Operator: Greetings, and welcome to the Diversified Restaurant Holdings' First Quarter 2016 Financial Results Conference Call. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. If anyone should require Operator assistance during the conference, please press start, zero on your telephone keypad. As a reminder, this conference is being recorded.

I would now like to turn the conference over to Deborah Pawlowski, Investor Relations for Astronics. Thank you. Please begin.

Deborah Pawlowski: Thank you and good afternoon, everyone. We certainly appreciate your time today and your interest in Diversified Restaurant Holdings. Joining me on the call are Michael Ansley, our Chairman, President, and CEO; and David Burke, our Chief Financial Officer. Michael and David will review our first quarter results and also give an update on the Company's outlook and strategic progress, after which we will open it up for Q&A. You should have a copy of the financial results that were released today and, if not, you can access the information at our website: www.diversifiedrestaurantholdings.com.

As you aware, we may make some forward-looking statements on this call during the formal discussion as well as during the Q&A. These statements apply to future events that are subject to risks and uncertainties, as well as other factors that could cause actual results to differ materially from what is stated on today's call. These risks and uncertainties and other factors are provided in the earnings release as well as with other documents filed by the Company with the Securities and Exchange Commission. These documents can be found on the Company's website or at sec.gov.

During today's call, we will also discuss non-GAAP measures, which we believe will be useful in evaluating our performance. The presentation of this additional information should not be considered in isolation or as a substitute for results prepared in accordance with GAAP. Reconciliations of non-GAAP to comparable GAAP measures are provided with the tables accompanying today's earnings release.

With that, let me turn it over to Michael to begin. Michael?

Michael Ansley: Thank you, Deb, and good afternoon everyone. We appreciate your time today and your interest in Diversified Restaurant Holdings. Let me first provide a brief overview of our results, and then, turn it over to David for a review of our financials, our de-leveraging plan and details of our reaffirmed guidance for 2016. Then, I'd like to talk about where we are seeing successes, what we are doing to address the weak consumer sales environment, and how we position ourselves competitively for growth.

Our performance in the quarter was highlighted by strong revenue growth and improved operating profit. We also continue to make progress in positioning our Buffalo Wild Wings franchises for further growth, and fully implementing changes in our Bagger Dave's concept to improve its performance.

Total revenue increased almost 22.7% to $48.4 million in the quarter, with the significant increase in sales being driven by growth in our restaurant portfolio in the last year, with the 18 Buffalo Wild Wings acquired in 2015 making the largest contribution, and improved menu pricing. The Buffalo Wild Wings portfolio contributed almost 90% of revenue in the quarter and performed relatively well against headwinds coming from multiple directions.

As many of you know, major influencers on sales are regional sporting events, overall national sporting events, holiday timing, general consumer behavior related to weather, and promotions, as well as the economy and competitive influences. While we have great sales growth so far in

2016, we have been negatively impacted by fewer NFL and NCAA sporting events in our regions; UFC fights are off as well. This effect was compounded by the unfavorable timing of the Easter holidays, historically a slow weekend for us, as we were closed on Easter Sunday. The weak Canadian dollar has not helped our cause in our border communities in Michigan, and in Florida, where there was a drop in vacationers or snow bird traffic.

Canadian bridge traffic to Michigan declined 40% versus the last year's first quarter. We feel there is good evidence to support a decrease in sales relative to vacationers to Florida from both Canada and other nationalities, because of the strength of the US dollar. Some of them cut back on dining in the Florida market or may not have chosen to come down at all. For same-store sales comparison in the markets where we have an established presence, our new restaurants cannibalized some sales from other nearby locations, which typically occurs for a time after opening and subsides as the new restaurants become established and draw business from competitors.

Despite these headwinds, comparable store sales from our 56 comparable Buffalo Wild Wings restaurants declined just 1%, excluding the effect of the Easter holiday. Consumers are responding favorably to the brand and the enhancements from our Stadia-remodeled locations. We're also seeing favorable returns from the Stadia design remodels where the stadium-style layout interiors appeal to the sport-minded patrons who make up the largest customer segment.

