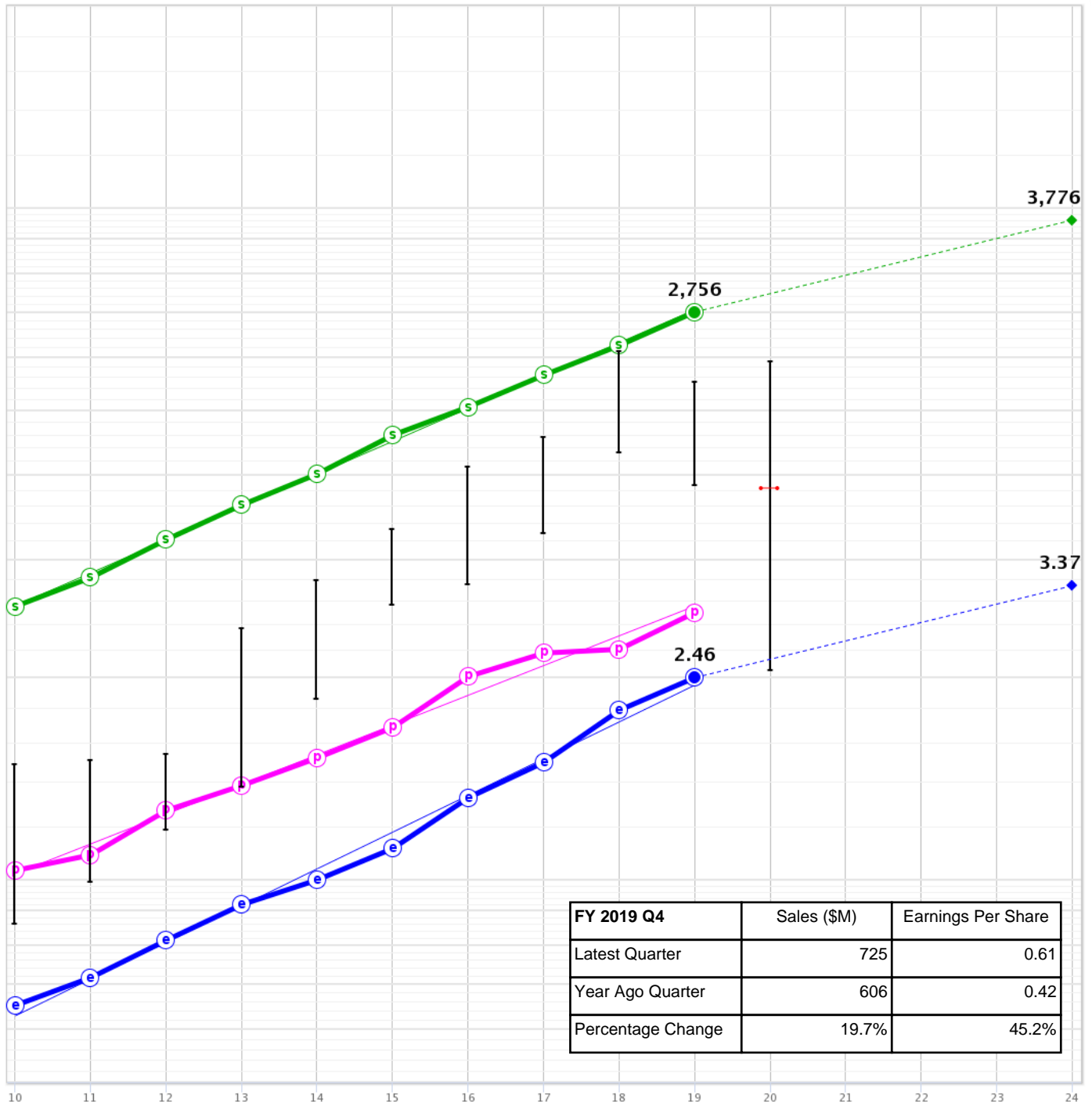


Company	Texas Roadhouse		Date	04/30/20	
Prepared by	HENRIKSON		Data taken from	BI Stock Data	
Where traded	NAS		Industry	Restaurants	
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	69.8	7.2	64.7		
Debt (\$M)	556.0	% to Tot Cap	37.8	% Pot Dil	0.7

Stock Selection Guide

Symbol: TXRH

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2019 Q4	Sales (\$M)	Earnings Per Share
Latest Quarter	725	0.61
Year Ago Quarter	606	0.42
Percentage Change	19.7%	45.2%

