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AGENDA

- Company/Industry Overview
- SWOT Analysis
- Ratio Analysis
- Valuation
- Final Recommendation

Texas Roadhouse Overview

- Popular American restaurant chain known for its casual dining experience and steakhouse focus
- Also the parent company to Bubba's 33 and Jagers
- Founded in 1993 in Clarksville Indiana
- Currently HQ in Louisville, KY
- Has over 650 locations in the US and ~100 more internationally
- Consistent strong revenue growth

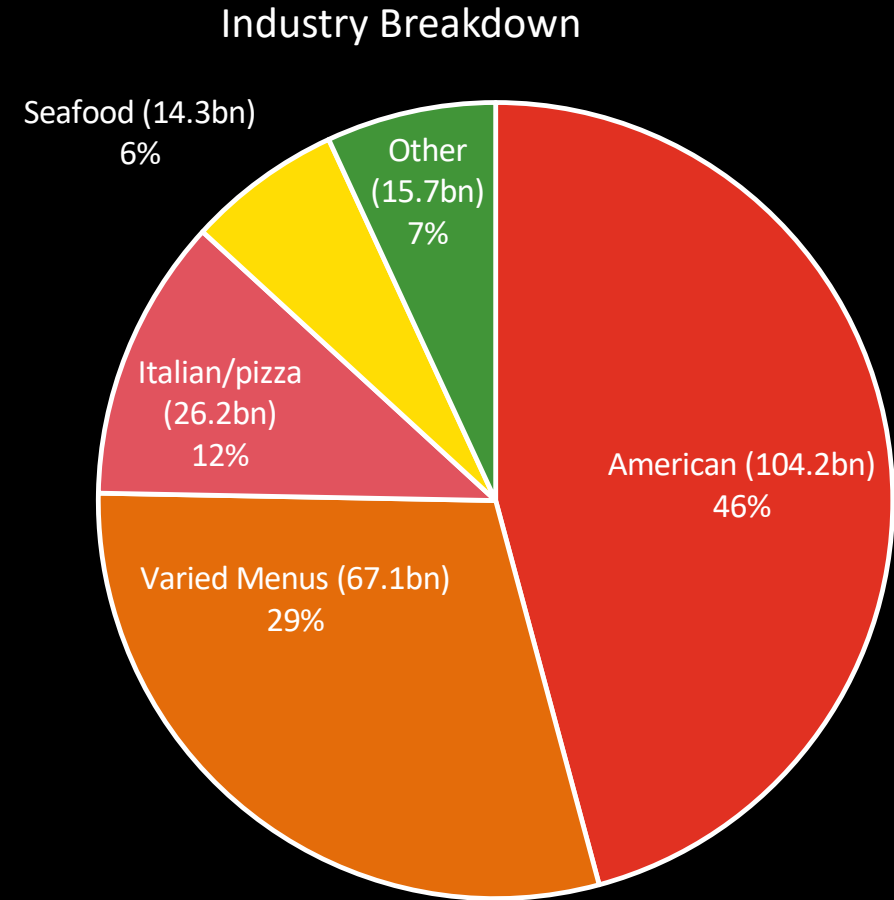


TXRH SWOT Analysis

Strengths	Weaknesses
- Strong brand recognition and reputation - Customer loyalty/ strong customer experience - Affordability and value - Consistent quality and menu	- Dependence on dine-in experience - Limited menu diversity - Branding may limit appeal to certain demographics
Opportunities	Threats
- Menu expansion and increased acquisitions - Continue International Expansion - Implement Loyalty or Rewards Program	- Competition - Increasing Wage Costs - Supply chain disruptions

Chain Restaurants Industry Overview

- Chain Restaurants Industry: \$227.6B Revenue
- Consumer spending expected to increase over next 5 yrs
- Strong growth and recovery from pandemic