At the end of 2016 first quarter, there were 18 Bagger Dave's restaurants, down eight from last year, with only 11 that are in the comparable store base. We also modified the Bagger Dave's concept last year to enhance the menu and entertainment experience for customers. We're also implementing operational improvements. Based on the concept changes and smaller number of restaurants, comparable sales for the Bagger Dave's brand are not really relevant for evaluating its performance separately or on a consolidated basis. We think the average weekly volume will be the best metric for you and us to see how Bagger Dave's advances. For the 2016 first quarter, average weekly volume was $22,500. The prior year period was about $1,000 higher, which we attribute to the initial honeymoon period in the number of locations that opened at the end of the 2014 period. Our target revenue per store would require us to increase the current AUV over 30%.

Let me turn it over to David now.

David Burke: Thank you, Michael. Our year-over-year revenue in the quarter was driven by the contribution of 18 acquired Buffalo Wild Wings locations, six new restaurant openings and improved menu pricing, partially offset by 12 closures in 2015, lower Bagger Dave's AUVs, and a modest reduction in Buffalo Wild Wings' comparable store sales based on the factors Michael mentioned earlier. There were no new restaurants opened in the first quarter. Although comparable sales at our Buffalo Wild Wings locations were down 1% in Q1, it's important to note that two-year comps were 6.6%, due to a very strong comp last year.

Moving on to expenses, food, beverage, and packaging costs increased $2.2 million to $13.7 million, representing a 19.6% increase year-over-year. However, as a percentage of revenue, food, beverage, and packaging cost declined 70 basis points to 28.3% in the quarter, primarily due to higher menu pricing partially offset by a slight increase in bone-in chicken wing prices. Compensation cost increased by $2.4 million to $12.5 million, a 23.2% increase year-over-year that was primarily due to the 18 additional St. Louis restaurants. As a percentage of revenue, compensation costs were comparable at 25.8% versus 25.7% last year as pricing offset the impact despite the lower volume in wage inflation.

Occupancy cost as a percentage of revenue was up 50 basis points, primarily due to the higher average occupancy cost in the 18 acquired locations. Other operating costs of $10 million

includes $370,000 in expenses for the 12 restaurants closed during 2015. Excluding these closure costs, other operating costs as a percentage of revenue was 20% versus 20.2% in the first quarter of last year.

As expected, G&A expenses as a percentage of revenue decreased to 5.5% from 6.3% in the first quarter of 2015, reflecting the favorable effective sales leverage from the acquired locations and cost reduction initiatives. For the remainder of 2016, we anticipate our total G&A expense not to exceed 6% of sales.

Depreciation and amortization as a percentage of revenue increased to 8.9% in the quarter, from 8% in the first quarter of 2015, primarily due to the acquired locations, which have a higher depreciation and amortization expense as a percentage of sales. Operating income in the first quarter increased measurably to $1.7 million, up nearly three times over the prior year quarter as we benefited from the operating leverage on higher sales, the absence of restaurant openings in the quarter, and the closure of underperforming locations. Interest expense in the first quarter increased by $1 million to $1.4 million, reflecting increased debt from the St. Louis acquisition and higher interest rates.

Net income for the quarter increased to $430,000, or $0.02 per diluted share, compared with $263,000, or $0.01 per diluted share, in the prior year quarter. Backing out the one-time closure expense that I mentioned earlier, adjusted net income, a non-GAAP measure, was $800,000, or $0.03 per diluted share. Adjusted EBITDA, a non-GAAP measure, was $6.7 million, a $1.7 million increase from first quarter 2015. As a percentage of revenue, adjusted restaurant-level EBITDA was up 30 basis points to 19.3%.

Turning to our balance sheet, at first quarter end 2016, cash and cash equivalents were $5.3 million compared with $14.2 million at the end of 2015. Capital expenditures in the quarter were $7.5 million. Total debt was $122.1 million, down from $126.3 million at 2015 year-end, reflecting the $5 million in the accelerated debt repayment in the first quarter of this year. Our goal is to reach a net debt-to-EBITDA coverage ratio of three times by early-to-mid 2018.

Regarding our outlook for 2016, we are reiterating the guidance we provided in March; revenue of $194 million to $200 million, capital expenditures ranging from $14 million to $16 million to be allocated to new restaurant development; eight Buffalo Wild Wings Stadia design remodels and maintenance; Adjusted EBITDA of $24 million to $26 million; and restaurant-level EBITDA of $36 million to $38 million.

