

# US Restaurants

## Food for Thought: A Lot on the Labor Line

Restaurants | Weekly Analysis

This is our weekly US Restaurants note that highlights the most significant news as it pertains to our coverage and industry.

- **March to a \$15 Minimum Wage:** President-elect Joe Biden released details on a \$1.9TN spending bill, which includes an increase of the federal minimum wage to \$15 and the elimination of the tip credit, consistent with proposals passed by the Democratic-led House in the Raise the Wage Act in July 2019. Supporters highlight wage increases would help stimulate the economy and improve pay inequality, while opponents criticize the “one size fits all” approach given the differences in the cost of living across the US and inability of businesses to afford the increases. The National Restaurant Association has voiced opposition to the Raise the Wage Act, noting a \$15 starting wage fails to recognize that not all communities are the same and what might work in cities in NY & CA could stifle small businesses in areas with a lower cost of living, and that the elimination of the tip credit would harm employees & restaurants. In 2021, 30 US states (representing ~65% of US restaurants) will have minimum wages above the federal level, and 20 states have state minimum wages (or have not adopted a state minimum) equivalent to the federal \$7.25. To date, eight states have passed laws to increase their minimum wage to \$15 per hour.
- **Implications of Proposed Labor Legislation:** If passed, we would expect restaurants to respond with increased menu prices, a reduction in staff/hours, an increase in technology, more restaurant closures and potentially less appetite for unit growth. At ICR, Darden management gave valuable insight into the tipped minimum wage debate, suggesting the elimination of a tip credit is solving an issue that doesn't exist, as neither constituent – guest nor employee – wants to see a change, noting on average, an Olive Garden server earns \$16-17 per hour & Capital Grille server earns \$40+ per hour. Several studies suggest that tipped employees are better compensated, consistent with real world examples, as well-known restaurateurs have tried to implement no tipping policies, though many have since been reversed, as front of house employees reportedly earned less, leading to friction & turnover. We view large chains as better positioned to handle the increases given their scale, access to capital/resources and ability to more heavily invest in technology. Restaurants that have more heavily invested in employees and/or are located in states that already have higher minimum wages are likely less directly exposed, though they will still see pressure as they look to maintain the relative wage gap to stay competitive.
- **Next Week in Restaurants:** SHAK, CHUY & NDLS at a conference on 1/19.
- **Notable News:** 1) Starbucks committed \$100MM to create the Starbucks Community Resilience Fund; 2) Taco Bell is bringing back potatoes on 3/11 and partnering with Beyond Meat to test a new plant-based protein this year; 3) Chipotle held a Coast To Coast Career Day, supporting the brand's goal to hire 15K new team members; 4) Shake Shack 4Q SSS improved to -17.4% (3Q -31.7%), including suburban SSS of flat, urban SSS of -31% & Manhattan SSS of -49%; and 5) US Foods noted organic case growth is trending down ~18-20%, reflecting a slowdown in Nov/Dec amidst increased restrictions.

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## Weekly Restaurant News

**McDonald's:** McDonald's is offering six weeks of Throwback Thursday deals from 1/14-2/18, including: 1/14: small fries \$0.15; 1/21: cheeseburger \$0.25; 1/28: small shake \$0.25; 2/4: apple pie \$0.20; 2/11: large fries \$0.35; and 2/18: cheeseburger \$0.25. The offers are available with a minimum \$1 purchase. ([news article Elite Daily](#); 14 January 2021)

**McDonald's:** McDonald's is committed to removing all added fluorinated compounds from its global packaging materials by 2025. ([news article NRN](#); 14 January 2021)

**McDonald's:** McDonald's franchisees in Southern California are partnering with esports organization Gen.G on a series of esports initiatives, including a multi-week play-in tournament for employees only and a three-day NBA 2K21 All-Star tournament to determine the best players in Southern California. ([press release Gen.G](#); 12 January 2021)

**Starbucks:** Starbucks has committed \$100MM to create the Starbucks Community Resilience Fund, which will focus on advancing racial equity & environmental resilience through supporting small business growth and community development projects in Black, Indigenous and People of Color (BIPOC) neighborhoods. ([press release Starbucks](#); 12 January 2021)