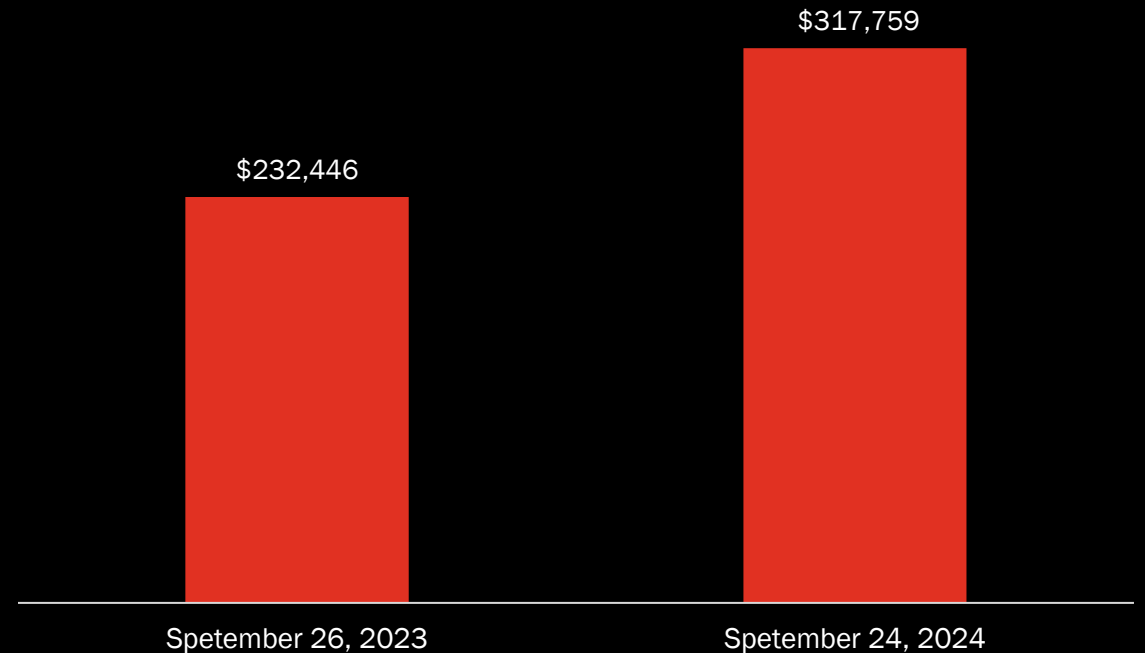
Industry SWOT Analysis

Strengths	Weaknesses
- Low imports - Standardization and consistency - Low customer class concentration - Low capital requirements	- High competition - Low revenue per employee - High product/service concentration
Opportunities	Threats
- High revenue growth - High performance drivers	- Low outlier growth - National Unemployment rate

TXRH Recent Performance

- Performance in Q3 2024
 - 13.5% increase in revenue
 - 36.7% increase in net income
- Domestic Franchise Restaurant Sales
 - 7.2% increase
- Company Restaurant Sales
 - 8.5% increase

Net Income Increase (Q3 2023 vs 2024)



Ratio Analysis

TXRH

Leverage:

- Debt To Equity: No debt

Liquidity:

- Current Ratio: .50

Profitability:

- Operating Margin: 8.08%
- Profit Margin: 7.65%

DRI

Leverage:

- Debt To Equity: 326.28%

Liquidity:

- Current Ratio: .35

Profitability:

- Operating Margin: 9.80%
- Profit Margin: 9.11%

RRGB

Leverage:

- Debt To Equity: -338.77%

Liquidity:

- Current Ratio: .44

Profitability:

- Operating Margin: -4.13%
- Profit Margin: -4.05%

DCF Valuation

- Forecasted sales growth 10.7% per year (2024 projections)
- WACC: 9.73%
- Tax Rate: 14%
- Beta: .99

TXRH DCF Valuation	
WACC	9.73%
NPV First 5 yrs	\$2,075,300
Smoothed TY	916,178
LT Growth	5.00%
Terminal Value	20,337,995
PV of TV	12,784,426
Equity Value	14,859,726
Shares Outstanding	67,149
Implied Share Price	221.29
Market Price	181.10
Undervalued by:	22.19%

EV/EBITDA

Selected Comparable Companies:

- Darden (Parent company to Olive Garden, Longhorn, Cheddar's, Etc.)
- Cracker Barrel
- Brinker International (Owns Chili's, Maggiano's Little Italy, and It's Just Wings)
- The Cheesecake Factory (Also owns North Italia, Flower Child, etc.)
- Red Robin
- First Watch Restaurant Group
- Shake Shack

TXRH EV/EBITDA	
EBITDA	\$545,372
Industry EV/EBITDA	22.77
Equity value	\$12,419,684
Shares Outstanding	67,149
Implied Share Price	184.96
Market price	181.10
Shares are undervalued	2.13%