Over the last year, we have taken steps to improve our profitability and financial strength. Our cost reduction programs and the closure of underperforming restaurants have taken significant costs out of our system. We look for the benefits from our improved cost structure to ramp up as the year progresses. We will also continue to focus on G&A expenses to further drive down costs.

Our efforts to strengthen our balance sheet and reduce debt will be assisted by lower capital expenditures and the increased cash flow from the Buffalo Wild Wings locations acquired in 2015. The combination of more efficient operations and a larger restaurant portfolio with a stronger brand mix positions us well for bottom-line profitability and improving leverage in 2016.

With that, I'll turn it back to Michael.

Michael Ansley: Thanks, David. At the end of the 2016 first quarter, we owned and operated 80 total restaurants, of which 62 are Buffalo Wild Wings. Our strategy is to focus our resources primarily on growing this portfolio. With last year's acquisition of 18 Buffalo Wild Wings in the St. Louis market, we have a stronger platform to grow our business and the scale to drive our margins. We have made necessary technology and people investments and are implementing

our operational best practices in the acquired restaurants. And, while it is still early, we expect we can replicate the success we had with the acquisition we made in Chicago in 2012. Over the next couple of years, we believe we can build sales from the acquired level of approximately $2.3 million per restaurant to $3 million, which would incrementally contribute over $3 million in restaurant-level EBITDA.

As to new restaurants, our plan for 2016 was to open three restaurants, two BWWs and one Bagger Dave's. Last week, we opened a Buffalo Wild Wings location in Bradenton, Florida, in the heart of its retail corridor in a large shopping center anchored by Lowes, Dick's Sporting Goods, and Best Buy, three great national retailers that have an excellent demographic fit to our customers.

Last week, we also opened a Bagger Dave's restaurant in West Chester, Ohio that was built using the new prototype model, which offers an enhanced food and bar menu, higher service levels and an expanded entertainment experience. It is adjacent to an AMC theater, which we expect to be a major driver to traffic in our restaurant. As I mentioned on our last earnings call, this restaurant completes our development pipeline for Bagger Dave's. We are pausing further development of Bagger Dave's as we focus on increasing unit sales from these restaurants, and having the new prototype and menu in place long enough to fully evaluate it. So far, the early performance of the Bagger Dave's locations operating with the new prototype is encouraging, with improved net promoter scores, a leading indicator of sales growth and higher sales volume being sustained even after the initial honeymoon period. The plattering concept is still in the early stages, but we expect it to gain traction.

Our third new restaurant this year will be our second Buffalo Wild Wings, late this summer in Cape Coral, Florida. We have a number of initiatives and promotions to drive growth from our Buffalo Wild Wings portfolio in 2016. The major ones include

- Continuing the Stadia remodel on existing Buffalo Wild Wings restaurants. We currently have 20 restaurants in this design format, and plan to renovate a total of eight restaurants to the Stadia format in 2016. Our goal is to have all of our Buffalo Wild Wings restaurants to the Stadia design by 2020. Customers enjoy the Stadia design, which is why we are being aggressive to implement it across the franchise.
- Continuing the promotion we started in the first quarter of Tuesday and Thursday value days, where we discount our wings
- Testing Buffalo Wild Wings new rewards program called Blazing Rewards in our St. Louis restaurant, starting in June
- Testing a new value program in the Tampa region to be launched soon, which we believe will drive traffic
- Stepping up the promotion of online ordering
- Broadening our revenue streams in the areas of banquets, delivery, and large orders, particularly in our downtown Detroit location.

Additionally, the second quarter will benefit from our markets having four NHL teams in the playoffs: St. Louis Blues, Chicago Black Hawks, Tampa Bay Lightning, and the Detroit Red Wings. With St. Louis and Tampa Bay still in the Stanley Cup hunt, we look for a nice lift from those events over the next few weeks.

We intend to keep growth of new restaurants at a modest level as we focus on completing the integration of the acquired St. Louis restaurants, push our Stadia design prototype to more

Buffalo Wild Wings locations, and strengthen our balance sheet and profitability. We are very confident in DRH's long-term prospects, and believe the critical elements are in place to successfully execute our long-term strategy.

With that, let me open up for questions. Operator?

Operator: Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star key. One moment, please, while we poll for questions.

Thank you. Our first question comes from the line of Jeremy Hamblin with Dougherty & Company. Please proceed.

