR | 38.7% | 60.3% | 82.0% | 114.5% |
| | 22.6% | 34.2% | 45.3% | 61.0% |

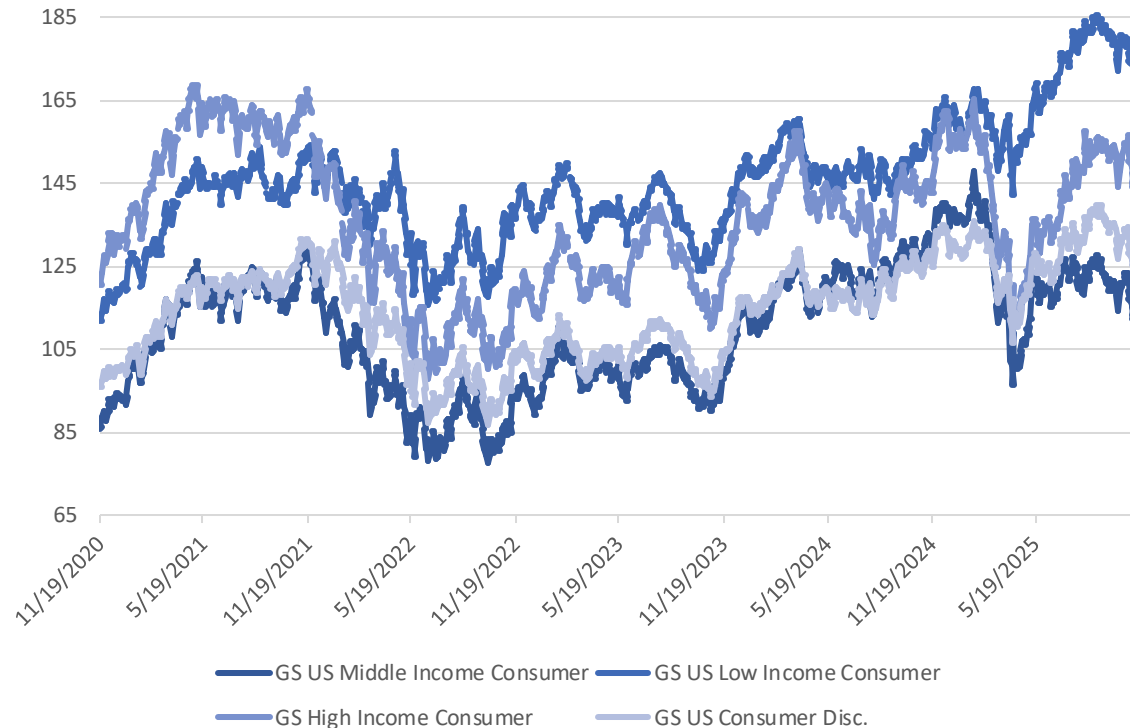
Model Output

| | Jun-23 4Q 23 | Jun-23 2023 | Jun-24 2024 | Jun-25 2025 | FY2026E | | | FY2026E | FY2027E |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | | Q2 | Q3 | Q4 | | |
| Company Revenue | 1,064,800 | 4,093,200 | 4,371,100 | 5,335,300 | 1,419,272 | 1,526,040 | 1,570,733 | 5,851,446 | 6,498,799 |
| Franchise | 10,700 | 40,000 | 44,000 | 48,900 | 12,960 | 12,947 | 13,864 | 53,572 | 57,895 |
| Total Revenue | 1,075,500 | 4,133,200 | 4,415,100 | 5,384,200 | 1,432,232 | 1,538,987 | 1,584,598 | 5,905,018 | 6,556,695 |
| YoY Growth % | | | 6.8% | 21.9% | 5.5% | 8.0% | 8.4% | 9.7% | 11.0% |
| Consensus | 1,075,500 | 4,133,200 | 4,415,100 | 5,384,200 | 1,411,273 | 1,472,861 | 1,521,791 | 5,755,125 | 6,077,780 |
| YoY Growth % | | | 6.8% | 21.9% | 3.9% | 3.4% | 4.1% | 6.9% | 5.6% |
| Variance | | | | | +1.5% | +4.5% | +4.1% | +2.6% | +7.9% |
| 4-Wall Margin | 142,600 | 460,100 | 583,300 | 933,500 | 263,450 | 292,869 | 285,148 | 1,061,832 | 1,210,624 |
| % of Sales | 13.4% | 11.2% | 13.3% | 17.5% | 18.6% | 19.2% | 18.2% | 18.1% | 18.6% |
| D&A | 42,200 | 168,100 | 170,800 | 206,600 | 54,425 | 59,071 | 61,799 | 228,922 | 247,655 |
| % of Sales | 3.9% | 4.1% | 3.9% | 3.8% | 3.8% | 3.8% | 3.9% | 3.9% | 3.8% |
| General and Adminis | 38,800 | 154,500 | 183,700 | 222,000 | 55,505 | 62,745 | 62,451 | 237,958 | 257,698 |