- (1) Historical Sales Growth 11.9%
- (3) Historical Earnings Per Share Growth 13.4%
- (2) Estimated Future Sales Growth 6.5%
- (4) Estimated Future Earnings Per Share Growth 6.5%

2 EVALUATING Management

Texas Roadhouse

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	8.8%	8.4%	8.6%	8.3%	8.2%	8.0%	8.6%	8.4%	7.7%	7.8%	8.1%
% Earned on Equity	11.6%	12.3%	13.1%	13.6%	14.4%	14.6%	15.7%	16.0%	17.0%	19.1%	16.5%
% Debt To Capital	9.5%	11.2%	8.9%	8.0%	7.7%	3.7%	6.5%	5.8%	0.2%	37.8%	10.8%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 47.09 (04/30/20)

HIGH THIS YEAR 72.49

LOW THIS YEAR 25.15

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2015	40.8	31.6	1.37	29.8	23.0	0.68	49.6	2.2
2016	50.5	33.8	1.63	31.0	20.7	0.76	46.6	2.2
2017	56.0	40.3	1.84	30.4	21.9	0.84	45.7	2.1
2018	75.2	53.1	2.20	34.2	24.1	1.00	45.5	1.9
2019	67.7	47.5	2.46	27.5	19.3	1.20	48.8	2.5
AVERAGE		41.2		27.5	19.3		47.2	
CURRENT/TTM			2.46			1.44	58.5	
AVERAGE PRICE EARNINGS RATIO: 23.4				CURRENT PRICE EARNINGS RATIO: 19.1				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 27.5 X Estimate High Earnings/Share 3.37 = Forecasted High Price \$ 92.7

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 15.0 X Estimate Low Earnings/Share 2.46 = Forecasted Low Price \$ 36.9

(b) Avg. Low Price of Last 5 Years 41.2

(c) Recent Market Low Price 25.2

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{1.44}{2.53\%} = 57.0$

Selected Forecasted Low Price \$ 25.2

C ZONING using 25%-50%-25%

Forecasted High Price 92.7 Minus Forecasted Low Price 25.2 = 67.5 Range. 25% of Range 16.9

Buy Zone 25.2 to 42.0

Hold Zone 42.0 to 75.8

Sell Zone 75.8 to 92.7

Present Market Price of 47.09 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{92.7 - 47.09}{47.09 - 25.2} = \frac{45.60}{21.94} = 2.1$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{92.7 - 47.09}{47.09} = 1.9683$ X 100 = 196.83 - 100 = 96.8 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{1.20}{47.09} = 0.0306 = 3.1\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{47.2\%}{27.50} = 1.7\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{47.2\%}{21.25} = 2.2\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 14.5 %
Average Yield 1.7 %
Annualized Rate of Return 16.2 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

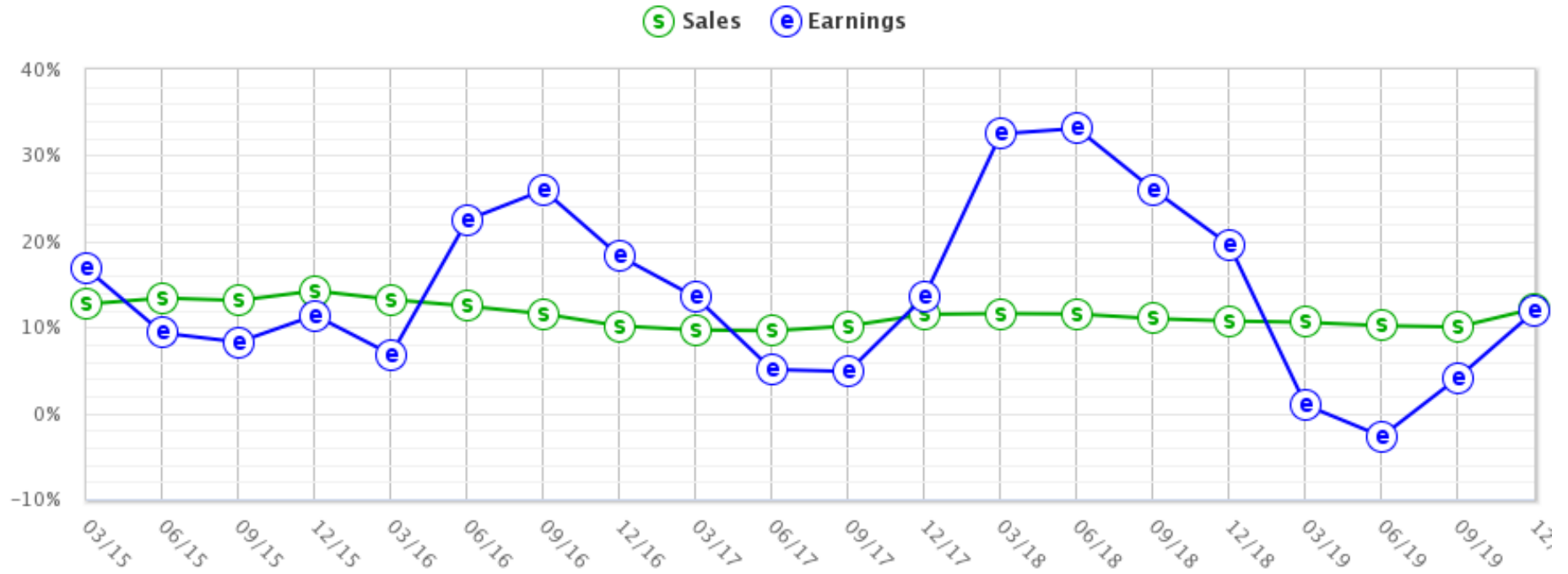
Annualized Appreciation 8.7 %
Average Yield 2.2 %
Annualized Rate of Return 11.0 %