**Chipotle:** Chipotle has partnered with artist Shawn Mendes & his foundation to launch "Wonder Grants" that aim to support young activists focused on sustainability, as well as to introduce a Shawn Mendes Bowl on its digital menu, which includes Cauliflower Rice (launched 1/4). Chipotle will donate \$1 to The Shawn Mendes Foundation for every order of his bowl placed from 1/14-1/28 (up to \$50K), marking the first time the brand has launched a philanthropic entrée on the menu. In August, Chipotle added a real change feature, allowing customers to round-up their change for certain organizations. ([press release Chipotle](#); 15 January 2021)

**Chipotle:** Chipotle held its first national hiring event of the year, Coast To Coast Career Day, on 1/14, supporting the brand's goal to hire 15K new team members. The company ended 2020 with ~11K internal promotions and ~200 new restaurants on the horizon. Chipotle highlighted more than 70% of GMs come from internal promotions, and that the company covered \$13MM+ in college tuition costs and paid out \$40MM+ in bonuses and assistance pay for restaurant employees in 2020. ([press release Chipotle](#); 11 January 2021)

**Burger King:** Burger King is planning to launch a new chicken sandwich, which will be hand-breaded and made with fresh chicken (vs McDonald's new chicken sandwich, which will be pre-breaded & frozen). Carrols Restaurant Group, Burger King's largest franchisee with 1,000+ units, is very encouraged by performance in test. For reference, the franchisee sells 25-30 units per day per store of the prior chicken sandwich and sells ~230-235 beef Whoppers per day per store. Carrols expects to roll out the new chicken sandwich by May. ([news article Restaurant Business](#); 13 January 2021)

**Tim Hortons:** Tim Hortons brought back its NHL Hockey Challenge from 1/13-3/7, which allows rewards members to choose three NHL players who they believe will score a goal on a given day. Customers receive 10 points for one correct pick, 50 points for two correct picks & 150 points if all three players score. The brand is also offering a free coffee or tea every day for a week if customers pick at least one scoring player on seven consecutive game days. ([press release Tim Hortons](#); 13 January 2021)

**Taco Bell:** Taco Bell is bringing back potatoes with Cheesy Fiesta Potatoes and Spicy Potato Soft Taco on 3/11 following pushback from customers after removing them from menus in August. Taco Bell also announced a partnership with Beyond Meat to create an innovative new plant-based protein that will be tested this year. ([press release Taco Bell](#); 14 January 2021)

**The Habit Burger Grill:** Habit introduced a new Chars & Bites Bundle, including four Charburgers with cheese, four orders of fries and a ten-piece order of Double-breaded Crispy Chicken Bites. ([news article Chew Boom](#); 13 January 2021)

**The Cheesecake Factory:** The Cheesecake Factory offered two free slices of cheesecake on 1/11 and is offering one free slice of cheesecake from 1/12-1/17 with online takeout & delivery orders of \$30+. ([press release The Cheesecake Factory](#); 11 January 2021)

**Sysco:** Sysco introduced four new toolkits to its Foodie Solutions platform, including Valentine's Day, Wholesome Dining, Get Hooked on Seafood and Greatest Game. ([press release Sysco](#); 14 January 2021)

**Sysco:** Sysco announced new 2025 seafood sustainability commitments, including improving its sourcing practices, ensuring better traceability of its products to address issues of deforestation or conversion of natural ecosystems and prohibiting the sale of endangered species for seafood products globally. ([press release Sysco](#); 14 January 2021)

**Sweetgreen:** Sweetgreen is throwing its hat in the ring of the Chicken Wars, with the launch of a Crispy Chicken Salad (includes crispy rice for crunch). To celebrate the launch, Sweetgreen is partnering with influencers to feature their custom orders, including YouTube star Valkyrae's Extra Crispy Custom order (beginning 1/14), Peloton instructor Ally Love's Go Avo Custom order (1/18) and Houston Ballet soloist Harper Watters' No Pick Pls Custom order (1/21). The brand is also challenging guests to share a TikTok showing how they mix their Crispy Chicken Salad, with a customer who posts the most creative video to win a year of free Sweetgreen. ([press release Sweetgreen](#); 14 January 2021)

**Beyond Meat:** Beyond Meat announced plans for a new, state-of-the-art global HQ aimed at fueling accelerated innovation by providing increased pilot space to support multiple product lines and 3-4x growth of research personnel over current levels. The new campus is expected to open in fall 2021. ([press release Beyond Meat](#); 15 January 2021)

