



# INVESTOR MEETINGS

June 2017

# SAFE HARBOR STATEMENT

Cracker Barrel Old Country Store, Inc. (“the Company”) urges caution in considering current trends and earnings guidance disclosed in this presentation. Except for specific historical information, matters discussed in this presentation are forward-looking statements that involve risks, uncertainties and other factors that may cause actual results and performance of the Company to differ materially from those expressed or implied in this discussion. All forward-looking information is provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995.

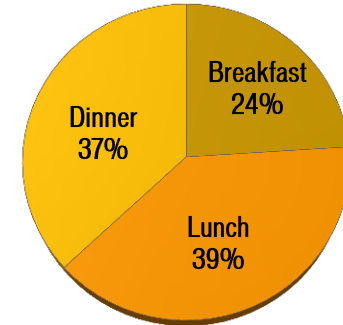
More detailed information on risks, uncertainties, and other factors is provided in the Company’s filings with the Securities and Exchange Commission, press releases and other communications.

Reconciliations of non-GAAP financial disclosures to comparable GAAP measures found in this presentation may be viewed on the Company’s website, [crackerbarrel.com](http://crackerbarrel.com). Assume all numbers presented are unaudited unless noted.

# THE CRACKER BARREL BRAND DELIVERS A RICH EXPERIENCE...

- Founded in 1969
  - Restaurant and Retail Store
    - 644 locations in 44 states
      - Breakfast, Lunch, and Dinner

Sales by Daypart



## Our Brand Promise

Cracker Barrel provides a friendly home-away-from-home in our old country store and restaurant. Our guests are cared for like family while relaxing and enjoying real home-style food and shopping that's surprisingly unique, genuinely fun, and reminiscent of America's country heritage... all at a fair price.

# ...THAT IS UNIQUE AND DIFFERENTIATED IN THE INDUSTRY



*Nostalgic*

*Home Away from Home*

*Relaxing, Fun & Family Friendly*

*Everyday Value Offerings*

*Southern Country Heritage*

*Homemade Authenticity*

# DELIVERING THE UNIQUE CRACKER BARREL EXPERIENCE IS COMPLEX



## Our typical store...

- Serves approximately 950 guests a day
- Employs over 100 people
- Open 114 hours a week, 364 days per year
- Broad menu including breakfast all day
- Scratch cooking with fresh ingredients
- Revenue averages approximately \$4.6 million/store
  - 80% restaurant
  - 20% retail consisting of 4,200 SKUs per store

... and we have 644 stores  
with over 70,000 employees



# WE OFFER MADE-FROM-SCRATCH COOKING FROM FRESH, QUALITY INGREDIENTS



- We are committed to providing our guests with high-quality, Homestyle food
- Most of our ingredients are domestically grown or raised
- We believe homemade is delicious and remains true to our heritage of authentic country-style cooking

# OUR MENU OFFERINGS DRIVE VALUE PERCEPTIONS AT EVERY DAYPART

Breakfast Entrees  
Starting at \$4.99



Weekday Lunch  
Specials only \$5.99



Country Dinner Plates  
for \$7.99



# RETAIL IS INTEGRAL TO THE CRACKER BARREL EXPERIENCE...

- The experience begins with rockers on the front porch



- The retail shop doubles as a guest waiting area and produces sales per square foot of approximately \$440 and gross margins around 50%
- We source fun, unique, and nostalgic merchandise with a large selection of:
  - Apparel
  - Accessories
  - Branded Food
  - Décor
  - Toys and Games
  - Music



# ...DRIVEN BY IMPROVED QUALITY AND BREADTH OF MERCHANDISE

## Core Assortment

- Approximately 60% of retail sales are comprised of our core product assortment
- Core product is on the floor year round and includes categories such as bath and personal care, food, toys, quilts and gift cards



## Themes

- The remaining 40% of sales are generated from our themes, which vary throughout the year
- Themes drive interest and keep the store looking fresh

