**Risk Factors Comparison 2024-02-21 to 2023-02-22 Form: 10-K**

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

The opening of additional franchised restaurants depends, in part, upon the availability of prospective franchisees who meet our criteria. We may not be able to identify, recruit or contract with suitable franchisees in our target markets on a timely basis or at all. Although we have developed criteria to evaluate and screen prospective franchisees, our franchisees may not ultimately have the business acumen or be able to access the financial or management resources that they need to open and successfully operate the restaurants contemplated by their agreements with us ~~, or they~~ **. Existing franchisees** may elect to cease restaurant development for other reasons and state franchise laws may limit our ability to terminate or modify these license agreements. If any of these situations occur, our growth may be slower than anticipated, which could materially adversely affect our ability to increase our revenue and materially adversely affect our business, financial condition and results of operations. Also, the number of new franchised Wingstop restaurants that actually open in the future may differ materially from the number of signed commitments from existing and new franchisees. Historically, a portion of our signed commitments have not ultimately opened as new franchised Wingstop restaurants. The historic conversion rate of signed commitments to new franchised Wingstop restaurants may not be indicative of the conversion rates we will experience in the future, and the total number of new franchised Wingstop restaurants actually opened in the future may differ materially from the number of signed commitments disclosed at any point in time. Our stated sales to investment ratio and target unlevered cash- on- cash return may not be indicative of future results of any new franchised restaurant. Initial investment levels, AUV levels, restaurant- level operating costs and restaurant- level operating profit of any new restaurant may differ from average levels experienced by franchisees in prior periods due to a variety of factors, and these differences may be material. Accordingly, our stated sales to investment ratio and average unlevered cash- on- cash return may not be indicative of future results of any new franchised restaurant. In addition, estimated initial investment costs and restaurant- level operating costs are based on information self- reported by our franchisees and have not been verified by us. Furthermore, performance of new restaurants is impacted by a range of risks and uncertainties beyond our or our franchisees' control, including those described by other risk factors described in this report. Food safety and food- borne illness concerns may have a material adverse effect on our business. Food safety is a top priority, and we dedicate substantial resources so that our customers enjoy safe, high quality food products. However, food- borne illnesses, such as salmonella, E. coli infection, or hepatitis A, and food safety issues, including food tampering or contamination, have occurred in the food industry in the past, and could occur in the future. Any report or publicity linking our restaurants to instances of food- borne illness or food safety issues could materially adversely affect our brand and reputation as well as our revenue and profits. Even instances of food- borne illness or food safety issues occurring solely at our competitors ~~'~~ **’** restaurants could result in negative publicity about the food service industry or fast casual restaurants generally and adversely impact our restaurants. In addition, our reliance on third- party food suppliers and distributors increases the risk that food- borne illness incidents could be caused by factors outside of our control and that multiple restaurants could be affected rather than a single restaurant. We cannot ensure that all food items are properly maintained during transport throughout the supply chain or that our employees and our franchisees and their employees will identify all products that may be spoiled and should not be used. Our industry has also long been subject to the threat of food tampering by suppliers, employees, and others such as the addition of foreign objects in the food that we sell. Reports, whether or not true, of injuries caused by food tampering have in the past severely injured the reputations and brands of restaurant chains in the quick service restaurant ~~segment~~ **market** and could affect us in the future as well. If our customers become ill from food- borne illnesses or injured from food tampering, we could also be forced to temporarily close some restaurants. Moreover, any instances of food contamination, whether or not at our restaurants, could subject our restaurants or our suppliers to a food recall pursuant to the Food and Drug Administration Food Safety Modernization Act . Changes in food and supply costs...... could materially adversely affect our operating results . Our expansion into new and existing markets may present increased risks. Some of our new restaurants are located in markets where there may be limited or no market recognition of our brand. Those markets may have competitive conditions, consumer tastes and discretionary spending patterns that are different from those in our existing markets, and we may encounter well- established competitors with substantially greater financial resources than us. As a result, those new restaurants may be less successful than restaurants in our existing markets. We may need to build brand awareness in new markets through greater investments in advertising and promotional activity than we originally planned, which could negatively impact the profitability of our operations in such new markets. Our franchisees may find it more difficult in new markets to hire, motivate and keep qualified employees who can project our vision, passion and culture. In addition, we may have difficulty finding reliable suppliers or distributors or ones that can provide us, either initially or over time, with adequate supplies of ingredients meeting our quality standards. Restaurants opened in new markets may also have lower average restaurant sales than restaurants opened in existing markets and may take longer to, or fail to, ramp up and reach expected sales and profit levels. Additionally, new markets may have higher rents and labor costs. These factors could negatively impact our unit economics and overall profitability. We also intend to continue opening new franchised restaurants in our existing markets as a core part of our growth strategy. As a result, the opening of a new restaurant in or near markets in which our restaurants already exist could adversely affect the sales of our existing restaurants. Our success depends on our ability to compete with many other restaurants. The restaurant industry in general, and the fast casual category in particular, are intensely competitive, and we compete with many well- established restaurant companies on the basis of food taste and quality, price, service, value, location, convenience, digital engagement **, delivery** and overall customer experience. Our competitors include individual restaurants and restaurant chains that range from independent local operators to well- capitalized national and regional restaurant companies, including restaurants offering chicken wings, tenders, and chicken sandwiches, as well as dine- in, carry- out, and delivery services offering other types of food. As our competitors expand their operations or as new competitors enter the industry, we expect competition to continue to intensify. Should our competitors increase their spending on advertising and promotions or if their advertising and promotions are more effective, we could experience a loss of customer traffic to our competitors and a material adverse effect on our **business, financial condition, and** results of operations. We **and our franchisees** compete with other restaurant chains and other retail businesses for quality site locations, management, hourly employees, and **we also compete for** qualified franchisees. We also face the risk that new or existing competitors will copy our business model, menu options, presentation, or ambiance, among other things. Consumer tastes, nutritional and dietary trends, traffic patterns, and the type, number, and location of competing restaurants often affect the restaurant business, and our competitors may react more efficiently and effectively to those conditions. Moreover, we may also compete with companies outside the fast casual, quick service, and casual dining segments of the restaurant industry, such as deli sections and in- store cafés of several major grocery store chains and from home delivery meal plan services, as well as from convenience stores and other dining outlets. These competitors may have, among other things, a more diverse menu, lower operating costs, better locations, better facilities, better management, more effective marketing, more efficient operations, stronger brand recognition, more loyal customer ~~base~~ **bases** and more convenient offerings than we have. If we are unable to compete effectively, it could decrease our traffic, sales and profit margins, which could materially adversely affect our business, financial condition, and results of operations. **Changes in food and** supply costs could materially adversely affect our results of operations.Our profitability depends in part on our ability to anticipate and react to changes in food and supply costs.There are no established fixed price markets for bone- in chicken wings.As a result,we are subject to prevailing market conditions and remain susceptible to volatility in food costs.The cost of chicken can be volatile.Although we enter into arrangements in an effort to mitigate the volatility of food costs,any increase in the prices of the ingredients most critical to our menu,particularly chicken,could materially adversely affect our operating results. ~~In fiscal year 2021,we saw substantial inflation in the cost of bone- in wings,which caused our expenses to rise;however,we are now experiencing significant deflation in the cost of bone- in wings.