**Restaurant Industry:** President-elect Joe Biden detailed his \$1.9TN American Rescue Plan, including a round of \$1,400 direct payments to eligible Americans, an increase in and extension of unemployment benefits to \$400/week through the end of September, an increase in the federal minimum wage to \$15/hour, a new \$15BN grant program for small businesses (separate from PPP loans) and \$35BN for a local financing program to provide business with low-interest loans. ([news article NRN](#); 14 January 2021)

**Slice:** Slice introduced a new Pizzeria Score tool that grades each restaurant partner on its branding, online & app ordering, personalized marketing and customer services, as well as instructions & resources to improve their score. Early tests of the new tool show it can lead to doubling or tripling of orders & more loyal customers. ([press release Slice](#); 14 January 2021)

**Slice:** Slice announced that Kat Cole has joined its Board of Directors. Cole most recently served as COO & President of Focus Brands. ([press release Slice](#); 12 January 2021)

**BurgerFi:** BurgerFi introduced a new White Cheddar Mac & Cheeseburger. ([news article Chew Boom](#); 14 January 2021)

**BurgerFi:** BurgerFi has signed a development agreement to open six restaurants in Saudi Arabia in 2021. ([press release BurgerFi](#); 11 January 2021)

**Panda Express:** Panda Express is bringing back its Firecracker Chicken Breast to celebrate the Lunar New Year. ([news article Chew Boom](#); 14 January 2021)

**Panera:** Panera introduced two new varieties of its Flatbread Pizza, Pepperoni & Four Cheese, as well as a new Teriyaki Chicken and Broccoli Bowl. The brand also debuted new Flatbread Family Feast value meals, offering two pizzas & two salads for \$23 or three pizzas & three salads for \$29. ([press release Panera](#); 13 January 2021)

**Inspire Brands:** Inspire Brands promoted Navin Sharma to Chief Commercial Services Officer. Sharma previously served as SVP, Insights and Customer Personalization. ([press release Inspire Brands](#); 13 January 2021)

**CKE Restaurants:** Carl's Jr. & Hardee's have introduced a "Feed Your Happy" campaign to showcase its burgers & biscuits, and introduced a Happy Star (brand mascot) filter on Instagram on 1/13. ([news article QSR Magazine](#); 13 January 2021)

**CKE Restaurants:** CKE Restaurants, parent company of Hardee's & Carl's Jr., has partnered with PAR Technology to leverage its PAR Brink POS software in company-owned & select franchise restaurants. ([press release CKE Restaurants](#); 13 January 2021)

**Marco's Pizza:** Marco's Pizza promoted Tony Libardi to Co-CEO effective 12/28 to prepare for a long-term leadership transition. Libardi previously served as President & COO of the company since joining in 2014 from Burger King, and joins Jack Butorac in the CEO role, who has held the position since 2004. ([press release Marco's Pizza](#); 13 January 2021)

**Dairy Queen:** Dairy Queen announced it is on track to meet its commitment to transition to cage-free eggs in the US & Canada by 2025. ([press release Dairy Queen](#); 13 January 2021)

**Restaurant Industry:** Glassdoor revealed its annual list of the 100 best places to work, with restaurant companies/brands including: In-N-Out Burger (#3), LongHorn (#76) and Raising Cane's (#89). ([press release Glassdoor](#); 12 January 2021)

**Sonic:** Sonic announced a licensing partnership with Slim Jim to introduce its Chili Cheese Coney flavor into Slim Jim meat sticks. ([press release Sonic](#); 12 January 2021)

**Qdoba:** Qdoba introduced health-conscious menu items under a Vegetarian, Keto & More category of its online menu. To encourage trial, Qdoba is running a "Try One, Get One" promotion from 1/11-1/17, and will give rewards members a free entrée on a future visit if they try one of the items. ([press release Qdoba](#); 12 January 2021)

**California Pizza Kitchen:** California Pizza Kitchen appointed new board members, including Robert Webster, Senior Managing Director of Twin Haven Capital Partners, Jeff Warne, Principal at Croesus Capital, Michael O'Donnell, Executive Chairman of Ruth's Hospitality and Daniel Kokini, Managing Director at FTI Consulting. ([press release CPK](#); 12 January 2021)

**Beyond Meat:** Beyond Meat partnered with popular local restaurants across 25 locations in nine cities to offer free breakfast items featuring Beyond Breakfast Sausage on 1/14. Guests were able to book timeslots through Resy to pick up their breakfast items. ([press release Beyond Meat](#); 12 January 2021)

**White Castle:** White Castle is offering reservations for Valentine's Day, allowing customers to book a parking spot where they'll be greeted by an employee who will take their order & deliver it to their cars. ([press release White Castle](#); 12 January 2021)

