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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Brinker International Q4 2020 Earnings Conference Call. (Operator Instructions) It is now my pleasure to turn the floor over to your host, Mika Ware. Ma'am, the floor is yours.

Mika Ware - *Brinker International, Inc. - VP of Finance & IR*

Thank you, Paul, and good morning, everyone. With me on today's call are Wyman Roberts, Chief Executive Officer and President; and Joe Taylor, Chief Financial Officer. Results for the fourth quarter were released earlier this morning and are available on our website at brinker.com. Wyman and Joe will first make prepared comments related to our operating performance and strategic initiatives. Then we will open the call for your questions.

Before beginning our comments, I must remind everyone of our safe harbor regarding forward-looking statements. During our call, management may discuss certain items which are not based entirely on historical facts. Any such item should be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All such statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such risks and uncertainties include factors more completely described in this morning's press release and the company's filings with the SEC. And of course, on the call, we may refer to certain non-GAAP financial measures that management uses in its review of the business and believes will provide insight into the company's ongoing operations.

And with that said, I will turn the call over to Wyman.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Thanks, Mika, and thanks, everyone, for joining us this morning. Joe and I will share highlights of our fourth quarter performance and what we're seeing quarter to date.

And by now, you've heard most others in our space. And despite the volatility we're all facing, it's good to see the category and the industry moving in the right direction. You'll hear some of the same themes from us, like progressive improvements throughout the quarter as dining rooms reopened, growth in off-premise and digital expansion. The biggest difference you'll hear is in our level of performance. By staying true to our strategy and making aggressive moves to grow the business, our team has navigated this pandemic very well. Chili's generated significant top line progress throughout the quarter. And with our operators' disciplined margin management, we delivered positive cash flow for the quarter, which we used to pay down debt. Our debt load is now below our pre-pandemic level. We continued this momentum into July, ending the month with Chili's down just 10.9%. And in the 84% of our company-owned restaurants with open dining rooms were down just 3.8%. And 36% of our company-owned Chili's restaurants ran positive comp sales for the month.

It wasn't our quick reaction to the crisis that enabled us to deliver these results. It was our choice to stay true to the strategy we've been working for more than 2 years. We had already made significant progress in the areas required to thrive in this environment; off-premise, digital, value and scale. We didn't have to scramble in the pandemic hit. We walked into it with 7 solid quarters of performance. All we had to do is stay focused and push the accelerator a little harder. As a result, we set the bar in casual dining, landing the top spot in sales and traffic for 3 straight months according to KNAPP-TRACK, and we're poised for continued future success. You've heard how many restaurant companies are leaning into digital to manage through this crisis. And while Chili's is no exception, we were leading the way in the digital space long before the pandemic. Over the past decade, we've made significant investments to build our digital infrastructure, foster connections with guests and enabling us to quickly respond to their evolving dining needs.

Increasing convenience is a big component of how we leverage our digital capability. We can lean into our 8-million member loyalty database, gain check level purchasing insight from our tabletop devices and continue to improve our 5 Star app with features like 1-Tap reorder of our guests most frequent ordered items. And last year, we integrated DoorDash into our POS system and our e-commerce experience, making it possible to shift our marketing focus from national TV spots to our digital platform, where we continuously test and learn to increase e-commerce conversions. And as a result, our digital sales of off-premise meals have grown from low teens to more than 50% in the fourth quarter, with only a slight dip as dining rooms reopen. We have also driven frequency -- increased frequency through our takeout and delivery channels at a fraction of the marketing expense. That's the beauty of a digital strategy that makes dining easier and more convenient for guests. Because we can meet them where they are, guests use us more.

Finally, here's something you haven't heard from anyone else in our space. During the last fiscal week or last week of fiscal 2020, we accomplished something no other restaurant company has ever done. In a single day, we launched It's Just Wings, our first virtual brand, in 1,050 Chili's and Maggiano's across the country. Sales continue to build every week, and we clearly see the potential to exceed $150 million in the brand's first year, which would secure It's Just wings a spot in the top 200 restaurant brands.

Over the years, casual dinings has been deemed for being overbuilt. We believe this is our opportunity to prove that maybe it isn't overbuilt, it's just underutilized. It's Just Wings leverages existing buildings, equipment and labor. Even after aggressive pricing and marketing, buying quality ingredients and packaging and paying our last-mile logistics partner, we're generating strong flow through. The brand's guests are highly incremental to Brinker concepts, and their feedback is extremely positive. Satisfaction ratings are among the top restaurant brands on DoorDash and (inaudible) is high. And we're just getting started.

We created this business in 6 months and launched it overnight with minimal investment in a consumer channel where demand is growing by more than 100% annually. Taking into account our scale, the capacity of our kitchens, our exclusive partnership with DoorDash, we believe our ability to win in this space is unmatched. So we're testing additional virtual concepts and learning how to drive visibility among the millions of DoorDash guests looking for food delivery options. And how to continually improve our operations to meet consumer demand for speed, food quality and value. We are pleased to have not 1 but 2 brands that rank among the most popular on the DoorDash platform, and we're excited about the potential that lies ahead.