~~ Food costs may also increase as a result of factors beyond our control,such as inflation,general economic conditions,seasonal fluctuations,weather conditions,energy costs,feed prices, **labor shortages,** industry demand,food safety concerns,product recalls and government regulations.Increased weather volatility or other long- term changes in weather patterns,including **those** related to climate change,could have a significant impact on the price ~~of~~ **or** availability of some of our ingredients.Additionally,avian influenza,or similar poultry- related diseases,may negatively affect the supply chain by increasing costs and limiting availability of chicken.As a result,we may not be able to anticipate or successfully react to changing food costs,including the price of bone- in chicken wings,by adjusting our purchasing practices **,increasing our menu prices to pass along commodity price increases to our customers or making other operational adjustments,which could materially adversely affect the demand for product and our operating results.** Interruptions in the supply of product to company- owned restaurants and franchisees could materially adversely affect our revenue. In order to maintain quality- control standards and consistency among restaurants, ~~we require through~~ our franchise agreements ~~that~~ **obligate** our franchisees **to** obtain food and other supplies from preferred suppliers approved by us in advance. All food items and packaging goods for Wingstop restaurants are currently sourced through one distributor with 17 geographically diverse distribution centers. In this regard, we and our franchisees depend on a group of suppliers and our distributor for food ingredients, beverages, paper goods, and distribution. We and our franchisees bear risks associated with the timeliness, solvency, reputation, labor relations, freight costs, price of raw materials, and compliance with health and safety standards of each supplier and our distributor. We have little control over such suppliers or the distributor. Disruptions in these relationships may reduce company- owned restaurant and franchisee sales and, in the case of reduced franchisee sales, our royalty income. Overall difficulty of suppliers meeting restaurant product demand ~~(including with respect to new product offerings like the launch of our chicken sandwich in 2022)~~ , interruptions in the supply chain, obstacles or delays in the process of renegotiating or renewing agreements with preferred suppliers or the distributor, financial difficulties experienced by suppliers or the distributor, or the deficiency, lack, or poor quality of alternative suppliers or distributors could adversely impact company- owned restaurant and franchisee sales, which could materially adversely affect our business **, financial condition,** and operating results and, in the case of reduced franchisee sales, would reduce our royalty income and revenue. In addition, our focus on a limited menu could make these consequences more severe. Our business could be adversely affected by...... our common stock would likely decrease. Cyber incidents or deficiencies in cybersecurity could negatively impact our business by causing data loss, a disruption to our operations, a compromise or corruption of confidential or personal information, damage to our employee and business relationships and reputation, and / or litigation and liability, all of which could subject us to loss and harm our brand. As **our brand profile and** our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced. Additionally, there has been an increase in data integration and complexity of our technology systems, particularly in our international markets. Our information technology systems include the use of electronic payment methods and the collection and storage of personal information from individuals, which may expose us and our franchisees to increased risk of cyber incidents, privacy and / or security breaches or intrusions, and other risks. We rely on commercially available systems, software, tools and monitoring to provide security for processing, transmitting, and storing such information. The use of personally identifiable information by us is regulated by foreign, federal, and state laws, which continue to evolve, as well as by certain third- party agreements. As privacy and information security laws and regulations change, we may incur additional costs to ensure that we remain in compliance with those laws and regulations. See “ Changing regulations relating to privacy, information security, and data protection could increase our costs and affect or limit how we collect and use personal information ” below for a further discussion on privacy, information security, and data protection regulations. Our franchisees, contractors and third parties with whom we do business have experienced cyber incidents and security breaches or intrusions in which confidential or personal information could have been stolen and we, our franchisees, contractors and third parties with whom we do business may experience cyber incidents and security breaches or intrusions in which confidential or personal information is stolen in the future. Third parties may have the technology or know-how to breach the security of confidential or personal information collected, stored or transmitted by us or our franchisees, and our and their security measures and those of third parties with whom we do business, including technology vendors, solution providers, software manufacturers and supply chain vendors, may not effectively prohibit others from obtaining improper access to this information. Third parties ~~also may~~ **have been and will likely** be able **to continue** to develop and deploy viruses, worms and other malicious software programs, such as ransomware, that attack our, our franchisees' and third parties with whom we do business' s systems or otherwise exploit any security vulnerabilities. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and are often difficult to detect for long periods of time, which may cause a breach to go undetected for an extensive period of time. Advances in computer and software capabilities, technology, new tools, and other developments may increase the risk of such a breach. If a person is able to circumvent the security measures of our business, our franchisees' businesses or those of other third parties, he or she could destroy or steal valuable information or disrupt the operations of our business. In addition, our franchisees, contractors or third parties with whom we do business or to whom we outsource business operations may attempt to circumvent our security measures in order to misappropriate confidential information and may purposefully or inadvertently cause a breach involving such information. The costs to us to eliminate any of the foregoing cybersecurity vulnerabilities or to address a cyber incident could be significant and have material adverse impact on our **business,** financial condition, **and** results of operations **. The rapid evolution** and ~~cash flows~~ **increased adoption of artificial intelligence technologies may intensify our cybersecurity risks** . If we, our employees, franchisees, or vendors fail to comply with applicable laws, regulations, or contract terms, and covered information is obtained by unauthorized persons, used inappropriately, or destroyed, it could adversely affect our reputation, disrupt our operations and result in costly litigation, judgments, or penalties resulting from violation of laws and payment card industry regulations. Any such claim or proceeding could cause us to incur significant unplanned expenses and significantly harm our reputation, which could have a material adverse impact on our **business,** financial condition, **and** results of operations ~~and cash flows~~ . A cyber incident could also require us to provide notifications, result in adverse publicity, loss of sales and profits, increase fees payable to third parties, and result in penalties or remediation and other costs that could materially adversely affect the operation of our business **, financial condition,** and results of operations. In addition, our cyber liability coverage may be inadequate or may not be available in the future on acceptable terms, or at all, and defending a suit, regardless of its merit, could be costly and divert management' s attention. Our increasing reliance on credit or debit cards for payment increases the risk of regulatory compliance and security breaches or intrusions, which could materially adversely impact our business **, financial condition,** or results of operations. The majority of our restaurant sales are paid by credit or debit cards. In connection with credit or debit card transactions in- restaurant, we and our franchisees collect and transmit confidential information to card processors. The systems currently used for transmission and approval of electronic payment transactions, and