**White Castle:** White Castle named Lisa Ingram its Chair of the Board. Ingram has been the company's President & CEO since 2015. ([news article QSR Magazine](#); 11 January 2021)

**Chick-fil-A:** Chick-fil-A is offering rewards members one free Chocolate Fudge Brownie with a purchase from 1/11-1/23. ([press release Chick-fil-A](#); 11 January 2021)

**Krispy Kreme:** Krispy Kreme launched a new, limited-edition Mini Dessert Doughnut Collection on 1/11. The company is offering deals on Wednesdays throughout January, deeming them "Win-days," to celebrate customers' "mini wins" to kick off the year. ([press release Krispy Kreme](#); 11 January 2021)

**Applebee's:** Applebee's introduced new \$5 Snowy Sips cocktails, and is offering a dozen Double Crunch Shrimp for \$1 when added to any steak entrée. ([press release Applebee's](#); 11 January 2021)

**Checkers & Rally's:** Checkers Drive-In Restaurants, parent company of Checkers & Rally's, announced it received a \$20MM investment from Oak Hill Capital Partners IV to fund its five-year growth plan. Oak Hill acquired Checkers in 2017 for ~\$525MM. ([press release Checkers & Rally's](#); 11 January 2021)

**Denny's:** Denny's is testing two virtual brands, The Burger Den & The Melt Down, expected to launch in over half of its US restaurants in the first half of 2021. ([news article NRN](#); 11 January 2021)

**Del Taco:** Del Taco introduced a new Honey Mango sauce, available on three items as part of its new Honey Mango Crispy Chicken lineup. ([press release Del Taco](#); 11 January 2021)

**Nathan's:** Nathan's has expanded to Victoria, Canada through ghost kitchens, and will be available for delivery only on Uber Eats, DoorDash & SkipThe Dishes. The company recently launched a new virtual brand, Wings of New York, and expanded in the Middle East through a

partnership with Kitopi (ghost kitchen operator) and Ireland through a partnership with Eddie Rockets (Irish restaurant chain). ([press release Nathan's](#); 11 January 2021)

**Little Caesars:** Little Caesars is offering customers \$5 off their first delivery order through the brand's app/online until 1/31. ([news article Chew Boom](#); 9 January 2021)

## Earnings/Business Updates

**Shake Shack:** Shake Shack provided a business update, with 4Q SSS -17.4% (3Q -30.7%), including suburban SSS flat (3Q -16%), urban SSS -31% (3Q -43%) and Manhattan SSS -49% (3Q -60%). For FY21, SHAK is guiding to 35-40 company-operated units and 15-20 licensed units. For FY22, SHAK highlighted plans to step up unit growth, with 45-50 company-operated units and 20-25 licensed units. The majority of new units will feature a Shack Track element, including curbside pickup (~1/3 of app orders where available), an enhanced interior pickup model, an exterior walk-up or a drive-up window, with SHAK on track to open its first drive-thru unit in 2021 and 5-8 slated to open by 2022. ([press release Shake Shack](#); 12 January 2021)

**US Foods:** US Foods provided a business update, noting organic case growth is trending down 18-20%, reflecting a slowdown in restaurant case growth due to more prohibitive indoor dining restrictions, an increase in COVID-19 cases and difficult holiday season compares. Given the slowdown in case growth, USFD guided 4Q EBITDA below 3Q's \$209MM (from in-line previously), with gross margins to be pressured due to mix shift and freight. Management reiterated its confidence in the resiliency of the restaurant industry, pointing to data from OpenTable for Australia showing seated diners have reached or exceeded prior year levels upon the lifting of restrictions, as well as the resiliency of demand in markets with less restrictive prohibitions. ([company filing USFD](#); 11 January 2021)

**Carrols Restaurant Group:** Carrols Restaurant Group (TAST), Burger King's largest US franchisee with 1,000+ Burger King restaurants, and franchisee of ~65 US Popeyes restaurants, reported 4Q SSS of -0.9% for its Burger King units (Carrols tends to outperform Burger King US system) and -12.9% for Popeyes (Carrols tends to underperform Popeyes US system). ([ICR 2021 Takeaways; Burger King & Popeyes Read-Through](#) (11 January 2021)

