Risk Factors Comparison 2024-02-26 to 2023-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business is subject to a number of risks and uncertainties. These risks are more fully described in the section titled " Risk Factors " included in Part I, Item 1A of this report. These risks include, among others, the following: ~~● The COVID- 19 pandemic significantly disrupted our business and its ongoing effects and other geopolitical macroeconomic events are having and may continue to have an adverse impact on our operating environment.~~ ● The impact global and domestic economic conditions have on consumer discretionary spending **and our costs of operations** could materially adversely affect our financial performance. ● Our inability to grow comparable restaurant sales could materially adversely affect our financial performance. ● If we are unable to protect our reputation, the value of our brands and sales at our restaurants may be negatively impacted. ● If we are unable to offset higher labor costs, our cost of doing business will significantly increase. ● Pandemics, epidemics, endemics and other public health emergencies, or food safety and food- borne illness **,** could reduce customer traffic to our restaurants, disrupt our food supply chain or cause us to be the target of litigation. ● Changes in, or any failure to comply with, applicable laws or regulations could materially adversely affect our ability to operate our restaurants and / or increase our cost to do so. ● **Labor organizing could harm our operations and competitive position in the restaurant industry. ●** Our inability to respond appropriately to changes in consumer health and disclosure regulations, and to adapt to evolving consumer dining preferences, could negatively impact our operations and competitive position. ● ~~Labor organizing~~ **Our failure to effectively develop, grow and operate North Italia and our other branded concepts** could ~~harm~~ **materially adversely affect** our **financial performance** ~~operations and competitive position in the restaurant industry~~. ● Adverse weather conditions, natural disasters **, climate change** and public health emergencies ~~, including as a result of climate change,~~ could unfavorably impact our restaurant sales. ● Acts of violence at or threatened against our restaurants or the centers in which they are located, including civil unrest, customer intimidation, active shooter situations and terrorism, could unfavorably ~~impart~~ **impact** our restaurant sales **.** ● Our inability to anticipate and react effectively to changes in the costs of key operating resources may increase our cost of doing business. ● Our financial performance could be materially adversely affected if we fail to retain, or effectively respond to a loss of, key executives **.** ● If we are unable to staff and retain qualified restaurant management and operating personnel in an increasingly competitive market, we may be unable to effectively operate and grow our business and revenues. ● If any of our third- party vendors experiences a failure that affects a significant aspect of our business, we may experience data loss, increased costs **, operational disruption** or other harm ~~. ● Our failure to realize the anticipated benefits of our acquisition of North Italia and the remaining business of Fox Restaurant Concepts LLC could materially adversely affect our financial performance~~. ● We may incur additional costs if we are unable to renew our restaurant leases on similar terms and conditions, or at all, or to relocate our restaurants in certain trade areas. ● Information technology system failures or breaches of our network security could interrupt our operations and subject us to increased operating costs, as well as to litigation and other liabilities. ● Our inability to maintain a secure environment for customers' and staff members' personal data could result in liability and harm our reputation. ● Our failure to satisfy financial covenants and / or repayment requirements under our credit facility could harm our financial condition. ● Our convertible senior notes due 2026 and the incurrence of any additional indebtedness could limit the cash flow available for our operations. ITEM 1. BUSINESSGeneralThe Cheesecake Factory Incorporated is a leader in experiential dining. We are culinary forward and relentlessly focused on hospitality. We currently own and operate ~~318~~ **334** restaurants throughout the United States and Canada under brands including The Cheesecake Factory ® **(216 locations)** , North Italia ® **(37 locations), Flower Child ® (32 locations)** and ~~a collection~~ **additional brands** within our Fox Restaurant Concepts (" FRC **"**) ~~business~~ **portfolio (41 locations)** . Internationally, ~~30~~ **33** The Cheesecake Factory ® restaurants operate under licensing agreements. Our bakery division operates two facilities that produce quality cheesecakes and other baked products for our restaurants, international licensees and third- party bakery customers. Our business originated in 1972 when Oscar and Evelyn Overton founded a small bakery in the Los Angeles area. In 1978, their son, David Overton, our Chairman of the Board and Chief Executive Officer, led the creation and opening of the first The Cheesecake Factory restaurant in Beverly Hills, California. In 1992, the Company was incorporated in Delaware as The Cheesecake Factory Incorporated (referred to herein as the " Company " or as " we, " " us " and " our "). Our executive offices are located at 26901 Malibu Hills Road, Calabasas Hills, California 91301, and our telephone number is (818) 871- 3000. We maintain a general website at www. thecheesecakefactory. com, as well as websites for our bakery and other subsidiaries, including www. northitalia **. com, www. iamaflowerchild** . com and www. foxrc. com. Our annual reports on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K, all amendments to those reports and our proxy statements are available on our general website at no charge, as soon as reasonably practicable after these materials are filed with or furnished to the SEC. Our filings are also available on the SEC' s website at www. sec. gov. The content of our websites is not incorporated by reference into this Form 10- K. We utilize a 52 / 53- week fiscal year ending on the Tuesday closest to December 31 for financial reporting purposes. Fiscal **years 2023 and 2021 each consisted of 52 weeks. Fiscal** year 2022 consisted of 53 weeks. Fiscal ~~years~~ **year** ~~2021~~ **2024 will** ~~and 2020 each consisted~~ -- **consist** of 52 weeks. **Geopolitical and Other Macroeconomic Impacts to our Operating Environment During** ~~Fiscal~~ **fiscal** ~~year 2023~~ **2021 and 2022, the** ~~will consist of 52 weeks.~~ COVID- 19 ~~Pandemic~~ **pandemic continued** ~~, Geopolitical and Other Macroeconomic Impacts~~ to **affect** ~~our Operating EnvironmentWe have experienced significant disruptions to~~ our business ~~as federal, state and local restrictions have fluctuated over time to mitigate the spread of the COVID- 19 virus. While most of our restaurants operated with no restrictions on indoor dining during fiscal years 2021 and 2022, our revenues were negatively impacted~~ during periods of ~~accelerating~~ **accelerated** case counts ~~during~~ **in** which we ~~incurred~~ **experienced** increased restaurant staff absenteeism and temporary shifts in consumer behavior, such as changes in customer traffic or the mix between on- premise and off- premise channels. **Along with** ~~We have incurred and may continue to incur additional costs to address government regulations and the safety of our staff members and customers. In addition, we experienced labor shortfalls relative to our sales levels in certain parts of our workforce and / or geographies as we reopened our dining rooms after the lifting of mandatory social- distancing regulations related to~~ the COVID- 19 pandemic ~~. During fiscal 2021~~ , **our operating results** ~~we also began to experience certain supply shortages and transportation delays largely attributable to impacts of the COVID- 19 pandemic. These shortages continued in fiscal 2022 and~~ were ~~exacerbated~~ **impacted** by geopolitical ~~unrest. The aggregate impact of these and other geopolitical~~ and macroeconomic ~~factors contributed to~~ **events, causing supply chain challenges and** significantly increased commodity and wage inflation **. Some of these factors continued to impact our operating results in fiscal 2023, contributing to significantly increased commodity** and other ~~increased~~ costs. We ~~have~~ also encountered delays in opening new restaurants **primarily** due to **delays in permitting and landlord readiness, as well as** supply chain challenges ~~, as well as to longer lead times in obtaining licenses and permits and in the timeline required to complete the overall leasing process with landlords~~ . The ongoing ~~effects~~ **impact** of ~~COVID- 19 and its variants, along with other~~ geopolitical and macroeconomic events could lead to further ~~government mandates, including but not limited to capacity restrictions,~~ shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in the supply chain and delay in new restaurant openings. ~~If~~ **Any of** these factors ~~significantly impact our cash flow in the future, we may again implement mitigation actions such as suspending share repurchases, not declaring future dividends, increasing borrowings under our credit facility or modifying our operating strategies. Any of these measures~~ may have an adverse impact on our business and materially adversely affect our financial performance. ~~4The~~ - **The** Cheesecake FactoryAs of February ~~27~~ **26** , ~~2023~~ **2024** , we operated ~~210~~ **216** The Cheesecake Factory restaurants, which strive to provide a distinctive, high- quality dining experience at moderate prices by offering an extensive, innovative and evolving menu in an upscale casual, high- energy setting with attentive, efficient and friendly service. As a result, The Cheesecake Factory restaurants appeal to a diverse customer base across a broad demographic range. Our extensive menu and strategic selection of locations enable us to compete for substantially all dining preferences and occasions, from the key lunch and dinner day parts to the mid- afternoon and late- night day parts, which are traditionally weaker times for most casual dining restaurants, as well as special occasion dining. The Cheesecake Factory restaurants are generally open seven days a week for lunch and dinner, and we offer additional menu items for weekend brunch. All of our restaurants offer a full- service bar where our entire menu is served. During fiscal ~~2022~~ **2023** , alcoholic beverage sales represented ~~12~~ **11** % of The Cheesecake Factory restaurant sales. We offer all items on our menu, except alcoholic beverages where disallowed by regulation, for off- premise consumption, sales of which comprised approximately ~~25~~ **22** % of The Cheesecake Factory restaurant sales during fiscal ~~2022~~ **2023** . We work with a third party to provide delivery service from all of our locations and offer online ordering for to- go sales at all of our domestic locations. ~~The~~ **4The** Cheesecake Factory menu features approximately ~~235~~ **225** items, exclusive of beverage and dessert items and including items presented on supplemental menus, such as our SkinnyLicious ® menu that offers innovative items at 590 calories or less. Our menu offerings include appetizers, pizza, seafood, steaks, chicken, burgers, small plates, pastas, salads, sandwiches and omelettes, including a selection of vegan and gluten- free items. Our ability to create, promote and attractively display our unique line of desserts is also important to the competitive positioning and financial success of our restaurants. We offer approximately 45 varieties of proprietary cheesecake and other desserts in our restaurants. Our brand identity and reputation for offering premium desserts results in a significant level of dessert sales, representing approximately 17 % of The Cheesecake Factory sales during fiscal ~~2022~~ **2023** . Competitive PositioningThe restaurant industry is comprised of multiple segments, including fine dining, casual dining, fast casual and quick- service. The Cheesecake Factory restaurants operate in the upscale casual dining segment, which is positioned above core casual dining, with standards that are closer to fine dining. Upscale casual dining is differentiated by freshly prepared and innovative food, flavorful recipes with creative presentations, unique restaurant layouts, eye- catching design elements and more personalized service. We believe that we are a leader in upscale casual dining given the historically high average sales per square foot of our restaurants as compared to others in this segment. The restaurant industry is highly competitive with respect to menu and food quality, service, personnel, location, décor and value. We compete directly and indirectly with national and regional casual dining restaurant chains, as well as independently- owned restaurants. In addition, we face competition from fast casual and quick- service restaurants, grocery stores and meal kits that have increased the quality and variety of their food products in response to consumer demand. We also compete with other restaurants and retail establishments for quality sites and staff and managers to operate our restaurants. The key elements that drive our total customer experience and help position us from a competitive standpoint include the following: Extensive and Innovative Menu, Made Fresh from Scratch. Our restaurants offer one of the broadest menus in casual dining and feature a wide array of flavors with portions designed for sharing. In contrast to many restaurant chains, substantially all of our menu items, except those desserts produced at our bakery facilities, are prepared from scratch daily at our restaurants with high- quality, fresh ingredients using innovative and proprietary recipes. One of our competitive strengths is our ability to anticipate customer preferences and adapt our expansive menu to the latest trends. We regularly update our ingredients and cooking methods, as well as create new menu items and new categories of food offerings at our restaurants, further enhancing the variety, quality and price points offered and keeping our menu relevant to our customers. All new menu items are selected based on anticipated sales popularity and profitability. We also regularly introduce new and innovative cheesecakes and other baked desserts. In ~~2022~~ **2023** , we launched the ~~Classic Basque~~ **Cookie Dough Lover' s** Cheesecake **with Pecans** in conjunction with National Cheesecake Day. ~~5We~~ - **We** generally update The Cheesecake Factory menus twice each year, and our philosophy is to use price increases to help offset key operating cost increases in a manner that balances supporting both our margin objectives and customer traffic levels. ~~We have historically~~ **Prior to fiscal 2022, we** targeted menu price increases of approximately 2 % to 3 % annually, utilizing a market- based strategy to help mitigate cost pressure in higher- wage geographies. **In** ~~Due to the inflationary cost pressures we~~

~~experienced in~~ fiscal **years** 2022 **and 2023**, we implemented price increases above our historical levels **, including an incremental price increase in the fourth quarter of fiscal 2022,** to **help offset significant inflationary cost pressures** ~~support our longer- term restaurant- level margin objectives~~. **Current and** ~~Future~~ **future** near- term pricing actions **may also** ~~are likely to~~ be at levels above historical norms to keep pace with any significant cost ~~increases. We will continue to consider the cost environment and consumer price sensitivity when evaluating future menu price~~ increases. In addition, on a regular basis, we carefully consider opportunities to adjust our menu offerings or ingredients to help manage product availability and cost. Value Proposition. We believe our restaurants are recognized by customers for offering value with a large variety of freshly prepared menu items across a broad array of price points and generous portions at moderate prices. The average check for each customer, including beverages and desserts, was approximately $ ~~29~~ **30**. ~~40~~ **54** during fiscal ~~2022~~ **2023**. ~~Commitment~~ **5Commitment** to Excellent Service and Hospitality through the Selection, Training and Retention of High- Quality Staff Members. Our mission is to " create an environment where absolute guest satisfaction is our highest priority. " We strive to consistently exceed the expectations of our customers in all aspects of their experiences in our restaurants. One of the most important aspects of delivering a consistent and dependable level of service is having a team of experienced managers who can successfully operate our high- volume, complex restaurants. Our recruitment, selection, training, retention and internal promotion programs are among the most comprehensive in the restaurant industry, helping us to attract and retain qualified staff members who are motivated to consistently provide excellence in restauranteuring and customer hospitality. By providing extensive training, our goal is to encourage our staff members to develop a sense of personal commitment to our core values and culture of excellence. (See " Restaurant Operations, Development and Training " below.) Our commitment to people- focused programs and creating a great workplace for all of our staff and managers contributed to The Cheesecake Factory being named to Fortune magazine' s list of " 100 Best Companies to Work For ® " in ~~2022~~ **2023**, for the ~~ninth~~ **tenth** consecutive year. High- Quality, High- Profile Restaurant Locations and Flexible Site Layouts. We target restaurant sites in high- quality, high- profile locations with a balanced mix of retail shopping, entertainment, residences, tourism and businesses. We have the flexibility to design our restaurants to accommodate a wide array of urban and suburban site layouts, including multi- level locations. Our restaurants feature large, open dining areas, high ceilings where available, a contemporary kitchen design and a bakery counter that features our desserts while also serving as a strategic location to facilitate our off- premise sales. The layouts are flexible, permitting tables and seats to be easily rearranged to accommodate small and large parties, thus permitting more effective utilization of seating capacity. Interior and exterior patio seating, either or both of which are available at approximately 95 % of our restaurants, allow for additional customer capacity at a comparatively low occupancy cost per seat. Exterior patio seating is generally available as weather permits. (See " New Restaurant Site Selection and Development " below.) Distinctive Restaurant Design and Decor. We place significant emphasis on the contemporary interior design and decor of our restaurants, which create a high- energy ambiance in a casual setting and contribute to the distinctive dining experience enjoyed by our customers. We have evolved our restaurants' design over time to remain current while retaining a similar look and feel to our earlier restaurants. Our restaurants feature large, open dining areas, and where feasible, both exterior and interior patios. We apply high standards to the maintenance of our restaurants to keep them in " like new " condition. Integration of our Bakery Operations. The primary role of our bakery operations is to produce innovative, high- quality cheesecakes and other baked desserts for sale at The Cheesecake Factory restaurants and those of our international licensees, which is important to our competitive positioning. Integration of this vital part of our brand gives us control over the creativity and quality of our desserts and is also more profitable than buying from a third party. ~~6New~~ - **New** Restaurant Site Selection and DevelopmentThe Cheesecake Factory concept has demonstrated success in a variety of layouts (e. g., single or multi- level and varying interior square feet), site locations (e. g., urban or suburban shopping malls, lifestyle centers, retail strip centers, office complexes, entertainment centers and urban street locations — either freestanding or in- line) and trade areas. Accordingly, we intend to continue developing The Cheesecake Factory restaurants in high- quality, high- profile locations that meet our rigorous site standards. In accordance with our broader capital allocation strategy, we plan to open as many locations in any given year as there are sites available that meet our site selection criteria and for which we can negotiate acceptable lease terms, obtain necessary permits, complete construction, and recruit and train personnel. We have the flexibility in our restaurant designs to penetrate a wide variety of markets across varying population densities in both existing and new markets. We continue to target approximately 300 Company- owned and operated The Cheesecake Factory restaurants domestically over time. The locations of our restaurants are critical to our long- term success, and we devote significant time and resources to analyzing each prospective site. We consider many factors when assessing the suitability of a site, including the demographics of the trade area such as average household income and population density, as well as site- specific characteristics such as visibility, accessibility and proximity to activity centers such as shopping centers and competitive influences. Since our restaurants can be successfully executed within a variety of site locations and layouts, we are highly flexible in choosing suitable locations. While there are common decor elements within each of our restaurant sites, the designs are customized for the specifics of each location, including the building type, square footage and layout of available space. We expect the majority of our new restaurants to vary between 7, 000 and 10, 000 interior square feet, generally with additional exterior and / or interior patio seating, selected appropriately for each market and specific site. ~~The~~ **6The** relatively high sales productivity of our restaurants provides opportunities to obtain competitive leasing terms from landlords. Due to the flexible and customized nature of our restaurant operations and the complex design, construction and preopening processes for each new location, our lease negotiation and restaurant development time frames vary. The development and opening process usually ranges from six to eighteen months, depending largely on the type and availability of the leased space we intend to occupy, as well as our ability to obtain goods, materials, permits and adequate staffing, and is subject to delays either due to factors outside of our control or to our selective timing of restaurant openings. In recent years, we have encountered delays in opening new restaurants **primarily** due to **delays in permitting and landlord readiness, as well as** supply chain challenges ~~, as well as to longer lead times in obtaining licenses and permits~~. Unit