Obviously, things aren't back to normal for any of us yet, but we see a bright future for all the Brinker brands. We promised you last quarter that no matter what came our way, we would do 2 things; put the safety of our guests and team members first and continue to perform and take share. I couldn't be more proud of how our operators and our support teams have delivered on both of those promises and how we're creatively and boldly building our future together. No matter what lies ahead, with the talent on our team, the power of our brands and the scale at our disposal, we start from a position of strength.

And with that, I'll turn the call over to Joe.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Thanks, Wyman, and good morning, everyone. Regardless of the descriptor you put on the operating environment to the most recent quarter and a number of less complementary ones come to mind, our operators quickly adjusted course to the realities of the pandemic and rose to the challenge to exceed expectations with the results delivered.

For the fourth quarter of FY '20, Brinker reported consolidated net comp sales of negative 36.7%. Although comp sales recorded material improvement as the quarter progressed, with the June period consolidated results down 19%. Both brands generated a positive progression of performance through the quarter, with Chili's leading the casual dining sector from a comp sales perspective. While the reported quarterly net comp sales for the brand was a negative 32.2%, performance progressed from down 51% in April at the height of the dining room closures to down only 13% for the June period.

Chili's outpaced the competition throughout the quarter with comp sales positive the casual dining sector by approximately 13% and traffic positive to the sector by approximately 18%. More than 25% of our corporate Chili's restaurants reported positive comp sales for the June period, a percentage as Wyman earlier stated, that increased to 36% in July.

Our P&L highlights for the quarter were total revenues of $563 million, a restaurant operating margin of 6.4% and an adjusted loss per diluted share of $0.88. Included in the $0.88 loss is a burden of approximately $0.18 due to the timing of recording expenses related to annual and long-term incentive compensation plans beyond what would typically be recorded in the fourth quarter in our G&A expense.

Throughout this crisis, our team has done an exceptional job of taking care of our guests and team members and has proven an equal ability to effectively manage expenses in the face of meaningful sales decreases. Our managers have been efficient in utilizing our scheduling tools to optimize labor hours to fit the current business environment. Hourly labor and payroll tax have a good degree of variability and were favorable year-over-year. Although total labor, including restaurant management, was unfavorable in the quarter by 260 basis points driven by sales deleverage.

Restaurant expense margin for the quarter increased by 6.2%, again, primarily due to sales deleverage. Despite our operators reducing year-over-year spend in this area by more than $29 million, we recorded meaningful savings in advertising spend, repair and maintenance and supplies related to on-premise dining, a portion of which we believe will be ongoing. As to cost of sales, we were positive 30 basis points versus prior year, primarily due to favorable menu mix. By earlier commented, our restaurant operating margin from the quarter was 6.4%. However, in conjunction with the progress we made top line, our operating margin improved through the quarter, increasing to 12.2% for the June period. Assuming an improving operating environment, we believe we are set up for additional margin improvement as we carry forward identified efficiencies, further open dining room capacity and leverage sales from our virtual brand, It's Just Wings.

Strengthening the balance sheet is an important part of our financial strategy moving forward, and we are currently focusing free cash flow towards debt reduction and liquidity enhancement. To further enhance our liquidity position, we executed an equity offering in the quarter, raising approximately $139 million, which was used to pay down revolving credit debt. Our overall total debt balance at fiscal year-end was approximately $1.2 billion, a reduction of just over $220 million from the end of the third quarter as revolving credit borrowings decreased from $700 million to less than $473 million.

Our liquidity, which we consider to be cash balances and revolving credit availability, now exceeds $575 million. In addition, we recently completed a 15-month extension of our revolving credit facility now maturing in December 2022. As sales and cash flows improved, we resumed new restaurant development activity that have been temporarily halted early in the quarter. We plan to open or relocate 4 new Chili's restaurants during this current quarter.

Now as to operating guidance, while in past years, we would typically provide annual guidance for Brinker during this earnings call, potential volatility and unknowns of the current operating environment makes that exercise difficult. Instead, we are providing some limited guidance as to our consolidated performance for the current first quarter and anticipate providing quarterly insights as we move through the year. For Brinker in the first quarter, we expect consolidated comp store sales to be down in the low to mid-teens range. Adjusted earnings per diluted share are currently estimated to be a loss in the range of $0.25 to $0.40. We anticipate positive operating cash flow, and weighted average shares is estimated to be 45 million to 46 million shares. I would also like to remind everyone that fiscal year 2021 includes a 53rd week, which takes place during the fourth quarter.

Despite the difficulties experienced from this pandemic, our team has risen to the challenge. Our strategy of focusing on value, convenience and safety has proven to be well received by our guests, has given us the ability to outperform our competition, and leaves us very well positioned to continue to take market share as we move through the fiscal year. I greatly appreciate the hard work and commitment from our team members, especially those on the frontline serving our guests each and every day. I have every confidence we will continue to demonstrate our ability to sustain our progress and return to growth on the top and bottom line for the longterm.

And with that, Paul, let's open the call up for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And your first question is coming from Brian Vaccaro.