**El Pollo Loco:** El Pollo Loco released 4Q SSS of -0.2%, including -2% in Los Angeles & surrounding areas and +3% in all other markets. Drive-thru currently represents ~70% of sales relative to 40% at the start of 2020, and delivery & digital sales have doubled, representing 6% & 10% of sales, respectively. ([press release El Pollo Loco](#); 12 January 2021)

**Del Taco:** Del Taco reported 4Q SSS of 3.8%, including company SSS of 0.6% and franchised SSS of 7.5%. Company units operated in Los Angeles, Orange and Clark (Las Vegas) counties had negative SSS for the quarter, representing ~50% of company units, and all other units were positive. ([press release Del Taco](#); 12 January 2021)

**Ruth's Hospitality:** Ruth's Hospitality disclosed that 91% (70 of 77) of its company stores were open at the end of 4Q, down from 94% in October. At the end of 4Q, 48 units were open for dine-in, 3 had outdoor seating only and 19 were off-premise only, relative to 71 restaurants open for dine-in and 1 off-premise only in October. ([company filing Ruth's Hospitality](#); 11 January 2021)

**Red Robin:** Red Robin provided a business update, with 4Q SSS of -28.9%, including October -15.4%, November -28.8% and December -39.5%. Off-premise sales increased 132%, representing ~44% of 4Q sales. Units that served Donatos Pizza outperformed locations without the brand by over 500bps. ([press release Red Robin](#); 11 January 2021)

**Fiesta Restaurant Group:** Fiesta Restaurant Group reported 4Q SSS of -8.2% at Pollo Tropical, including October -9.7%, November -8.2% & December -6.4%, and 4Q SSS of -10% at Taco Cabana, including October -12.4%, November -6.4% & December -10.2%. ([press release Fiesta Restaurant Group](#); 11 January 2021)

**Dave & Buster's:** Dave & Buster's released F4QTD SSS (through 1/3; quarter ends 1/31) of -75%, with ~65% of stores now open, down from ~75% to start the quarter. The company

expects 100+ stores to be open by mid-January (up from 89 as of 1/3), and noted early January sales trends are improving. ([press release Dave & Buster's; 11 January 2021](#))

**Denny's:** Denny's provided a business update, with 4Q SSS of -33%, including October -26%, November -27% & December -41%. For restaurants open for dine-in (57% of base), SSS trends included October -24%, November -23% & December -26%. ([press release Denny's; 11 January 2021](#))

## Recent Research

- [QSR: ICR 2021 Takeaways: Burger King & Popeyes Read-Through](#) (11 January 2021)
- [US Restaurants: Tough December, But Stay Hungry in 2021](#) (11 January 2021)
- [US Restaurants: Eat On Through \(to the Other Side\)](#) (21 December 2020)
- [DRI: Never-Ending Focus on Long-Term Strategy](#) (21 December 2020)
- [SBUX: Starbucks to Star in a Digital World](#) (10 December 2020)
- [SBUX: Quick Sip on Investor Day Expectations](#) (8 December 2020)
- [US Restaurants: Winter is Coming, But Light at the End of the Tunnel](#) (23 November 2020)
- [JACK: Trying to Wind Up Unit Growth](#) (20 November 2020)
- [DPZ: Slicing a Bigger Piece of the Pie: Takeaways from Virtual Q&A](#) (13 November 2020)
- [MCD: Accelerating the Arches](#) (10 November 2020)
- [PZZA: Americans Agree on Pizza](#) (6 November 2020)
- [WEN: Fresh Take on Chicken Wars](#) (5 November 2020)
- [PFGC: Taking a Slice of Market Share](#) (5 November 2020)
- [SYY: Shopping for Market Share](#) (4 November 2020)
- [USFD: Cheffing Up A Comeback](#) (3 November 2020)
- [DNKN: Dunkin' Runs Private: Downgrade to Neutral](#) (2 November 2020)
- [CAKE: Baking it To-Go](#) (2 November 2020)
- [SBUX: Pumpkin Spice & Everything Nice](#) (30 October 2020)
- [SHAK: Unit Growth Back on Track](#) (30 October 2020)
- [YUM: Breaking Through Recovery, Though Waiting to Break More Ground](#) (30 October 2020)
- [TXRH: Strength Both In-House & On the Road](#) (29 October 2020)
- [QSR: Revving Up the Digital Engine](#) (28 October 2020)
- [DNKN: Dunkin' Could Be Running Private](#) (26 October 2020)
- [BLMN: Tender Shack & Continued Bounceback](#) (25 October 2020)
- [CMG: Chips Still On the Table](#) (22 October 2020)
- [MCD: 10 Key Takeaways from NOA McMeeting](#) (12 October 2020)
- [DPZ: Still In The Game](#) (9 October 2020)
- [DRI: Bullish for Breadsticks](#) (25 September 2020)
- [SYY: Hamburglar of Food Distributors](#) (21 September 2020)