EconomicsThe operation of high- quality restaurants in premier locations fitting our criteria contributes to the continuing customer appeal of The Cheesecake Factory. This popularity is reflected in our average sales per restaurant and per square foot, which are among the highest of any publicly- held restaurant company. Average sales per location for The Cheesecake Factory restaurants open for the full year were approximately $ 12. ~~1~~ **2** million ~~and $ 11. 8 million on a 53- week and 52- week basis, respectively,~~ for fiscal ~~2022~~ **2023** . Since each of our restaurants has a customized layout and differs in size, an effective method to measure the unit economics of our sites is by square foot. Average sales per productive square foot (defined as all interior square footage plus seasonally adjusted exterior patio square footage) for restaurants open for the full year were approximately $ 1, **132** ~~116 and $ 1, 089 on a 53- week and 52- week basis, respectively,~~ for fiscal ~~2022~~ **2023** . Fluctuations in both average sales per location and average sales per productive square foot generally track with comparable restaurant sales trends. We currently lease all of our restaurant locations and utilize capital for leasehold improvements and furnishings, fixtures and equipment to build out our restaurant premises. Our distinctive design and decor require a higher investment per square foot than is typical for the casual dining industry. However, our restaurants have historically generated annual sales per square foot that are also typically higher than our competitors. Total construction costs to build our restaurant premises average approximately $ 1, ~~000~~ **100** per interior square foot. However, these costs vary depending on a number of factors, including geography, the complexity of our build- out, site characteristics, governmental fees and permits, labor and material conditions in the local market, weather and the amount, if any, of construction contributions obtained from our landlords for structural additions and other leasehold improvements. ~~7Our~~ - **Our** new restaurants typically open with initial sales volumes well in excess of their future run- rate levels. This initial " honeymoon " effect usually results from grand opening publicity and other customer awareness activities that generate higher than usual customer traffic, particularly in new markets. During the three to six months following the opening of new restaurants, customer traffic generally settles into its normal pattern, resulting in sales volumes that gradually adjust downward to their post- opening run- rate level. Additionally, our new restaurants usually require a period of time after reaching normal traffic levels to achieve their targeted restaurant- level margins due to actual- to- theoretical food cost inefficiencies and labor productivity inefficiencies commonly associated with new, highly complex restaurants such as ours. Restaurant OperationsOur ability to consistently execute a complex menu offering items prepared daily with high- quality, fresh ingredients in an upscale casual, high- volume dining environment is critical to our overall success. We employ detailed operating procedures, standards, controls, food line management systems and cooking methods and processes to accommodate our extensive menu and to drive sales productivity. ~~We~~ **7We** believe that the high average sales volumes and popularity of our restaurants allow us to attract and retain high- quality, experienced restaurant- level management and other operational personnel. Each restaurant is generally staffed with one General Manager (" GM "), one Executive Kitchen Manager (" EKM "), and an average of six to ~~ten~~ **eleven** additional kitchen and front- of- the- house managers and approximately ~~170~~ **150** hourly staff members, both depending on the size and sales volume of each restaurant. Our GMs and EKMs possess an average of more than ten years of experience with the Company. This tenure and knowledge drive our high productivity and contribute to our ability to deliver an exceptional customer experience. All newly- recruited restaurant managers complete an extensive training program during which they receive both classroom and on- the- job instruction in areas such as food quality and safety, customer service, financial management, staff relations and safely serving alcohol. Managers continue their development by participating in and completing a variety of training and development activities to assess and further develop their skills and knowledge necessary for upward progression through our management levels. Our GMs regularly meet to receive hands- on training, share best practices and celebrate Company successes, all of which help to foster the unique culture of our brand. Each restaurant GM reports to an Area Director of Operations (" ADO "), who in turn reports to a Regional Vice President of Restaurant Operations. Our EKMs report to their GMs but are also supervised by an Area Kitchen Operations Manager. Our restaurant field supervision organization also includes our Senior Vice President of Restaurant Operations, Senior Vice President of Kitchen Operations, an operations services team and our performance development department who are collectively responsible for day- to- day operations, managing new restaurant openings and training for all operational managers and staff. To enable us to more effectively compete for, and retain, the highest quality restaurant management personnel, we offer an innovative and comprehensive compensation program for our restaurant GMs and EKMs. Each participant receives a competitive base salary and has the opportunity to earn a cash bonus based on quantitative restaurant performance metrics. GMs are also eligible to use a Company- leased vehicle. In addition, we provide a longer- term, equity incentive program to our GMs and EKMs based on their extended service with us in their respective positions and their achievement of certain performance objectives. We believe that these awards encourage our GMs and EKMs to think and act as business owners, assist in retention of restaurant management and align our managers' interests with those of our stockholders. Restaurant- Level Preopening CostsDue to the highly customized and operationally complex nature of our upscale, high- volume concept and the investment we make in properly training our staff to operate our restaurants, our preopening process is more extensive, time consuming and costly than that of many restaurant chains. Restaurant- level preopening costs for a typical location in an established market average approximately $ 1. 0 million to $ 1. 5 million and include all costs to relocate and compensate restaurant management staff members during the preopening period, costs to recruit and train hourly restaurant staff members, and wages, travel and lodging costs for our opening training team and other support staff members. ~~8Restaurant~~ - **Restaurant** - level preopening costs can fluctuate significantly from period to period, based on the number and timing of restaurant openings and the specific costs incurred for each restaurant. These costs vary by location depending on a number of factors, including the proximity of our existing restaurants, the size and physical layout of each location, the number of management and hourly staff members required to operate each restaurant, the availability of qualified restaurant staff members, the cost of travel and lodging for different metropolitan areas, the timing of the restaurant opening and the extent of unexpected delays, if any, in obtaining final licenses and permits to open the restaurant, which may also depend on our landlords obtaining their licenses and permits and completing their construction activities. Restaurant- level preopening costs are generally higher for larger restaurants and initial entry into new markets and lower when we relocate a restaurant within its local market. We usually incur the most significant portion of restaurant- level preopening costs within the two months immediately preceding and the month of a restaurant' s opening. ~~Licensed~~ **8Licensed** LocationsWe currently have licensing agreements with three restaurant operators to develop and operate The Cheesecake Factory ® brand restaurants in selected international markets. Our licensees invest their capital to build and operate the restaurants, and we receive initial development fees, site and design fees and ongoing royalties based on our licensees' restaurant sales. In addition, these licensees purchase bakery products branded under The Cheesecake Factory ® mark from us. As of February ~~27~~ **26** , ~~2023~~ **2024** , our international licensees operated the following The Cheesecake Factory restaurants: Licensee Location Restaurant Location # of RestaurantsKuwait (1) Bahrain 1 Kingdom of Saudi Arabia 4 Kuwait 3 Qatar 3 United Arab Emirates 6Mexico (2) Mexico ~~7Hong~~ **8Hong** Kong (3) Beijing ~~1~~ **1Chengdu1** Hong Kong ~~1Macau1Shanghai3Total~~ **1Macau1Shanghai3Thailand1Total** ~~30~~ **33** (1) This licensee, or its affiliates, also has the right to develop restaurants in Egypt, with the opportunity to expand the agreement to include Algeria, Hungary, Iraq, Libya, Morocco, Poland, Russia, Slovakia, The Czech Republic, Tunisia, Turkey and Ukraine. (2) This licensee, or its affiliates, also has the right to develop restaurants in Chile, with the opportunity to expand the agreement to include Argentina, Brazil, Colombia and Peru. (3) This licensee, or its affiliates, also has the right to develop restaurants in ~~Thailand and~~ Taiwan, with the opportunity to expand the agreement to include Japan, South Korea, Malaysia and Singapore. We are actively working to extend and expand the agreements with our current licensees in their primary geographies and are also exploring potential opportunities to expand our licensing business ~~into Western Europe~~ . Our corporate infrastructure includes a dedicated global development team that works with our international licensees and coordinates the initial training, ongoing quality control, product specifications and brand oversight at our licensed locations. Our internal audit department also performs periodic reviews of our international licensees' compliance with our licensing agreements. As we evaluate other international markets, we will consider opportunities to directly operate certain locations and / or enter into licensing, joint venture or partnership arrangements with established third- party companies. We are selective in our assessment of potential partners and licensees, focusing on well- capitalized companies that have established business infrastructures, expertise in multiple countries, experience in operating upscale casual dining restaurants and sound governance practices. We look to associate with companies who will protect The Cheesecake Factory ® brand and operate the concept in a high- quality, consistent manner. Due to the complexities of opening The Cheesecake Factory restaurants in other countries, including, but not limited to, the selection and design of appropriate sites, construction of our complex restaurant designs, training of licensees' staff members, approval of supply sources and exportation of our bakery products to new countries, the number and timing of new openings in foreign countries may vary from expectations. ~~9Consumer~~ - **Consumer** Packaged GoodsGiven the strong affinity for The Cheesecake Factory ® brand, we leverage opportunities in the consumer packaged goods channel by partnering with **various** third- party manufacturers to offer a variety of products marketed under The Cheesecake Factory At Home ® mark, including our Famous " Brown Bread, " **which is** ~~refrigerated puddings and ice cream~~ available in select retail stores nationwide. We continue to evaluate other synergistic, on- brand licensing opportunities to add incremental revenue streams to our business. ~~North~~ **9North** Italia North Italia is a modern interpretation of Italian cooking in the upscale casual dining segment. North Italia strives to be a modern Italian restaurant with a neighborhood feel, offering classic Italian favorites with a fresh twist made from scratch daily. Contemporary design and décor elements including large dining rooms, high ceilings and open kitchen layouts coupled with a focus on exceptional hospitality and high- quality, personalized service creates a warm, lively atmosphere for guests to create memorable experiences. The menu features a broad selection of delicious, handcrafted dishes including appetizers, salads, fresh pastas, pizzas and entrees, and each restaurant includes unique menu items tailored to local markets. North Italia offers an assortment of wines, beers and house- made cocktails which represented ~~25~~ **24** % of North Italia sales in fiscal ~~2022~~ **2023** . The average check for each customer, including beverages and desserts, for fiscal ~~2022~~ **2023** averaged approximately $ ~~32~~ **33** . ~~00~~ **60** for lunch and approximately $ ~~41~~ **43** . ~~50~~ **25** for dinner. Our North Italia restaurants are generally open seven days a week for lunch, dinner and weekend brunch. Currently, we operate ~~33~~ **37** North Italia restaurants. With Italian cuisine the number one ethnic food category in the United States, coupled with strong national reception of the North Italia concept to- date, we believe there is potential for 200 domestic locations over time, which supports our plan for approximately 20 % average annual unit growth. Average sales per ~~mature~~ location ~~, defined as~~ open **for the full year** ~~prior to 2020 and adjusted to exclude impaired locations,~~ for North Italia restaurants were approximately $ **7.** 8 ~~. 0~~ million for fiscal ~~2022~~ **2023** , or approximately $ 1, ~~300~~ **200** per productive square foot ~~on a 53- week basis~~ . We target an average North Italia unit size of 6, 000 to 7 ~~,000 square feet,and total construction costs average approximately $ 800 per interior square foot~~ .Restaurant- level preopening costs for a typical location in an established market average approximately $ 0. ~~6~~ **5** million to $ 0. ~~8~~ **7** million and include all costs to relocate and compensate restaurant management staff members during the preopening period,costs to recruit and train hourly restaurant staff members,and wages,travel and lodging costs for our opening training team and other support staff members. **Fox Restaurant ConceptsFRC operates as an independent subsidiary in Phoenix,Arizona and serves as an incubation engine,innovating new food,dining and hospitality experiences to create fresh,exciting concepts for the future.With over a dozen evolving restaurant brands launched to- date,its concepts are diverse in industry segment,occasions,square footage and geography.FRC' s largest concept,** Flower Child **,** ~~and Fox Restaurant ConceptsFlower Child~~ operates in the fast casual dining segment,offering a customizable menu,made fresh from scratch,featuring locally- sourced,all- natural and organic ingredients.Flower Child ~~provides~~ **is a potential opportunity for** us ~~an opportunity~~ to diversify our portfolio in a strong and growing niche. **Other FRC potential growth concepts include Culinary Dropout and Blanco,which together with the other FRC brands,serve as an ecosystem for talent,menu and design development.** Currently,we operate ~~32~~ **30 and 35** Flower Child **and other FRC** locations ~~and~~ **,respectively.We** target approximately 15 % to 20 % average annual unit growth for ~~this~~ **the aggregate FRC portfolio,driven primarily by the anticipated growth of Flower Child,complemented by additional market tests of the potential growth** ~~concept~~ **concepts** .Average sales per location open for the full year for the

FRC ~~Flower Child~~ restaurants were approximately $ ~~4~~ **5** . **8 million for fiscal 2022,or approximately $** 1 ~~million for fiscal 2023~~ , **000** ~~or approximately $ 1,100~~ per interior square foot. **FRC** ~~We target an average Flower Child~~ unit ~~size~~ **sizes** ~~of~~ **range from approximately** 3, ~~000~~ **500** to ~~4~~ **15** ,000 square feet,and total construction costs average approximately $ ~~700~~ **500** per interior square foot ~~.FRC operates as an independent subsidiary in Phoenix,Arizona and serves as an incubation engine,innovating new food,dining and hospitality experiences to create fresh,exciting concepts.With over a dozen evolving restaurant brands launched to- date,its concepts are diverse in industry segment,occasions,square footage and geography.Other FRC potential growth concepts include Culinary Dropout and Blanco,which together with the other FRC brands,serve as an ecosystem for talent,menu and design development.Currently,we operate 41 Other FRC locations.We target approximately 10 % to 15 % average~~ , 000 square feet, and total construction costs average approximately $ 650 per interior square foot . Restaurant-level preopening costs for...... approximately $ 500 per interior square foot , depending on the concept. Bakery OperationsWe own and operate two bakery production facilities, one in Calabasas Hills, California, and one in Rocky Mount, North Carolina. Our facility in California accommodates both production operations and corporate support personnel, while our facility in North Carolina houses production operations and a distribution center **. In October 2023, we announced plans for a third bakery production facility in Charleston, Indiana** . We produce approximately 60 varieties of proprietary cheesecakes and other baked desserts using high- quality ingredients for The Cheesecake Factory restaurants and for international licensees and third-party customers. ~~10The~~ -- **The** primary role of our bakery operations is to produce innovative, high- quality cheesecakes and other baked desserts for sale at our restaurants and those of our international licensees. Integration of this vital part of our brand gives us control over the creativity and quality of our desserts and is also more profitable than buying from a third party. We also leverage The Cheesecake Factory brand identity and utilize our bakery production capacity by selling cheesecakes and other baked products to external foodservice operators, retailers and distributors. Current large- account customers include retail and supermarkets, foodservice distributors and operators, a national retail bookstore, other restaurants and national warehouse clubs. Additionally, we currently sell a selection of our cakes online and in catalogs domestically through an agreement with an upscale retailer. Items produced for outside ~~accounts~~ **10accounts** are marketed under The Cheesecake Factory At Home ® and The Cheesecake Factory Bakery ® marks, as well as private labels. We sell baked goods internationally in approximately ~~20~~ **15** countries under The Cheesecake Factory At Home ® mark. Offering our cheesecakes and other baked desserts internationally is important to our branding, creating awareness and driving demand, not only for bakery products but for the international expansion of our restaurants. Human CapitalAt the heart of our culture is the belief that our people are the foundation of our success. We depend on our staff members to effectively execute all aspects of our day- to- day operations that differentiate our concepts. Our ability to attract highly motivated staff members and retain an engaged, experienced team is key to successful execution of our strategy. While we continue to operate in a competitive labor environment, we believe our people practices contribute significantly to our ability to attract talent and to The Cheesecake Factory restaurants' historically industry- leading retention rates. Retention and engagement of our staff members is fostered by our investment and support particularly in the following areas: CultureCultivating and maintaining our culture is a key strategic focus. Our core values and purpose reflect who we are and how our staff members interact with one another, as well as with our customers and other external stakeholders. Our purpose – to nurture bodies, minds, hearts and spirits – and our values – quality in everything we do; passion for excellence; integrity, respect and responsibility; people – our greatest resource; service- mindedness; dynamic leadership; high performance and create a sustainable future – are the foundation of our company culture. We seek to embed our purpose in everything we do by cultivating a sense of pride and belonging to the Company and our brands. We are proud of the way our people nurture one another and extend that nurturing to our customers and communities. We believe our efforts to build and maintain a strong culture have contributed to ~~two~~ **three** notable recognitions in ~~2022~~ **2023** . We were named to the FORTUNE 100 Best Companies to Work For ® list for a ~~ninth~~ **tenth** consecutive year ~~and~~ **,** the PEOPLE Companies that Care ® list for a ~~second~~ **third** consecutive year ~~for Millennials List for a seventh year~~ .Development and TrainingWe invest significant resources to ensure our people receive,what we believe is industry- leading training in order to maximize their potential ~~.We strive to provide our staff with career advancement opportunities,and our fiscal 2023 internal management promotion rate at The Cheesecake Factory and North Italia concepts was 41 %~~ .Our hourly staff members and managers receive a considerable amount of training through a combination of in- person learning and development and online coursework.In addition to company- provided job training,we encourage the pursuit of educational opportunities at The Cheesecake Factory and North Italia restaurants ~~for all hourly staff members~~ through free high school equivalency and associate degree programs. **In 2022,we expanded availability of these programs to include all hourly staff members (previously,only kitchen staff were eligible).** We also **strive** ~~offer a limited education reimbursement~~ to **provide** our staff ~~seeking post-~~ **with career advancement opportunities,and our fiscal 2022 internal management promotion rate at The Cheesecake Factory and North Italia concepts was 53 %** . Diversity, Equity, Inclusion and BelongingWe strive to offer an atmosphere of inclusion and belonging for all. We believe the cultural alignment we **seek to** cultivate around respect and inclusion builds trust and promotes teamwork to achieve our common goals. Furthermore, when our people feel valued and respected for their worth as individuals, they are better able to maximize their potential at work and more likely to share their perspectives, opinions and ideas, which contributes to our ability to innovate. We created our Diversity, Equity, Inclusion and Belonging working group to help provide focus, feedback and ideas in this important area. **We conduct** ~~11We are committed to providing equal opportunities and seek to ensure there is equity in hiring, development and advancement. In 2022, we continued our~~ inclusive leadership training for above- restaurant leadership and restaurant managers and **regularly** ~~reviewed~~ -- **review** our interview processes for key above- restaurant leadership to enhance opportunity and development for candidates at The Cheesecake Factory and North Italia concepts. We also **offer** ~~sponsored developmental~~ support groups ~~,~~ such as The Cheesecake Factory Women' s Network Group **and** ~~, with~~ the ~~goal of advancing women into senior- level positions. Our~~ Female Kitchen Leader' s Program ~~paired new female~~ **, that provides qualified high potential** managers with **programing** ~~an~~ **and** ~~advisor~~ **events** to **spend time** ~~provide extra support~~ with ~~navigating kitchen~~