the technology utilized in electronic payments themselves, all of which can put electronic payment at risk, are determined and controlled by the payment card industry, not by us, through enforcement of compliance with the Payment Card Industry- Data Security Standards (as modified from time to time, ~~"~~ **"** PCI DSS ~~"~~ **"** ). We and our franchisees must abide by the PCI DSS in order to accept electronic payment transactions. If we or our franchisees fail to abide by the PCI DSS, we or our franchisees could be subject to fines, penalties or litigation, which could **materially** adversely impact our **business, financial condition, or** results of operations. ~~Furthermore~~ **In addition** , **we** ~~the payment card industry is requiring vendors to become compatible with smart chip technology for~~ **or** ~~payment cards, or~~ **our** ~~EMV- Compliant, or else bear full responsibility for certain fraud losses, referred to as the EMV Liability Shift. To become EMV- Compliant, merchants often utilize EMV- Compliant payment card terminals at the POS and obtain a variety of certifications. At present, a number of our franchised~~ **franchisees** ~~restaurants have not upgraded their POS systems to include such EMV- Compliant payment card terminals and as a result, may be at increased risk for breaches, which could materially adversely affect our business and operating results. We~~ may become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and we **or our franchisees** may also be subject to lawsuits or other proceedings relating to these types of incidents. Changing regulations relating to privacy, information security **,** and data protection could increase our costs and affect or limit how we collect and use personal information. The United States, the European Union, and other countries in which we operate are increasingly adopting or revising privacy, information security, and data protection laws and regulations that could have a significant impact on our current and planned privacy, data protection, and information security- related practices, our collection, use, sharing, retention, and safeguarding of consumer and / or employee information, and some of our current or planned business activities. In the United States, these include rules and regulations promulgated under the authority of the FTC, the Health Insurance Portability and Accountability Act of 1996, federal and state labor and employment laws, state data breach notification laws, and state privacy laws such as the California Consumer Privacy Act of 2018 **(the " CCPA ")** and the California Privacy Rights Act **(the " CPRA ") (which will become enforceable in March 2024). The CPRA expanded the CCPA' s requirements, restricted the use of certain categories of personal information that we handle, and established a new regulatory agency to implement and enforce the law. A number of other states have enacted similar data privacy laws, and other states and countries are considering passing or expanding privacy laws in the near term** . Many of these laws and regulations provide consumers and employees with a private right of action if a covered company suffers a data breach related to a failure to implement reasonable data security measures **. For example, the CCPA and CPRA provide a private right of action for certain data breaches coupled with statutory damages under certain circumstances. Compliance with the CCPA, CPRA and other laws relating to the protection of personal information involve significant costs and could result in significant liability in the event we allow an unauthorized disclosure of personal information** . In the European Union, this includes the General Data

Protection Regulation. The legal framework around privacy issues is rapidly evolving, as various federal and state government bodies are considering adopting new privacy laws and regulations. These laws and regulations could result in significant limitations on or changes to the ways in which we can collect, use, host, store, or transmit personal information and other data. Compliance with privacy, data protection, and information security laws to which we are subject could result in additional costs, and our failure to comply with such laws could result in potentially significant regulatory investigations or government actions, penalties or remediation, and other costs, as well as adverse publicity, loss of sales and profits, and an increase in fees payable to third parties. Each of these implications could materially adversely affect our ~~revenues, results of operations,~~ business, ~~and~~ financial condition **, and results of operations. Additionally, the rapid evolution and increased adoption of artificial intelligence technologies and our obligations to comply with emerging laws and regulations may require us to develop additional artificial intelligence- specific governance programs** . We and our franchisees rely on ~~computer systems~~ **information technology** to process transactions and manage our business, and a disruption or a failure of such systems or **issues with our key technology providers or** technology could harm our ability to effectively manage our business **and / or result in the loss of guests** . Network and information technology systems **, including point- of- sale and payment processing systems, technologies supporting our digital and delivery business, technologies that manage our supply chain, and technologies that facilitate collection of cash, payment of obligations, marketing initiatives, employee engagement and payroll processing, and various other processes and procedures,** are integral to our business. ~~We~~ **Our ability to effectively manage our business and coordinate the procurement, distribution and sale of our products depends significantly on the availability, reliability, and security of these systems. Many of these critical systems are provided and managed by third parties, and we are reliant on those third- party providers to implement protective measures that ensure the security and availability of their systems. While we have systems in place to attempt to manage third- party cybersecurity risks, such procedures may not be sufficient to address all potential failures of third- party systems. In addition, we** utilize various computer systems, including our franchisee reporting system, by which our franchisees report their weekly sales and pay their corresponding royalty fees and required Ad Fund contributions. This system is critical to our ability to accurately track sales and compute and receive royalties and Ad Fund contributions due from our franchisees ~~. We also rely on computer systems and network infrastructure across other areas of our operations, including marketing programs, employee engagement, management of our supply chain and POS processing in our restaurants~~ . Our operations depend upon our ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, computer, network and telecommunications failure, or other catastrophic events, as well as from internal and external security breaches or intrusions, viruses and other disruptive software, worms, improper usage by employees, and other disruptive problems. Any damage or failure of our computer systems or network infrastructure that causes an interruption in our operations could have a material adverse effect on our business and subject us to litigation or actions by regulatory authorities. In addition, such events could result in a need for a costly repair, upgrade or replacement of systems, or a decrease in, or in the collection of, royalties and Ad Fund contributions paid to us by our franchisees. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability which could materially affect **the operation of** our **business, our financial condition, and** results of operations. It is also critical that we establish and maintain certain licensing and software agreements for the software we use in our day- to- day operations. A failure to procure or maintain these licenses could have a material adverse effect on our business operations **. We are dependent to a significant extent on our ongoing relationship with key technology providers, including their personnel, resources, technological expertise, systems and technology and their ability to help execute our digital, restaurant technology and enterprise technology initiatives and support our technology innovation and growth initiatives. The inability of us or our providers to execute those initiatives, or a breakdown in the relationship with those providers, could have an adverse impact on our business, results of operations, and financial condition** . There are risks associated with our increasing dependence on digital commerce platforms to maintain and grow sales, and limitations, disruptions or unavailability of our digital commerce platforms, or our ability to distribute our apps, could harm our ability to compete and conduct our business. Customers are increasingly using e- commerce websites and apps, both domestically and internationally, like www. wingstop. com, our mobile ordering application, and third- party delivery apps, to order and pay for our products and select optional delivery and curbside services **. In the fourth quarter of 2023, digital sales accounted for 67. 