Brian M. Vaccaro - *Raymond James & Associates, Inc., Research Division - VP*

I just wanted to circle back to the It's Just Wings concept. I think you said you believe it can generate around $150 million this year in sales. Just curious, I know it's still early days, but can you just give us a sense of how that's contributed to the quarter-to-date comps and how you've seen that build even through the first 4 or 5 weeks? And could you also provide some more color on the brand's margin dynamics?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Brian, we'll give you a little bit of insight. We're not going to give you everything you're asking for. But obviously, you can kind of do the math. If it's a $150 million brand and roughly $3 million plus a week in sales, that's what -- it's pretty much incremental to our business. So it adds that much to the sales levels. So it's mid -- low-single digits, mid-single digits, kind of in that range. And we've seen really great response to the brand and the product as we've rolled it out now. We're in week 7. So it's been very well received. Sales have grown nicely, and it's in matter exceeded our expectation pretty much on every turn. And as I mentioned, the margins and the leverage we have with this virtual brand is significant. There's no capital per se. And we had to buy a couple of small refrigerators and a couple of restaurants, but for the sales volume that it generates, it's really capital free. And we get to leverage all of the expertise we have in our restaurants in terms of culinary ability. We get to leverage the equipment that we already have and things like our combi, which is a great piece of equipment that allows us to smoke our ribs, now also allows us to smoke wings and offer a differentiated product from a lot of people in the category. So we're very excited about the virtual brand. We're pleased with its results, and we just see a potential future potentially down the road to grow it.

Brian M. Vaccaro - *Raymond James & Associates, Inc., Research Division - VP*

All right. And then I also wanted to just ask about initiatives that you've been working through to optimize capacity within your restaurants. Where are you on installing plastic partitions or working to expand outdoor seating? And can you remind me, what percent of the seats in the typical Chili's are booths?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes, I don't have the number of booths. What do you think, Mika? About -- yes, about 45% of our seating is booths. Outdoor capacity has not been an area of focus for us through the pandemic, as we have gotten a little bit more into this summer and now looking into fall, and it looks like we may be out there a little longer. In some states, we are starting to put out some additional outdoor spaces. But the results you're seeing us deliver, which again are top in the category or without us having to do a whole lot of external or extraneous work in having to build patios or tents in any major way. We're doing that off of the capacity we have in our dining rooms today, which for the most part is about 50%. So we have a lot of upside as we get more and more comfortable with being able to see people in maybe closer proximities.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

And clearly, again, as we mentioned in July, getting 36% of your restaurants back into positive comp territory without having to do those incremental activities.

Operator

And the next question is coming from John Ivankoe.

John William Ivankoe - *JPMorgan Chase & Co, Research Division - Senior Restaurant Analyst*

With JPMorgan. First, a clarification on that -- the 36%. Was it concentrated in a couple of states, maybe some parts of Florida, Georgia, Texas, if you can just kind of make a comment or were you able to have it more spread out than the southeast? And then -- and secondly, if I can, and I'm going to see if I can ask this question correctly. Is there a level of sales, maybe percentage of previous average unit volumes where you expect to get back to previous store level margins either in percent or even in dollar margins that you care to talk about today? Obviously, I mean, a lot of businesses are running themselves much more efficiently than they were in the past, and you're actually able to achieve previous percent margins or dollar margins with a lower level of sales. And if you don't mind, I'd like to have a third question as well, if I'm not being too greedy.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

A third. John Ivankoe, going for it. You're going for the triple, yes. So I can't even remember your first question now, John. So the first question was regionality.

John William Ivankoe - *JPMorgan Chase & Co, Research Division - Senior Restaurant Analyst*

The first was -- the first question doesn't...

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

I know. I know, John. I am joking. Yes. Right. So the first question, the beauty of what we're seeing is it's broad-based. So we're -- of those 36% spread out across the country, market by market, some in Texas and Florida as well as other parts of the country. The mountains, states are doing very well. Obviously, California being close to in restaurant dining has been a little bit of a pullback from what we saw in the fourth quarter. So we walked into July, and we had to kind of deal with California closing dining rooms, which was probably the biggest setback we've had. And so we're very confident that as we get restaurants reopened everywhere, we'll see these positive sales trends grow even more.

And with regard to your question around -- at what level do we attain the profitability -- our historic profitability levels, as Joe mentioned, we're finding, like you're hearing from so many other folks, when you 0 base a concept and you take out so much cost and then you get to rebuild it, you find opportunities, and we're finding those opportunities. So we do think there probably is a more efficient -- well, we believe there is a more efficient model going forward. And so the level of which, the sales will -- that we've had historically would deliver better profitability. So I don't have a specific percentage for you. I don't know if we want to give you that, but I'll let Joe talk to that.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

And then obviously, you add It's Just Wings into the equation. Again, highly leverageable sales coming on that side. So clearly, the biggest opportunity in the -- over the course of the rest of the fiscal year is getting capacity back online. Dining rooms had reopened back up into those 90% levels. But what we can really control again is the efficiency that the operators are finding in how to run the restaurants and then adding the virtual brand into the equation. So I think there's definitely strong beliefs around our ability to increase margins.