~~environments~~ **each other to network and also meet organizational leaders. Another example is the Diverse Leaders Program** , which ~~tend to be predominantly male. The Leaders of Color Program provided~~ **provides** networking and development opportunities for managers from diverse racial or ethnic groups. As of January ~~3~~ **2** , ~~2023~~ **2024** , approximately ~~47~~ **1147** % of The Cheesecake Factory and North Italia staff members were women and approximately ~~72~~ **73** % of ~~our~~ The Cheesecake Factory and North Italia staff members were racially or ethnically diverse. Further details on representation can be found in ~~the~~ **our most recent** CSR Report (see " Corporate Social Responsibility " below). ~~To enhance opportunity and development for participants in these groups, we reinstated certain programs in 2022 that had been paused during the COVID- 19 pandemic, such as in- person conferences.~~ We are committed to conducting pay analyses among our The Cheesecake Factory and North Italia restaurants, as well as our bakery and corporate teams, to help ~~ensure~~ **evaluate** that we are paying fairly and equitably. **We** ~~In 2021, we retained a third- party consulting firm to conduct an independent pay equity analysis of our area managers, restaurant managers, corporate field and corporate support center staff to identify risks and determine if there were unexplained base pay gaps in our organization by gender or race. To help ensure that we are paying fairly and equitably, we~~ are committed to conducting both internal reviews and external third- party audits and verification **to inform this evaluation** . We have also trained our recruiters to help enable them to identify and address pay equity issues during the hiring process utilizing internal reporting and partnership with the compensation team . Development and TrainingWe invest significant resources...... and North Italia concepts was 53 % . Benefits and WellnessWe believe access to healthcare is a compelling benefit for many staff members, and we offer healthcare benefits to our hourly staff members who work a minimum of 25 hours per week, on average. We provide a robust suite of benefits and wellness offerings, including free mental health resources, free tutoring to support our staff and managers, and access to chronic disease care management, substance abuse treatment, a maternal health program, financial wellness resources and adoption assistance. The Cheesecake Factory and North Italia staff, as well as our bakery and corporate teams, have paid sick time available to them starting at hire and are eligible to earn vacation time. ~~Our continued management of human capital related to the COVID- 19 pandemic during fiscal 2022 focused on keeping our teams and customers safe, adhering to local requirements and providing paid time off for our hourly staff and managers to care for their health. In fiscal 2022, we also sought to provide staff with additional benefit through implementation of an earned wage access program that allows staff who qualify to receive up to 50 % of their earned wages the day after they work a shift.~~ ~~12Employee~~ -- **Employee** EngagementAs of January ~~3~~ **2** , ~~2023~~ **2024** , we employed approximately 47, ~~500~~ **900** people, with approximately 46, ~~000~~ **250** in our restaurants and the remainder in our corporate support center, FRC headquarters and bakery operations. We believe that engaging our workforce is a key factor in our business success and in turn, have developed programs to promote enthusiasm and commitment, while providing a sense of belonging. We measure our performance in this area through an annual engagement survey and pulse surveys throughout the year. These surveys give staff company- wide the opportunity to share honest feedback about their work experience. Based on survey results, leaders across the Company are tasked with responsibility for creating action plans to address and respond to staff feedback. Listening to our staff members is an essential part of building an engaged workforce, and we provide additional avenues for staff to share their ideas and concerns, including our internal crowdsourcing innovation website and our Careline, which staff can use to confidentially express their concerns, as well as restaurant townhalls where our staff can bring their ideas and concerns forward. Our staff members are not covered by any collective bargaining agreements, and we consider our staff member relations to be good. A significant part of our employee engagement strategy involves staff appreciation and recognition efforts. **We hold** ~~After pausing them during the pandemic, we reinstated~~ key cultural events such as our week- long team appreciation celebrations, manager recognitions, Commitment to Excellence staff member awards and new menu rollout all- staff meetings. Giving Back Another key aspect of our culture is giving back to the communities where our staff live and work, as well as uniting our staff members around charitable causes personal to them. We provide donations to Feeding America and participate in their annual campaign as an opportunity to engage our teams in a culturally- aligning company- wide service program. We have similarly promoted our teams' participation in community volunteer events, and through our gift card program, we contribute to local fundraising events for community non- profit organizations. Additionally, we provide a method for our staff members to assist other staff members in need through our The Cheesecake Factory " HELP " fund. We also participate in a nationwide food donation program which redirects surplus food away from landfills to local food banks and non- profit organizations, and believe our sustainability programs and initiatives like restaurant- based composting and recycling and replacing our off- premise packaging with materials that reduce the use of plastics and improve recyclability serve to foster pride in our staff. ~~Corporate~~ **12Corporate** Social ResponsibilityFor us, the term " Corporate Social Responsibility " or " CSR " informs how we operate in relation to our people and communities, natural environment and our supply chain. We evaluate our business and how we operate our corporate- owned restaurants in an effort to identify, create and implement meaningful and sustained change. The Corporate Governance and Nominating Committee of our Board is responsible for reviewing the Company' s sustainability and CSR policies. For more information, please review our **most recent** CSR report on the Corporate Social Responsibility page on our website at www. thecheesecakefactory. com. The contents of the CSR report and our website are **expressly** not incorporated by reference into this Form 10- K. Purchasing and DistributionOur purchasing philosophy is designed to procure quality ingredients, supplies and services for our operations from reliable sources at competitive prices and consistent with our sustainability goals. We research and evaluate various ingredients and products in an effort to maintain high quality, be responsive to changing consumer tastes and manage costs. Should any items from a particular supply source become unavailable, we generally believe that these items could be obtained, or alternative products substituted, in sufficient quantities from other sources to allow us to avoid any long- term material adverse effects that could be caused by such unavailability. ~~13In~~ **In** order to maximize purchasing efficiencies and to obtain the freshest ingredients that meet our required standards, each restaurant' s management determines the quantities of food and supplies needed for their location and orders the items from qualified local, regional, national and international suppliers based upon specifications determined and terms negotiated at a corporate level. We strive to maintain restaurant- level inventories at a minimum dollar level in relation to sales due to the relatively rapid turnover of the perishable commodities we use in our operations, coupled with the limited storage space at our restaurants. Independent foodservice distributors, including the largest foodservice distributor in North America, deliver most items multiple times per week to our restaurants. The cost of products and services used in our operations are subject to volatility due to the relative availability of labor and distribution, weather, natural disasters, inventory levels and other supply and / or demand impacting events such as ~~the COVID- 19 pandemic~~ **pandemics** , geopolitical events, economic conditions or other unforeseen circumstances. Climate change may further exacerbate a number of these factors. During fiscal 2021, we began to experience certain supply shortages and transportation delays largely attributable to impacts of the COVID- 19 pandemic. These shortages continued in fiscal 2022 and were exacerbated by geopolitical unrest. The aggregate impact of these and other factors contributed to significant cost inflation. **While we have seen improvements in many of these areas, the absolute level of commodity costs has remained elevated contributing to ongoing inflation above historic levels.** We attempt to negotiate short- term and long- term agreements for some of our principal commodity, supply and equipment requirements, such as certain dairy products and poultry, depending on market conditions and expected demand. While we are in the process of contracting for certain key food and non- food supplies for fiscal ~~2023~~ **2024** , these efforts may not be successful or yield our intended benefits. We continue to evaluate the possibility of entering into similar arrangements for other commodities and periodically evaluate hedging vehicles, such as direct financial instruments, to assist us in managing risk and variability associated with such commodities. As of the end of fiscal ~~2022~~ **2023** , we had no **financial** hedging contracts in place. Information TechnologyOur technology- enabled business solutions are designed to provide effective financial controls, cost management, improved efficiencies and enhanced customer experience. Our business intelligence solution and data warehouse architecture provide corporate and restaurant management with information and insights into key operational metrics and performance indicators. This framework delivers enterprise reporting, dashboards and analytics, and allows access to metrics such as quote and wait time accuracy, staff member retention trends, and restaurant quality and service analyses. ~~Our~~ **13Our** restaurant systems are designed to enhance the guest experience, protect guest information and allow our staff to focus on delivering the best experience possible. We have implemented systems for touchless / online menu, ordering and payment, inventory management, labor management, recipe management, kitchen order orchestration and table management. Our kitchen order orchestration tool is designed to route items in such a way that balances the workload across multiple stations to ensure our guests receive the highest quality menu items. Our labor management tool delivers optimized scheduling based on business demands and staff availability coupled with web and app- based access delivering flexibility to our staff. Guest payment data is of the utmost importance, and we employ measures to help ensure every payment is secured and encrypted. Information and ~~data security~~ **cybersecurity** is a priority for us and is led by **a multi- disciplinary security team, overseen by** our ~~information technology department in conjunction with an~~ interdepartmental ~~information~~ **Information** ~~security~~ **Security** ~~council~~ **Council** representing our key functional areas. We ~~employ~~ **have developed and implemented** a ~~multi- discipline security approach to recognize, manage and resolve~~ cybersecurity **risk management program intended** ~~threats, and require cybersecurity awareness training for all staff members with access~~ to **protect the confidentiality, integrity and availability of** our ~~cyber~~ **critical** systems ~~. This approach includes continuous monitoring~~ and **information** ~~detection programs, network security precautions, encryption of critical data, and in- depth security assessment of vendors and incident response guidelines~~ . We continue to invest and innovate around the areas of protection of systems, sensitive data, technology, and processes using third- party and in- house tools and resources. We remain focused on protecting against new and emerging risks utilizing our tools and security teams and continue to review and make strategic investments in our systems **intended** to help keep the Company' s, our guests', and our team members' data secure. **(See Item 1C – Cybersecurity of this report** ~~We maintain a disaster recovery plan and protect against business interruption by backing up our major systems. In addition, we periodically scan our environment~~ for **further discussion on** ~~any vulnerability, perform penetration testing and engage third parties to assess the effectiveness of our data security practices. A third party conducts regular network security reviews, scans, and audits. The Audit Committee of the Board of Directors reviews with management steps the Company has taken to monitor or~~ **our** ~~mitigate significant~~ cybersecurity ~~risk and the effectiveness of these practices~~ . **)** ~~14Marketing~~ -- **Marketing** and AdvertisingThe Cheesecake FactoryWe rely on our reputation, as well as our high- profile locations, media exposure and positive " word of mouth, " to maintain and grow market share. Historically, we have not used significant paid national advertising through television, radio or print, nor significant discounting for on- premise dining occasions. We utilize a social media and digital marketing strategy that allows us to engage regularly with our customers outside of our restaurants, including communication and paid advertising on social media platforms such as Instagram ® and TikTok ® and other, influencer marketing, Google search advertising and direct email to customers. We refreshed our website in 2022, including our online ordering capabilities. We **launched our Cheesecake** ~~also are currently testing a guest rewards~~ **RewardsTM** program ~~pilot for potential national~~ **nationally** ~~rollout~~ in 2023 **with the objective to leverage data analytics and insights to engage more effectively with our guests and drive incremental sales while maintaining our restaurant level margins** . Public relations is another important aspect of our marketing approach, and we frequently appear on local and national television in connection with a variety of promotional opportunities, such as National Cheesecake Day, to perform cooking demonstrations and other brand- building exposure. We generated approximately ~~8~~ **15** . ~~5~~ **1** billion media impressions in fiscal ~~2022~~ **2023** at minimal cost to us. To raise awareness in the off- premise channel, we execute marketing campaigns with our third- party delivery provider and through our online ordering platform. In addition, we work with several premiere third- party gift card distributors, contributing to our brand awareness and gift card sales, as well as our consumer packaged goods licensees on co- branded marketing campaigns. Our international licensees are committed to opening each new restaurant with marketing that can be comprised of a mix of elements including print, billboards, digital and radio. We maintain final approval of our licensees' marketing campaigns and social media posts to promote consistency in the look and feel of marketing efforts including our brand, domestically and abroad. North Italia and FRCNorth Italia and FRC execute localized marketing programs focused on awareness, frequency and brand engagement through a variety of channels, including store- level marketing, public relations, in- store events, digital advertising, email programs and social media. Each restaurant is positioned as an individual brand with a neighborhood connection. Additionally, the restaurant interiors and exteriors are utilized for brand engagement and messaging through art and graphics, creating an important part of a brand experience for the customer. We believe minimal discounts ensure compelling brand proposition for experience and value. Seasonality and Quarterly ResultsWhile seasonal fluctuations generally do not have a material impact on our quarterly results, year- over- year comparisons can be significantly impacted by factors such as significant differences in year- over- year inflation, the number and timing of new restaurant openings and associated preopening costs, the timing of holidays, inclement weather and the additional week in a 53- week ~~fiscal~~ **14fiscal** year. Therefore, our financial results for any quarter or fiscal year are not necessarily indicative of the results that may be achieved for the full fiscal year or subsequent fiscal years. Food Safety and Quality AssuranceOur food safety processes and systems are designed to mitigate the risk of contamination and illness and to ensure compliance with regulatory requirements as well as industry standards. Adherence is monitored through routine restaurant management reviews, third- party health inspection / food safety audits and regulatory agency inspections. In addition, our bakery facilities are Safe Quality Food certified in alignment with the Global Food Safety Initiative' s Global Markets Program. Our restaurants and bakery facilities also follow regulatory guidelines required for conducting and managing ingredient and product traceability. We utilize a web- based solution to efficiently contact our restaurants and monitor progress in the event of a product withdrawal or recall. In selecting suppliers, we utilize key performance indicators relating to sanitation, operations and facility management, good manufacturing and agricultural practices, product protection, government inspections and compliance, recovery and food security. We perform annual food safety and quality system audits for certain suppliers, while others are audited every other year or as needed. ~~15Government~~ -- **Government** Laws and RegulationsOur Company is subject to numerous federal, state, local and foreign laws and regulations. Each of our restaurants is subject to various laws and regulations, including license and permit requirements, that regulate many aspects of our business, including, among other things, alcoholic beverage control, health, sanitation, labor, immigration, zoning and public safety. We are also subject to various environmental regulations governing areas such as water usage, sanitation disposal and transportation mitigation. Our international business exposes us to additional laws and regulations, including, without limitation, antitrust and tax requirements, anti- boycott legislation, import / export and customs regulations and other international trade regulations, **privacy laws that may differ from U. S.** privacy laws, anti- terrorism laws and anti- corruption laws. As a provider of food products, we are subject to a comprehensive regulatory framework that governs the manufacture (including composition and ingredients), labeling, packaging and safety of food. In order to serve alcoholic beverages in our restaurants or off- premise where permitted, we must comply with alcoholic beverage control regulations which require us to apply to a state **and /** or other governmental alcoholic beverage control authority for licenses and permits. In addition, we are subject to dram shop statutes in most of the jurisdictions in which we operate, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Dram shop litigation may result in significant judgments, including punitive damages. We attempt to mitigate this risk by carrying liquor liability insurance coverage. Various federal, state, local and foreign laws and regulations govern our operations as they relate to our staff members, including such matters as minimum wages, breaks, scheduling, exempt classifications, equal pay, overtime, tip credits, fringe benefits, leaves, safety, working conditions, provision of health insurance ~~, the COVID- 19 pandemic~~ and citizenship or work authorization requirements. We must also comply with local, state and federal laws and regulations protecting the right to equal employment opportunities and prohibiting discrimination and harassment in the workplace. We regularly review and update our training and awareness programs addressing these concerns. We are also subject to the regulations of the Department of Homeland Security, the U. S. Citizenship and Immigration Services and U. S. Immigration and Customs Enforcement. Our facilities must comply with applicable requirements of the Americans with Disabilities Act of 1990 (" ADA ") and related federal, state and foreign laws and regulations which prohibit discrimination on the basis of disability with respect to public accommodations and employment. We take steps to ensure our places of public accommodation and our website comply with the requirements of the ADA and related state and local laws and regulations. We also make reasonable accommodations for the employment of disabled persons as required by applicable laws and regulations. A significant number of our hourly restaurant staff members receive income from gratuities. In the United States, many of our locations **currently** participate ~~voluntarily~~ in a Tip Reporting Alternative Commitment (" TRAC ") agreement with the Internal Revenue Service (" IRS ") **and we intend to apply to participate in any successor program to TRAC** . By complying with the educational and ~~other~~ **15other** requirements of the TRAC agreement **(or its successor)** , we reduce the likelihood of potential employer- only FICA tax assessments for unreported tips. We are subject to laws and regulations relating to information security, privacy, cashless payments and consumer credit ~~,~~ protection and fraud. We make efforts to comply with an increasing number of data privacy laws, regulations and industry standards regarding the protection of personally identifiable information and protected health information. Trade Names, Trademarks and Other Intellectual PropertyWe own and have applied to register trade names, logos, service marks, trademarks, copyrights and other intellectual property (collectively, " Intellectual Property ") in the United States, Canada and in additional countries throughout the world in various categories, including without limitation, restaurant services and bakery goods. We regard our Intellectual Property, including " The Cheesecake Factory, " " North Italia, " and a collection with the Fox Restaurant Concepts subsidiary, as well as our trade dress, as having substantial value and as being important to our marketing efforts. Our policy is to pursue registration of our important Intellectual Property whenever commercially feasible and to vigorously oppose any infringement of it. Generally, with appropriate renewal and use, the registration of our Intellectual Property will continue indefinitely. We have also registered various internet domain names, including, " www. thecheesecakefactory. com, " " www. northitalia. com, " and " www. foxrc. com. " ~~16Executive~~ -- **Executive** Officers of the RegistrantDavid Overton, age ~~76~~ **77** , serves as our Chairman of the Board and Chief Executive Officer. Mr.