Notes: TXRH 5/1/20

Date	Subject	Description	Type
02/23/20	Management reiterated the following expectations	Positive comparable restaurant sales growth; At least 30 company restaurant openings; Store week growth of 3.5% to 4.5%, including the negative impact of lapping the 53rd week from 2019; Commodity cost inflation of 1.0% to 2.0%; Mid-single digit growth in labor dollars per store week; and An income tax rate of 14.0% to 15.0%. Total capital expenditures of \$210 million to \$220 million.	Community
06/08/19	TXRH SSG 6/8/19	Recent price drop due to increased wages. Co. Has raised prices 1.5% to address. Long term still expects good growth. Tariffs on Mexico imports if implemented will have impact.	Community

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data								
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/19	0.61	45.2	53.7	7.4	59.6	725.2	19.7	16.9	2.46	213.9	7.8	2,756.2	32.4	15.2	11.8	13.5	12.2
09/19	0.52	30.0	44.8	6.9	25.7	650.5	9.4	15.1	2.27	193.9	7.4	2,636.8	24.0	12.4	4.1	0.8	10.0
06/19	0.63	1.6	54.1	7.8	-0.6	689.8	9.6	13.7	2.15	184.7	7.2	2,580.9	22.9	12.4	-2.7	-8.6	10.2
03/19	0.70	-7.9	61.3	8.9	-5.4	690.6	10.0	14.9	2.14	185.0	7.3	2,520.4	23.7	12.8	0.9	-8.4	10.6
12/18	0.42	5.0	33.6	5.6	-10.2	605.9	11.2	5.8	2.20	188.6	7.7	2,457.4	23.3	12.4	19.6	1.3	10.7
09/18	0.40	-7.0	35.7	6.0	-21.4	594.6	10.0	15.1	2.18	192.4	8.0	2,396.6	30.6	15.9	26.0	7.2	11.0
06/18	0.62	17.0	54.4	8.6	0.2	629.2	11.1	15.6	2.21	202.1	8.6	2,342.5	39.0	19.3	33.1	17.3	11.5
03/18	0.76	58.3	64.8	10.3	32.3	627.7	10.6	13.0	2.12	201.9	8.9	2,279.6	45.2	22.4	32.5	20.3	11.6
12/17	0.40	37.9	37.4	6.9	21.7	545.1	12.5	19.8	1.84	186.1	8.4	2,219.5	47.9	25.7	13.6	8.4	11.5
09/17	0.43	19.4	45.4	8.4	18.8	540.5	12.2	28.8	1.73	179.5	8.3	2,159.2	50.2	28.0	4.8	2.8	10.1