0 % of our domestic sales** . As a result, we and our franchisees are increasingly reliant on digital ordering and payment for such sales, and portions of our digital commerce platforms depend on third- party services, including cloud- based technologies and platforms. Our **ability to effectively manage and grow our business depends significantly on the reliability and capacity of these systems, and we continue to invest in technology innovations, such as our digital platform, as part of our growth strategy. There can be no assurance that we will realize the intended benefits of these investments or achieve expected results, nor can we be certain of our ability to adequately and / or timely implement, execute, transition between, or enhance such technologies, which could result in: platform outages; loss of data; disruptions to or reduced efficiency in our operations; delays in customer service; dissatisfaction from our customers; loss of sales; or negative publicity and damage to our reputation. Our** apps and other digital ordering and payment platforms could be damaged or interrupted by power loss, technological failures, cyber- attacks **or data breaches** , other forms of sabotage or acts of God **. Further, we may not be successful in achieving protection of our related intellectual property, or information systems, including those necessary for implementation and management of our digital platform. Remediation of these or related issues could result in significant, unplanned capital investments** . In addition, the availability, distribution and functionality of our apps and updates to our apps are dependent on mobile app stores and their related policies, terms and conditions. Because we and our franchisees rely on digital orders for a significant portion of our sales, any limitations in functionality, interruptions or unavailability of any of our **or third- party** digital ordering or payment platforms could limit or delay customers' ability to order through such platforms. Further, ~~if~~ **developing and implementing consumers' evolving technology demands or industry trends may place a significant financial burden on us and, particularly with respect to digital commerce platforms, could result in a loss of customers and related market share. If** our digital ordering and payment platforms do not meet customers' expectations in terms of security, speed, attractiveness, or ease of use, customers may be less inclined to return to such platforms. Any such limitation, damage, interruption or unavailability of our digital commerce platforms or failure of those platforms to meet customers' expectations could materially adversely affect our and our franchisees ~~'~~ **'** sales and our **growth prospects,** results of operations and financial condition. Any failure by us or our third- party delivery providers to provide timely and reliable delivery services may materially adversely affect our business and reputation. As of December ~~31~~ **30** , ~~2022~~ **2023** , delivery services were available at all Wingstop restaurants throughout the United States. Interruptions or failures in our delivery services could prevent the timely or successful delivery of our products. These interruptions may be due to unforeseen events that are beyond our control or the control of our delivery providers, such as inclement weather, natural disasters, transportation disruptions, sabotage by an outside party, civil protests or labor shortages or unrest. In addition, changes in business practices of our delivery providers and governmental regulations could materially adversely impact delivery services and / or profitability. If our products are not delivered on time and in safe and proper condition, customers may refuse to accept our products and have less confidence in our services, in which case our business and reputation may suffer. If our third- party delivery service providers fail to follow the quality standards or other terms that they agreed to with us, it could result in harm to our business and reputation and could force us to pursue arrangements with alternative delivery service providers, which could result in an interruption to our delivery services. These factors may materially adversely impact our sales and our brand reputation. We also incur additional costs associated with delivery orders, and it is possible that these orders could cannibalize more profitable carry- out or in- restaurant orders. Uncertainty in the law with respect to the assignment or allocation of liabilities in the franchise business model could materially adversely impact our profitability. One of the legal foundations fundamental to the franchise business model has been that, absent special circumstances, a franchisor is generally not responsible for the acts, omissions, or liabilities of its franchisees, whether with respect to the franchisees' employees or otherwise. In the last several years, this principle has been the subject of differing and inconsistent interpretations at the National Labor Relations Board **(" NLRB ")** and in the courts, and the question of whether a franchisor can be held liable for the actions or liabilities of a franchisee under a vicarious liability theory, sometimes called " joint employer, " has become highly fact dependent and generally uncertain **. The effective date of a new joint employer rule announced by the NLRB that would expand liability for franchisors has been extended to February 26, 2024. The status of the rule remains uncertain, pending resolution of legal and legislative challenges with respect to the rule** . Further, legislation has been proposed from time to time to require franchisors to be responsible for ensuring franchisee compliance with certain laws. A regulatory, judicial or legislative determination that we are a " joint employer " with our franchisees or that our franchisees are part of one unified system subject to joint and several liability could subject us and / or our franchisees to liability for employment- related, health and safety related and other liabilities of our franchisees and could cause us to incur other costs that have a material adverse effect on our **profitability, which would adversely impact our business, financial condition, and** results of operations. Our business activities subject us and our franchisees to litigation risk that could subject us to significant money damages and other remedies or by increasing our and our franchisees ~~'~~ **'** litigation expense. We and our franchisees are, from time to time, the subject of, or potentially the subject of, complaints or litigation, including customer claims, class- action lawsuits, personal- injury claims, environmental claims, intellectual property claims, employee claims regarding workplace matters such as wage- related or workforce scheduling claims, allegations of improper termination, harassment, discrimination and claims related to violations of laws, such as the Americans with Disabilities Act of 1990 ( ~~"~~ **"** ADA ~~"~~ **"** ), religious freedom laws, the Fair Labor Standards Act, other employment- related laws, the Occupational Safety and Health Act, the Employee Retirement Income Security Act of 1974, as amended, advertising laws and state and local " dram shop " laws. Each of these claims may increase our and our franchisees' costs, limit the funds of our franchisees available to make royalty payments and reduce the execution of new franchise agreements. Litigation against a franchisee or its affiliates by third parties or regulatory agencies, whether in the ordinary course of business or otherwise, may also include claims against us by virtue of our relationship with the defendant- franchisee, whether under vicarious liability, joint employer, or other theories. Regardless of whether any claim brought against us or a franchisee in the future is valid or whether we or they are liable, such a claim would be expensive to defend and may divert time, money and other valuable resources away from our or their operations and, thereby, hurt our business. In addition, the ability of a defendant- franchisee to make royalty payments in the event of such claims may be decreased and adverse publicity resulting from such allegations may materially adversely affect us and our brand, regardless of whether these allegations are valid or whether we or they are liable. Our international business may be subject to additional risks related to litigation, including difficulties in enforcement of contractual obligations governed by foreign law due to differing interpretations of rights and obligations, compliance with multiple and potentially conflicting laws, new and potentially untested laws and judicial systems, and reduced or diminished protection of intellectual property. A substantial judgment against us could materially adversely affect our business **, financial condition,** and operating results. Insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to any of these or other matters. A substantial judgment, or judgment or other liability in excess of our or our franchisees' available insurance coverage, resulting from claims could materially adversely affect our business **, financial condition,** and results of operations. We may engage in litigation or arbitration with our franchisees. Although we believe we generally enjoy a positive working relationship with the vast majority of our franchisees, the nature of the franchisor- franchisee relationship may give rise to litigation or arbitration with our franchisees. In the ordinary course of business, we are the subject of complaints or litigation from franchisees, usually related to alleged breaches of contract or wrongful termination under the franchise arrangements. We may also engage in future litigation or arbitration with franchisees to enforce the terms of our franchise agreements and compliance with our brand standards as determined necessary to protect our brand, the