Overton co- founded our predecessor company in 1972 with his parents, Oscar and Evelyn Overton. He is also a founding member and director of our Foundation. David M. Gordon, age ~~58~~ **59** , was appointed President of the Company in February 2013. Mr. Gordon joined our Company in 1993 as a Manager and held operational positions, including General Manager, Area Director of Operations, Regional Vice President and Chief Operating Officer prior to his appointment as President. He is also a director of our Foundation. Matthew E. Clark, age ~~53~~ **54** , was appointed Executive Vice President and Chief Financial Officer in 2017. Mr. Clark joined our Company in 2006 as Vice President of Strategic Planning and most recently oversaw the strategy, financial planning, treasury and risk management functions as Senior Vice President, Finance and Strategy. Earlier in his career, Mr. Clark held a number of finance positions of increasing responsibility at Groupe Danone, Kinko' s and The Walt Disney Company. He is also **a** ~~an advisory~~ director of our Foundation. Keith T. Carango, age ~~61~~ **62** , serves as President of The Cheesecake Factory Bakery Incorporated, our bakery subsidiary. Mr. Carango joined our bakery operations in 1996 to lead manufacturing and provide continuous improvement to the bakery operation. In his most recent role of Senior Vice President and Chief Operating Officer, he oversaw strategic planning, supply chain, manufacturing, distribution, human resources, quality assurance and finance. Prior to joining the Company, he held manufacturing and finance roles at Frito- Lay, Inc. and Prince Foods. Scarlett May, age ~~56~~ **57** , serves as our Executive Vice President, General Counsel and Secretary. Ms. May joined our Company in 2018, from Brinker International, Inc., where she served as Senior Vice President, General Counsel and Secretary from 2014 to 2018. Prior to that, she was Senior Vice President, Chief Legal Officer and Secretary for Ruby Tuesday, Inc. following her earlier career in private practice. ~~ITEM~~ **16ITEM** 1A. RISK FACTORSAn investment in our common stock involves risks and uncertainties. In addition to the information contained elsewhere in this Annual Report on Form 10- K and other filings that we make with the SEC, you should carefully read and consider the risks described below before making an investment decision. The occurrence of any of the following risks could materially harm our business, operating results, earnings per share, financial position, cash flows and / or the trading price of our common stock (individually and collectively referred to as our " financial performance ~~.~~") **.** In addition, our actual financial performance could vary materially from any results expressed or implied by forward- looking statements contained in this report, in any of our other filings with the SEC and other communications by us, both written and oral, depending on a variety of factors, including the risks and uncertainties described below. It is not possible for us to predict all possible risk factors or the impact these factors could have on us or the extent to which any one factor, or combination of factors, may materially adversely affect our financial performance. The risk factors set forth below are not guarantees that no such conditions exist as of the date of this report and should not be interpreted as an affirmative statement that such risks or conditions have not materialized, in whole or in part. Risks Related to the ~~COVID- 19 Pandemic~~ **Restaurant IndustryThe impact global** and ~~Other~~ **domestic economic conditions have on consumer discretionary spending and our costs of operations could materially adversely affect our financial performance.** Geopolitical and ~~Macroeconomic~~ **macroeconomic** ~~Events~~ **events** ~~The~~ **have impacted consumer spending and our costs of operations and may continue to do so for some time in the future. Dining out is a discretionary expenditure that is influenced by domestic and global economic conditions, including, but not limited to: geopolitical instability, including armed conflicts, supply shortages, interest rates (including recent interest rates above historical norms), unemployment, significant cost inflation, health emergencies including the** COVID- 19 pandemic ~~significantly disrupted~~ **, consumer confidence, consumer purchasing and saving habits, credit conditions, stock market performance, home values, population growth, household incomes and tax policy. Material changes to governmental policy related to domestic and international fiscal concerns, and /** ~~our~~ - **or** ~~business and its ongoing~~ **changes in central bank policies with respect to monetary policy, also could** ~~effects~~ - **affect consumer discretionary spending. Any factor affecting consumer discretionary spending may influence customer traffic in our restaurants** and ~~other geopolitical and macroeconomic events are~~ **average check amount, thus potentially** having **a material** ~~and may continue to have an adverse~~ impact on our ~~operating environment~~ **financial performance** . **Global** ~~We have experienced significant disruptions to our business as federal, state~~ and **domestic economic conditions also** ~~local restrictions have fluctuated over time to mitigate the spread of the COVID- 19 virus. While most of our restaurants operated with no restrictions on indoor dining during fiscal years 2021 and 2022, our revenues were negatively impacted~~ -- **impact** ~~during periods of accelerating case counts during which we incurred increased restaurant staff absenteeism and temporary shifts in consumer behavior, such as changes in customer traffic or~~ **our** ~~the mix between on- premise and off- premise channels. We have incurred and may continue to incur additional~~ costs ~~to address government regulations and the safety~~ of **operations** ~~our staff members and customers. 17In addition, we experienced labor shortfalls relative to our sales levels in certain parts of our workforce and / or geographies as we reopened our dining rooms after the lifting of mandatory social- distancing regulations related to the COVID- 19 pandemic~~ . During fiscal 2021, we ~~also~~ began to experience certain supply shortages and transportation delays largely attributable to impacts of the COVID- 19 pandemic. These shortages continued in fiscal 2022 and were exacerbated by geopolitical unrest ~~. The aggregate impact of these~~ and other ~~geopolitical and~~ macroeconomic factors **, which** contributed to ~~significantly~~ -- **significant** ~~increased~~ **cost inflation. While we have seen improvements in many of these areas, the absolute level of** commodity ~~and wage inflation and other increased~~ costs ~~. We have also encountered delays in opening new restaurants due to supply chain challenges, as~~ **has remained elevated** ~~well as to longer lead times in obtaining licenses and permits and in the timeline required to complete the overall leasing process with landlords~~ . The ongoing ~~effects~~ **impact** of ~~COVID- 19 and its variants, along with other~~ geopolitical and macroeconomic events could lead to further ~~government mandates, including but not limited to capacity restrictions,~~ shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in the supply chain and delay in new restaurant openings. ~~If~~ **Any of** these factors ~~significantly impact our cash flow in the future, we may again implement mitigation actions such as suspending share repurchases, not declaring future dividends, increasing borrowings under our credit facility or modifying our operating strategies. Any of these measures~~ may have an adverse impact on our business and materially adversely affect our financial performance. ~~Risks Related~~ **Our inability** to ~~the~~ **grow comparable** ~~Restaurant~~ **restaurant** ~~IndustryThe~~

sales could materially adversely affect our financial performance. We strive to increase comparable restaurant sales by improving customer traffic trends and growing average check. Changes in customer traffic and average check amount may be impacted by a variety of factors, including, without limitation: macroeconomic conditions that impact consumer discretionary spending (See the risk factor titled " The impact global and domestic economic conditions have on consumer discretionary spending could materially adversely affect our financial performance. **"** ~~The COVID- 19 pandemic and other geopolitical and macroeconomic events have had a significant impact on global and domestic economies and will likely continue to do so for some time in the future. Dining out is a discretionary expenditure that historically has been influenced by domestic and global economic conditions, including, but not limited to: the COVID- 19 pandemic, geopolitical instability, including armed conflicts, supply shortages, interest rates above recent historical norms, unemployment, significant cost inflation, consumer confidence, consumer purchasing and saving habits, credit conditions, stock market performance, home values, population growth, household incomes and tax policy. Material changes to governmental policy related to domestic and international fiscal concerns, and / or changes in central bank policies with respect to monetary policy, also could affect consumer discretionary spending. Any factor affecting consumer discretionary spending may influence customer traffic in our restaurants and average check amount, thus potentially having a material impact on our financial performance. Our inability to grow comparable restaurant sales could materially adversely affect our financial performance. We strive to increase comparable restaurant sales by improving customer traffic trends and growing average check. Changes in customer traffic and average check amount may be impacted by a variety of factors, including, without limitation: macroeconomic conditions that impact consumer discretionary spending (such as significant cost inflation and interest rates above recent historical norms~~); perception of our concepts' offerings in terms of quality, price, value and service; increased competition; changes in consumer eating habits; the evolving retail landscape, which is becoming increasingly influenced by technology and a growing consumer preference for convenience, value and experience; adverse weather conditions; and demographic, economic and other adverse changes in the trade areas in which our restaurants are located and changes in the regulatory environment. We compete directly and indirectly for customer traffic with national and regional casual dining restaurant chains, as well as independently- owned restaurants. In addition, we face competition from fast casual and quick- service restaurants, grocery stores and meal kits that have increased the quality and variety of their food products in response to consumer demand. We believe that many consumers remain focused on value and if our competitors ~~, many of whom have significantly greater resources to market aggressively to customers,~~ promote and deliver a higher degree of perceived value, our customer traffic could suffer. ~~We~~ **17We** utilize menu price increases in an effort to **help** offset inflation of key operating costs. However, our menu price increases may be insufficient to meaningfully offset increased costs and may, if not accepted by customers, result in reduced customer traffic and unfavorable menu mix shifts (i. e. customers reducing their spend by purchasing fewer menu items or lower cost menu items). These risks became more pronounced **during** fiscal 2022 **and 2023** , as persistent supply shortages and a ~~worsening~~ **heightened** inflationary environment significantly increased our costs causing us to implement pricing actions above our historical levels to **help** protect margins. (See **the** ~~Item 1A- Risk~~ **risk** ~~Factors -~~ **factor** ~~—~~**titled** " Our inability to anticipate and react effectively to changes in the costs of key operating resources may increase our cost of doing business, which could materially adversely affect our financial performance. ") ~~18In~~ **In** recent years **, generally beginning with the COVID- 19 pandemic,** we have generated a higher mix of sales from off- premise channels as consumers have ~~increasingly~~ demonstrated a preference for convenience and at- home dining ~~due to COVID- 19~~ . Growing competition in off- premise channels ~~or~~ **,** our inability to differentiate our concepts in these channels **or a change in customers' willingness to pay fees associated with third- party delivery** could negatively impact our comparable restaurant sales performance. If we are unable to protect our reputation, the value of our brands and sales at our restaurants may be negatively impacted, which could materially adversely affect our financial performance. Our greatest asset is the value of our brands, which is directly linked to our reputation. We must protect our reputation in order to continue to be successful and to grow the value of our brands domestically and internationally. Negative publicity directed at any of our brands, regardless of factual basis, such as relating to the quality of our restaurant food or consumer packaged goods, the quality of our restaurant facilities, customer complaints or litigation alleging injury or food- borne illnesses, food tampering or contamination or poor health inspection scores, sanitary or other issues with respect to food processing by us or our suppliers, the condition of our restaurants, labor relations, any failure to comply with applicable regulations or standards, allegations of harassment or disparate treatment based upon race, gender **, gender identity** , national origin, religion or other class, allegations of sexual harassment, politically motivated accusations or other negative publicity, could damage our reputation. Any failure of our third- party delivery provider to represent our brands in a favorable manner could damage our reputation. These concerns are exacerbated by the speed with which negative information can be disseminated through social media. (See **the** ~~Item 1A — Risk~~ **risk** ~~Factors -~~ **factor** ~~—~~ **titled** " Any inability to effectively use and manage social media could harm our marketing efforts as well as our reputation, which could materially adversely affect our financial performance. ") Negative publicity about us could harm our reputation and damage the value of our brands, which could materially adversely affect our financial performance. Over the past several years we have experienced and continue to experience significant labor cost inflation, which has and may continue to significantly increase our cost of doing business. Low unemployment coupled with increases in minimum wages **(including increased minimum wages in industries with which we compete for talent)** and minimum tip credit wages, extensions of personal and other leave policies, other governmental regulations affecting labor costs, reduced levels of legal immigration and a diminishing pool of potential staff members, which has been exacerbated by potential staff members choosing to exit the workforce, in general and **in the** hospitality industry, in particular, especially in certain localities, have and may continue to significantly increase our labor costs and make it more difficult to fully staff our restaurants, any of which could materially adversely affect our financial performance. ~~We~~ **Certain state and localities have significantly increased their minimum wage and / or tip credit wage (or have eliminated the tip credit wage), and require significantly more mandated benefits, and we** believe it is becoming increasing likely that the United States federal government **or certain**

other states and localities will **also elect to do so** ~~significantly increase the federal minimum wage and tip credit wage (or eliminate the tip credit wage) and require significantly more mandated benefits than what is currently required under federal law~~ . Should this occur, **in** ~~other jurisdictions that have historically mandated higher wages and greater benefits than what is required under federal law may seek to further increase wages and mandated benefits. In~~ addition to increasing the overall wages paid to our minimum wage and tip credit wage earners, these increases create pressure to increase wages and other benefits paid to other staff members who, in recognition of their tenure, performance, job responsibilities and other similar considerations, historically received a rate of pay exceeding the applicable minimum wage or minimum tip credit wage. Because we employ a large workforce, any wage ~~increase~~ **increases** and / or expansion of benefits mandates will have a particularly significant impact on our labor costs. Our vendors, contractors and business partners are similarly impacted by wage and benefit cost inflation, and many have or will increase their ~~price~~ **prices** for goods, construction and services in order to offset their increasing labor costs. Our labor expenses include significant costs related to our self- insured health, pharmacy and dental benefit plans. ~~Health~~ **Healthcare** ~~care~~ costs continue to rise and are especially difficult to project given that material increases in costs associated with medical claims, or an increase in the severity or frequency of such claims, may cause ~~health~~ **healthcare** ~~care~~ costs to vary substantially from quarter- to- quarter and year- over- year. Any significant changes to the healthcare insurance system could also impact our ~~health~~ **healthcare** ~~care~~ costs. Material increases in ~~health~~ **healthcare** ~~care~~ costs could materially adversely affect our financial performance. ~~While~~ **18While** we seek to offset labor cost increases through menu price increases, more efficient purchasing practices, productivity improvements, greater economies of scale and by offering a variety of health plans to our staff members, including lower cost high deductible health plans, there can be no assurance that these efforts will be successful. If we are unable to effectively anticipate and respond to increased labor costs, our financial performance could be materially adversely affected. ~~19The~~ -- **The** impacts of and our failure to effectively respond to pandemics, epidemics, endemics and other public health emergencies, or food safety and food- borne illness, could reduce customer traffic to our restaurants, disrupt our food supply chain or cause us to be the target of litigation, which could materially adversely affect our financial performance. The COVID- 19 pandemic significantly disrupted our business and ~~its ongoing effects~~ may ~~continue to~~ do so ~~for~~ **in** the ~~foreseeable~~ future **as variants of the underlying virus evolve. During fiscal 2021 and 2022, the COVID- 19 pandemic continued to affect our business during periods of accelerated case counts in which we experienced increased restaurant staff absenteeism and temporary shifts in consumer behavior, such as changes in customer traffic or the mix between on-premise and off- premise channels. Along with the COVID- 19 pandemic, our operating results were impacted by geopolitical and macroeconomic events, causing supply chain challenges and significantly increased commodity and wage inflation. Some of these factors continued to impact our operating results in fiscal 2023, contributing to significantly increased commodity and other costs. We also encountered delays in opening new restaurants primarily due to delays in permitting and landlord readiness, as well as supply chain challenges. The ongoing impact of geopolitical and macroeconomic events could lead to further shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in the supply chain and delay in new restaurant openings. Any of these factors may have an adverse impact on our business and materially adversely affect our financial performance** . The impacts of and our failure to effectively respond to future pandemics, epidemics, endemics and other public health emergencies may also significantly disrupt our business. We also face food safety ~~risks~~ - **risk** , including the risk of food- borne illness and food contamination (including allergen cross contamination), which are common both in the restaurant industry and the food supply chain. While we dedicate substantial resources and provide training to help ensure the safety and quality of the food we serve, these risks cannot be completely eliminated. Additionally, we rely on our network of suppliers to properly handle, store and transport our ingredients for delivery to our restaurants. Any failure in our supply chain could cause our ingredients to be contaminated, which could be difficult to detect and jeopardize the safety of our food. We freshly prepare our menu items at our restaurants, which may put us at greater risk for food- borne illness and food contamination outbreaks than some of our competitors who use processed foods or commissaries to prepare their food. The risk of food- borne illness also may increase whenever our menu items are served outside of our control, such as by third- party food delivery services, customer take- out or at catered events. Publicized food safety concerns, regardless of accuracy, whether specifically concerning food served at any of our restaurant brands, desserts produced at our bakeries, any products bearing our branding or regarding our third- party suppliers or service providers, or the food supply more generally, could negatively affect consumer demand for our restaurants and products, which in turn could materially adversely affect our financial performance. The demand for and availability and price of certain food items may be adversely impacted if a pathogen, such as coronavirus, Ebola, mad cow disease, SARS, swine flu, avian influenza, norovirus or other virus or bacteria, such as salmonella or E. coli, or if parasites or other toxins infect or are believed to have infected the food supply, including the food supply chain for our restaurants or bakery facilities. Additionally, customers may avoid our restaurants and it may become difficult to adequately staff our restaurants if our customers or staff members become infected with a pathogen which was actually or alleged to be contracted at our restaurants. Any adverse food safety occurrence may result in litigation against us. Although we carry liability and other insurance coverage to mitigate costs we may incur as a result of these risks, not all risks of this nature are