Jeremy Hamblin: Hi, good afternoon. Thanks for taking my questions. I wanted to ask you, just in terms of wing costs, what was your average wing cost during the quarter?

David Burke: This is David. Our average wing cost was about $1.92 for this quarter versus $1.89 for the same quarter last year, so relatively flat. We are seeing them come down as of recently. They've dropped by $0.09 in the last few days.

Jeremy Hamblin: Okay. So, do you think that's trending towards that $1.80 a pound mark?

David Burke: Yes, we are. It’s not quite there yet, but we're hopeful. We were anticipating that this would happen a little sooner, but we think it's starting to happen now.

Jeremy Hamblin: Okay. Then, I might've missed it, but in terms of that Easter shift that you talked about, what was the drag that you estimated in that 1%? Was it 70 basis points, or 50? What are you looking at?

David Burke: I'm not sure I follow you. The 1% excludes Easter.

Jeremy Hamblin: Right. No, I understand. You're saying it excluded the Easter shift, so what was the actual comp, minus 1.7?

David Burke: Not a negative two. It was about a 1% difference.

Jeremy Hamblin: Okay. I understand that Easter was during a lead eight weekend, so it's potentially a little bit bigger hit to Q1 than the benefit for Q2. How should I be thinking about that in terms of a benefit for Q2, like 50 basis points?

David Burke: I don't think it's going to be that much different. You may see a modest difference. I would say you're looking at maybe 80%.

Jeremy Hamblin: Okay. Then, there have been some clear challenges in the restaurant sector that have been called out by a lot of companies. Are you starting to see any turnaround in those traffic trends? It sounds like end of March and April were not good at all in the industry. Are you staring to see any of that turn around?

Michael Ansley: This is Michael. I want to be very cautious on this, but in the last week or so, it's been a little more favorable. The St. Louis Blues are definitely benefitting us. That impacts 18 units for us, so that's been a positive. The weather in the last week-and-a-half has also been more favorable. It's been raining and cold, which seems to be drawing more people inside. We started focusing on Tuesdays and Thursdays much earlier than the Buffalo Wild Wings system. That was a big initiative of ours at the beginning of the year, to really start hammering that home

with our local store marketing dollars. As you know, we're in co-ops and, obviously, we control Tampa and Saint Louis, so a lot of our radio copy and billboards in those markets has been focused around Tuesdays and Thursdays. We are cautiously optimistic on what we're seeing.

Jeremy Hamblin: Okay. Then, just thinking about other events, you're going to lap things like the Pacquiao-Mayweather fight later this month and some other big UFC events. And you're going to have the Euro Cup with soccer; that's a big push from corporate to capture the soccer market. Then, you're going to have the Olympics in August. How do you think those may do in terms of helping to get trends back to positive territory on comps?

Michael Ansley: This is Michael again. I believe soccer is not going to be quite as impactful to the Michigan market, but definitely in Chicago and Florida. Florida has a lot of Canadians, South Americans and Europeans in that market, and we've seen an up-tick in soccer in recent years in that particular market. It's also favorable in Chicago, with just varying demographics in that city. I don't know about St. Louis; it’s a new market for us, so I don't know how impactful that'll be there. With the Summer Olympics, as most people know, the scheduling and the fact that it's on a similar time zone is very favorable, I believe, and our comps get easier in the third and fourth quarters.

And, even though the Black Hawks and Tampa played in the Stanley Cup, it seems to me, from what we're seeing so far, that St. Louis has a much stronger following than Tampa, and this impacts a lot more stores, so we are big St. Louis Blues fans at the moment.

Jeremy Hamblin: Maybe because it's been longer since they had a chance to win it, I guess. Let me ask you about the remodels. By our calculation, you have a little over 40 BWWs to remodel by 2020. Can you just remind me of the average remodel cost that you're seeing?

David Burke: Well, there was a Generation three and then a Generation four, and then Stadia. With the previous remodels that we had with Stadia last year, and even the Schererville, Indiana store at the beginning of this year, we were going from Gen three, so those were a little more comprehensive. We added some patios and did some other things in those units. Even in St. Louis, we went in early and did some audio-visual upgrades and some other things. Moving forward, we're looking at about $600,000 a unit. Our Stadia costs are actually more favorable. We feel very confident, even at our current cap ex rate, that we should have all of them to the Stadia format by 2020.