consistency of our products and the customer experience, or to enforce our contractual indemnification rights if we are brought into a matter involving a third party due to the franchisee' s alleged acts or omissions. In addition, we may be subject to claims by our franchisees relating to our Franchise Disclosure Document ( ~~"~~**“**FDD ~~"~~**”**), including claims based on financial information contained in our FDD. Engaging in such litigation or arbitration may be costly and time-consuming and may distract management and materially adversely affect our relationships with franchisees and our ability to attract new franchisees. Any negative outcome of these or any other claims could materially adversely affect our results of operations as well as our ability to expand our franchise system and may damage our reputation and brand. Furthermore, existing and future franchise- related legislation could subject us to additional litigation risk in the event we terminate or fail to renew a franchise relationship. Our **business could be adversely** affected by increased labor costs.Labor is a primary component of our operating costs.Increased labor costs due to factors such as competition for workers,labor shortages,labor market pressures,increased minimum wage requirements,paid sick leave or vacation accrual mandates,or other legal or regulatory changes,such as predictive scheduling,may adversely impact operating costs for us and our franchisees.Additional taxes or requirements to incur additional employee benefit costs,including the requirements of the Patient Protection and Affordable Care Act or any new or replacement healthcare requirements,could also adversely impact our operating costs.From time to time, ~~legislative~~ **legislation** ~~proposals are made to increase~~ **increases** the minimum wage at the federal,state and local level,or ~~create~~ **creates** a council that could,among other things,increase minimum wages and impose additional minimum working or operating standards.The establishment of such laws in one state may have a ripple effect in other states,substantially increase labor costs and negatively impact our operating costs.Our success depends in part upon effective advertising and marketing campaigns, which may not be successful, and franchisee support of such advertising and marketing campaigns. We believe the Wingstop brand is critical to our business and expend resources in our marketing efforts using a variety of media outlets. We expect to continue to conduct brand awareness programs and customer initiatives **, including product promotions,** to attract and retain customers. Additionally, new social media platforms and other digital marketing initiatives are developing rapidly, and we need to continuously innovate, evolve, and invest in our social media strategies to maintain broad appeal with guests and brand relevance. Should our advertising and promotions not be effective, our business, financial condition and results of operations could be materially adversely affected. The support of our franchisees is critical for the success of the advertising and marketing campaigns we seek to undertake, and the successful execution of these campaigns will depend on our ability to maintain alignment with our franchisees. Our franchisees are currently required to contribute specified percentages of their gross sales to certain advertising funds and programs. There can be no assurances that these funds will be sufficient to meet our marketing needs or that additional funds will be provided by our franchisees in the future. The lack of continued financial support for our advertising activities could hinder our marketing efforts, which may **materially** adversely affect our business **, financial condition,** and operating results. While we maintain control over advertising and marketing materials and can mandate certain strategic initiatives pursuant to our franchise agreements, we need the active support of our franchisees if the implementation of these initiatives is to be successful. If our initiatives are not successful, resulting in expenses incurred without the benefit of higher revenue, our business, financial condition and results of operations could be materially adversely affected. We are vulnerable to changes in consumer preferences and regulation of consumer eating habits that could harm our business, financial condition, **and** results of operations ~~and cash flow~~ . Consumer preferences and eating habits often change rapidly and without warning, moving from one trend to another among many ~~product~~ **products** or ~~retail~~ concepts. We depend on some of these trends, including the trend regarding away- from- home or take- out dining. Consumer preferences towards away- from-home and take- out dining or certain food products might shift as a result of, among other things, new information, attitudes regarding diet and health concerns or dietary trends related to cholesterol, carbohydrate, fat and salt content of certain food items, including chicken wings, in favor of foods that are perceived as healthier. Our menu is currently comprised primarily of chicken wings, tenders and sandwiches, and fries, and a change in consumer preferences away from these offerings would have a material adverse effect on our business **, financial condition, and operating results** . Negative publicity over **, or increased costs relating to,** the health aspects of, or animal welfare or other social or environmental concerns related to, the food items we sell may adversely affect demand for our menu items and could have a material adverse effect on traffic, sales and results of operations. Regulations may also continue to change as a result of new information and attitudes regarding diet and health. These changes may include regulations that impact the ingredients and nutritional content of our menu items. The federal government and a number of states, counties and cities, have enacted laws requiring multi- unit restaurant operators to make certain nutritional information available to customers and / or legislation prohibiting the sales of certain types of ingredients in restaurants. If our customers perceive our menu items to contain unhealthy caloric, sugar, sodium, or fat content, our results of operations could be adversely affected. The success of our restaurant operations depends, in part, upon our ability to effectively respond to changes in consumer preferences and eating habits, negative publicity and consumer health and disclosure regulations and to adapt our menu offerings to fit the dietary needs, preferences and eating habits of our customers without sacrificing flavor. To the extent we are unable to respond with appropriate changes to our menu offerings, it could materially adversely affect customer traffic and our results of operations. Furthermore, any change in our menu could result in a decrease in existing customer traffic. ~~other states,substantially increase labor costs and negatively impact our operating costs.~~ Our operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to certain factors,some of which are beyond our control,resulting in a decline in our stock price.Our operating results may fluctuate significantly because of a number of factors,including:• the timing of new restaurant openings;• profitability of our restaurants,especially in new markets;• **inflationary pressures and** changes in interest rates;• increases and decreases in average weekly sales and same store sales,including due to the timing and popularity of sporting and other events;• macroeconomic **and geopolitical** conditions,globally,nationally and locally;• changes in **consumer discretionary spending,** consumer preferences and competitive conditions;• legal and regulatory changes;• costs associated with litigation;• increases in infrastructure costs;and • fluctuations in commodity prices.Accordingly,results for any one fiscal quarter or year are not necessarily indicative of results to be expected for any other fiscal quarter or year and our results for any particular future period may decrease **or change** compared to the prior period.In the future,operating results may fall below the expectations of securities analysts and investors.In that event,the price of our common stock would **likely decrease.** Because many of our restaurants are concentrated in certain geographic areas, we are susceptible to economic and other trends and developments, including adverse weather conditions, in these areas. As of December ~~31~~ **30** , ~~2022~~ **2023** , ~~57~~ **56** % of our 1, ~~721~~ **926** domestic restaurants were spread across Texas ( ~~25~~ **23** %), California (20 %), **Florida (7 %), and** Illinois (6 %) ~~, and Florida (6 %)~~ . Given our geographic concentrations, economic conditions and other unforeseen events, including but not limited to negative publicity, local strikes, terrorist attacks, increases in energy prices, natural or man- made disasters, adverse weather conditions, or the enactment of more stringent state and local laws and regulations in these **geographic** areas, could have a disproportionate adverse effect on our business **, financial condition,** and results of operations. **Unexpected events have impacted and may in the future impact our business, financial condition and results of operations.