fully insurable. Even if insured, the negative publicity associated with such an event could damage our reputation and materially adversely affect our financial performance. In addition to selling products throughout the world through various distribution channels, including, without limitation, supermarkets, mass market retailers, club stores and various other food service and retail channels, our ~~two~~ bakery facilities are the only sources of most of our baked desserts to our restaurants. If any of our bakery products becomes subject to a product recall or market withdrawal, whether voluntary or involuntary, our costs to conduct such recall or market withdrawal could be significant, restaurant sales as well as third- party sales of bakery products could be negatively impacted and our reputation could be damaged, any of which could materially adversely affect our financial performance. ~~In~~ **19In** addition, any adverse food safety event could result in mandatory or voluntary product withdrawals or recalls, regulatory and other investigations, and / or criminal fines and penalties, any of which could disrupt our operations, increase our costs, require us to respond to findings from regulatory agencies that may divert resources and assets, and result in potential civil fines and penalties as well as other legal action, any of which could materially adversely affect our financial performance. ~~20Changes~~ -- **Changes** in, or any failure to comply with, applicable laws or regulations could materially adversely affect our ability to operate our restaurants and / or increase our cost to do so, which could materially adversely affect our financial performance. We are subject to numerous federal, state, local and foreign laws and regulations. Each of our restaurants is subject to various laws and regulations, including license and permit requirements, that regulate many aspects of our business, including, among other things, alcoholic beverage control, health, sanitation, labor, immigration, zoning and public safety. Our failure to obtain and / or retain licenses, permits or other regulatory approvals required to operate our business could delay or prevent the opening and / or continued operation of any of our restaurants or bakeries, materially adversely affecting that facility' s operations and profitability and our ability to obtain similar licenses, permits or approvals elsewhere, any of which could materially adversely affect our financial performance. We are also subject to various environmental regulations governing areas such as water usage, sanitation disposal and transportation mitigation. The United States **, on the federal, state and local levels,** and other countries are expanding the type, nature and scope of laws and regulations governing other environmental matters, such as climate change, reducing greenhouse gas ~~emission~~ **emissions , use of natural gas** and water consumption **, including in some cases imposing disclosure requirements with respect to such matters** . **(See the risk factor titled " Failure to adequately address environmental, social and governance (" ESG ") matters, could adversely affect our brand, business, results of operations and financial condition. ")** We may incur significant additional costs **and require operational changes** to comply with these laws and regulations and may **face fines, penalties or other sanctions, adverse publicity and** incur legal liability in the event of our failure to do so. Our international business exposes us to additional laws and regulations, including antitrust and tax requirements, anti- boycott legislation, import / export and customs regulations and other international trade regulations, privacy laws, the USA Patriot Act and the Foreign Corrupt Practices Act. As a provider of food products, we are subject to a comprehensive regulatory framework that governs the manufacture (including composition and ingredients), labeling, packaging and safety of food in the United States, including the Federal Food, Drug and Cosmetic Act, the Public Health Security and Bioterrorism Preparedness Response Act of 2002, the Federal Food Safety Modernization Act and regulations concerning nutritional labeling under the Patient Protection and Affordable Care Act of 2010. (See **the** ~~Item 1A — Risk~~ **risk** ~~Factors~~ - **factor titled** ~~— Risks Related to the Restaurant Industry —~~ " Our inability to respond appropriately to changes in consumer health and disclosure regulations, and to adapt to evolving consumer dining preferences **,** could negatively impact our operations and competitive position, which could materially adversely affect our financial performance. ") In order to serve alcoholic beverages in our restaurants or off- premise where permitted, we must comply with alcoholic beverage control regulations which require us to apply to a state or other governmental alcoholic beverage control authority for licenses and permits. In addition, we are subject to dram shop statutes in most of the jurisdictions in which we operate, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Dram shop litigation may result in significant judgments, including punitive damages. Various federal, state, local and foreign laws and regulations govern our operations as they relate to our staff members, including such matters as minimum wages, breaks, scheduling, exempt classifications, equal pay, overtime, tip credits, fringe benefits, leaves, safety, working conditions, provision of health insurance, and citizenship or work authorization requirements. Significant increases in minimum wage rates, including **any increase in or elimination of** the tip credit wage rate in certain states, paid or unpaid leaves of absence, equal wage legislation, mandatory sick pay and paid time off regulations in a growing number of jurisdictions, mandated health and / or COBRA benefits, or increased tax reporting, assessment or payment requirements related to our staff members who receive gratuities, or changes in interpretations of existing employment laws, including with respect to classification of exempt versus non- exempt employees, could significantly increase our labor costs, which would materially adversely affect our financial performance. We must also comply with local, state and federal laws and regulations protecting the right to equal employment opportunities and prohibiting discrimination and harassment in the workplace. Compliance with these laws and regulations can be costly and failure to comply ~~could create~~ **creates** exposure to government proceedings and litigation. Even a perceived failure to comply could result in negative publicity that could damage our reputation and materially adversely affect our financial performance. ~~We~~ **20We** are also subject to the regulations of the Department of Homeland Security, the U. S. Citizenship and Immigration Services and U. S. Immigration and Customs Enforcement. Despite our efforts to maintain compliance with legal requirements, including implementation of electronic verification of legal work status, some of our staff members may not meet legal citizenship or residency requirements. In addition, immigration- related employment regulations may make it more difficult for us to identify and hire qualified staff members. Our inability to maintain an experienced and qualified work force comprised of individuals who meet all legal citizenship or residency requirements could result in a disruption in our work force, sanctions against us and adverse publicity, any of which could materially adversely affect our financial performance. ~~21Our~~ -- **Our** facilities must comply with applicable requirements of the Americans with Disabilities Act of 1990 (" ADA ") and related federal, state and foreign laws and regulations which prohibit discrimination on the basis of disability with respect to public accommodations and employment. We are also subject to laws and regulations relating to information security, **cybersecurity,** privacy **, personal information** , cashless payments and consumer credit, protection and fraud **. The requirements of such laws and regulations, as well as their application and interpretation, are constantly evolving and developing** . Many laws and regulations governing our business and operations also extend to independent third- party service providers we engage to perform certain services. While we take precautions to help ensure that our third- party service providers comply with applicable laws and to maintain an independent contractor relationship, we cannot be assured such efforts will be successful, and we may incur liability as a joint employer for failures by our independent third- party service providers to comply with applicable laws. Additionally, some jurisdictions have introduced (or may be planning to introduce) legislation seeking to mandate an employment relationship between companies that facilitate third- party delivery services and their service personnel. The U. S. Department of Labor recently **issued** ~~introduced proposed rules the effect of which, if adopted, would be to establish~~ a ~~new~~ **final rule concerning** independent contractor ~~standard~~ **standards** for employees nationwide ~~. If these measures are successful~~ , **which has not yet taken effect. The extent to which this rule may impact our third- party** delivery **services** ~~costs will significantly increase~~ and ~~/ or these companies may alter~~ their **service personnel is** ~~operations or choose to no~~ **not yet known** ~~longer operate within such jurisdiction, either of which result could significantly impact our off- premise sales~~ . Any changes to the numerous laws governing our business or operations may create challenges for us. While we subscribe to certain services and have established procedures to identify legal and regulatory changes, we may not be able to identify and comply with every change on a timely basis. We may incur penalties and other costs, sanctions and adverse publicity by failing to comply with applicable laws, any of which could materially adversely affect our financial performance. **Labor organizing could harm our operations and competitive position in the restaurant industry, which could materially adversely affect our financial performance. Our staff members and others may attempt to unionize our workforce, establish boycotts or picket lines or interrupt our supply chains, which could limit our ability to manage our workforce effectively, cause disruptions to our operations and could materially adversely affect our financial performance. In addition, a labor dispute involving some or all our staff members may harm our reputation, disrupt our operations and reduce our revenues, and resolution of disputes could increase our costs. Further, the unionization of construction companies could cause our construction and build- out costs for new restaurants to materially increase.** Our inability to respond appropriately to changes in consumer health and disclosure regulations, and to adapt to evolving consumer dining preferences, could negatively impact our operations and competitive position, which could materially adversely affect our financial performance. Federal law requires restaurant operators with twenty or more locations to make certain nutritional information available to customers. Additionally, some state, local and foreign governments also have enacted legislation regulating or prohibiting the sale of or mandating disclosures relating to certain types and / or levels of ingredients in food served in restaurants, such as trans fats, sodium, genetically modified organisms (GMOs) and gluten, and are taxing or considering taxing and / or otherwise regulating high fat, high sugar and high sodium foods. While it remains unclear ~~if and~~ to what extent consumers may reconsider dining preferences in response to such requirements, it is clear that consumer dining preferences continue to evolve, and these preferences may evolve more rapidly in response to any of these new requirements. Our failure to quickly and effectively adapt to any significant shift in consumer dining preference could cause our or our licensees' restaurants to lose market share, which could materially adversely affect our financial performance. ~~Labor organizing~~ **21Our failure to effectively develop, grow and operate North Italia and our other branded concepts** could ~~harm~~ **materially adversely affect** our ~~operations and competitive position in the~~ **financial performance. All of our** restaurant ~~industry~~ **concepts are subject to the risks and uncertainties described in this filing. However, there is an enhanced level of risk and uncertainty related to the operation and expansion of our less- established restaurant concepts. We acquired North Italia and the remainder of Fox Restaurant Concepts' business for the purpose of accelerating unit growth and to develop innovating concepts for future growth. While we actively seek to grow these concepts, we can provide no assurance that new restaurants will be accepted in the markets targeted for expansion or that we will be able to achieve our targeted returns when opening new locations. Adverse weather conditions, natural disasters, climate change and public health emergencies could unfavorably impact our restaurant sales** , which could materially adversely affect our financial performance. ~~Our staff members and others may attempt to unionize our workforce, establish boycotts or picket lines or interrupt our supply chains which could limit our ability to manage our workforce effectively and cause disruptions to our operations, which could materially adversely affect our financial performance. Our labor costs may significantly increase if we become unable to effectively manage our workforce and the compensation and benefits we offer to our staff members, which also could materially adversely affect our financial performance.~~ Adverse ~~weather conditions, natural disasters and public health emergencies, including as the result of climate change, could unfavorably impact our restaurant sales, which could materially adversely affect our financial performance. 22Adverse~~ weather conditions, natural disasters and public health emergencies can impact customer traffic, make it more difficult to fully staff our restaurants and, more severe events, such as hurricanes, earthquakes, tornadoes, blizzards, wildfires and other natural disasters and public health emergencies, such as the COVID- 19 pandemic, have resulted in and may in the future result in restaurant closures, underutilization of outdoor patio dining and curtailed operations, impediments to availability of staff and supplies and increased commodity costs, sometimes for prolonged periods of time. These effects may become more pronounced in the future as ~~climatologists predict~~ climate change and global warming may cause extended droughts and certain adverse weather conditions and natural disasters to become more frequent, more severe and less predictable over time. Our cash flows may be negatively impacted by delay in the receipt of proceeds under any insurance policies or programs we maintain against certain of these risks or the proceeds may not fully offset any such losses. Any or all these situations could materially adversely affect our financial performance. Acts of violence at or threatened against our restaurants or the centers in which they are located, including civil unrest, customer intimidation, active shooter situations and terrorism, could unfavorably impact our restaurant sales, which could materially adversely affect our financial performance. Any act of violence at or threatened against our restaurants or the centers in which they are located, including civil unrest, customer intimidation, active shooter situations and terrorist activities, may result in damage and restricted access to our restaurants and / or restaurant closures in the short- term and, in the long- term, may cause our customers and staff to avoid our restaurants. Any such situation could adversely impact customer traffic and make it more difficult to fully staff our restaurants, which could materially adversely affect our financial performance. Risks Related to Our BusinessOur inability to anticipate and react effectively to changes in the costs of key operating resources may increase our cost of doing business, which could materially adversely affect our financial performance. The cost of products and services used in our operations are subject to volatility due to the relative availability of labor and distribution, weather, natural disasters, inventory levels and other supply and / or demand impacting events such as the COVID- 19 pandemic, geopolitical events, economic conditions or other unforeseen circumstances. Climate change may further exacerbate a number of these factors. ~~During fiscal 2021, we began to experience certain supply shortages and transportation delays largely attributable to impacts of the COVID- 19 pandemic. These shortages continued in fiscal 2022 and were exacerbated by geopolitical unrest. The aggregate impact of these and other factors contributed to significant cost inflation.~~ We attempt to negotiate short- term and long- term agreements for some of our principal commodity, supply and equipment requirements, such as certain dairy products and poultry, depending on market conditions and expected demand. While we are in the process of contracting for certain key food and non- food supplies for fiscal ~~2023~~ **2024** , these efforts may not be successful or yield our intended benefits. Due to the inflationary cost pressures we experienced in fiscal 2022 **and 2023** , we implemented price increases above our historical levels to **help** support our longer- term restaurant- level margin objectives. **Recent pricing actions were and current and** ~~Future~~ **future** near- term pricing actions **may also** ~~are likely to~~ be at levels above historical norms to keep pace with any significant cost ~~increases. We will continue to consider the cost environment and consumer price sensitivity when evaluating future menu price~~ increases. In addition, on a regular basis, we carefully consider opportunities to adjust our menu offerings or ingredients to help manage product availability and cost. However, we can provide no assurance that these efforts will be successful. We continue to evaluate the possibility of entering into similar arrangements for other commodities and periodically evaluate hedging vehicles, such as direct financial instruments, to assist us in managing risk and variability associated with such commodities. As of the end of fiscal ~~2022~~ **2023** , we had no hedging contracts in place. Products and services for which we have not entered into contracts can be subject to unforeseen supply and cost fluctuations, which at times may be significant. Additionally, the cost of commodities subject to governmental regulation, such as dairy and corn, can be especially susceptible to price fluctuation. Goods we purchase on ~~the~~ **22the** international market may be subject to even greater fluctuations in cost and availability, which could result from a variety of factors, including the value of the U. S. dollar relative to other currencies, international trade disputes, tariffs, geopolitical unrest and varying global demand. While we strive to engage in a competitive bidding process for our principal commodity, supply, service and equipment requirements, because certain of these products and services may only be available from a few vendors or service providers, we may not always be able to do so. Because of this lack of competition, we may be vulnerable to excessive price demands, especially as they relate to the cost of products or services that are critical to our operations or profitability. ~~23Certain~~ -- **Certain** products and ingredients commonly used in food preparation are under scrutiny for possibly posing social and environmental risks, including from an animal welfare and **environmental** sustainability perspective. We use many of these products and ingredients and have adopted a comprehensive Sustainable Sourcing Policy under which, among other things, we commit to a buying preference by 2025, or sooner where required, for products and ingredients that are sustainably grown and harvested and which do not have negative social impact, and for products from animals that are humanely raised and processed (“ sustainable products ”). While we are committed to implementing these changes in as timely and commercially feasible manner as possible, there is a risk that some of our products or ingredients may become the subject of adverse publicity before we are able to do so, regardless of factual basis. Additionally, while we make significant efforts to help ensure we will have a sufficient ongoing supply of sustainable products at a reasonable cost, because there is currently a smaller market for certain of these products, any condition affecting the demand for or supply of these products may cause significant cost and supply volatility. For example, during fiscal ~~2022~~ **2023** , we experienced supply shortages ~~and significant price volatility~~ with respect to certain sustainable products, which largely resulted from challenges related to ~~the COVID- 19 pandemic and~~ a growing framework of laws mandating the use of sustainable products. For these and other reasons, we cannot be certain that our supply and cost mitigation efforts or commitment to purchase sustainable products will be successful. Our international licensees are also subject to commodity price fluctuations. While they generally employ strategies to mitigate the impact these fluctuations have on their businesses, neither we nor they can be assured such strategies will be successful. Commodity price fluctuations have and may continue to impede our international licensees’ profitability, which may hamper their ability to grow and negatively impact our ability to expand our brand internationally. Our financial performance could be materially adversely affected if we fail to retain, or effectively respond to a loss of, key executives. The success of our business continues to depend in critical respects on the contributions of David Overton, our founder, Chairman of the Board and Chief Executive Officer, and our other senior executives. The departure of Mr. Overton or other senior executives for any reason could have a material adverse effect on our business and long- term strategic plan. We have a succession plan that includes short- term and long- term planning elements intended to allow us to successfully continue operations should any of our senior management become unavailable to serve in their respective roles. However, there is a risk that we may not be able to implement the succession plan successfully or in a timely manner or that the succession plan will not result in the same financial performance we currently achieve under the guidance of our existing executive team. If we are unable to staff and retain qualified restaurant management and operating personnel in an increasingly competitive market, we may be unable to effectively operate and grow our business and revenues, which could materially adversely affect our financial performance. ~~Similar to the restaurant industry and broader economy, we have experienced and continue to experience labor shortfalls relative to our sales levels in certain parts of our workforce as we have reopened our dining rooms after the lifting of mandatory social- distancing regulations related to the COVID- 19 pandemic and have expanded our bakery production.