



Fellow IHOP Franchisee,

We hope this letter finds you well as we look ahead to 2026. For many of us, 2025 has not been the year we had hoped for. We continue to face headwinds, both external and internal, that are impacting our businesses. Tariffs, inflation, decreased consumer confidence, increased competition from breakfast-and-lunch-only restaurants, and aggressive value offerings in the marketplace are putting real pressure on our sales and profits. Beyond these external challenges, we also face uncertainty within our own system. The seven-day value offerings, the development of Dual Brands, ongoing operational complexities and the unknowns surrounding the Tray POS all create additional strain and concern for operators.

The BRFA and the Franchise Leadership Committee (FLC), working together with the leadership of Dine Brands, have taken important steps to address profitability. Through a collaborative process we were able to secure a commitment from Dine for \$1 million in rebates to help offset the hardship of increased egg prices. This was paid to franchisees in the second quarter. In addition, BRFA and FLC formed a joint development subcommittee to hold ongoing discussions with Dine management regarding the responsible development of Dual Brands and the potential impact on existing IHOP units. The BRFA is also committed to fostering communication across the franchise community with newsletters and Roundtables, and in 2026 we plan to add virtual Town Hall meetings. We remain dedicated to keeping you informed on government affairs and other matters that directly impact our businesses.

In times like these, the role of the BRFA is more important than ever. As a franchise community, we must remain steadfast and strong. It is imperative that we speak with one voice as we navigate these challenges together. By standing united, we can advocate effectively for what is best for franchisees and ensure the long-term health and profitability of our system. **The BRFA is funded by dues paid by the franchise community. At \$200 per restaurant, it is a small investment for the wealth of support, advocacy, and resources you receive—not only for the benefits we provide today, but also to ensure we are prepared to navigate any future challenges together. Please note that any dues-paying member is eligible to run for our Board. Dues must be paid by 12/31. Regions 3, 4, 5, 6, and one At-Large position are up for election in 2026. Serving as a board member provides the opportunity to shape the future of the BRFA.**

Together, we are stronger. Thank you for your continued support.

Paul Kenny

Executive Director

Blue Roof Franchisee Association

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