| % of Sales | 3.6% | 3.7% | 4.2% | 4.1% | 3.9% | 4.1% | 3.9% | 4.0% | 3.9% |
| EBIT | 72,300 | 177,500 | 272,800 | 553,800 | 166,480 | 184,000 | 174,761 | 648,523 | 763,166 |
| % of Sales | 6.7% | 4.3% | 6.2% | 10.3% | 11.6% | 12.0% | 11.0% | 11.0% | 11.6% |
| FDSO | 44,800 | 44,650 | 45,450 | 46,075 | 45,162 | 45,651 | 45,956 | 45,642 | 44,673 |
| EPS | \$ 1.41 | \$ 2.85 | \$ 4.13 | \$ 8.90 | \$ 2.83 | \$ 3.08 | \$ 2.87 | \$ 10.79 | \$ 13.22 |
| Consensus | \$1.41 | \$2.85 | \$4.13 | \$8.90 | \$2.64 | \$2.81 | \$2.74 | \$10.12 | \$11.65 |
| Variance | | | | | +7.1% | +9.7% | +4.7% | +6.6% | +13.5% |

US Macro Macro Backdrop: Stable by Value-Driven Consumer

Macro data shows resilient current spending but softening labor and income trends into 2025 before a gradual recovery in 2026.

How are US Income Cohorts Performing?



The GS Middle Income Discretionary Basket consists of US consumer stocks in the low and middle-income consumer space diversified across apparel, restaurants, leisure, and parks that may be exposed to trade down risk.

The GS US Consumer Disc basket is composed of US listed equities diversified across Retail, Textiles, Apparel & Luxury Goods, Hotels, Restaurants, Household Durables, Autos, & Leisure. The basket excludes airlines and internet retailers to provide a genuine exposure to the Consumer Disc sector.

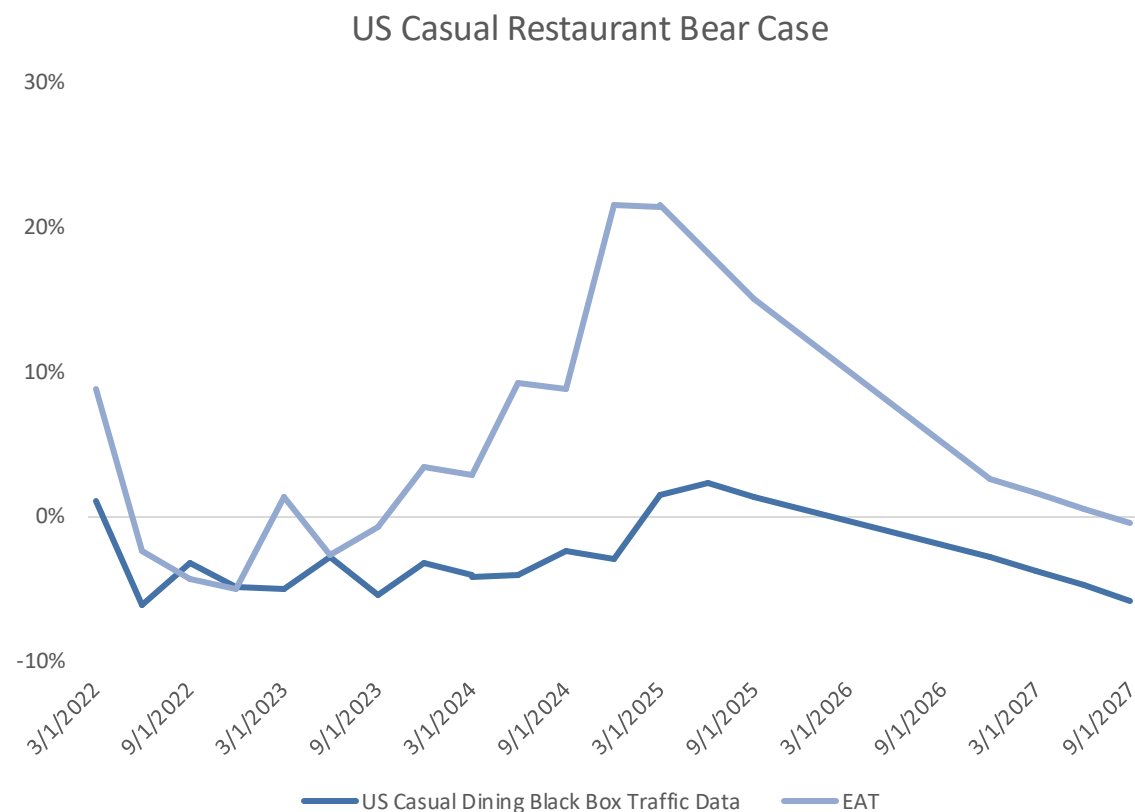
US Consumer: Strong spending despite weaker labor market