John William Ivankoe - *JPMorgan Chase & Co, Research Division - Senior Restaurant Analyst*

And then secondly, obviously, G&A is kind of -- there's so many different stories in G&A and fiscal '20. The question is on fiscal '21, just kind of thinking about -- I don't know if you would fully accrue bonuses on a current level of comp that you have in the first quarter, obviously, it's so much better than the fourth. But can you kind of help us hone in on what you think could kind of be a reported G&A number in '21, obviously, whether it's on IC or whether it's in headcount or different projects that you're doing. It's probably the -- a number that I need the most to help with at this point.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. And again, I think that will evolve as the year evolves too, based on where we see the business trajectory. I think it will be reasonable to see us get the number from a percentage basis, it should start with a 4. And how far we can drive that down or it's going to depend on some of the dynamics we just talked about and some efficiencies we see on the G&A side. We will definitely spend fewer dollars in G&A in this fiscal year than we have in the past typical years. And we'll continue to -- but we're going to continue to also invest appropriately. Included in G&A is IT spend, and that's an extremely important piece of business, and we will invest along those lines. Obviously, incentive compensation programs have variable dynamics to them depending on where the business goes. You would expect in lower than traditional business environments to see lower spend in that regard. And I think that's the way some of those programs will work as we move through this year. And as we continue to build the business, hopefully, we'll build some of those results also. So, again, I don't think at the end of the day, from a percentage basis, it's going to be a radically different environment, but, again, that's one of the unknowns and one of the reasons we're kind of keeping our thought processes in these conversations to a quarterly basis.

Operator

And the next question is coming from David Palmer.

David Sterling Palmer - *Evercore ISI Institutional Equities, Research Division - Senior MD & Fundamental Research Analyst*

Evercore ISI. What is your to go sales mix lately in the partly open dining room locations? I think you mentioned it had dropped maybe below 50%. And what is your seating capacity in your dining rooms or the partially open dining rooms as a percent of normal? And I have a quick follow-up.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

David, that's an easy question because it's got the same basic answer, 50%. So we're -- again, as more dining rooms open and people get a little more comfortable, we see it drop a little bit below that 50%. But we're basically 50% in the restaurant and 50% out, right, at this point. And for the most part, where our dining rooms are open, we're running 50% capacity. And we're -- we've been very conservative. Again, our first promise was to keep our team members and our employees safe. And we've had masks on everyone from the very beginning of this pandemic. And we're -- and we social distance, and we really did social distance in our restaurants. And so we're going to continue to do that, but we're looking at ways to maybe get some additional capacity in now that we have a better sense for what we have to do to stay safe and continue to provide that environment.

David Sterling Palmer - *Evercore ISI Institutional Equities, Research Division - Senior MD & Fundamental Research Analyst*

And then I know this is a bit of a million-dollar question type question, but how much -- do you -- how much higher could AUVs be in the out year, getting beyond COVID versus pre-COVID? And obviously, we're thinking about the To Go sales. If you're annualizing $1.4 million in To Go sales, it does make you wonder if you've discovered, some of that is going to be sticky after this is all over, but there's so many other factors that you must be thinking about as well. How do you think about that and versus other factors that maybe you want to tell us about?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Well -- I mean, David, I don't think anyone would say this is a robust environment for casual dining. And the fact that we've got 36% of our restaurants running positive comp sales, tells me that we're doing some good things and that there is upside potential. And that's with still -- 15%, 16% of our restaurants that don't have dining rooms open. So I think it kind of -- we're optimistic that there is quite a bit of topside room for our brands to grow and to leverage the capacity that we have with some virtual brands as well as just getting the core business stronger. And in this post-pandemic environment, we think the things that we've been doing, the value proposition, leveraging scale, leaning, the digital technology, is going to allow us to be even more successful. So I don't have a number for you, but I -- we look to grow per restaurant sales, and we see some significant upside potential.

Operator

And the next question is coming from Nicole Miller.

Nicole Miller Regan - *Piper Sandler & Co., Research Division - MD & Senior Research Analyst*

Piper Sandler. 2 quick ones. The first is, there's a lot of excitement about It's Just Wings, but have you been asked about what kind of human capital time investments do you have to make? Could you just walk us through both -- the store level sounds pretty easy, but from an executive level, just help -- just assure us that there's no disruption on your end as you kick off this opportunity and others?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Nicole, that's a great question. I think -- so this is where another strategy of our scale comes into play, right? So we have the luxury at Brinker to be able to put some really talented people in position to manage businesses. And Steve Provo was heading up innovation last year. And in that process, we looked at a lot of things, beyond virtual brands, including ghost kitchens and mobile kitchens and a litany of things. And to have somebody of that quality and caliber of leadership taking us through that journey and finding the best place for us to land is -- it's a luxury that a lot of people don't have. And so we had the ability to take a leader and a team and keep them somewhat isolated and work on a lot of innovation ideas. And then when it became time to roll it into the system, we did it overnight. And now it sits within our brands fairly seamlessly. We have some talented leaders now kind of responsible for growing and building that business. And Steve stepped into the Maggiano's world to help us kind of navigate Maggiano's through this current time period and into the future. So I feel very good that the leadership we have isn't being distracted from the core, if that's the kind of -- the kind of just key issue you're trying to get to, but I also feel really great at the quality of the people working on this business, and it is a significant incremental piece of business, are also talented and motivated to move it forward.

Nicole Miller Regan - *Piper Sandler & Co., Research Division - MD & Senior Research Analyst*

That's very potent and appreciated. Last question. You basically shored up the balance sheet. Your obviously positive same-store sales are within line of sight and happening for a good chunk of the base. What's just the holistic view of capital deployment now in terms of the traditional methods around dividend share repurchase, development, et cetera?

