



BRFA Members:

Good franchise systems are characterized by ongoing “give and take” both in lean years and in rich years. We are not in the leanest of years. But we are certainly not in a rich year either.

As of Q2, IHOP has had three good quarters in a row of flat to positive same store sales growth after seven quarters of declines. IHOP traffic, however, remains 40% down versus peak. Growth is coming from check, not traffic. Unit count continues to decline. Margins remain under pressure. New entrants continue to take share, and QSR chains continue to pivot to breakfast as a growth driver. In the background is Dine Brands aggressive focus on dual branding as the “new” company growth engine for Wall Street. Our pain points include value pricing, tech, product innovation, marketing, commodity prices, and the division of roles and responsibilities between the franchisor and the franchisees, and who pays for it.

There are many good reasons for IHOP franchisees to stay vigilant and to support an advocacy group that leverages the substantial know-how, strength, and resources of IHOP franchisees. The BRFA will continue to be the collective voice and advocate for IHOP franchisees, while keeping members informed of issues that affect their businesses and using our leverage at the right time on the issues that matter. Our focus will be structured around three key priorities; the first being **financial performance (sales, traffic, margins and returns)**, the second being **development processes** (with a particular focus on **dual branding, remodels and closures**) and the third being ongoing **harmonization of the efforts of the BRFA with the FLC** to make sure that the collective efforts of both organizations are optimized.

We now come to the part where we ask you to continue to participate and contribute.

Your funds ensure that the BRFA remains **the** voice of franchisees, and that collective IHOP franchisee concerns remain unavoidably front and center for the franchisor. Your interests will be articulated both thoughtfully and forcefully. We will also ensure that your interests are not subordinated to the interests of Wall Street, corporate, or other brands in the Dine Brands portfolio.

Membership dues for 2027 will be held at \$200 per restaurant, with a \$25/restaurant discount for basic membership if paid by December 31. Dues must be paid by 12/31 in order to participate in BRFA elections. Any dues-paying member is eligible to run for the Board and your participation as a board member gives you even more opportunity to influence the direction of the BRFA, and ultimately that of IHOP.

We are far stronger when we work together with a solid agenda and thoughtful tactics and strategy.

Many thanks for your consideration and support.

Warmly,

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