

We are adapting to reach new heights

As BBV2020 continues to evolve the brand, we continue to evaluate the unique needs of the Atlanta Field Office. At the same time, we move forward by remaining committed to our vision of improving the food, experience and value.

As a field office, five out of six co-ops are cash-flow-positive YTD. This is significant considering the people turnover challenges throughout the field office, and the recent softening seen both nationally and locally. However, we are still beating our sales plan YTD and are cash flow positive for YTD by +\$8,750 (YTD April). Additionally:

- BBV2020 is driving significant comp sales. YTD our comp sales gap to near-in-competitors has decreased. Excellent execution on EOTF is contributing 80 basis points of our YTD comp.
- We saw the gap on GCs narrow in the first half of the year, but they are still negative. Our aggressive plans for Q3 aim to improve this area of opportunity.
- Only 1 of our 6 co-ops that has not seen increased cash flow.

Our priorities remain three-fold: running great restaurants, focusing on breakfast, and improving our delivery presence.

WE ARE CONFIDENT IN...

The plan we built – designed to grow owner/operator cash flow – is working. We aimed to:

- Build growth by focusing on the fundamentals of the business
- Localize breakfast & McCafe, and ROD value
- Strengthen our people strategy
- Continued focus on re-franchising to drive better results

We are bullish on the Q3 partnership with Door Dash to re-energize our Delivery presence, particularly in suburban areas. We will capitalize on the momentum gained through the most recent DT Incentive which saw improved metrics across the field office. And finally, we are confident in our recently voted in breakfast and ROD value strategies across the six BUs.

- We're beating plan – but we're not complacent. We are confident that we will exceed Q3 sales target.
- The projected 2019 cash flow of 18,000 will erase the 2018 deficit by 200%.
- With the support of MHQ, we are leveraging the availability of additional resources to drive our business forward.

WE WILL WIN TOGETHER

We've shown our commitment to BBV2020 by making adjustments to the plan as necessary, and will continue working together to build a plan that puts us in a position of strength at the end of 2019, and sets us up for 2020-2023. We will continue to refine this strategy at our November Summit and with our

Alignment Council. We remain committed to two-way dialogue and transparent communication that moves us forward together.