Casual Dining Macro Backdrop: Data points to steady but value-conscious demand, supportive for chains with strong <\$15 offerings and resilient lower-income traffic, but challenging for higher-check concepts until 2026's expected recovery.

- **Spending:** Retail sales remain resilient (core +0.7%; real +0.6% 08.25). Real spending expected to slow to 1.2% in 2025, then recover to 1.9% in 2026.
- **Employment:** Unemployment up to 4.3% (08.25); job growth very weak (+29k 3-mo avg). Unemployment forecast to peak at 4.5% in 2025.
- **Income:** Real disposable income growing ~2% YoY (07.25) but expected to slow to 1.7% in 2025.
- **Wealth:** Net worth growth accelerating (6.1% YoY 2Q25); savings rate stable at 4.4% (07.25).
- **Debt:** Credit growth soft (+2.2% YoY 07.25); credit-card delinquencies leveling but 90-day bucket still elevated (08.25).
- **Consumer Confidence:** UMich sentiment low at 55.4 (09.25); Conference Board softer at 97.4 (08.25).
- **Income-cohort baskets:** Show middle- and low-income discretionary stocks lagging broader Consumer Discretionary basket in 2024–25, underscoring rising trade-down pressure in lower-income segments.

Bear Scenario: US Casual Restaurant Softness

With industry traffic running -3% for three years and core consumers weakening, our bear case assumes casual dining falls to -4.3% in 2026 and Chili's retains only ~60% of its historical outperformance



Scenario: Assume casual dining traffic softens w/ labor market

- U.S. casual dining traffic has averaged **-3% YoY** since 3/31/22 (Black Box data).
- **Starting 4Q26, US casual dining traffic reverts to -3% YoY** and falls ~1% per quarter as consumer confidence weakens, value sensitivity rises, and QSR/fast casual take more share.
- This produces a **2026 sector traffic average of -4.3% YoY**, consistent with a multi-quarter demand downturn.
- Chili's historically outperformed the sector by ~+9% YoY since Q1 22, but in a broad macro-driven decline the spread compresses; **under the bear case Chili's retains only ~60% (~+5%) of that advantage.**
- This yields a **Chili's bear-case avg 2026 traffic trend of ~-1%YoY**, reflecting relative resilience but significant moderation as sector conditions deteriorate.