~~ If we are unable to attract and retain qualified personnel, our restaurants and bakery operations could be short staffed, we may be forced to incur overtime expenses, and our ability to operate and expand our concepts effectively and to meet our customers’ demand could be limited, any of which could materially adversely affect our financial performance. If any of our third- party vendors experiences a failure that affects a significant aspect of our business, we may experience data loss, increased costs **, operational disruption** or other harm, any of which could materially adversely affect our financial performance. In order to leverage our internal resources and information technology infrastructure, and to support our business continuity and disaster recovery planning efforts, we rely on third- party vendors to provide some of our essential business processes. For example, we rely on a network of third- party distribution warehouses to deliver ingredients and other materials to our restaurants. In some instances, these processes rely on technology and may be outsourced to the vendor in their entirety and in other instances we utilize these vendors' externally- hosted business applications. Our vendors' systems have experienced cybersecurity ~~breaches~~ **incidents** , including credential stuffing attacks in which compromised user credentials were used to breach the systems, and **are** ~~may be~~ vulnerable to a ~~variety~~ **23variety** of risks, including, without limitation, theft, casualties such as fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external **cybersecurity threats, including from diverse threat actors, such as state- sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as malfeasance by insiders, human or technological error, malicious code embedded in open- source software, or misconfigurations, " bugs " or other vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') network infrastructure, products or services,** security breaches, denial of service attacks, viruses, worms, malware, ransomware, **social engineering / phishing,** breaches of the algorithms ~~they or their third- party service providers use~~ **used** to encrypt and protect data and other malicious **,** or disruptive **or unauthorized** events **that jeopardize the confidentiality, integrity or availability of information systems or information residing therein, including confidential information and personal information** (each, a " ~~Security~~ **Cybersecurity** Incident " and collectively, " ~~Security~~ **Cybersecurity** Incidents "). ~~24We~~ **We** also ~~utilize~~ **rely on** third ~~parties~~ **party services** to ~~provide~~ **effectively operate our restaurants including, for example,** gift card distribution and transaction processing services **, point- of- sale system services, online ordering services** and ~~to perform~~ food delivery services **, and our Cheesecake RewardsTM program** . We derive substantial revenue from these aspects of our business, which could suffer in the event of any factor that adversely impacts our vendors' ability to provide such services. Such factors include, without limitation, loss of, or significant change in contractual terms of, key vendor contracts, vendor or processor failures, technology failures **, changes in applicable laws or regulations, Security Incidents** , damage to the reputation of any key vendor and mandated employment relationships between companies that facilitate third- party delivery services and their service personnel. (See **the** ~~Item 1A- Risk~~ **risk** ~~Factors~~ **factor** ~~—~~ **titled** " Changes in, or any failure to comply with, applicable laws or regulations could materially adversely affect our ability to operate our restaurants and / or increase our cost to do so, which could materially adversely affect our financial performance. ") We continue to review options to expand the use of third- party providers in other areas. Our general practice is to seek to work with service providers that are leading performers in their industries and with technology vendors that **we understand** employ up- to- date and appropriate data security practices and internal control practices. However, we cannot guarantee that failures will not occur. The failure of third- party vendors to provide adequate services, including, as result of any Security Incident **, or to generally fail to employ up- to- date and appropriate data security and internal control practices** , could significantly harm our operations and reputation, which could materially adversely affect our financial performance. We may incur additional costs if we are unable to renew our restaurant leases on similar terms and conditions, or at all, or to relocate our restaurants in certain trade areas, which could materially adversely affect our financial performance. We currently lease all our restaurant premises and, although we may consider other arrangements, we currently plan to continue to lease our restaurant locations in the future. Some of our leases have terms that will expire in the next few years and beyond. Many of these leases include renewal options; some do not. While lease expirations allow us to opportunistically evaluate the possibility of relocating certain restaurants to higher quality sites and trade areas over time, doing so may involve additional costs, such as increased rent and other expenses related to renegotiating the terms of occupancy of an existing lease, and the costs to relocate and develop a replacement restaurant if we choose not to renew a lease, or are unable to do so, on favorable terms in a desirable location **. Delay in delivery of leased premises from our landlords may also result in increased costs. During 2023, the timing of the delivery of the leased premises to us from our landlords in order to perform build- out construction activities contributed to delays in opening new restaurants** . In addition, we may elect to terminate certain leases prior to their expiration dates, and we may be unable to negotiate favorable terms for such early terminations. Additional costs related to expiring restaurant lease terms, our inability to terminate certain restaurant leases under favorable terms or the unavailability of suitable replacement locations could materially adversely affect our financial performance. Any inability to effectively use and manage social media could harm our marketing efforts as well as our reputation, which could materially adversely affect our financial performance. Social media provides a powerful medium for consumers, staff members and others to communicate their approval of or displeasure with a business. This aspect of social media is especially challenging because it allows any individual to reach a broad audience with an ability to respond or react, in near real time, with comments that are often not filtered or checked for accuracy. If we are unable to quickly and effectively respond, any negative publicity could " go viral " causing nearly immediate and potentially significant harm to our brand and reputation, whether or not factually accurate. Our marketing strategy includes an emphasis on social media. As social media continues to grow in popularity, many of our competitors have expanded and improved their use of social media, making it more difficult for us to differentiate our social media messaging. As a result, we need to continuously innovate and develop our social media strategies. ~~If~~ **24If** we do not appropriately use and manage our social media strategies, our marketing efforts in this area may not be successful, and any failure to effectively respond to negative or potentially damaging social media, whether accurate or not, could damage our reputation, which could materially adversely affect our financial performance. Our failure to adequately protect our intellectual property could materially adversely affect our financial performance. We own and have applied to register trade names, logos, service marks, trademarks, copyrights and other intellectual property (collectively, " Intellectual Property "), including The Cheesecake Factory ®, North Italia ®, a collection within the Fox Restaurant Concepts subsidiary and other trademarks related to our restaurant and bakery businesses in the United States and in other countries throughout the world. Our Intellectual Property is valuable to our business and requires continuous monitoring to protect. We regularly and systemically search for misappropriations of our Intellectual Property and seek to enforce our rights whenever appropriate to do so; however, we cannot ensure success in every case and cannot possibly find all infringing uses of our Intellectual Property. Furthermore, we have not registered all our Intellectual

Property throughout the world, and doing so may not be feasible because of associated costs, various foreign trademark law prohibitions or registrations by others. Our failure or inability to protect our Intellectual Property worldwide could limit our ability to globally expand our brand. ~~25Our~~ -- **Our** inability to effectively protect our Intellectual Property domestically or internationally could cause our customers to believe lesser quality products or services are ours, may reduce the capacity of our Intellectual Property to uniquely identify our products and services and / or may limit our ability to globally expand our brand, any of which could materially adversely affect our financial performance. We face a variety of risks and challenges related to our international operations and global brand development efforts, any of which could materially adversely affect our financial performance. International operations have a unique set of risks and challenges that differ from country to country, and include, among other risks, political instability, governmental corruption, war and threats of war, social, religious and ethnic unrest, anti-American sentiment, delayed and potentially less effective ability to respond to a crisis occurring internationally, changes in global economic conditions (such as currency valuation, disposable income, unemployment levels and increases in the prices of products and services and labor), the regulatory environment, immigration, labor and pension laws, income and other taxes, consumer preferences and practices, as well as changes in the laws and regulations governing foreign investment, joint ventures or licensing arrangements in countries where our restaurants or licensees are located and local import controls. Operations at our international Company- owned and licensed restaurants may be negatively affected by factors outside of our control, including, but not limited to: ● difficulties in achieving the consistency of product quality and service as compared to restaurants we operate in the United States; ● changes to our recipes required by cultural norms; ● inability to obtain, at a reasonable cost, adequate and reliable supplies of ingredients and products necessary to execute our diverse menu; ● availability of experienced management to operate international restaurants according to our domestic standards; ● changes in economic conditions of our licensees, whether or not related to the operation of our restaurants; ● differences, changes or uncertainties in economic, regulatory, legal, immigration, social, climatic ~~,~~ and political conditions, including the possibility of terrorism, social unrest, trade embargos and / or trade restrictions, which may result in periodic or permanent closure of foreign restaurants, affect our ability to supply our international restaurants with necessary supplies and ingredients and affect international perception of our brand; ● inability of our licensees to locate profitable or suitable sites for development; ● rising cost and scarcity of labor world-wide; ● exchange rate fluctuations; and ● currency fluctuations, trade restrictions, taxes or tariffs adversely affecting our or our licensees' ability to import goods from the United States and other parts of the world that are required for operating our branded restaurants, including our cakes which are wholly manufactured in the United States. Our international licensees are authorized to operate The Cheesecake Factory restaurant concept in licensed trade areas using certain of our Intellectual Property, including our proprietary systems. We provide extensive and detailed training to our licensees to enable their staff members to effectively execute our operating processes and procedures, and we periodically audit their performance ~~and~~ **25and** adherence to our requirements. However, because we do not operate these restaurants directly, we can provide no assurance that our licensees will adhere to our operating standards to the same extent as we would. If we or our licensees fail to effectively operate our international restaurants, or if we or they fail to receive an adequate return on investment, and these difficulties are attributed to us or our brand, our reputation and brand value could be harmed, our revenues from these restaurants could be diminished and our international growth may be slowed, any of which could materially adversely affect our financial performance. ~~26In~~ **In** order to support our international expansion, our bakeries supply certain of our bakery products to our branded international restaurants. In order to supply bakery products to restaurants in other countries, we may be required to adapt certain recipes to eliminate locally prohibited ingredients, comply with labeling requirements that differ from those in the United States and maintain certifications required to export to such countries. In addition, unexpected events outside of our control, such as, without limitation, trade restrictions, import and export embargos, governmental shutdowns and disruptions in shipping, may affect our ability to transport adequate levels of our bakery products to our or our licensees' international restaurants, for which we are the sole source of supply. A failure to adequately supply bakery products to our or our licensees' international restaurants could affect the customer experience at those restaurants, resulting in decreased sales, and could, depending upon the reason for the failure, trigger contractual defaults on our part, any of which could materially adversely affect our financial performance. As we continue to expand our brand internationally, we must comply with regulations and legal requirements, including those related to immigration and the protection of our Intellectual Property. Additionally, we must comply with domestic laws affecting U. S. businesses that operate internationally, including the Foreign Corrupt Practices Act and anti- boycott laws, and with foreign laws in the countries in which we expand our restaurants. (See **the** ~~Item 1A- Risk~~ **risk** ~~Factors -~~ **factor** ~~–~~ **titled** " Changes in, or any failure to comply with, applicable laws or regulations could materially adversely affect our ability to operate our restaurants and / or increase our cost to do so, which could materially adversely affect our financial performance. ") We may incur considerable liability in the event we or our licensees fail to comply with foreign or domestic laws relating to our or their operation of any international restaurant and can provide no assurance that our insurance programs or contractual indemnification rights would be effective to protect against such liabilities **Our inability to secure** an adequate number of high-quality sites for future restaurant openings could adversely affect our ability to grow our business.Our ability to grow our business depends on the availability and selection of high- quality sites that meet our criteria.The number and timing of new restaurants opened during any given period,and their associated contribution to the growth of our business,depend on a number of factors including,but not limited to:● unforeseen delays due to market conditions;● the identification and availability of high-quality locations;● an increase in competition for available premier locations;● the influence of consumer shopping trends on the availability of sites in traditional locations,such as premier shopping centers;● acceptable lease terms and the lease negotiation process;● the availability of suitable financing for our landlords;● the financial viability of our landlords;● timing of the delivery of the leased premises to us from our landlords in order to perform build- out construction activities ~~,which contributed to delays in opening new restaurants in 2023~~ ;● obtaining,on a timely basis,all governmental licenses and permits necessary to construct and operate our restaurants,which has become more challenging **beginning in 2022** as we ~~are~~ **have and**

may continue to ~~experiencing~~ **experience** longer than usual governmental delays in the licensing and permitting process ~~;●~~ ~~obtaining,on a timely basis,all utility connections~~ ;● obtaining,on a timely basis,all third- party consents necessary to construct and operate our restaurants;● successfully managing the complex design,construction and preopening processes for our highly customized restaurants;● the availability and / or cost of raw materials and labor used in construction;● the availability of qualified tradespeople in the local market;● any unforeseen engineering or environmental problems with the leased premises;and **● adverse weather or other delays during the construction period.28If** . We may engage in expansion opportunities or other initiatives which may create risks to our business that could materially adversely affect our financial performance. We may engage in other means to leverage our competitive strengths, including acquisitions of other companies, expansion of our brand to other retail opportunities and / or other initiatives. Many risks are inherent in any such merger and acquisition activity, development, investment arrangement, expansion of our brand or other initiative, including, without limitation: ● complexities associated with combining independent companies with separate businesses, customers, employees, cultures and systems; ● damaging our reputation if retail products bearing our brand are not of the same value and quality that our customers associate with our brand; ● dilution of the goodwill associated with our brand as it become more common and increasingly accessible; ● inaccurate assessment of value, growth potential, weaknesses, liabilities, contingent or otherwise, and expected profitability of such initiatives; and ● diversion of management' s attention and focus from existing operations to the expansion of our brand to non- restaurant items. In addition to these risks, we may not achieve the intended results of any such expansion opportunities or other initiatives, which could materially adversely affect our financial performance. If we do not appropriately scale our infrastructure in a timely manner, we may be unable to respond to and support our domestic or international opportunities for growth, which could materially adversely affect our financial performance. We continually evaluate the appropriate level of infrastructure necessary to support our operational and development plans, including our domestic and international expansion. Likewise, if sales decline, we may be unable to reduce our infrastructure quickly enough to prevent sales deleveraging. Either circumstance could materially adversely affect our financial performance. Our international license agreements require us to provide training and support to our licensees for their development and operation of The Cheesecake Factory restaurants. We have dedicated certain corporate personnel to international development and continue to utilize the talents of existing management to support our international licensing and operations infrastructure. In addition, one of the most important aspects of our restaurant operations is our ability to deliver dependable, quality service by experienced staff members who can execute our concepts according to our high standards. This may require training our licensees' management personnel in the United States and our licensees' staff members in the licensed territories, as well as providing support in the selection and development of restaurant sites, product sourcing logistics, technological systems, menu modification and other areas. If, for any reason, we are unable to provide the appropriate level of infrastructure support to our international licensees, our licensees' operations could suffer, which could make it more difficult for us to grow our brand internationally and materially adversely affect our financial performance. ~~27We~~ **We** have and may again be required to record impairment charges, be unable to fully recoup landlord improvement allowances and / or decide to discontinue operations at certain restaurants, any of which could materially adversely affect our financial performance. We assess the potential impairment of our long- lived assets on an annual basis or whenever events or changes in circumstances indicate the carrying value of the assets or asset group may not be recoverable. Factors considered include, but are not limited to, negative cash flow, significant underperformance relative to historical or projected future operating results, significant changes in the manner in which an asset is being used, an expectation that an asset will be disposed of significantly before the end of its previously estimated useful life and significant negative industry or economic trends. At any given time, we may be monitoring a number of locations, and future impairment charges and / or closures may occur if individual restaurant performance does not improve, which could materially adversely affect our financial performance. During fiscal ~~2022~~ **2023** , we recorded impairment of assets and lease terminations expense of $ ~~31~~ **29** . ~~4~~ **5** million primarily related to the impairment of long- lived assets for three The Cheesecake Factory **(one previously impaired), one North Italia (previously impaired)** , one Other FRC and ~~three~~ **two** Other ~~restaurants~~ - **restaurant lease terminations** . (See Note 1 of Notes to Consolidated Financial Statements in Part IV, Item 15 for further discussion of impairment of long- lived assets.) ~~We~~ **27We** test our goodwill and other indefinite- lived intangible assets for impairment annually or on an interim basis if events or changes in circumstances between annual tests indicate a potential impairment. Factors considered include, but are not limited to, historical financial performance, a significant decline in expected future cash flows, unanticipated competition, changes in management or key personnel, macroeconomic and industry conditions and the legal and regulatory environment. We cannot accurately predict the amount and timing of any impairment of these assets. Should the value of goodwill or other intangible assets become impaired, there could be a material adverse effect on our financial performance. (See Note 1 of Notes to Consolidated Financial Statements in Part IV, Item 15 for further discussion of impairment of intangible assets.) A portion of our tenant allowances at certain premises may be subject to recoupment against percentage rent otherwise payable for such sites. When we are unable to achieve sales in a sufficient amount to generate percentage rent obligations, we are not able to fully recoup available allowances at affected sites, which also could materially adversely affect our financial performance. **If** Our inability to secure an adequate number...... delays during the construction period. 