

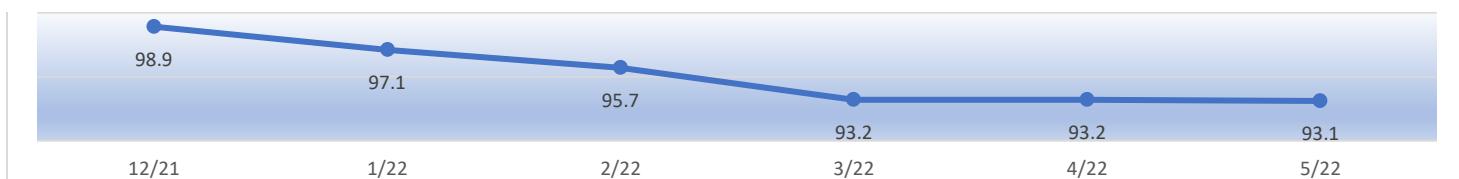
SAME STORE SALES (Source: Compass RCR)



RESTAURANT PERFORMANCE INDEX (Source: National Restaurant Association)

	10/21	11/21	12/21	1/22	2/22	3/22	4/22	5/22
RESTAURANT PERFORMANCE INDEX	104.5	104.8	104.8	103.2	103.8	103.7	102.1	102.6
CURRENT SITUATIONS								
SSS Increase/Decrease	85%/11%	86%/7%	89%/11%	73%/21%	82%/16%	75%/10%	63%/24%	71%/20%
Capital Spending	62%	75%	48%	57%	69%	53%	60%	57%
EXPECTATIONS:								
Sales Outlook Improvement	50%	59%	67%	55%	61%	63%	49%	55%
Economy Outlook Improvement	30%	37%	40%	61%	29%	28%	20%	48%

SMALL BUSINESS OPTIMISM INDEX (Source: NFIB and Compass RCR)



This marks the fifth straight month below the 48-year average of 98%. Owners expecting better business conditions over the next 6 months decreased 4 points to a net negative 54%, the lowest in 48 years. Expectations for better business conditions have deteriorated every month since January. 28% reported inflation as the single most important problem in operating their business. 39% reported supply chain distractions have significantly impacted their business.

CONSUMER SENTIMENT (University of Michigan-Sentiment)

These readings are the lowest on record for the University of Michigan Consumer Surveys which spans 46 years.

Inflation continues to be the paramount concern for consumers. A deeper look:

- 47% blame inflation for eroding their personal income/standard of living.
- Current Economic Conditions – Economic pessimism is growing as their expectations for current and future economic outlook deteriorates.
- 77% believe the economy is getting worse.

	1/22	2/22	3/22	4/22	5/22	6/22
Consumer Sentiment	67.2	62.8	59.4	65.2	58.4	50.0
Current Economy	72.0	68.2	67.2	69.4	63.3	53.8
Consumer Expectations	64.1	59.4	54.3	62.5	55.2	47.5

HEADLINE NEWS

- Staffing issues rise slightly in June. Outlook for summer is challenging.
- Supply Chain issues looking to get worse – for Independents.
- Inflation is dominating consumers concerns and increasing the negative impact on restaurants.
- Customer Loyalty Programs – becoming more critical as a sales driving force.
- Further indicator of consumers trading down – All Casual Dining concepts mentioned Pasta entrees as their top sales drivers. Pasta has a lower price point and enables the consumer to continue dining out as long as they trade down.