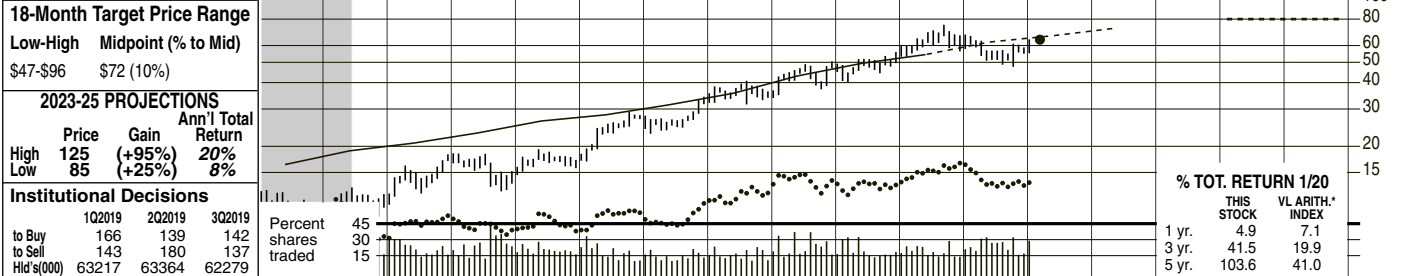


TEXAS ROADHOUSE NDQ-TXRH

RECENT PRICE **64.05** P/E RATIO **24.5** (Trailing: 28.2; Median: 21.0) RELATIVE P/E RATIO **1.36** DIV'D YLD **2.0%** VALUE LINE **369**

TIMELINESS 3 Raised 8/9/19	High: 12.8 18.3 18.5 19.3 29.1 34.3 40.8 50.5 56.0 75.2 67.7 64.6	Target Price Range 2023 2024 2025
SAFETY 3 New 12/7/07	Low: 6.7 10.6 12.2 14.6 16.9 22.9 31.5 33.8 40.3 53.1 47.5 55.2	
TECHNICAL 5 Lowered 2/7/20	LEGENDS 15.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession	
BETA .85 (1.00 = Market)		



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
5.41	6.50	8.04	9.82	12.70	13.39	13.92	16.03	18.32	20.22	22.72	25.79	28.19	31.19	34.31	39.65	43.20	46.10	Revenues per sh ^A	52.35
.49	.64	.75	.93	1.09	1.27	1.38	1.54	1.75	1.88	2.10	2.38	2.88	3.29	3.62	4.15	4.45	4.85	"Cash Flow" per sh	6.80
.25	.42	.44	.51	.52	.67	.80	.88	1.04	1.13	1.23	1.37	1.68	1.97	2.20	2.40	2.65	2.95	Earnings per sh ^{AB}	4.70
--	--	--	--	--	--	--	.32	.36	.48	.60	.68	.76	.84	1.00	1.20	1.30	1.40	Div'ds Decl'd per sh ^E	1.80
.74	.87	1.32	1.36	1.48	.65	.62	1.18	1.23	1.58	1.80	2.48	2.33	2.27	2.18	3.10	2.60	2.60	Cap'l Spending per sh	2.60
2.58	3.28	4.30	4.91	5.19	5.97	6.88	7.11	7.61	8.35	8.73	9.55	10.62	11.79	13.20	13.40	15.10	16.00	Book Value per sh ^D	22.05
67.12	70.53	74.27	74.85	69.34	70.39	72.22	69.19	68.98	70.35	69.63	70.09	70.62	71.17	71.62	68.00	66.00	65.00	Common Shs Outst'g ^C	64.00
51.7	36.9	31.5	25.8	17.6	15.2	17.9	17.9	16.3	20.8	22.0	26.3	25.6	24.5	28.6	23.7	23.7	23.7	Avg Ann'l P/E Ratio	22.0
2.73	1.96	1.70	1.37	1.06	1.01	1.14	1.12	1.04	1.17	1.16	1.32	1.34	1.23	1.54	1.28	1.28	1.28	Relative P/E Ratio	1.20
--	--	--	--	--	--	--	2.0%	2.1%	2.0%	2.2%	1.9%	1.8%	1.7%	1.6%	2.1%			Avg Ann'l Div'd Yield	1.7%