** The ~~ongoing~~ **occurrence of one or more unexpected events, including war, acts of terrorism, epidemics and pandemics (such as the** COVID- 19 pandemic **)** ~~impacted our business and it~~ , ~~or~~ **civil unrest, fires, tornadoes, tsunamis, hurricanes, earthquakes, floods, and** ~~another~~ -- **other** ~~pandemic~~ **forms of severe weather (including those caused or exacerbated by climate change) in the United States or in other countries in which we operate, or in which** ~~or~~ **our** ~~epidemic~~ **suppliers are located** , ~~may~~ **have affected and could** in the future ~~impact~~ **affect our operations and financial performance. Such events could affect our guest traffic, sales and operating costs and / or cause complete or partial closure of one or more distribution centers, cause temporary or long- term disruption or inoperability of our information technology systems (including our digital platform), temporary or long- term disruptions in our delivery channel or the supply of products from suppliers, and disruption and delay in the transport of products, any of which may have a material adverse effect on** our business, financial condition **,** and results of operations. **Existing insurance coverage** ~~The COVID- 19 pandemic has had, and~~ may **not provide protection from all the costs that may arise from** ~~continue to have, negative impacts on economic conditions worldwide. A public health epidemic or outbreak,~~ such **events** ~~as COVID- 19, could have a significant impact on our business, employees, franchisees, distribution centers, suppliers, customers, third party delivery providers and other partners and could disrupt operations due to social distancing or other restricting policies put in place or the impact of such a pandemic on the available workforce. The COVID- 19 pandemic and our responses to date have adversely affected our international guest traffic and sales and increased operating costs for our company- owned restaurants. It is difficult to estimate with any certainty what the potential impact of the COVID- 19 pandemic or a future pandemic may have on our business, including effects on our operations, customers, suppliers, or our financial results~~ . Our business is subject to various laws and regulations and changes in such laws and regulations, and / or our failure to comply with existing or future laws and regulations, could materially adversely affect us. We are subject to certain state franchise registration requirements, the rules and regulations of the FTC and various state laws regulating the offer and sale of franchises in the United States through the provision of franchise disclosure documents containing certain mandatory disclosures, various state laws regulating the franchise relationship, and certain rules and requirements regulating franchising arrangements in foreign countries. Noncompliance with applicable laws, regulatory requirements and governmental guidelines regulating franchising could reduce anticipated royalty income, which in turn could materially adversely affect our business **, financial condition,** and ~~operating~~ results **of operations** . We and our franchisees are subject to various existing U. S. federal, state, local, and foreign laws affecting the operation of restaurants and the sale of food and alcoholic beverages, including various **sales tax laws,** license and permit requirements, health, sanitation, fire, and safety standards. We and our franchisees may in the future become subject to regulation (or further regulation) seeking to tax or regulate high- fat foods, to limit the serving size of beverages containing sugar, to ban or restrict the use of certain packaging materials, or to require the display of detailed nutrition information. Each of these regulations would be costly to comply with and / or could result in reduced demand for our products. The failure of our restaurants to comply with applicable regulations and obtain and maintain required licenses, permits, and approvals (including those for the sale of alcoholic beverages) could adversely affect our existing restaurants and delay or result in our decision to cancel the opening of new restaurants, which would materially adversely affect our results of operations. We and our franchisees may also have a substantial number of hourly employees who are required to be paid pursuant to applicable federal or state minimum wage laws. From time to time, various federal ~~and~~ **,** state **, and local** legislators have proposed or approved changes to ~~the~~ minimum wage **, predictive scheduling with penalty pay, and additional time off** requirements, especially for fast- food workers. These and any future similar increases in other regions in which our restaurants operate will increase the cost of labor and may negatively affect our and our franchisees profit margins as we and our franchisees may be unable to increase our menu prices in order to pass future increased labor costs on to our guests. Also, reduced margins of franchisees could make it more difficult to sell franchises. If menu prices are increased by us and our franchisees to cover increased labor costs, the higher prices could adversely affect transactions which could lower sales and thereby reduce our margins and the royalties that we receive from franchisees. Although we require all workers in our company- owned restaurants and in our corporate support office to provide us with government- specified documentation evidencing their employment eligibility, some of our employees may, without our knowledge, be unauthorized workers. We currently participate in the “ E- Verify ” program, an Internet- based, free program run by the U. S. government to verify employment eligibility, in all of our company- owned restaurants and in our corporate support office. However, use of the “ E- Verify ” program does not guarantee that we will successfully identify all applicants who are ineligible for employment. Unauthorized workers may subject us to fines or penalties, and if any of our workers are found to be unauthorized, we could experience adverse publicity that negatively impacts our brand and it may be more difficult to hire and keep qualified employees. We could also become subject to fines, penalties and other costs related to claims that we did not fully comply with all recordkeeping obligations of federal and state employment eligibility or immigration compliance laws. Failure by our franchisees to comply with employment eligibility or immigration laws may also result in adverse publicity and reputational harm to our brand and could subject them to fines, penalties and other costs. These factors could materially adversely affect our business, financial condition, and results of operations. The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations, or our inability to respond effectively to significant regulatory or public policy issues, could increase our compliance and other costs of doing business and therefore have an adverse effect on our results of operations. Failure to comply with the laws and regulatory requirements of federal, state, local and foreign authorities (including those applicable to us as a public company) could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability. In addition, certain laws, including the ADA, could require us or our franchisees to expend significant funds to make modifications to our restaurants if we fail to comply with applicable standards. Compliance with all of these laws and regulations can be costly and can increase our exposure to litigation or governmental investigations or proceedings. Our current insurance and the insurance of our franchisees may not provide adequate levels of coverage against claims. We currently maintain insurance we believe is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Such losses could have a material adverse effect on our business **, financial condition,** and results of operations. Our franchise agreements require each franchisee to maintain certain insurance types and levels. Certain extraordinary hazards, however, may not be covered, and insurance may not be available (or may be available only at prohibitively expensive rates) with respect to many other risks. Moreover, any loss incurred could exceed policy limits and policy payments made to franchisees may not be made on a timely basis. Any such loss or delay in payment could have a material adverse effect on a franchisee' s ability to satisfy obligations under the franchise agreement, including the ability to make royalty payments. We also require franchisees to maintain general liability insurance coverage to protect against the risk of product liability and other risks and demand strict franchisee compliance with health and safety regulations. However, franchisees may receive or produce defective food or beverage products, which may materially adversely affect our brand' s goodwill and our business. Further, a franchisee' s failure to comply with health and safety regulations, including requirements relating to food quality or preparation, could subject them, and possibly us, to litigation. Any litigation, including the imposition of fines or damage awards, could exceed or be excluded from insurance coverage, and, as a result, adversely affect the ability of a franchisee to make royalty payments or could generate negative publicity or otherwise adversely affect us. Damage to our reputation could negatively impact our business, financial condition, and results of operations. We believe we have built our reputation on the high quality and bold, distinctive, and craveable flavors of our food, value, and service, and we must protect and grow the value of our brand to continue to be successful in the future. Any incident that erodes consumer affinity for our brand could significantly reduce its value and damage our business. For example, our brand