Jeremy Hamblin: Okay, so that's about $25 million that you're looking at in terms of comprehensive remodel costs?

David Burke: Yes, over five years.

Jeremy Hamblin: Right, okay. I know you called this out, was it $14 million to $16 million on cap ex guidance for this year?

David Burke: Yes. We seem to be right in that range at the moment.

Jeremy Hamblin: Okay. One other thing I just wanted to clarify, David, on the G&A. When you talk about the 6% level, is that for the year, or do you think in each of the next three quarters you're expecting to be below 6%?

David Burke: I'm talking about the year; we don't talk in quarters, so we gave you guidance over the course of the year.

Jeremy Hamblin: Okay, but you would expect to come in a little below 6%?

David Burke: Yes.

Jeremy Hamblin: Okay. One other question on the St. Louis locations, you talked about a 50% decline in margin associated with those locations. What comp would you need to do to get that leverage moving, so it's not having a negative impact on your margins? Five comp or eight, maybe I should talk in terms of AUV or average weekly sales increases. What would you need for that to not have a 50 basis point drag?

David Burke: Well, you can usually get about a 40%-plus conversion on your incremental sales, so you can look at the math that way. That should probably help you out, but it's not going to take a lot. We're seeing some nice traction in that market as our marketing advertising strategy has changed quite a bit. I think the Blues getting a lot of traffic in there is going to definitely help.

Michael Ansley: If I might add, we've already had four Stadia remodels in that market, and we have another one this year. We definitely are seeing traction on those in that market. That's actually the best performing market for us this year, even before the Blues playoff run.

Jeremy Hamblin: That's great to hear. One last question, I want to ask this one on Bagger. In terms of the concept, you're no longer expanding it. When do you think you'll have a decision on evaluating the brand as a whole? Obviously, it's not a money-making operation at this point. If you decided to pull the plug on this concept, how soon do you think that you could extract the Company from it given vis-à-vis the situation and so forth?

Michael Ansley: We already cleaned it up a lot, and there're six prototypes out of the 19. They're obviously relatively new, but they're performing quite well. It's only 10% of our revenue, so it's not that big of a drag anymore. And there's been a lot of money invested in it. Obviously, there were some hiccups, which are unfortunate. But quite frankly, when we went public or uplisted to the NASDAQ and only had eight of those stores, it put undue pressure on that concept and, I think, it put pressure on us. We made mistakes that we shouldn't have, but I think it's way too early. We'll have to see that through to the end of the year before we really have an answer for you.

There are a lot of things internally happening with it. Obviously, closing units was a negative impact on our reputation and, unfortunately, there was a lot of negativity on social media. One particular magazine in Detroit wrote an unfavorable article, which is unfortunate, and we had some management turnover. That seems to be stabilizing; net promoter scores are really good. We'd like to break out those prototypes later this year and show folks how those are doing. I can tell you right now that Centerville, Ohio, which opened in late October, is still doing $45,000 a week net. When you can start to do that out of a unit, that is significant, so we're feeling somewhat optimistic about it. I think we can evaluate it thoroughly by the end of the year.

Jeremy Hamblin: Let me ask the question in a slightly different way. Given the prototypes and the ones that you think you are most likely to use going forward, what are the average unit volumes that you need to achieve to breakeven on that concept?

Michael Ansley: Well, right now you can see that we're basically breaking even on it now, at approximately $1.2 million or a little less than that, but the numbers haven't changed. At $1.6 million, you start getting 20% out of those, and we have stores that are performing above that on the prototype side. Last year, Birch Run, Michigan did $1.95 million on an annualized basis; that's the actual number. So, there are some promising aspects of that concept. One way or another, it'll take us until the end of the year to really paint a picture as far as the true value of that concept, either way.

Jeremy Hamblin: Great. Thanks for taking my questions. Best of luck.

Michael Ansley: Thanks.

Operator: Thank you. Again, if you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you'd like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star key. Thank you.

Our next question comes from the line of Mark Smith with Feltl. Please proceed.

Mark Smith: Hi. First off, just looking at that $370,000 adjustment for non-recurring items, was that all in the Bagger Dave's system or was anything in the Buffalo Wild Wings system?