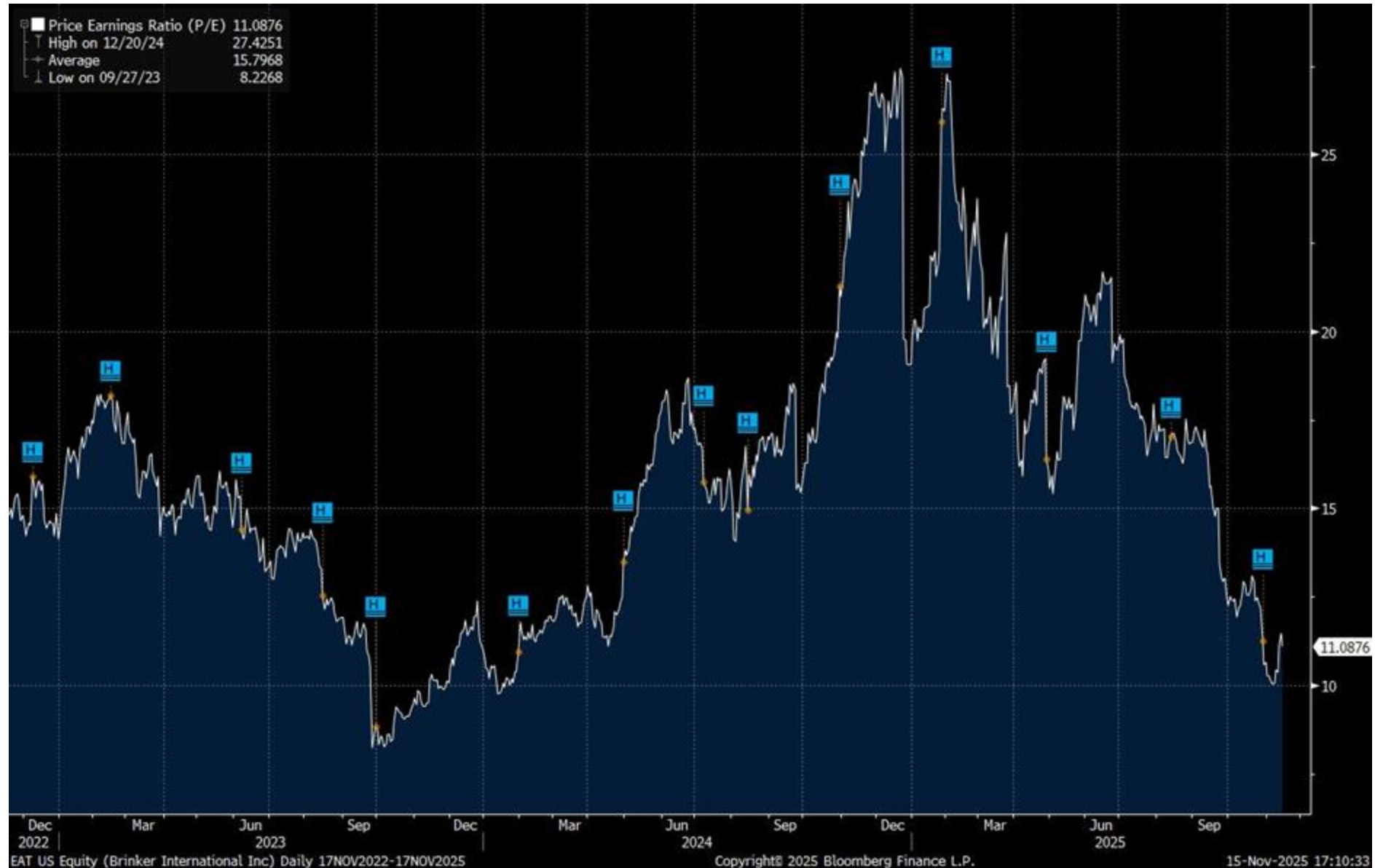
Comparable Company Analysis

| Company Comp Set | | |
|---|-------------------------|------------------------------|
| Company Name | TEV/EBITDA LTM - Latest | NTM Forward P/E (Capital IQ) |
| Texas Roadhouse, Inc. (NasdaqGS:TXRH) | 15.0x | 26.86x |
| Domino's Pizza, Inc. (NasdaqGS:DPZ) | 17.3x | 21.75x |
| Darden Restaurants, Inc. (NYSE:DRI) | 11.7x | 16.18x |
| The Cheesecake Factory Incorporated (NasdaqGS:CAKE) | 7.2x | 11.53x |
| Yum! Brands, Inc. (NYSE:YUM) | 18.5x | 23.85x |
| Bloomin' Brands, Inc. (NasdaqGS:BLMN) | 5.2x | 6.59x |
| Restaurant Brands International Inc. (NYSE:QSR) | 14.6x | 17.91x |
| Chipotle Mexican Grill, Inc. (NYSE:CMG) | 15.2x | 27.13x |
| The Wendy's Company (NasdaqGS:WEN) | 10.2x | 9.81x |
| McDonald's Corporation (NYSE:MCD) | 17.0x | 23.88x |
| | | |
| Brinker International, Inc. (NYSE:EAT) | 7.4x | 12.84x |
| | | |
| Summary Statistics | TEV/EBITDA LTM - Latest | NTM Forward P/E (Capital IQ) |
| High | 18.5x | 27.13x |
| Low | 5.2x | 6.59x |
| Mean | 13.2x | 18.55x |
| Median | 14.8x | 19.83x |