CAPITAL STRUCTURE as of 9/24/19				2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt None	Due in 5 Yrs None	LT Debt None	LT Interest None	1005.0	1109.2	1263.3	1422.6	1582.1	1807.4	1990.7	2219.5	2457.4	2695	2850	2995	2695	2850	2995	Revenues (\$mill) ^A	3350	
				13.1%	12.4%	12.8%	12.0%	12.0%	11.9%	13.1%	13.3%	11.8%	11.7%	11.7%	12.1%	11.7%	11.7%	12.1%	Operating Margin	15.0%	
				41.3	42.7	46.7	51.6	59.2	69.7	83.0	93.5	101.2	112	115	118	112	115	118	Depreciation (\$mill)	130	
				58.3	64.0	74.2	80.4	87.0	96.9	120.1	140.7	158.2	170	180	200	170	180	200	Net Profit (\$mill)	305	
Leases, Uncapitalized	Annual rentals \$50.0 mill.			31.3%	28.7%	32.3%	28.9%	30.0%	29.8%	30.0%	27.0%	12.9%	14.0%	15.0%	15.0%	14.0%	15.0%	15.0%	Income Tax Rate	15.0%	
				5.8%	5.8%	5.9%	5.7%	5.5%	5.4%	6.0%	6.3%	6.4%	6.5%	6.6%	7.0%	6.5%	6.6%	7.0%	Net Profit Margin	9.6%	
No Defined Benefit Pension Plan	Pfd. Stock None			1.8	d24.4	d36.2	d29.5	d68.3	d122.8	d79.2	d72.9	d40.1	d300	d100	d100	d100	d100	Working Cap'l (\$mill)	d150		
				51.9	61.6	51.3	51.0	50.7	25.6	52.4	52.0	2.1	Nil	Nil	Nil	Nil	Nil	Long-Term Debt (\$mill)	Nil		
Common Stock	69,409,291 shares as of 10/23/19			496.6	491.9	525.1	587.7	607.9	669.7	750.2	839.1	945.6	910	995	1040	910	995	1040	Shr. Equity (\$mill)	1410	
				10.9%	11.8%	13.1%	12.7%	13.4%	14.0%	15.0%	15.9%	16.7%	19.5%	19.0%	20.5%	19.5%	19.0%	20.5%	Return on Total Cap'l	22.5%	
				11.7%	13.0%	14.1%	13.7%	14.3%	14.5%	16.0%	16.8%	16.7%	19.5%	19.0%	20.5%	19.5%	19.0%	20.5%	Return on Shr. Equity	22.5%	
				11.7%	9.5%	9.5%	6.9%	9.2%	7.6%	9.1%	9.8%	9.5%	10.5%	10.0%	11.5%	10.5%	10.0%	11.5%	Retained to Com Eq	14.5%	
				--	27%	33%	50%	36%	48%	43%	41%	43%	46%	46%	43%	46%	43%	46%	All Div'ds to Net Prof	36%	

CURRENT POSITION	2017	2018	9/24/19
Cash Assets	150.9	210.1	99.5
Receivables	76.5	92.1	33.9
Inventory (FIFO)	16.3	18.8	17.3
Other	13.4	24.0	14.0
Current Assets	257.1	345.0	164.7
Accts Payable	57.6	62.1	59.5
Debt Due	--	--	--
Other	272.4	323.0	272.8
Current Liab.	330.0	385.1	332.3

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '23-'25
Revenues	12.0%	11.5%	7.5%
"Cash Flow"	13.5%	13.5%	11.0%
Earnings	15.0%	14.0%	13.5%
Dividends	--	17.5%	11.0%
Book Value	9.5%	9.0%	9.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2017	567.7	566.3	540.5	545.0	2219.5
2018	627.7	629.2	594.6	605.9	2457.4
2019	690.6	689.8	650.5	664.1	2695
2020	725	725	700	700	2850
2021	760	765	735	735	2995