- [USFD: Working on the Cookbook to Recovery](#) (21 September 2020)
- [PFGC: Runway for New Growth with Old School Approach](#) (21 September 2020)
- [US Restaurants: Phone to Table: Full Service Edition](#) (9 July 2020)
- [TXRH: Still Meat Left On This Bone; Initiate Outperform](#) (9 July 2020)
- [DRI: Speak Softly & Carry A Big Breadstick; Initiate Outperform](#) (9 July 2020)
- [CAKE: Not Hungry for Dessert Yet; Initiate Neutral](#) (9 July 2020)
- [BLMN: Waiting for the Flower to Bloom; Initiate Neutral](#) (9 July 2020)
- [US Restaurants: Reassessing Appetite](#) (9 July 2020)
- [SBUX: Then & Now](#) (18 June 2020)
- [US Restaurants: Assessing Appetite in Post-COVID-19 World](#) (13 April 2020)
- [US Restaurants: 20 Themes for 2020](#) (3 January 2020)

## US Restaurants Weeklies

- [Food for Thought: New Year, New Innovation](#) (8 January 2021)
- [Food for Thought: Monthly Moments of 2020](#) (31 December 2020)
- [Food for Thought: The 12 Stores Before Christmas](#) (18 December 2020)
- [Food for Thought: Ate Crazy Nights](#) (11 December 2020)
- [Food for Thought: McFlurry of News](#) (4 December 2020)
- [Food for Thought: A Menu of Giving Back](#) (27 November 2020)
- [Food for Thought: Gobble 'Til You Wobble](#) (20 November 2020)
- [Food for Thought: Fry-Day the 13<sup>th</sup>](#) (13 November 2020)
- [Food for Thought: All-American Feast](#) (6 November 2020)
- [Food for Thought: Trick or Treat, Time to Eat](#) (30 October 2020)

**Companies Mentioned** (Price as of 15-Jan-2021)

**Bloomin' Brands** (BLMN.OQ, \$21.17)  
**Chipotle Mexican Grill, Inc.** (CMG.N, \$1411.8)  
**Darden Restaurants** (DRI.N, \$123.1)  
**Domino's Pizza Inc.** (DPZ.N, \$373.8)  
**Jack in the Box Inc.** (JACK.OQ, \$97.14)  
**McDonald's Corporation** (MCD.N, \$208.5)  
**Papa John's International, Inc.** (PZZA.OQ, \$93.85)  
**Performance Food Group Company** (PFGC.N, \$51.08)  
**Restaurant Brands International Inc** (QSR.N, \$64.24)  
**Shake Shack** (SHAK.N, \$114.65)  
**Starbucks Corporation** (SBUX.OQ, \$101.82)  
**Sysco Corporation** (SYF.N, \$75.51)  
**Texas Roadhouse** (TXRH.OQ, \$80.38)  
**The Cheesecake Factory** (CAKE.OQ, \$40.85)  
**The Wendy's Company** (WEN.OQ, \$20.86)  
**US Foods Holding Corp.** (USFD.N, \$35.95)  
**Yum! Brands, Inc.** (YUM.N, \$107.78)

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## Disclosure Appendix

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I, Lauren Silberman, certify that (1) the views expressed in this report accurately reflect my personal views about all of the subject companies and securities and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

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**Outperform (O)** : The stock's total return is expected to outperform the relevant benchmark\* over the next 12 months.

**Neutral (N)** : The stock's total return is expected to be in line with the relevant benchmark\* over the next 12 months.

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Neutral/Hold*	35%	(26% banking clients)
Underperform/Sell*	11%	(22% banking clients)
Restricted	1%	

Please click [here](#) to view the MAR quarterly recommendations and investment services report for fundamental research recommendations.

*\*For purposes of the NYSE and FINRA ratings distribution disclosure requirements, our stock ratings of Outperform, Neutral, and Underperform most closely correspond to Buy, Hold, and Sell, respectively; however, the meanings are not the same, as our stock ratings are determined on a relative basis. (Please refer to definitions above.) An investor's decision to buy or sell a security should be based on investment objectives, current holdings, and other individual factors.*



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