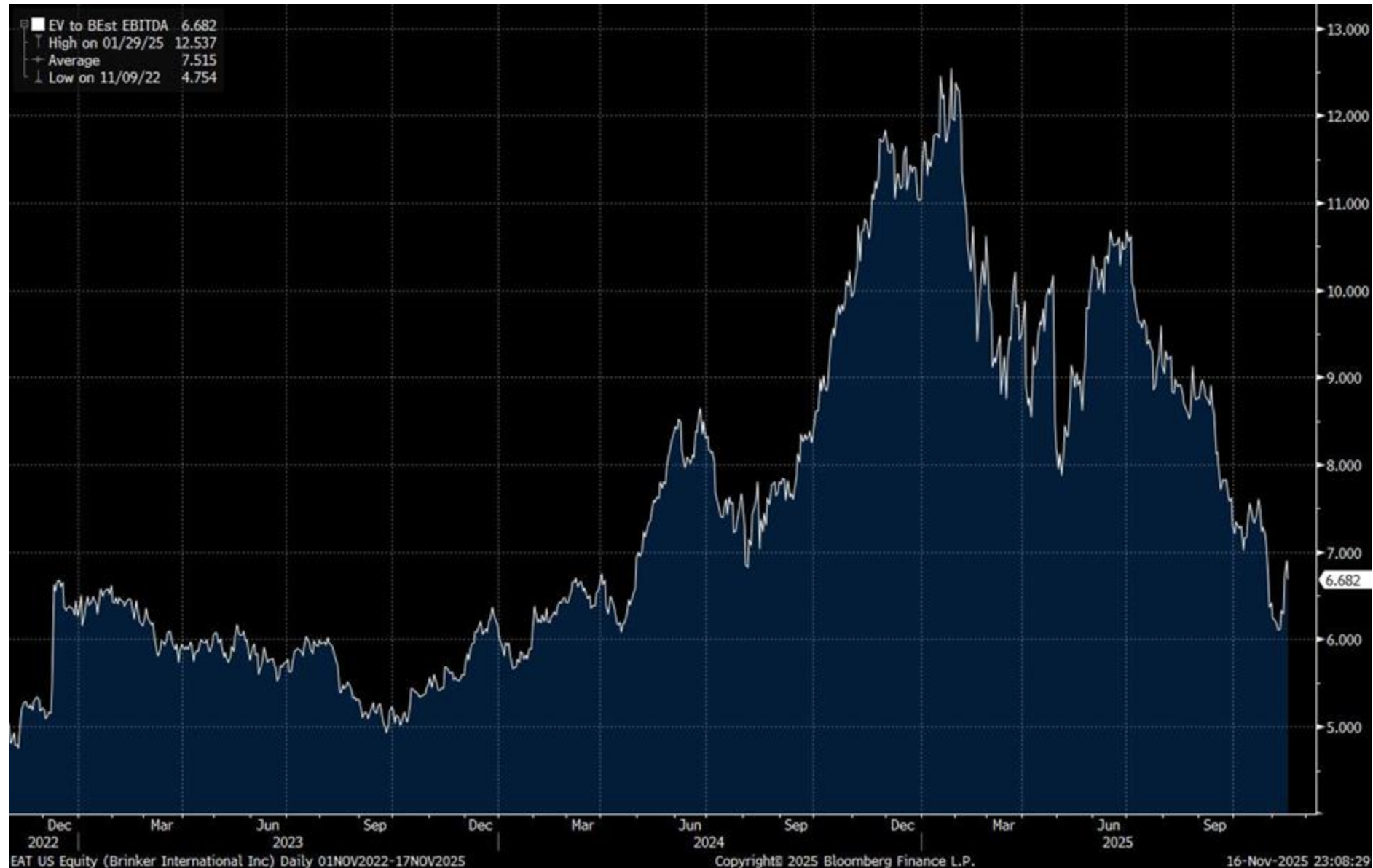
Comparable Company Operating Metrics

| Company Comp Set | | | | | | |
|---|--------------------|---------------------|-----------------------------------|---------------------------|-------------|--|
| Company Name | LTM Gross Margin % | LTM EBITDA Margin % | LTM Total Revenues, 1 Yr Growth % | LTM EBITDA, 1 Yr Growth % | 5 Year Beta | |
| Texas Roadhouse, Inc. (NasdaqGS:TXRH) | 17.8% | 12.3% | 14.40% | 13.60% | 0.9 | |
| Domino's Pizza, Inc. (NasdaqGS:DPZ) | 28.6% | 20.4% | 3.92% | 7.38% | 1.15 | |
| Darden Restaurants, Inc. (NYSE:DRI) | 21.8% | 15.8% | 8.30% | 9.17% | 0.66 | |
| The Cheesecake Factory Incorporated (NasdaqGS:CAKE) | 40.2% | 8.8% | 4.90% | 17.45% | 0.95 | |
| Yum! Brands, Inc. (NYSE:YUM) | 46.2% | 35.0% | 11.60% | 8.05% | 0.68 | |
| Bloomin' Brands, Inc. (NasdaqGS:BLMN) | 13.6% | 8.5% | 7.72% | (2.98%) | 1.14 | |
| Restaurant Brands International Inc. (NYSE:QSR) | 33.5% | 29.2% | 16.82% | 8.30% | 0.62 | |
| Chipotle Mexican Grill, Inc. (NYSE:CMG) | 40.2% | 19.9% | 7.31% | 4.54% | 1.0 | |
| The Wendy's Company (NasdaqGS:WEN) | 35.6% | 23.5% | (0.21%) | 3.00% | 0.39 | |
| McDonald's Corporation (NYSE:MCD) | 57.4% | 54.4% | 1.25% | 3.22% | 0.52 | |
| | | | | | | |
| Brinker International, Inc. (NYSE:EAT) | 18.7% | 14.3% | 23.18% | 74.07% | 1.39 | |
| | | | | | | |
| Summary Statistics | LTM Gross Margin % | LTM EBITDA Margin % | LTM Total Revenues, 1 Yr Growth % | LTM EBITDA, 1 Yr Growth % | 5 Year Beta | |