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. Nicolas, I think, as I mentioned in the comments, right now, we're continued on -- continuing to shore up that balance sheet. We will be reducing our leverage position on the go-forward position. And as we continue through that process, we'll give you more updates as it relates to what that looks like and what those levels will be, but they will be significantly reduced as we kind of go forward. As we build the business back up, we're going to also continue to capital -- do capital allocation that invest back in the business. As I indicated, we started back very quickly within the development side of the equation. We will bring capacity online over the course of the next several years. And we're going to also invest back into the fleets similar to the reimage programs that we were working on pre-pandemic. So I really look at the -- that initial pandemic period of time as just really a pause in the activities that we were doing pre-pandemic. As it relates specific to the share repurchase activity and dividend activity, more to say down the road as we kind of move through these next couple of phases. But clearly, returning excess cash flow to shareholders still is very much a long-term focus for us.

Operator

And the next question is coming from Chris O'Cull.

Christopher Thomas O'Cull - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Analyst*

Stifel. Wyman, do you think Brinker has advantages to launching virtual concepts that other restaurant chains do not have? Or do you expect other chains to start launching virtual concepts for delivery?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Chris, absolutely. I mean, I think getting back to the strategies of scale and company ownership. There's -- you're right -- the first with regard to speed, I don't know anyone that could do over 1,000 restaurants with a virtual brand overnight. And that's also -- the relationship we have with DoorDash is also instrumental and strategic in this whole virtual brand and delivery strategy of ours. So we've chosen a little bit of a different path than some others, and we think that, that is an advantage for us. And we're going to continue to lean into that and build off that. And we're just -- we're in the first innings of this game. So will there be other people that work on virtual branding and try and do a similar kind of stuff? I have no doubt, it's a good idea. But do they have the capability to do what we've done and to leverage it the way we leverage it? I don't think so. I think our operators are really the kind of somewhat an unrecognized source of power for us. We just got such a great operations team. We have the quality of systems in our restaurants that allow us to do some of this additional complication. So at a time when people were cutting menus and simplifying the world and trying to simplify it down, our operators were stepping up. We didn't reduce our menu at all. We actually roll out a virtual brand to the restaurants in the middle of this crisis, and they embrace it and deliver a really a home run for us. Just kind of goes to kind of the quality of the people we have running our restaurants every day.

Christopher Thomas O'Cull - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Analyst*

That's helpful. And then, Joe, could you give us a sense for how much of Maggiano's fiscal 2Q revenue is typically attributable to banquets or large party occasions? I'm just trying to get a sense of what comps could look like if people are still avoiding group events by the holiday season when I think AUVs expand meaningfully.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. I think, again, it is a significant -- that's the quarter where banquets do play an oversized run. Don't have the specific number right here, but it's a meaningful piece of what they do within the second quarter, and they have a lot of work ongoing right now to try and shore up that space. That is -- when you think about the Maggiano's business model, that is probably the weakest piece of the equation. They've done a number of other great things on how to broaden their business. They've seen a trajectory that is also improving. You saw this negative 66% going down to -- into the mid-40s. We're continuing to see improvement as they move forward from that level. But as we move to the second quarter, looking at that banquet space could be a bit of a hurdle to get over. It's about 3% in the second quarter that their model drives off of -- the comp sales drive off of that banquet space. So -- and again, they have a lot of energy devoted. They know the issue in the second quarter, but working it aggressively.

Operator

And the next question is coming from Alex Slagle.

Alexander Russell Slagle - *Jefferies LLC, Research Division - Equity Analyst*

Jefferies. Appreciate the details on the restaurants already driving positive comps. I was wondering if you could kind of talk about the characteristics of those restaurants and the biggest differentiating factors?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Alex, no, there really isn't anything unique about them. They're just -- they're spread out throughout the country. Obviously, with the rollout of It's Just Wings, some of them are -- some of our higher-performing wings restaurants. So those sales are helping them get over prior year levels. But it really isn't any 1 characteristic. And that's why we're kind of encouraged about what we're seeing across the country.

Alexander Russell Slagle - *Jefferies LLC, Research Division - Equity Analyst*

Okay. And do you have any thoughts on narrowing down the menu so as to eliminate unnecessary complexity and improve speed? Or is that -- at this point, is that not seem like it's holding you back?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

No. And I know -- I think you're relatively new to us, right?

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. Welcome, Alex.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes. So welcome. We -- 2 years ago, we did a major menu simplification effort, where we took 40% of our menu items at Chili's and reduced the scope of the menu. So again, when I talk about strategies that we've had in play for a while, menu simplification is something we did in a significant way 2 years ago, a little over 2 years ago now. And so we feel very comfortable. I mean, comfortable enough with the complexity of our kitchen that we were able to bring Its Just Wings into the kitchen and not see any kind of guests -- negative guest impact to the guests in the dining room -- dining in Chili's with regard to the food or the delivery of the food or the service. So that's -- we keep a very close watch on our guest metrics, both -- now both those that are taking it out or getting it delivered, but especially those in the dining room, and we don't see any need to have to deal with complexity at this point. We keep a close eye on it there to make sure it doesn't creep.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. And Alex, I think as you heard me mention, we had that positive menu mix in the second quarter. To a certain extent, the guest is simplified for us, but narrowing back to some of the tried and true favorites when you think about crispers and burgers and things of that nature. So we've kind of seen a little bit of narrowing of where their choice is, which does provide a little bit of simplification if you think about it in that regard, where we don't have to take things off the menu, but that does focus our operators in those areas. So we have the ability to follow the consumer where they want to go.