David Burke: It was all Bagger Dave's. As you'd recall, we closed eight stores right at the end of the year, so there were some carryover expenses related to moving and taking down the trade address etc., most of which was shoved into January; and then, there are some ongoing storage costs, but those are minimal relative to that.

Mark Smith: Okay, so very little going forward from here?

David Burke: Correct.

Mark Smith: Okay. Then, you have pretty fantastic margins at the Buffalo Wild Wings restaurants that you have, and that's even with wings not turning favorable yet, continued labor pressure, and St. Louis margins being a little bit depressed as you implement your changes there. Can you talk a little bit about how you're able to drive these margins above what the rest of the system is doing? Anything that you see in your markets or how you were able to hit those numbers?

Michael Ansley: Well, we've always run better hourly labor. That's one big aspect of it. And some of it is that we're in favorable markets as far as tip credit. So, most of our markets are still very favorable in that matter compared to, say, a Buffalo Wild Wings that operates in Minnesota, Washington, Oregon or California where there is no tip credit. That's one advantage for us. As far as restaurants, we take a lot of pride in the cleanliness and organization; we're very systematic and standardized; we've incentivized our managing partners well to operate those restaurants, and have implemented a lot of different practices that we've picked up from Pal's Sudden Service in Tennessee and even Disney. We continue to implement those, so we take a lot of pride in running them.

Mark Smith: And that lends itself to another question on the Buffalo Wild Wings side. There seems to be, throughout casual dining, pressure on companies that really aren't showing the value promotion or that maybe have taken a little more price increase. If you can't speak to traffic versus tickets, and then maybe you can speak on how beneficial being early on the Tuesday-Thursdays promotions has been?

David Burke: On the pricing side, we've been aggressive on price over the last few years. I think we've discussed how we're getting to the point where we're not going to see major price increases going forward, at least for the near future. Despite that there may be some traffic drops, you're getting a much better flow through of margin for every increase in dollar you put from a pricing perspective. So, we're not dissatisfied with some of those initiatives we've taken from there.

Michael Ansley: From a Tuesday-Thursday perspective, I've obviously been in the system for 20 years. I think when I started in '96, there were 67 units and it was $0.20 a wing on Tuesdays, which is traditional wing day. And then, obviously with inflation over the years, it's up to $0.70, but that's still a 30% discount. As a system, both corporate and franchise side, we lost focus on that particular day, especially in messaging it, so late in the fourth quarter, as

we've been raising prices, a lot of it because of wing pressure, labor pressure and just natural inflation, we saw that as an opportunity internally to really drive value home.

I think we got most of those billboards up, and were on the radio in our markets in February. We were not able to do that in Detroit until early April, because we're in a co-op and we had another franchisee that was at a different price point and now he's at the same price point. We've started to see some impact on Tuesdays and Thursdays in a couple of our markets by getting on that message early, but it's hard to really give you a metric on it yet. Again, we're cautiously optimistic, and it's a message that I don't think we've driven home in about five years. Now, it seems the whole system is embracing it, and I think it's a good move.

Mark Smith: Perfect. Then I think last from me, you spoke a little bit about wings, which were still elevated during the quarter, but seeing a little bit of a relief over the last couple of weeks. Is there any change in outlook there? Do you still feel like later this year we'll get a decline in wing prices, and then maybe the rest of the commodity basket outlook?

Michael Ansley: This is Michael. I don't like to predict commodities by any means, but I think there are obviously many analysts that have written about this. There has been increasing inventory on the frozen wings side, and naturally, that usually puts pressure on the fresh wing market at some point. I know at the end of April on the Urner Barry jumbo wing market, we saw about a $0.10 per pound drop right at the end of April. I'm assuming that's continuing on into May, but it's too early to tell.

Mark Smith: Okay. Regarding the rest of the basket, are you seeing a 1% to 2% favorable environment?

David Burke: Yes, depending on the product, we've seen that proteins have dropped relative to last year, towards the end of last year. We saw wheat prices come down and bacon has come down. Often times, that can be offset by produce, but overall, it's a favorable game. But relative to the chicken wings, a lot of these other baskets are pretty small.

Mark Smith: Perfect. That's helpful. Thanks.

David Burke: Thank you.

Operator: Thank you. We have reached the end of our Q&A session. This will conclude today's teleconference. You may disconnect your lines at this time and thank you for your participation.