value could suffer and our business could be adversely affected if customers perceive a reduction in the quality and safety of our food, value, or service or otherwise believe we have failed to deliver a consistently positive experience. We may also be adversely affected by customers' experiences with third- party delivery from our restaurants. We may be adversely affected by news reports or other negative publicity, regardless of their accuracy, regarding food quality issues, public health concerns, illness, safety, injury, security breaches or intrusions with respect to confidential guest or employee information, employee related claims relating to alleged employment discrimination, wage and hour violation, labor standards or health care and benefit issues, or government or industry findings concerning our restaurants, restaurants operated by other food service providers, or others across the food industry supply chain. The risks associated with such negative publicity cannot be eliminated or completely mitigated and may materially affect our business **, financial condition, and results of operations** . The availability of information on social media platforms is virtually immediate as is its impact. Many social media platforms immediately publish the content their subscribers and participants can post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including proprietary or inaccurate information, is seemingly limitless and readily available. Information posted may be adverse to our interests and may be inaccurate, each of which may harm our performance, prospects, brand, or business. The harm may be immediate without affording us an opportunity for redress or correction. Other risks of social media use include the association with controversial celebrities or influencers. The perception of our social media campaigns, or the inappropriate use of social media by our guests or employees, may materially adversely affect our reputation, business, financial condition, and results of operations. Our expansion into international markets exposes us to a number of risks that may differ in each country where we have franchise restaurants. As of December ~~31~~ **30** , ~~2022~~ **2023** , we have franchised restaurants in ~~eight~~ **ten** international countries and **U. S. territories and** plan to ~~continue to~~ **accelerate our** ~~grow~~ **growth** internationally ~~. However, our international operations are in the early stages~~ . Expansion in international markets may be affected by local economic, market, and cultural conditions. Therefore, as we expand internationally, our franchisees may not experience the operating margins we expect, and our results of operations and growth may be materially adversely affected. Our business, financial condition and results of operations may be adversely affected if the global markets in which our franchised restaurants compete are affected by changes in political, economic, or other factors. These factors, over which neither our franchisees nor we have control, may include: • recessionary or expansive trends **and economic downturns** in international markets; • changing labor conditions and difficulties in staffing and managing our foreign operations; • increases in the taxes we pay and other changes in applicable tax laws; • legal and regulatory changes, and the burdens and costs of our compliance with a variety of foreign laws; • difficulty in securing suitable local suppliers in international markets; • changes in ~~inflation~~ **inflationary pressures and interest** rates; • changes in exchange rates and the imposition of restrictions on currency conversion or the transfer of funds; • difficulty in protecting our brand, reputation, and intellectual property; • difficulty in collecting our royalties and longer payment cycles; • expropriation of private enterprises; • anti- American sentiment in certain locations and the identification of the Wingstop brand as an American brand; • political and economic instability, including due to **national and international conflicts or wars, sanctions, acts of terror,** COVID- 19 or other pandemics or similar events; • the U. S. Foreign Corrupt

Practices Act and other similar anti- bribery and anti- kickback laws; and • other external factors. Our international expansion efforts may require considerable management time as well as start- up expenses for market development before any significant revenues and earnings are generated. **Negotiated incentives or discounts provided in connection with the opening of new markets may result in lower cash flows and profits than existing international markets.** Operations in new foreign markets may achieve low margins or may be unprofitable, and expansion in existing markets may be affected by local economic and market conditions. Therefore, as we continue to expand internationally, we or our franchisees may not experience the operating margins we expect, our results of operations may be negatively impacted, and our common stock price may decline. ~~We~~ **The loss of key employees or difficulties recruiting and retaining qualified employees or effectively managing changes in our workforce could adversely impact our business, financial condition, and operating results. Much of our future success** ~~depend~~ **depends** ~~upon~~ **on the continued availability and service of** our executive officers and **qualified** ~~other key employees and may not be able to retain or replace these individuals or recruit additional personnel, which could harm our business. We believe that we have already benefited and expect to benefit substantially in the future from the leadership and experience of our executive officers and management team. Additionally, our business strategy includes successfully attracting and retaining talented~~ employees. The market for highly skilled employees and leaders in the restaurant industry is extremely competitive. Our inability to successfully recruit and retain highly- skilled and talented executive officers and other key employees, **as well as a qualified workforce in** ~~or~~ **our restaurants, or to** successfully execute succession planning **for key employees** , could have a material adverse effect on our business and prospects and impair our growth, as we may not be able to find suitable individuals to replace such personnel on a timely basis. **The** ~~In addition, the~~ departure of any of our executive officers or key employees could be viewed in a negative light by investors and analysts, which could cause the price of our common stock to decline **. We also place a large amount of importance on our culture, which we believe has been an important contributor to our success, and as we continue to grow, it may be increasingly difficult to maintain our culture. If we are unable to recruit, retain and motivate employees sufficiently to maintain our current business and support our projected growth, our business, financial condition, and operating results may be adversely affected** . Our failure or inability to enforce our trademarks or other proprietary rights could adversely affect our competitive position or the value of our brand. We believe that our trademarks and other proprietary rights are important to our success and our competitive position, and, therefore, we devote resources to the protection of our trademarks and proprietary rights. The protective actions that we take, however, may not be enough to prevent unauthorized use or imitation by others, which could harm our image, brand or competitive position. If we commence litigation to enforce our rights, we will incur significant legal fees. We cannot assure you that third parties will not claim infringement by us of their proprietary rights in the future. Any such claim, whether or not it has merit, could be time- consuming and distracting for executive management, result in costly litigation, cause changes to existing menu items or delays in introducing new menu items, or require us to enter into royalty or licensing agreements. As a result, any such claim could have a material adverse effect on our business, results of operations, and financial condition. **Environmental, social and corporate governance (ESG) matters may impact our business and reputation. There is increasing focus, public interest, and legislative pressure related to public companies' ESG practices. Legislative, regulatory or other efforts, including those of the SEC and multiple states and countries, to combat ESG concerns could result in new or more stringent forms of oversight and expand mandatory and voluntary reporting, diligence and disclosure, which could increase costs and require resources dedicated toward the collection and disclosure of data (such as information regarding potential risks of climate change or greenhouse gas emissions), and bring additional focus on and further impact our business, results of operations, and financial condition. Further, if our ESG practices fail to meet investor, customer, consumer or employees' evolving expectations and standards for responsible corporate citizenship in areas including environmental stewardship (including climate change, greenhouse gas emissions, packaging and waste), animal welfare, diversity, human capital management, and corporate governance and transparency, our reputation, brand, appeal to current and potential customers and investors, and employee retention may be negatively impacted, which could have a material adverse effect on our business, financial condition, and results of operations. Furthermore, if our competitors' ESG practices are perceived to be better than our own, certain investors or customers may elect to invest in or be a patron of our competitors instead, which would have an adverse impact on our business, financial condition, and results of operations.