Operator

And the next question is coming from Gregory Francfort.

Gregory Ryan Francfort - *BofA Merrill Lynch, Research Division - Associate*

Bank of America. I had 2 questions. The first is, I think it was a response to -- I don't know if it was Glass' or Ivankoe's question on just margins and some of the areas you guys have been able to find efficiencies through this process. Can you maybe talk about what some of those areas are? And -- is it labor? Is it food waste? I guess, any sort of broad scopes, and that would be helpful. And then my second question is on pricing power and coming out of this. And I'm sort of curious, when I've talked to some of the casual dining companies, I'm getting very sort of mixed feelings on whether or not pricing can be pushed a little bit harder or if you guys want to be a little bit more restrained? I'm sort of curious where Chili's shakes out on that front.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Greg, we'll probably tag team the cost side of it. I'll just say, in general, again, back to operators at the outside of the pandemic, when we -- in March, when we really had to address the dramatic shift in business and the closing of dining rooms, the cost structure leverage came from our managers. They really just managed labor extremely well. They did a lot of the work to get us through some of those early tough days, which allowed us to kind of reduce our variable labor costs significantly with the reduction in sales. And then as we started to build back into the dining room and build the business back up, you have this very unique opportunity to say, "hey, I mean, I got rid of all these costs because I didn't have my dining's open, so I'm going to build the cost back in, let's evaluate each of these investments again to make sure that what we've been doing for years really does make sense or that maybe somebody that was doing it slightly different in 1 part of the country," and we now have better visibility into it. And while some of these things seem small, when you've got over 1,000 restaurants, they add up quickly. And so Joe can give you some color on what some of those examples are, but we found some very good opportunities that we think will stick with us.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. Greg, when I look at the main components -- again, I think there will be opportunities in labor, and that does probably drive off of running our labor systems effectively. So again, as you bring the business back on line, we're always looking at some efficiency opportunities on how you use technology, and we may do some of that as we go forward. But I think it's really using the systems closely and effectively as we kind of build the business back up. I think when I look at the progression of margins that I talked about over the quarter and into the -- and the improvements we're seeing into this quarter, the restaurant expense areas where you see a lot of very identifiable ones. Strategically, we've made some decisions around advertising that are going to play out very nicely from a margin standpoint. That's the digital power of the company that can shift to a more digital and more efficient strategy there. And then you look underneath that. And this is where there's line item after line item after line item. It can be as knife sharpening, linens, R&M expense. You just kind of go down a laundry list of costs that kind of perpetuate themselves in the business model until you have to look at them in this environment and take them down and then rebuild them. And frankly, we're identifying millions of dollars of opportunities as we wind things back up again. So I think there will be some nice opportunity within the restaurant expense area as we kind of build forward. And we're seeing it already as we move through that first period.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

And then just quickly with pricing. I think right now we don't have any -- there's no dramatic headwinds that are forcing us to consider aggressive pricing strategies. And we're -- as we have been, again, for the last few years, focused on driving traffic into our restaurants, whether it's now in the dining room or even through takeout and delivery. And so we're really focused about how do we get more bodies into the restaurants and a little less about taking the checkup. So we'll continue to keep our margins strong, but really, our focus is on traffic. And so our pricing strategies will probably be a little more conservative as we make sure, especially as the consumer starts to deal with the economic realities of the pandemic here in the near future. So that's just our overall approach.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

And what's I think most exciting about those gaps to the industry is that traffic side of the equation. And so we're very focused on very wide, wide gaps, 18% in the quarter. And frankly, I think we have some abilities to strengthen those gaps as we move forward.

Operator

And the next question is coming from James Rutherford.

James Paul Rutherford - *Stephens Inc., Research Division - Research Analyst*

I'm with Stephens Inc. I just wanted to start off sort of based on that last comment around sort of the consumer. We know that stimulus checks provide a bit of boost to the whole space for the portion of last quarter. So I'm just curious if you've seen anything already in terms of the week-to-week comp progression here quarter-to-date that would give any indication that as those unemployment benefits sort of roll off, I mean that consumer gets a little bit more squeezed, whether it would roll through to kind of your results and what you've seen so far this quarter?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes, James, really great question. Top of mind for all of us, right, as those $600 checks kind of disappeared. We were nervous and curious as to how it's going to impact the business. You saw our July results. I'll just say we're almost 2 weeks now into our August and the results have gotten better. Our trends have strengthened, and so now we're several weeks past those unemployment checks rolling off, and we haven't seen any indication that it's having an impact on our business. That doesn't mean it won't, that doesn't mean we aren't saying, that we're just saying line of sight now and how we're managing our business, frankly, is week-to-week, quarter-to-quarter to some degree. Just because of the nature of what's going on with the pandemic. But so far, so good on that front. We don't get ourselves though that there is some tough economic times ahead for some people and in some parts of the country. And that's where having a great value proposition and having convenience, and I don't know if you've looked at the It's Just Wings product, but that the value proposition in that concept is really outrageous. I mean, it's what we like to say as the tagline says stupid pricing. So I think we're in good position to deal with some of the -- to give the consumer what they need as things tighten up a little bit without having to resort to some limited time offer stuff or slashing prices. We have just a great value proposition embedded in our concepts, and It's Just Wings just builds on that.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