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
06/17	0.53	12.8	54.3	9.6	8.7	566.3	11.3	27.9	1.66	172.3	8.2	2,100.3	48.6	28.2	5.1	3.2	9.6
03/17	0.48	-4.0	49.0	8.6	-7.3	567.7	10.1	26.5	1.60	167.9	8.2	2,042.8	48.4	28.8	13.5	13.0	9.7
12/16	0.29	-9.4	30.8	6.3	-8.4	484.7	6.7	28.8	1.62	171.8	8.6	1,990.7	51.0	29.7	18.2	19.1	10.1
09/16	0.36	24.1	38.2	7.9	25.0	481.6	9.9	29.8	1.65	174.6	8.9	1,960.4	51.7	29.6	26.0	26.7	11.5
06/16	0.47	56.7	49.9	9.8	57.7	508.8	11.9	30.2	1.58	166.9	8.7	1,916.8	49.5	29.7	22.5	22.7	12.5
03/16	0.50	8.7	52.9	10.3	9.1	515.6	12.0	30.0	1.41	148.6	8.0	1,862.7	43.9	29.5	6.8	7.3	13.2
12/15	0.32	23.1	33.6	7.4	23.7	454.4	12.3	28.5	1.37	144.2	8.0	1,807.4	42.8	29.7	11.4	11.0	14.2
09/15	0.29	7.4	30.5	7.0	6.2	438.1	13.7	29.9	1.31	137.8	7.8	1,757.4	40.7	29.5	8.3	7.2	13.1
06/15	0.30	-9.1	31.7	7.0	-7.5	454.7	15.0	29.7	1.29	136.0	8.0	1,704.6	40.6	29.9	9.3	8.7	13.4
03/15	0.46	24.3	48.5	10.5	21.6	460.2	15.9	30.7	1.32	138.6	8.4	1,645.2	41.5	29.9	16.8	15.2	12.7
12/14	0.26	8.3	27.2	6.7	5.7	404.4	7.6	27.7	1.23	130.0	8.2	1,582.1	38.9	29.9	8.8	9.9	11.2
09/14	0.27	12.5	28.7	7.5	13.4	385.2	15.1	31.4	1.21	128.5	8.3	1,553.7	38.9	30.3	12.0	12.5	14.6
06/14	0.33	17.9	34.2	8.7	16.3	395.4	12.3	29.8	1.18	125.1	8.3	1,503.3	37.3	29.9	8.3	7.8	13.0
03/14	0.37	0.0	39.8	10.0	5.5	397.1	10.4	30.7	1.13	120.3	8.2	1,460.1	35.7	29.7	3.7	2.4	12.5
12/13	0.24	26.3	25.7	6.8	18.7	376.0	21.5	29.3	1.13	118.2	8.3	1,422.6	34.3	29.0	14.1	8.9	12.6
09/13	0.24	-4.0	25.3	7.6	-7.1	334.8	8.5	29.6	1.08	114.2	8.4	1,356.1	33.9	29.7	11.3	9.2	10.2
06/13	0.28	0.0	29.4	8.4	-4.4	352.1	9.9	29.2	1.09	116.1	8.7	1,330.0	35.2	30.3	16.0	16.4	11.7
03/13	0.37	37.0	37.8	10.5	30.9	359.7	10.7	27.9	1.09	117.5	9.0	1,298.1	36.5	31.1	23.9	27.3	12.9
12/12	0.19	11.8	21.6	7.0	22.4	309.5	11.9	32.0	0.99	108.5	8.6	1,263.3	34.7	32.0	12.5	16.5	13.9
09/12	0.25	13.6	27.3	8.8	21.3	308.7	14.6	32.2	0.97	104.6	8.5	1,230.4	32.2	30.8	14.1	15.3	14.2
06/12	0.28	27.3	30.8	9.6	32.2	320.3	14.6	32.3	0.94	99.8	8.4	1,191.0	29.5	29.5	14.6	11.8	13.0
03/12	0.27	0.0	28.8	8.9	-3.1	324.9	14.5	31.5	0.88	92.3	8.0	1,150.3	26.3	28.5	8.6	4.1	11.8
12/11	0.17	21.4	17.7	6.4	16.1	276.6	13.1	27.3	0.88	93.2	8.4	1,109.2	26.5	28.5	8.6	5.5	10.4
09/11	0.22	15.8	22.5	8.3	7.2	269.3	9.6	27.0	0.85	90.7	8.4	1,077.2	26.4	29.1			
06/11	0.22	4.8	23.3	8.3	2.6	279.6	9.6	28.3	0.82	89.2	8.5	1,053.6	26.8	30.1			
03/11	0.27	0.0	29.7	10.5	0.9	283.8	9.3	31.2	0.81	88.6	8.6	1,029.2	27.3	30.8			
12/10	0.14		15.2	6.2		244.6		29.9									
09/10	0.19		21.0	8.5		245.6		30.9									
06/10	0.21		22.7	8.9		255.2		31.0									
03/10	0.27		29.5	11.4		259.6		32.6									