| High | 57.4% | 54.4% | 16.82% | 17.45% | 1.15 | |
| Low | 13.6% | 8.5% | (0.21%) | (2.98%) | 0.39 | |
| Mean | 33.5% | 22.8% | 7.60% | 7.17% | 0.8 | |
| Median | 34.6% | 20.1% | 7.52% | 7.71% | 0.79 | |

P/E Ratio | 3Y Lookback



EV/EBITDA Ratio | 3Y Lookback



Eat Sellers (as of 25.09.30)

| | Holder Name | % Of Stock Holding | Latest Chg as a % of Holding |
|----|------------------------------|--------------------|------------------------------|
| 1 | Blackrock Inc | 15% | 3% |
| 2 | Vanguard Group Inc/The | 11% | 4% |
| 3 | FMR LLC | 8% | 2% |
| 4 | DE Shaw & Co LP | 4% | 33% |
| 5 | State Street Corp | 4% | 2% |
| 6 | Two Sigma Investments LP | 4% | 26% |
| 7 | UBS AG | 4% | 34% |
| 8 | Renaissance Technologies LLC | 3% | 7% |
| 9 | Arrowstreet Capital LP | 3% | 18% |
| 10 | Geode Capital Management LLC | 2% | 1% |
| 11 | Dimensional Fund Advisors LP | 2% | 2% |
| 12 | Samlyn Capital LLC | 2% | 34% |
| 13 | Citadel Advisors LLC | 2% | 13% |
| 14 | Goldman Sachs Group Inc/The | 2% | 6% |
| 15 | Charles Schwab Corp/The | 1% | 15% |
| 16 | Morgan Stanley | 1% | 28% |
| 17 | Squarepoint Ops LLC | 1% | 3% |
| 18 | Point72 Asset Management LP | 1% | 22% |
| 19 | Capital Group Cos Inc/The | 1% | 25% |
| 20 | Invesco Ltd | 1% | 11% |
| 21 | Millennium Management LLC/NY | 1% | 36% |
| 22 | Norges Bank | 1% | 41% |
| 23 | Macquarie Group Ltd | 1% | 16% |
| 24 | Man Group PLC/Jersey | 1% | 38% |

Eat Short Interest (as of 25.11.20)