# WE REACH A VERY BROAD CONSUMER BASE...

- Approximately 4 out of 10 adults\* visit Cracker Barrel each year
- Compared to adults who visit any Full Service Restaurant, our guest base is:
  - Similar in age, with a mean of 45
  - Slightly higher average household income
  - More likely to have children under 18 in the household
- Cracker Barrel's brand appeal drives consistent reach across generational cohorts creating opportunity to drive increased frequency of visit



	Gen Z	Millennials	Gen X	Boomers/Matures
Visited in Past Year				
% Visiting	34%	43%	40%	38%
% of Total Visits	11%	18%	28%	43%

\* US lower 48 states

Sources: Cracker Barrel A&U Study 2016, Technomic Consumer Brand Metric Program 2016



# ...BY EMPLOYING MULTIPLE MARKETING MEDIUMS TO ENGAGE OUR GUESTS

More than 1,600 Billboards

National Cable Television

Social and Digital Media

On-line Video and Radio

Unique Music Program



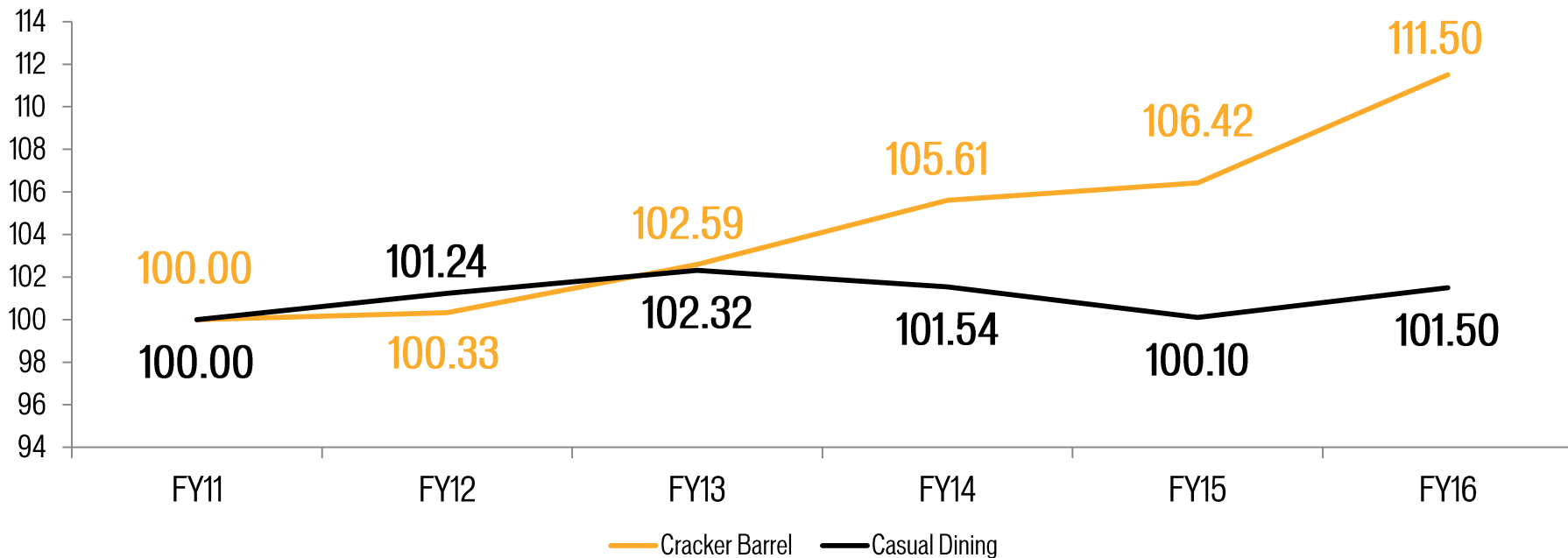
# OUR CONSISTENT FOCUS ON BUSINESS MODEL IMPROVEMENTS HAS DRIVEN SIGNIFICANT MARGIN EXPANSION

- As part of our FY14 - FY17 strategic plan, we targeted Operating Income Margin for our current FY17 fiscal year of approximately 9.0%
- In each year of this three-year plan, Cracker Barrel's leadership and operations teams have remained focused on improving our business model through the implementation of cost saving initiatives across multiple lines of the P&L
- We now anticipate FY17 Operating Income Margin of approximately 10.5%, well ahead of our original target