28If we are unable to manage risks related to our business, costs associated with litigation and insurance could increase, which could materially adversely affect our financial performance. We are subject to lawsuits, administrative proceedings and claims that arise in the ordinary course of business. These matters typically involve claims by customers, staff members and others regarding issues such as food- borne illness, food safety, premises liability, dram shop liability, compliance with wage and hour requirements, work- related injuries, discrimination, harassment, disability and other operational issues common to the foodservice industry. We could be materially adversely affected by negative publicity and litigation costs resulting from these claims, regardless of their validity. Employment- related litigation, particularly with respect to claims styled as class action lawsuits, are especially costly to defend. Also, some employment- related claims in the area of wage and hour disputes are not insurable risks and many employment- related disputes involve uncertainty in judicial interpretation from state to state and from federal to state court with respect to the effectiveness of arbitration agreements with our staff members, particularly those which provide for class waivers. In recent years, we have experienced an increase in wage and hour litigation ~~, particularly in California~~ . We are involved in legal proceedings, including litigation, arbitration and other claims, investigations, inspections, audits, inquiries and similar actions with litigants and other government governmental authorities. Legal proceedings, including class or collective actions can be expensive and disruptive. Some of these suits may purport or may be determined to be class or collective actions and / or involve parties seeking large and / or indeterminate amounts and may remain unresolved for several years. For example, we are currently a defendant in a number of cases containing class or collective- action allegations, or both, in which the plaintiffs have brought claims under federal and state wage and hour laws. Significant legal fees and costs in complex class action litigation or an adverse judgment or settlement that are not insured or are in excess of insurance coverage can materially and adversely affect our financial performance. We retain financial responsibility for a significant portion of our risks and associated liabilities with respect to workers' compensation, general liability, staff member health benefits, employment practices and certain other insurable risks. Several factors may significantly increase our self- insurance costs, such as conditions of the insurance market, the availability of insurance, or changes in applicable regulations. The accrued liabilities associated with these programs are based on our annual estimate of the ultimate costs to settle known claims, as well as claims incurred but not yet reported to us (" IBNR "). Significant judgment is required to estimate IBNR amounts, as parties have yet to assert such claims. Our financial performance may be materially adversely affected if our actual claims costs significantly exceed our estimates. Our inability or failure to execute on comprehensive business continuity and disaster recovery plans following a major disaster could interfere with our business operations, which could materially adversely affect our financial performance. All our core and critical applications are housed in an external tier 3 data center, which is a location with redundant and dual- powered servers, storage, network links and other IT components. To mitigate business interruptions, we employ a disk- based data backup and replication infrastructure between our onsite and external data centers. We provide support for our restaurant operations, with the exception of design and construction, from our corporate headquarters in Calabasas, California, an area that is prone to natural disasters such as earthquakes and wildfires. Corporate support for our bakery operations is also performed from this centralized location. If we are unable to execute our disaster recovery procedures in whole or in part, we may experience delays in recovery and losses of data, inability to perform vital corporate functions, tardiness in required reporting and compliance, failures to adequately support field operations and other breakdowns in normal operating procedures that could expose us to administrative and other legal claims, any of which could materially adversely affect our financial performance. ~~A~~ **28A** closure of or material damage to one or both of our bakery facilities could impede our ability to supply bakery products to our own and our international licensees' restaurants as well as to other bakery customers. Such an incident could also result in the loss of critical data regarding our bakery operations. Any of these events could materially adversely affect our financial performance. **Failure to adequately address environmental, social and governance (" ESG ") matters, could adversely affect our brand, business, results of operations and financial condition. There has been an increasing focus from certain governmental and nongovernmental organizations, investors, customers, consumers, employees and other stakeholders concerning ESG matters. In addition, various regulatory authorities have imposed, and may continue to impose, mandatory substantive and / or disclosure requirements with respect to ESG matters, including climate change. For example, we may be subject to various disclosure requirements (such as information on greenhouse gas emissions, climate risks, use of offsets, and emissions reduction claims) from the State of California, the International Sustainability Standards Board (ISSB) global sustainability standards, to the extent adopted by jurisdictions in which we operate, as well as the SEC' s climate disclosure proposal, if finalized, among other regulations or requirements. These requirements may not always be uniform across jurisdictions, which may result in increased complexity, and cost, for compliance. Any of the foregoing may require us to make additional investments in facilities and equipment, require us to incur additional costs for the collection of data and / or preparation of disclosures and associated internal controls, may impact the availability and cost of key products ingredients, and, in turn, may adversely impact our business, operating results, and financial condition. ESG matters have also been the subject of increased scrutiny by regulators in different jurisdictions which may expose us to potential regulatory scrutiny or enforcement actions related to our ESG activities. Further, a variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, climate change, biodiversity, labor rights, responsible sourcing, animal welfare, water consumption, waste management, human capital and diversity, equity and inclusion matters, and the role of our board of directors in supervising various ESG issues. Unfavorable ESG ratings could lead to negative investor sentiment towards us or our industry, which could negatively impact our share price as well as our access to and cost of capital. To the extent ESG matters negatively impact our reputation, it may also adversely impact our ability to attract and retain customers, employees or business partners. Simultaneously, there are efforts by some stakeholders to reduce companies' efforts on certain ESG- related matters. Both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business. Moreover, we have engaged, and expect to continue to engage, in certain voluntary ESG or corporate social responsibility initiatives (such as voluntary disclosures, commitments, and goals) to improve our ESG profile. However, such initiatives may be costly and may not have the desired effect. For example, execution of these strategies and achievement of our goals is subject to risks and uncertainties, many of which are outside of our control. As a result, there is no assurance that we will be able to**

successfully execute our strategies and achieve our sustainability and ESG- related goals, which could damage our reputation and consumer and other stakeholder relationships. Additionally, there can be no assurance that our stakeholders will agree with our strategies, and any perception, whether or not valid, that we have failed to achieve, or to act responsibly with respect to, such matters or to effectively respond to new or additional legal or regulatory requirements regarding climate change, sustainability or ESG matters could result in adverse publicity or potential regulatory or investor engagement or litigation and adversely affect our business and reputation. Additionally, many of our business partners and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us. ~~29Risks~~ -- **Risks** Related to Information Technology and ~~Cyber SecurityInformation~~ **CybersecurityInformation** technology system failures or breaches of our network security could interrupt our operations and subject us to increased operating costs, as well as to litigation and other liabilities, any of which could materially adversely affect our financial performance. We rely heavily on our in- restaurant and enterprise- wide computer systems and network infrastructure across our operations (" Cyber Environment "), which **are** ~~could be~~ vulnerable to various risks. This reliance has grown recently as we have had to rely to a greater extent on systems such as online ordering, contactless payments, ~~online reservations~~ **our Cheesecake RewardsTM program**, systems supporting a remote **and hybrid** workforce and the like **. Remote and hybrid working arrangements at our company (and at many third- party providers) also increase cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that 29are present in many non- corporate and home networks. (See the risk factor titled " If any of our third- party vendors experiences a failure that affects a significant aspect of our business, we may experience data loss, increased costs, operational disruption or other harm, any of which could materially adversely affect our financial performance "). Our Cyber Environment, and the information processed therein, including confidential information and personal information, face numerous and evolving cybersecurity risks that threaten their confidentiality, integrity and availability, including from Cybersecurity Incidents**. The efficient management of our operations depends upon our ability to protect our Cyber Environment against damage from theft, casualties such as fire, power loss, telecommunications failure or other catastrophic events, as well as from ~~Security~~ **Cybersecurity** Incidents. We employ both internal resources and external consultants to conduct auditing and testing for weaknesses in our Cyber Environment **, intended** to **help us** reduce the likelihood of any Security Incident **,** and have developed a multi- discipline Security Incident response plan **designed** to help ensure that our executives are fully and accurately informed and manage, with the help of content experts, the discovery, investigation and auditing of, and recovery from any Security Incidents **that we become aware of**. Despite these efforts, we can provide no assurance that these measures will successfully prevent all ~~Security~~ **Cybersecurity** Incidents or mitigate losses resulting from a ~~Security~~ **Cybersecurity** Incident **. Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools — including artificial intelligence — that circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our Cyber Environment, confidential or information, or business. We and our third- party vendors have experienced Cybersecurity Incidents and we expect such attacks and incidents to continue in varying degrees**. For example, **in 2021** ~~during the past year~~ we learned of a potential compromise of employee credentials that could be used to access our corporate network. While we were able to address this incident through remediation efforts including rotating the credentials at issue and did not experience any significant impacts as a result, we cannot provide assurances that future cyber incidents will not occur or that they will not materially adversely affect our business and financial performance. Our international licensees have access to certain elements of our intellectual property within their Cyber Environment and may not have developed adequate processes to secure their Cyber Environments against a Security Incident and may not maintain robust discovery, investigation, auditing or recovery protocols, or have the ability to promptly and effectively respond to a Security Incident. Available cyber- risk insurance coverage and policy limits may not adequately cover or compensate us in the event of a Security Incident. ~~Our financial performance~~ **Any Security Incident or adverse impact to the availability, integrity or confidentiality of our Cyber Environment (or information residing therein, including confidential information or personal information)** could ~~be~~ **result in legal claims or proceedings (such as class actions), regulatory investigations and enforcement actions, fines and penalties, negative reputational impacts that cause us to lose existing or future customers, and / or significant incident response, system restoration or remediation and future compliance costs. Any or all of the foregoing could** materially adversely ~~affected~~ -- **affect** ~~if~~ our **business,** ~~operations~~ - **operating** ~~are interrupted~~ **results, and financial condition. Finally, we cannot guarantee that any costs and liabilities incurred in relation to a Cybersecurity Incident will be covered** by **our existing** ~~a Security Incident from which we are not able to promptly and fully recover, if any cyber- risk~~ insurance **policies** ~~is unable to fully address our~~ - **or that applicable insurance will be available** ~~losses and / or if we become subjected~~ to ~~litigation~~ **us in the future on economically reasonable terms** or ~~regulatory action because of such~~ **at all. Actual or perceived failures to comply with applicable data protection, privacy** ~~an~~ **and** ~~incident. Our~~ **security laws, regulations, standards and other requirements and our** inability to maintain a secure environment for customers' and staff members' personal data could result in **legal** liability ~~and~~ **, financial penalties, reputational** harm ~~our reputation~~ **and loss of customers**, which could materially adversely affect our financial performance. We **and certain of our third- party vendors** receive and maintain certain personal information about our customers ~~and~~ **,** staff members **, business partners and others**. For example, we transmit confidential credit card information in connection with credit card transactions, ~~and~~ we are required to collect and maintain certain personal information in connection with our employment practices, including the administration of our benefit plans **, and we collect information in relation to our Cheesecake RewardsTM program**. Our collection, storage, handling, use, disclosure and security of ~~this~~ **personal** information is regulated by **complex and continually evolving (and at times conflicting)** U. S. **(** federal, state and local **)** and foreign laws ~~and~~ **,** regulations **, and industry standards. Many of these**

laws, regulations and standards are subject to change and uncertain interpretation and could result in claims, changes to our business practices, penalties, increased cost of operations, or otherwise harm our business . For instance, the California Consumer Privacy Act (“ CCPA ”) ~~, which~~ became effective on January 1, 2020 **,** ~~and the California Privacy Rights Act (“ CPRA ”)~~ which **created individual** ~~became effective on January 1, 2023 (the CCPA and CPRA are collectively referred to as “ California Privacy~~ **privacy rights for** ~~Laws ”), provide~~ California residents **and increased** ~~broad rights with respect to their~~ -- **the privacy related obligations of covered businesses handling** ~~personal data, including the right to know about the~~ personal information ~~a business collects~~ about **California residents. The CCPA provides** ~~them, the right to delete personal information collected from them, the right to opt- out of the sale of their personal information and the right to non- discrimination~~ for **civil penalties for violations** ~~exercising their rights under the California Privacy Laws. In addition~~ , **as well as** ~~the California Privacy Laws provide~~ a private right of action for certain data breaches ~~coupled~~ **that has increased the likelihood of, and risks associated** with ~~statutory damages under~~ **data breach litigation. The CCPA was significantly 30amended from January 1, 2023, imposing additional obligations on covered businesses, including additional privacy rights, limitations on data uses, and opt outs for** certain ~~circumstances~~ **uses of sensitive information and sharing of personal information. It also created a new data protection agency authorized to enforce the CCPA and issue substantive regulations. Similar laws have been passed in other states, and are continuing to be proposed at the state and federal level, reflecting a trend toward more stringent privacy legislation in the United States and creating the potential for a patchwork of overlapping but different state laws** . Compliance with ~~the California Privacy Laws and other~~ laws relating to **privacy, security or** the ~~protection~~ **processing** of personal information involve significant costs **,** and could ~~result in significant~~ **increase our potential** liability **(including** in the event we allow an unauthorized disclosure of **or access to** personal information **), subject to us increased regulatory scrutiny and result in us making changes to our data processing practices. Furthermore, the Federal Trade Commission (“ FTC ”) and many state Attorneys General continue to enforce federal and state consumer protection laws against companies for online collection, use, dissemination and security practices that appear to be unfair or deceptive. If we are found to have breached privacy, security or consumer protection laws, regulations or standards, we may be subject to enforcement actions that require us to change our business practices in a manner which may negatively impact our revenue, as well as expose ourselves to litigation, fines, civil and / or criminal penalties and adverse publicity that could cause our customers to lose trust in us, negatively impacting our reputation, brand and business in a manner that harms our financial position. Further, we are subject to laws, regulations and standards covering marketing, advertising and other activities conducted by telephone, email, mobile devices and the Internet, such as the Controlling the Assault of Non- Solicited Pornography and Marketing Act (“ the CAN- SPAM Act ”), the Telephone Consumer Protection Act (the “ TCPA ”) and similar state consumer protection and communication privacy laws, such as California’ s Invasion of Privacy Act (“ CIPA ”). Numerous class- action suits under federal and state laws have been filed in recent years against companies who conduct telemarketing and / or SMS texting programs, with many resulting in multi- million- dollar settlements to the plaintiffs. There has also been a noticeable uptick in class actions wherein plaintiffs have utilized a variety of laws, including state wiretapping laws such as CIPA, in relation to companies’ use of tracking technologies, such as cookies and pixels. Actual or perceived failures to comply with requirements relating to marketing, advertising, electronic communications and the Internet, could subject us to legal proceedings, which could expose us to adverse publicity, substantial monetary damages and legal defense costs, injunctive relief and fines or penalties** . If a ~~Security~~ **Cybersecurity** Incident were to occur involving loss of or inappropriate access to or dissemination of ~~such~~ personal information, we may become liable under applicable law for damages (including statutory damages) and incur penalties and other costs to remedy such an incident. Depending on the facts and circumstances of such an incident, these damages, penalties and costs could be significant and may not be covered by insurance or could exceed our applicable insurance coverage limits. Such an event also could harm our reputation and result in litigation against us. Any of these results could materially adversely affect our financial performance. ~~30Our ability~~ **(See the risk factor titled “ Information technology system failures or breaches of our network security could interrupt our operations and subject us** to ~~accept~~ **increased operating costs, as well as to litigation and other liabilities, any of which could materially adversely affect our financial performance ”). We are subject to the Payment Card Industry Data Security Standard (“ PCI DSS ”), a security standard applicable to companies that collect, store or transmit certain data regarding** credit **and debit** cards **, holders and transactions** ~~as a form of payment depends on us remaining compliant with standards set by the PCI Security Standards Council (PCI)~~ . These standards require certain levels of ~~Cyber Environment~~ **IT systems** security and procedures to protect our customers’ credit **/ debit** card and other personal information. We **also rely on vendors to handle PCI DSS matters and to help with PCI DSS compliance. Compliance with PCI- DSS and implementing related procedures, technology and information security measures requires significant resources and ongoing attention. Despite our compliance efforts, we may become subject to claims that we** have **violated the PCI DSS based on past** ~~implemented a robust end- to- end encryption and tokenization technology~~ , **present** ~~a public key infrastructure~~ , **and future business practices. Our actual or perceived failure** to ~~help ensure~~ **comply with the PCI DSS can subject us to fines, termination of banking relationships, and increased transaction fees. In addition, there is no guarantee** that ~~only trusted devices can access~~ **PCI DSS compliance will prevent illegal** ~~our~~ - **or** ~~network~~ **improper use of our payment systems or the theft** , **loss or misuse of payment card** ~~and Intrusion Detection and Intrusion Prevention (IDS / IPS) that scans~~ data **or transaction information** ~~in transit detecting and to help prevent the execution of harmful code~~ . In addition, we utilize a third- party security operations center (SOC) provider to monitor and analyze internal network traffic for potential malicious content. However, we can provide no assurance that our security measures will be successful in the event of an attempted or actual ~~Security~~ **Cybersecurity** Incident. **Any material interruptions or failures in our payment related systems could have a material adverse effect on our business, results of operations and financial condition.** If ~~these~~ **there** ~~security measures~~ are ~~not~~