And I think, James, the commentary around the consumer and particularly, as we think through how we wanted to build our thought process for this quarter, I wanted to be a little circumspect around the guidance we gave you based on that issue in itself. So we need to see how that plays out over the course of the next several weeks. And we're also heading into what would traditionally be that back to COVID period of time. And obviously, this is going to be probably the most unique back-to-school (that I think we've ever seen). So how that factors into what would typically be some of our lower volume periods of time will be interesting over the course of the rest of this quarter. But kind of those 2 issues are kind of ones that kind of give a little bit of cloudiness to where we think this business can go in the short run.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes. I mean, I'll just add on that. In it -- I know it's not part of your question, James. But the biggest concern we have and as the country has is where does the virus go? And obviously, we've seen things spike and then get back under control and that's going to be the big determinant of our results, I think, in the short term. If the country can continue to wear masks and say -- stay socially distance and do what we do in our restaurants, which is somewhat frustrating. So now I'll just give you a little frustration, but I think we're going to be in good shape. If we start to see things spike, then we're going to see consumers react and pull back a little bit. And those are the variations of the business that we just don't control. But without that, we feel pretty good.

James Paul Rutherford - *Stephens Inc., Research Division - Research Analyst*

That's encouraging, and it's a helpful perspective. I just want to follow up with 1 other question. It's -- I think you all sort of teased that the virtual wings concept may be the first of several and just to help us frame that, do you see an opportunity for multiple virtual concepts with a similar potential to this, It's Just Wings concept? And whether those -- should we think about those as being potentially in 2021 or these something much more -- much further down the road than that?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes. I mean, obviously, we think there's more potential. We're going to be very smart about first making sure It's Just Wings is a strong brand that's executed well, that -- and that we're growing it through multiple channels. And then we're -- it wasn't our first brand that we tested, by the way. We were in touch with another brand before we decided on wings. So we continue to test and innovate and look for ways to grow our business. And the virtual brand story isn't played out. I won't go any deeper than that. Stay tuned. We'll see. We rolled this one out fairly quickly. And that's probably how we roll the next one out. Hopefully, it won't have a lot of fanfare, but when it hits, it hits big.

Operator

And the next question is coming from Jeff Farmer.

Jeffrey Daniel Farmer - *Gordon Haskett Research Advisors - MD & Senior Analyst of Restaurants*

Gordon Haskett. Actually, I have a follow-up on an earlier question and then 1 more question after that. So in terms of the follow-up, for these restaurants that posted positive same-store sales operating at really that very limited capacity, 50% seating capacity, did you guys make any aggressive efforts to shift demand to non-peak day parts or week parts? How did you do that knowing that you have some bottlenecks on the weekends and some evenings? How did you accomplish that positive comp number?

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Well, Jeff, I mean, the biggest way you accomplish it is you're doing a lot of takeout and delivery. And then you throw It's Just Wings, which is another delivery concept on top of that. So a lot of the volume is now happening outside of the restaurant. We still as a company with restaurants that are open are seeing positive company-wide average sales growth early week. It's the weekend where the capacity issues come in that we start to give it back a little bit. And that's just understandable when you got 50% of your dining room tables closed off. So yes, it wasn't anything specific to, again, those restaurants didn't do anything different. They just are either in areas where there's a little bit more support for the brand and -- or maybe they're a little bit stronger, It's Just Wings pickup. And maybe just in general stronger delivery market. So all of those things kind of go into the mix, but it really is how we are -- how we are doing this? We're doing it earlier week, more than late week. And we're doing it through delivery and takeout more than dining room and that's enough to offset -- to get us back to positive comp sales.

Jeffrey Daniel Farmer - *Gordon Haskett Research Advisors - MD & Senior Analyst of Restaurants*

All right. That's helpful. And then just probably the third or fourth question on It's Just Wings. When you were testing that, what did you see in particular that got you excited? And how did you promote that product or offering in those test markets? How did you actually get your customers to know that there was an option to go and get wings delivered from Chili's box?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

It's an interesting story. Like I mentioned, we'd already been in markets with an alternative virtual brand into the early winter. And we were getting ready to take this wings concept and put it into a national kind of test and then COVID hit. And we didn't -- normally, when we do something like that, we put our culinary people out in the field and travel stopped. So we said, listen, let's just take it to Dallas. So we tested this thing in 7 restaurants in Dallas for about 2 months. And we're encouraged enough about consumer acceptance, about operational ability to deliver that we rolled it nationally to 1,050 restaurants with that basis. And it's proven out to be exactly what we thought it would do and then some. And so I'm not saying that's an ideal way to test nationally rolled out concepts, but I would say in the middle of a pandemic that our people were excited about stepping up and not holding back and that we weren't just looking to cut costs and hunker down that we were looking to grow the business. And again, prove to ourselves that yes, that the success for casual dining and bar and grill is to get more capacity into the buildings and kitchens that we already have and not build more of those. We're -- I mean, I don't know, we're just excited about that idea.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. And specifically, then when you look at some things that are very encouraging, we're already seeing a 30%-plus reorder in the first 6 to 7 weeks, which is significantly high. We're seeing an above expectations in the add-on. So in an add-ons, it's the add on an extra fry, add on those incredible fried Oreos, add on extra sauces, which helps drive that check and actually gives you that powerful incremental flow through. The ratings we're seeing from the consumer are right near the stronger ends of what we wanted to see.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

And the only surprise was just -- we've got a handful of restaurants that are doing volumes we never anticipated. There are -- the top 3%, 4% of our restaurants are doing numbers that are really phenomenal, I mean, amazing.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

And Jeff, that's -- and that's without putting a lot of firepower behind into the market.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes. From a marketing standpoint, we just use DoorDash. I mean, DoorDash is our partner. We just get on their carousel. We've done free delivery as a way we put free delivery or try free in there to get you in and get some awareness levels, and we just continue to use that.