** Risks Related to our Indebtedness The terms of our securitized debt financing through certain of our wholly- owned subsidiaries include restrictive terms, and our failure to comply with any of these terms could result in a default, which would have a material adverse effect on our business and prospects. Unless and until we repay all outstanding borrowings under our securitized debt facility, we will remain subject to the restrictive terms of these borrowings. The securitized debt facility, under which certain of our wholly- owned subsidiaries issued and guaranteed fixed rate notes and variable funding notes, contain a number of covenants, with the most significant financial covenant being a debt service coverage calculation. These covenants limit our ability and the ability of certain of our subsidiaries to, among other things: incur additional indebtedness; alter the business we conduct; make certain changes to the composition of our management team; pay dividends and make other restrictive payments beyond specified levels; create or permit liens; dispose of certain assets; make certain investments; engage in certain transactions with affiliates; and consolidate, merge or transfer all or substantially all of our assets. The securitized debt facility also requires us to maintain specified financial ratios. Our ability to meet these financial ratios can be affected by events beyond our control, and we may not satisfy such a test. A breach of these covenants could result in a rapid amortization event or default under the securitized debt facility. If amounts owed under the securitized debt facility are accelerated because of a default and we are unable to pay such amounts, the investors may have the right to assume control of substantially all of the securitized assets. **If** ~~In the event that~~ a rapid amortization event occurs under the indenture governing the securitized debt (including, without limitation, upon an event of default under the indenture or the failure to repay the securitized debt at the end of the applicable term), the funds available to us would be reduced or eliminated, which would in turn reduce our ability to operate or grow our business and materially adversely affect our **financial condition or** results of operations. If we are unable to refinance or repay amounts under the securitized debt facility prior to the expiration of the applicable term, our cash flow would be directed to the repayment of the securitized debt and, other than management fees sufficient to cover minimal selling, general and administrative expenses, would not be available for operating our business. No assurance can be given that any refinancing or additional financing will be possible when needed or that we will be able to negotiate acceptable terms. In addition, our access to capital is affected by prevailing conditions in the financial and capital markets and other factors beyond our control. There can be no assurance that market conditions will be favorable at the times that we require new or additional financing. We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which would materially adversely affect our financial condition and results of operations. Our ability to make principal and interest payments on and to refinance our indebtedness will depend on our ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. If our business does not generate sufficient cash flow from operations, in the amounts projected or at all, or if future borrowings are not available to us under our variable funding notes in amounts sufficient to fund our other liquidity needs, our financial condition and results of operations may be materially adversely affected. If we cannot generate sufficient cash flow from operations to make scheduled principal amortization and interest payments on our debt obligations in the future, we may need to refinance all or a portion of our indebtedness on or before maturity, sell assets, delay capital expenditures ~~,~~ or seek additional equity investments. Risks Related to Ownership of our Common Stock Our stock price may be volatile or may decline regardless of our operating performance. The market price of our common stock may fluctuate significantly in response to a number of factors, most of which we cannot control, including those described under " Risks Related to Our Business and Our Industry " and the following: • potential fluctuation in our annual or quarterly operating results; • changes in capital market conditions that could affect valuations of restaurant companies in general or our goodwill in particular or other adverse economic conditions; • changes in financial estimates by any securities analysts who follow our common stock, our failure to meet these estimates or failure of those analysts to initiate or maintain coverage of our common stock; • downgrades by any securities analysts who follow our common stock **; • changes in our dividend policy or any share repurchase program** ; • future sales of our common stock by our officers, directors and significant stockholders; • global economic, legal, and regulatory factors unrelated to our performance; • investors' perceptions of our prospects; • announcements by us or our competitors of significant contracts, acquisitions, joint ventures, or capital commitments; and • investor perceptions of the investment opportunity associated with our common stock relative to other investment alternatives. In addition, the stock markets, and in particular Nasdaq, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many food service companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs and our resources and the attention of management could be diverted from our business. Anti- takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock. Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that: • authorize our board of directors to issue, without further action by the stockholders, up to 15, 000, 000 shares of undesignated preferred stock; • require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent; • specify that special meetings of our stockholders can be called only upon the request of a majority of our board of directors or by the chairman of the board of directors; • establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors; • establish that our board of directors is divided into three classes, with each class serving staggered three- year terms; and • prohibit cumulative voting in the election of directors. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management, and may discourage, delay, or prevent a transaction involving a change of control of our company that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if stockholders view them as discouraging future takeover attempts. In addition, we have opted out of the Delaware General Corporation Law (" DGCL ") Section 203, relating to business combinations with interested stockholders, but our amended and restated certificate of incorporation provides that engaging in any of a broad range of business combinations with any " interested " stockholder (any stockholder with 15 % or more of our capital stock) for a period of three years following the date on which the stockholder became an " interested " stockholder is prohibited, subject to certain exceptions. Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated certificate of incorporation provides that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum, to the fullest extent permitted by law, for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers and employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws or (iv) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this

provision of our amended and restated certificate of incorporation. This choice of forum provision may limit our stockholders' ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim. The Court of Chancery may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. In addition, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action. ~~We may not continue to declare cash dividends in the future. In August 2017, we announced that our board of directors authorized a regular dividend program under which we have paid, and intend to continue paying, quarterly dividends on our common stock, subject to quarterly declarations by our board of directors. In addition, we have paid special dividends in connection with refinancings of our indebtedness. Any future declarations of dividends, as well as the amount and timing of such dividends, are subject to capital availability and the discretion of our board of directors, which must evaluate, among other things, whether cash dividends are in the best interest of our stockholders and are in compliance with all applicable laws and any agreements containing provisions that limit our ability to declare and pay cash dividends. Our ability to pay dividends in the future will depend upon, among other factors, our cash balances and potential future capital requirements, debt service requirements, earnings, financial condition, the general economic and regulatory climate, and other factors beyond our control that our board of directors may deem relevant. Our dividend payments may change from time to time, and we may not continue to declare dividends in the future. A reduction in or elimination of our dividend payments could have a negative effect on our stock price.~~
Item 1B. Unresolved Staff Comments