# PERFORMANCE OVERVIEW

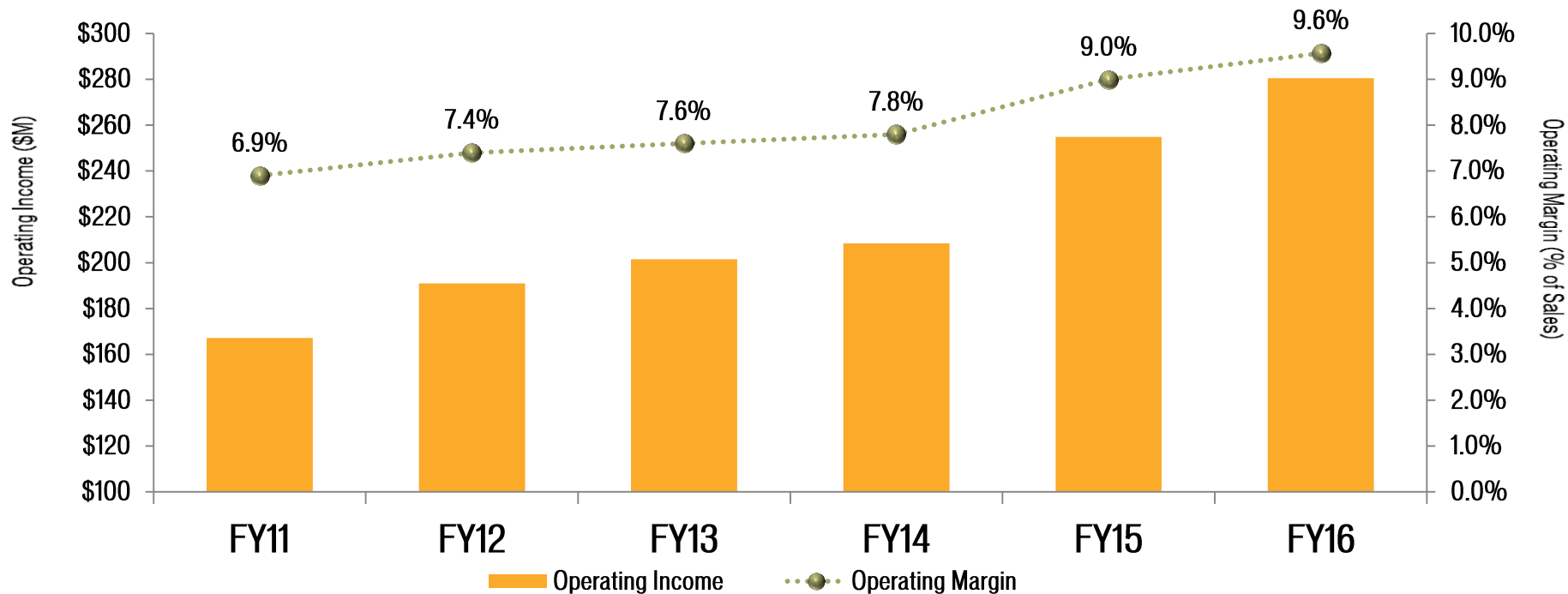


# OUR SALES GROWTH CONSISTENTLY OUTPERFORMS THE CASUAL DINING INDUSTRY

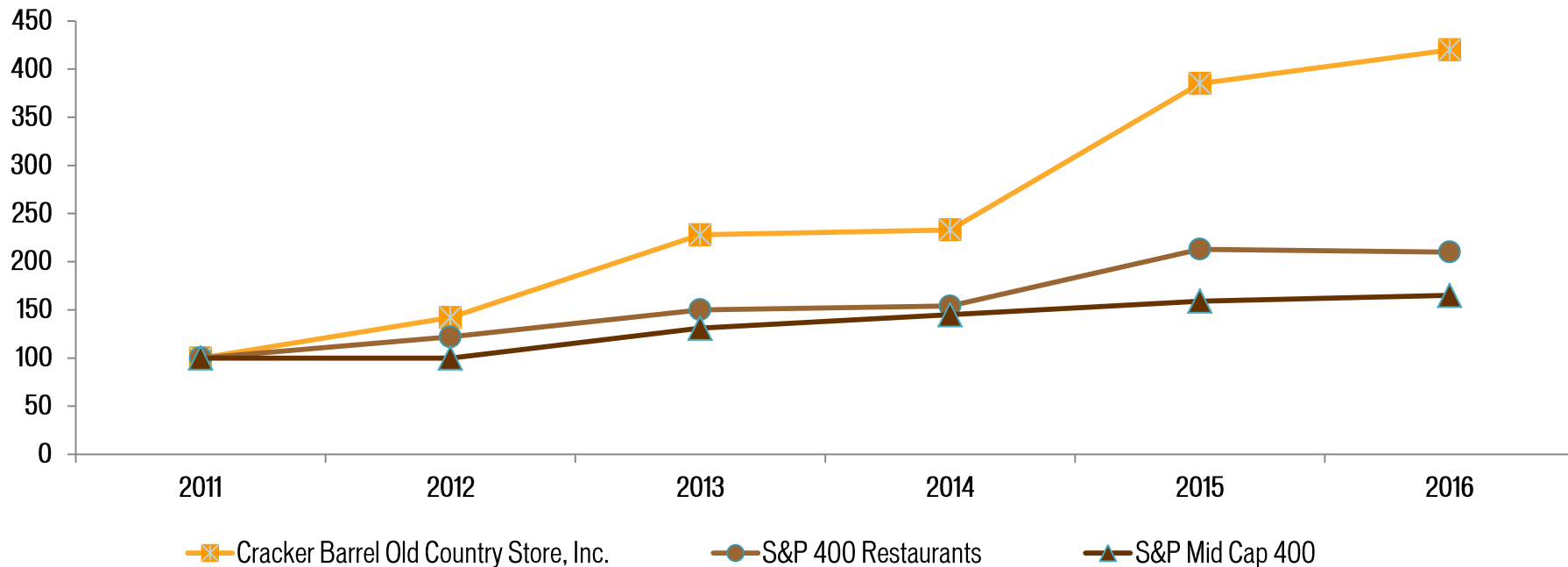


Note: Sales growth indexed to FY11. CBRL and industry sales figures are an approximation based on weekly averages. Industry comparison is a widely recognized Casual Dining sales index.