~~successful~~ **amendments to PCI DSS, the cost of compliance could increase and we may suffer loss of critical data and interruptions or delays in our operations as a result. Further** , we may become subject to litigation or the imposition of regulatory penalties, which could result in negative publicity and significantly harm our reputation, either of which could materially adversely affect our financial performance. ~~Risks~~ **31Risks** Related to Our IndebtednessAny failure to satisfy financial covenants and / or repayment requirements under our credit facility could harm our financial condition. On October 6, 2022, we entered into a Fourth Amended and Restated Loan Agreement (the " Loan Agreement " and the credit facility provided thereunder, the " Revolver Facility "). Under the Revolver Facility, we are subject to the following financial covenants as of the last day of each fiscal quarter: (i) a maximum ratio of net adjusted debt to EBITDAR (the " Amended Net Adjusted Leverage Ratio ") of 4. 25 and (ii) a minimum ratio of EBITDAR to interest and rent expense of 1. 90. The Loan Agreement also contains customary events of default that include, among others, non- payment of principal, interest or fees, violation of covenants, inaccuracy of representations and warranties, bankruptcy and insolvency events, material judgements, cross defaults to material indebtedness and events constituting a change of control. The occurrence of an event of default could result in the termination of commitments under the ~~New Revolver~~ **Loan Agreement** , the declaration that all outstanding loans are immediately due and payable in whole or in part and the requirement of cash collateral deposits in respect of outstanding letters of credit. Any failure to maintain financial covenants under the Loan Agreement or to have sufficient liquidity to either repay or refinance the then outstanding balance at expiration of the Loan Agreement, or upon any violation of the covenants, could materially adversely affect our financial performance. In addition, the Loan Agreement contains, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. (See Note 10 of Notes to Consolidated Financial Statements in Part IV, Item 15 for further discussion of our long- term debt.) In addition, our increased indebtedness ~~related to our acquisition of Fox Restaurant Concepts~~ and our resulting higher debt- to- equity ratio, as compared to that which has existed on a historical basis, could limit our ability to obtain additional financing in the future and have other material consequences, including: increasing our vulnerability to, and limiting our flexibility in planning for, changing business and market conditions, making us more vulnerable to adverse economic and industry conditions; limiting our ability to use proceeds from any offering or divestiture transaction for purposes other than the repayment of debt; and creating competitive disadvantages compared to other companies with less indebtedness. The indenture governing our outstanding Notes will not restrict us from incurring additional indebtedness, and the Notes and the incurrence of any additional indebtedness could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the Notes. In June 2021, we completed the offering of $ 345. 0 million aggregate principle amount of convertible senior notes due 2026 (" Notes ") and issued $ 175. 0 million of shares of our common stock (the " Issuance "). The Notes and Issuance are collectively referred to as the " Offerings. " We used the net proceeds from the Offerings to fund approximately $ 457. 3 million payable in connection with the cash- settled conversion of 150, 000 shares of our previously outstanding Series A convertible preferred stock and the share- settled conversion of the remaining 50, 000 shares of Series A convertible preferred stock into approximately 2. 4 million shares of our common stock. (See Notes 10 and ~~15~~ **14** of Notes to Consolidated Financial Statements in Part 1, Item 1 of this report for further discussion of these events.) ~~31As~~ **As** of January ~~3~~ **2** , ~~2023~~ **2024** , we had approximately $ 475 million in principal amount of consolidated indebtedness. The indenture governing the Notes does not contain any meaningful restrictive covenants and does not prohibit us or our subsidiaries from incurring additional indebtedness in the future. Accordingly, we may incur a significant amount of additional indebtedness to meet future financing needs. The incurrence of indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things: ● increasing our vulnerability to adverse economic and industry conditions; ● limiting our ability to obtain additional financing; ● requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes; ● limiting our flexibility to plan for, or react to, changes in our business; **32** ● diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Notes; and ● placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Notes, and our cash needs may increase in the future. If we fail to comply with covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full. The issuance or sale of shares of our common stock, or rights to acquire shares of our common stock, could depress the trading price of our common stock and the Notes. We have the right to elect to settle conversion of the Notes either entirely in cash or in combination of cash and shares of common stock. Our election to convert Notes into common stock may further dilute the economic and voting rights of our existing stockholders and / or reduce the market price of our common stock. In addition, the market' s expectation that conversions may occur could depress the trading price of our common stock even in the absence of actual conversions. Moreover, the expectation of conversions could encourage the short selling of our common stock, which could place further downward pressure on the trading price of our common stock. We may also conduct future offerings of our common stock, preferred stock or other securities that are convertible into or exercisable for our common stock to finance our operations or fund acquisitions, or for other purposes. In addition, we have reserved approximately ~~4~~ **3** . ~~0~~ **1** million shares of common stock for grant under our The Cheesecake Factory Incorporated Stock Incentive Plan as of January ~~3~~ **2** , ~~2023~~ **2024** . If we issue additional shares of our common stock or rights to acquire shares of our common stock, if any of our existing stockholders sells a substantial amount of our common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our common stock may significantly decline. In addition, our issuance of additional shares of common stock will dilute the ownership interests of our existing common stockholders. Hedging activity by investors in the Notes could depress the trading price of our common stock. We expect that many investors in the Notes, including potential purchasers of the Notes, will seek to employ a convertible note arbitrage strategy. Under this strategy, investors typically short sell a certain number of shares of our common stock and adjust their short position over time while they continue to hold the Notes. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of, or in addition to, short selling shares of our common stock. This market activity, or the market' s perception that it will occur, could depress the trading price of our common stock. ~~32Provisions~~ -- **Provisions** in the indenture governing the Notes could delay or prevent an otherwise beneficial takeover of us. Certain provisions in the Notes and the indenture governing the Notes could make a third- party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a " fundamental change " (which is defined in the indenture governing the Notes to include certain change- of- control events and the delisting of our common stock), then noteholders will have the right to require us to repurchase their Notes for cash. In addition, if a takeover constitutes a " make- whole fundamental change " (which is defined in the indenture governing the Notes to include, among other events, fundamental changes and certain additional business combination transactions), then we may be required to temporarily increase the conversion rate for the Notes. In either case, and in other cases, our obligations under the Notes and the indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that holders of our common stock may view as favorable. We may be unable to raise the funds necessary to repurchase the Notes for cash following a fundamental change, or to pay the cash amounts due upon conversion, and our other indebtedness limits our ability to repurchase the Notes or pay cash upon their conversion. Noteholders of our outstanding Notes may, subject to limited exceptions, require us to repurchase their Notes following a " fundamental change " (which is defined in the indenture governing the Notes) at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, all conversions of the Notes will be settled partially or entirely in cash. We may not have enough available cash or be able to obtain financing at the time we are ~~required~~ **33required** to repurchase the Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the Loan Agreement or any future indebtedness may restrict our ability to repurchase the Notes or pay the cash amounts due upon conversion. For example, the Loan Agreement restricts us from paying cash upon conversion of the Notes in an amount that exceeds the sum of (i) the principal amount being converted and (ii) any payments received by us or any of our subsidiaries pursuant to the exercise, settlement or termination of any related permitted bond hedge transaction. Furthermore, the Loan Agreement places several restrictions on our ability to repurchase the Notes upon a fundamental change. Under the Loan Agreement we are permitted to repurchase Notes upon a fundamental change only if (i) no default of event of default exists and (ii) our pro forma net adjusted leverage ratio (as measured in accordance with the Loan Agreement) does not exceed 4. 25 to 1. 00 and our EBITDAR to interest and rental expense ratio (as measured in accordance with the Loan Agreement) is at least 1. 90 to 1. 00. Our failure to repurchase the Notes or pay the cash amounts due upon conversion when required will constitute a default under the indenture governing the Notes. A default under the indenture governing the Notes or the fundamental change itself could also lead to a default under the Loan Agreement and agreements governing our other or future indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under ~~the~~ such indebtedness and the Notes. Risks Related to Owning Our StockThe market price of our common stock is subject to volatility. During fiscal ~~2022~~ **2023** , the price of our common stock fluctuated between $ ~~26~~ **28** . ~~05~~ **58** and $ ~~44~~ **41** . ~~65~~ **28** per share. The market price of our common stock may be significantly affected by a number of factors, including, but not limited to, actual or anticipated variations in our operating results or those of our competitors as compared to analyst expectations, changes in financial estimates by research analysts with respect to us or others in the restaurant industry, and announcements of significant transactions (including mergers or acquisitions, divestitures, joint ventures or other strategic initiatives) by us or others in the restaurant industry. In addition, the equity markets have experienced price and volume fluctuations that affect the stock price of companies in ways that have been unrelated to an individual company' s operating performance. The price of our common stock may continue to be volatile, based on factors specific to our company and industry, as well as factors related to the equity markets overall. ~~33Our~~ -- **Our** stock price could be adversely affected if our performance falls short of our financial guidance and / or market expectations. Our failure to achieve performance consistent with any financial guidance we provide and / or market expectations could adversely affect the price of our stock. Factors such as comparable restaurant sales that are below our target, slowing growth of our concepts domestically, failure to execute other growth opportunities, a decline in growth of our international business, any event that causes our operating costs to substantially increase, including, without limitation, any of the events described elsewhere in these Risk Factors, our inability to obtain additional capital at market terms, or our failure to repurchase stock as expected or pay or increase dividends over time, could cause our performance to fall short of our financial guidance and / or market expectations. Our stock price could be adversely affected if we are unable to pay or increase dividends. ~~While our Board declared a quarterly dividend in the second quarter of fiscal 2022 and has declared quarterly dividends since then, following the suspension that began in fiscal 2020 due to the impact of COVID- 19 on our business and in conjunction with the terms of our Loan Agreement, there~~ **There** are no assurances that our Board will continue to declare quarterly dividends. Our ability to pay or to increase dividends on our common stock will depend on our ability to do so under the Loan Agreement or any future credit agreement as well as our ability to generate sufficient cash flows from operations and capacity to borrow funds, which may be subject to economic, financial, competitive and other factors that are beyond our control. (See Note 10 of Notes to Consolidated Financial Statements in Part IV, Item 15 of this report for further discussion of our long- term debt.) Our failure to pay a dividend or to increase it over time may negatively impact investor confidence in us and may negatively impact our stock price. We cannot guarantee that our share repurchase program will be utilized to the full value approved or that it will enhance long- term stockholder value. Our Board of Directors has authorized a share repurchase program of up to 61. 0 million shares, of which approximately **4.** 5 ~~. 8~~ million shares remained available for repurchase as of January ~~3~~ **2** , ~~2023~~ **2024** . The share repurchase program does not have an expiration date, does not require the Company to purchase a specific number of shares and may be modified, suspended or terminated at any ~~time~~ **34time** , which may result in a decrease in the trading price of our common stock. The timing and total amount of share repurchases will depend upon market conditions and other factors and may be made from time to time in open market purchases, privately negotiated transactions, accelerated share repurchase programs, issuer self- tender offers or otherwise. Future decisions to repurchase shares are at the discretion of the Board of Directors and are based on several factors, including current and forecasted operating cash flows, capital needs associated with new restaurant development and maintenance of existing locations, dividend payments, debt levels and cost of borrowing, obligations associated with the Fox Restaurant Concepts LLC acquisition agreement (the " FRC Acquisition "), our share price and current market conditions. The timing and number of shares repurchased are also subject to legal constraints and covenants under the Loan Agreement that limit share repurchases based on a defined ratio. (See Note 10 of Notes to Consolidated Financial Statements in Part IV, Item 15 of this report for further discussion of our long- term debt.) In addition, the Inflation Reduction Act of 2022 introduced a 1 % excise tax on share repurchases, which increases the costs associated with repurchasing shares of our common stock. Even if our share repurchase program is fully implemented, it may not enhance long- term stockholder value or may not prove to be the best use of our cash. Share repurchases could have an impact on the trading price of our common stock, increase the volatility of the price of our common stock or reduce our available cash balance such that we will be required to seek financing to support our operations. ~~34~~ **Our stock price could be adversely affected by future sales or other dilution of our equity. Subject to Nasdaq Listing Rules and certain restrictions on the issuance of convertible indebtedness under the Loan Agreement, we are not restricted from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities. Our Board of Directors is authorized to issue additional shares of common stock and additional classes or series of preferred stock without any action on the part of the stockholders. The Board of Directors also has the discretion, without stockholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights and preferences over the common stock with respect to dividends or upon the liquidation or winding up of our business and other terms. If we issue preferred shares that have a preference over our common stock with respect to the payment of dividends or upon liquidation, dissolution or winding up, or if we issue preferred shares with voting rights that dilute the voting power of our common stock, the rights of our common stockholders or the market price of our common stock could be materially adversely affected. General Risk FactorsChanges in tax laws and resulting regulations could result in changes to our tax provisions and expose us to additional tax liabilities that could materially adversely affect our financial performance. We are subject to income and other taxes in the U. S. and foreign jurisdictions. Changes in applicable U. S. or foreign tax laws and regulations, such as the 2017 enactment of Federal legislation commonly referred to as the Tax Cuts and Jobs Act, The Coronavirus Aid, Relief, and Economic Security Act of 2020, and the Inflation Reduction Act of 2022 (collectively, the " Tax Acts "), or their interpretation and application, including the possibility of retroactive effect and changes to state tax laws that may occur in response to the Tax Acts, could affect our tax expense and profitability. In addition, we may be subject to tax audit and related litigation and the final determination of any tax audits or related litigation could be materially different from our historical income tax provisions and accruals. Changes in our tax provision or an increase in our tax liabilities, whether due to changes in applicable laws and regulations, the interpretation or application thereof, or a final determination of tax audits or litigation, could materially adversely affect our financial performance. The U. S. Treasury Department and Internal Revenue Service have proposed the establishment of the Service Industry Tip Compliance Agreement (" SITCA ") program, which would replace the Tip Reporting Alternative Commitment (" TRAC ") that many of our locations currently use. By complying with the educational and other requirements of the TRAC agreement, we reduce the likelihood of potential employer- only FICA tax assessments for unreported tips. If we were to not qualify for the SITCA program, as currently proposed, it could cause us to lose tax credits which could materially adversely affect our financial performance. Our failure to establish, maintain and apply adequate internal control over our financial reporting and comply with changes in financial accounting standards or interpretations of existing standards could limit our ability to report our financial results accurately and timely or to detect and prevent fraud, any of which could materially adversely affect our financial performance. We are subject to the ongoing internal control provisions of Section 404 of the Sarbanes- Oxley Act of 2002. These provisions provide for the identification of material weaknesses in internal control over financial reporting- a process to provide reasonable 35**