Sensitivity Analysis

Long Term Growth Rate	WACC					
	\$221.29	8%	9%	9.73%	11%	12%
	3%	\$224	\$184	\$162	\$134	\$117
	4%	\$274	\$216	\$187	\$150	\$130
	5%	\$358	\$264	\$221	\$171	\$145
	6%	\$525	\$345	\$275	\$201	\$166
	7%	\$1,026	\$506	\$367	\$246	\$195

Risk/Return Statistics

Current

Sharpe Ratio: 2.12

Treynor: .36

Jensen Alpha: 9.72

Proposed

Sharpe Ratio: 2.52

Treynor: .42

Jensen Alpha: 13.87

Recommendation

Our recommendation is to buy 828 shares of TXRH

- o Position of \$150k (4.84% of fund)
- o Utilize money market position to fill capital requirement

Recommendation/ Vote

Our recommendation is to buy 828 shares of TXRH

- o Position of \$150k (4.84% of fund)
- o Utilize money market position to fill capital requirement



Appendix

Current

Portfolio Statistics	3 Months		6 Months		Year To Date		1 Year (Custom)	
	Port	Bmrk	Port	Bmrk	Port	Bmrk	Port	Bmrk
Return								
Total Return	5.84	6.30	13.33	12.39	4.85	3.03	26.58	25.37
Maximum Return	3.04	2.57	3.04	2.57	1.36	1.87	3.04	2.57
Minimum Return	-2.32	-3.03	-2.68	-3.03	-0.90	-1.53	-2.68	-3.03
Mean Return (Annualized)	26.40	29.01	29.15	27.49	71.87	41.59	27.28	26.44
Mean Excess Return (Annualized)	-2.02		1.31		21.41		0.66	
Risk								
Standard Deviation (Annualized)	11.57	13.68	11.49	14.32	9.09	13.54	10.49	13.02
Downside Risk (Annualized)	7.57	10.18	8.10	10.81	6.03	9.86	7.50	9.70
Skewness	0.60	-0.49	-0.06	-0.59	0.28	-0.20	-0.11	-0.50
VaR 95% (ex-post)	-0.81	-1.30	-0.97	-1.52	-0.49	-1.47	-0.99	-1.36
Tracking Error (Annualized)	9.57		8.38		13.16		8.21	
Risk/Return								
Sharpe Ratio	1.90	1.79	2.13	1.59	7.45	2.76	2.12	1.64
Jensen Alpha	10.45		11.37		80.94		9.72	
Information Ratio	-0.21		0.16		1.65		0.08	
Treynor Measure	0.36		0.38		2.55		0.36	
Beta (ex-post)	0.61		0.65		0.23		0.62	
Correlation	0.7270		0.8114		0.3962		0.7772	
Capture Ratio	0.68		0.65		0.91		0.56	

Proposed

Portfolio Statistics	3 Months		6 Months		Year To Date		1 Year (Custom)	
	Port	Bmrk	Port	Bmrk	Port	Bmrk	Port	Bmrk
Return								
Total Return	5.33	6.30	13.68	12.39	4.79	3.03	30.88	25.37
Maximum Return	3.20	2.57	3.20	2.57	1.30	1.87	3.20	2.57
Minimum Return	-2.40	-3.03	-2.69	-3.03	-0.87	-1.53	-2.69	-3.03
Mean Return (Annualized)	24.07	29.01	29.97	27.49	70.79	41.59	31.61	26.44
Mean Excess Return (Annualized)	-3.83		1.95		20.65		4.09	
Risk								
Standard Deviation (Annualized)	11.94	13.68	11.66	14.32	8.99	13.54	10.55	13.02
Downside Risk (Annualized)	7.80	10.18	8.20	10.81	5.94	9.86	7.49	9.70
Skewness	0.66	-0.49	0.00	-0.59	0.29	-0.20	-0.02	-0.50
VaR 95% (ex-post)	-0.87	-1.30	-0.94	-1.52	-0.46	-1.47	-1.01	-1.36
Tracking Error (Annualized)	9.49		8.17		13.16		8.10	
Risk/Return								
Sharpe Ratio	1.64	1.79	2.17	1.59	7.41	2.76	2.52	1.64
Jensen Alpha	7.06		11.69		79.12		13.87	
Information Ratio	-0.41		0.24		1.59		0.51	
Treynor Measure	0.31		0.38		2.55		0.42	
Beta (ex-post)	0.63		0.67		0.22		0.63	
Correlation	0.7360		0.8218		0.3943		0.7839	
Capture Ratio	0.68		0.70		0.91		0.62	