# THROUGH ONGOING COST SAVING INITIATIVES, WE HAVE DELIVERED CONSISTENT MARGIN IMPROVEMENTS



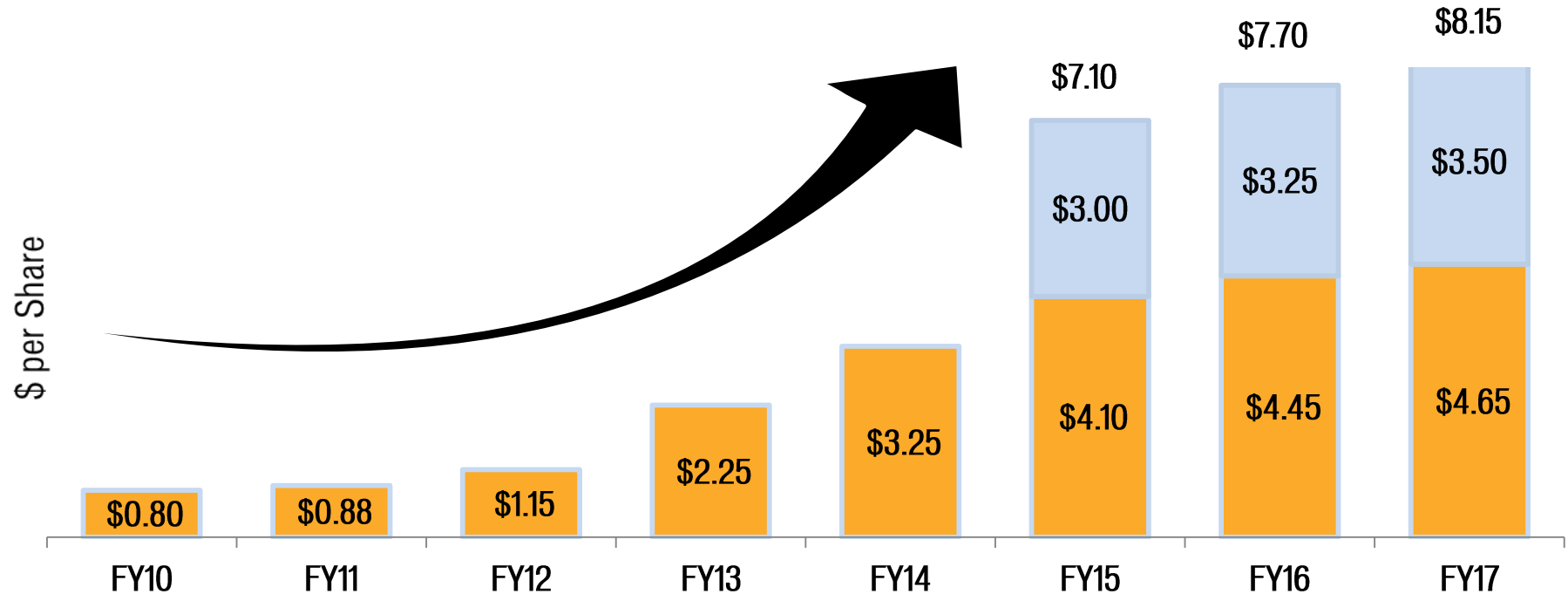
# OUR STOCK GROWTH HAS OUTPERFORMED OUR PEERS, DELIVERING STRONG SHAREHOLDER VALUE



Note: The graph shows the changes over the past five-year period in the value of \$100 invested in Cracker Barrel Old Country Store, Inc. Common Stock, the Standard & Poor's Mid Cap Index, and the Standard & Poor's 400 Restaurant Index which we believe is an adequate peer composite for the Company. The plotted points represent the closing price on the last day of the fiscal year indicated and assume the reinvestment of dividends. The data set forth in the graph has been provided by FactSet Research Systems, Inc.



# WE HAVE CONSISTENTLY INCREASED OUR ANNUAL DIVIDEND PER SHARE INCLUDING TWO RECENT SPECIAL DIVIDENDS



Note: Annual Declared Dividends

# **AN ATTRACTIVE LONG-TERM INVESTMENT**



# WE BELIEVE OUR ENHANCE, EXPAND, EXTEND STRATEGY WILL CONTINUE TO DRIVE SHAREHOLDER VALUE

An Outstanding  
Employee Experience



An Outstanding  
Guest Experience



Improved  
Sales & Traffic

## **ENHANCE** THE CORE



Protect current guest base while expanding to a new generation of guests

- Shift to external target driven marketing strategy to drive incremental frequency
- Grow off-premise business
- Adopt precision targeting strategies
- Maintain brand differentiation
- Invest in digital and social capabilities



Improve the business model

- Reduce operating costs by \$18 to \$20 million through cost-saving initiatives

## **EXPAND** THE FOOTPRINT



Build profitable stores

- Fill in core & developing markets

## **EXTEND** THE BRAND



Develop Holler & Dash

# WE SEEK A BALANCED APPROACH TO CAPITAL ALLOCATION PLANNING

## The Board and Management Team emphasize use of cash to:

1. *Reinvest in our business to enhance the guest and employee experience*
2. *Invest in long-term growth drivers*
3. *Appropriately return capital to our shareholders*

We believe our actions have demonstrated this commitment to our guests, employees and shareholders

# WE BELIEVE WE ARE WELL POSITIONED TO FURTHER DRIVE SHAREHOLDER VALUE

- Differentiated brand with a unique mix of restaurant and retail
- 47-year history of growth and financial success
- Executing plans for continued sales growth and margin improvements
- Strong balance sheet
- Balanced approach to capital allocation
- Continued delivery of strong shareholder returns