Cal-endar	EARNINGS PER SHARE ^{AB}				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2017	.61	.53	.43	.40	1.97
2018	.76	.62	.40	.42	2.20
2019	.70	.63	.52	.55	2.40
2020	.82	.70	.55	.58	2.65
2021	.89	.78	.63	.65	2.95

Cal-endar	QUARTERLY DIVIDENDS PAID ^E				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	--	.19	.19	.19	.57
2017	.21	.21	.21	.21	.84
2018	.25	.25	.25	.25	1.00
2019	.30	.30	.30	.30	1.20

Business: Texas Roadhouse, Inc. operates two moderately priced, full-service restaurant chains. It offers an assortment of specially seasoned and aged steaks hand-cut daily on premises and cooked to order. The chain also offers ribs, fish, chicken, and vegetable plates. As of 9/24/19, Texas Roadhouse had 597 restaurants in 49 U.S. states and ten foreign countries. Restaurant split: 474 company owned, 95 franchises. Bubba's 33, 26; Other, 2. Employs 64,900. Officers & directors own 5.9% of common stock; Blackrock, 11.4%; Capital Research Global Investors, 7.6%; The Vanguard Group, 8.7% (4/19 Proxy). Chrmn/CEO: W. Kent Taylor. Inc.: DE. Address: 6040 Dutchmans Lane, Ste. 200, Louisville, KY 40205. Tel.: 502-426-9984. Internet: www.texasroadhouse.com.

We think Texas Roadhouse posted solid results during the fourth quarter. September-period share net of \$0.52 beat our estimate by \$0.04, and the consensus by \$0.06. Same-store sales jumped 4.4%, year over year, marking the 39th-consecutive quarter of same-store sales growth, tops among its steakhouse peers. On its third-quarter earnings release conference call, management noted that October same-store sales had increased 5.3%, and we think the momentum carried through into November and December, as well, particularly since the fourth quarter included an extra week of sales versus the 2018 comparison. **Unlike many of its peers, traffic is a key driver of the company's same-store sales growth.** Indeed, Texas Roadhouse has reported increasing traffic for 23-consecutive quarters (flat in the fourth quarter of 2013) and has not reported a negative traffic comparison since at least 2011. This suggests that the company is consistently gaining market share versus its peers. **The board is shareholder friendly.** It has raised the dividend in each of the past

nine years, and we expect this trend to continue. At the same time, the company has a history of gradually buying back shares, which accelerated in 2019. Indeed, through September, Texas Roadhouse bought back about \$130 million in stock, well above its five-year average of \$27.7 million per annum. In fact, the share count now stands only slightly above where it stood in 2004 (+3%), the year the company went public. **These shares are ranked to mirror the broader market averages in the coming six to 12 months.** Accounts with long-term investment horizons may want to take a look here. The company has delivered 39-consecutive quarters of same-store sales growth, tops among its steakhouse peers. Most of these positive comparisons were driven by strong traffic growth, suggesting that Texas Roadhouse has steadily gained market share. Earnings have grown at a double-digit rate over the past 10 years, and we expect this trend to continue. All told, capital appreciation potential over the pull to 2023-2025 is above average. *Wayne C. Nef* February 21, 2020

(A) Fiscal year ends last Tuesday in December. (B) Diluted earnings. Excludes nonrecurring losses: '12, 4c; '16, 5c; '17, 13c. Next earnings report due mid April.	(C) In millions. (D) Includes intangibles. In 2018: \$125.2 million, or \$1.74 per share. (E) Dividend initiated Q1 2011. Usually paid in early March, June, September, and December.	Excludes special div'd of \$0.10 paid '12, Q4. Timing of dividend payments leads to uneven quarterly payments in some years.	Company's Financial Strength	B++
			Stock's Price Stability	65
			Price Growth Persistence	95
			Earnings Predictability	95