Operator

And the next question is coming from Jeffrey Bernstein.

Jeffrey Andrew Bernstein - *Barclays Bank PLC, Research Division - Director & Senior Equity Research Analyst*

Barclays. 2 questions. First one, just on the To Go business. It seems like whether the dining room open or not you got to go sitting at 50% mix. So I'm just wondering how you think about retaining that To Go customer? Maybe you're doing more one-to-one marketing, any kind of color there? And what do you think those customers were, are they same as your traditional customers or maybe incremental? Just trying to figure out where the mix of To Go could level off a year or so from now based on your kind of read of those customers?

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes, it's going to be interesting, Jeff, to see where it levels off. Obviously, a lot of our -- the increase in To Go came from the dining room guests. It couldn't get any dining rooms or didn't want to come into dining rooms as they opened. And so we know there is some of that trade-off. As we've opened dining rooms, though, we haven't seen as much of a drop as we would have thought potentially. And so that's why we're continuing to see strength. This is where the beauty of our digital and our loyalty database come in to play. We have 8 million growing guests that talked to us on a kind of weekly basis. And we know which ones of those are coming in through the dining room and who have shifted over to takeout. And so we can get a pretty good sense for how the guest is kind of shifting their behavior based on COVID, and we'll keep track of that. And then depending on what makes sense, we'll make sure we're giving them kind of the incentives they need to dine with us. Either way, we don't -- we're not -- we're agnostic. We'll take either one of those channels with regard to whether or not they just -- as long as they come in.

Jeffrey Andrew Bernstein - *Barclays Bank PLC, Research Division - Director & Senior Equity Research Analyst*

Got it. And then just a follow-up on an earlier question in terms of doing more with less. I mean I guess just the month of June using that as a proxy, I think you said your comps were down 13% and your restaurant margins were positive 12%, which -- a 12% margin is better than some of the margins you reported when your comps were down a whole lot less than 13%. So just maybe asking a prior question in a different way, where kind of margin settle if sales ever returned to historic levels? Or maybe what's the biggest line item that would achieve that? Or maybe there's some reason why these margins wouldn't ramp up as the sales improved from here?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes, Jeff. I mean, I think, Jeff, we don't have a specific number. We don't have the model laid out exactly as I know people would like. We just know there's a lot of room. Joe kind of walked through some of the restaurant operating expense opportunities that we're seeing. Marketing is another area that we're definitely evaluating with regard to how -- what's the right spend there as we reinvest in -- as we invest more into digital and some of these other avenues. I will say, the sales that we've achieved right now and our relative position in the category, which is #1, came with very little marketing spend. That doesn't mean we're not going to spend marketing in the future. It just says, hey, that's an opportunity for us to continue to evaluate how we spend and how we drive traffic and what the levers are. So what we are very optimistic about is that the future model will be more efficient. I can't give you a percentage.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Yes. I think, Jeff, a lot is going to obviously depend on that top line capacity growth as the restaurants come back. What I can tell you, and again, let's be a little careful about any one given period, remembering July is a 5-week period for us, so you get some leverageability into those numbers. But what I can tell you is July's flow through really isn't radically far from what we saw the last July. I mean you're talking within 10s of basis points of what we did last July. So achieving that on those capacity levels. Again, when I talked about reopening restaurants and adding It's Just Wings into the mix will have a positive. So there is decent upside coming from a margin standpoint as we kind of move forward.

Operator

And the next question is coming from Brett Levy.

Brett Saul Levy - *MKM Partners LLC, Research Division - Executive Director*

MKM Partners. Now that we're hearing you talk a lot more about forward-looking initiatives rather than simply you're circling the wagon approach that we've seen across the industry. How should we think about your strategic and your capital priorities, not just the buckets of investments, but what you're thinking and how you're thinking about things like structural changes to the box, what more you need to do on the technology front? And obviously, how much time and dollars you're going to allocate to the newer initiatives, the off premise, the virtual brands and other areas like that?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Again, from a capital allocation standpoint, we're going to focus on pretty much the same areas we focused on. The interest in taking them in reverse, what you said, the virtual brands don't necessarily require a lot of capital investment, very -- again, frankly, there was really no true capital investment that went into launching a top 200 brand in this case. That's the uniqueness and the power of using the capacity we've already established from a capital investment perspective. I think as we move forward, technology is always going to be front and center from an investment standpoint. We will typicall through capital and G&A be in that $40 million to $50 million range of investment. And I would see that as kind of an ongoing piece of the equation. I think there's -- there will be opportunity on the new restaurant development side. And again, we're committed to making sure that our current existing fleet is kept current. And so we'll -- I envision as we move into the latter half of this fiscal year and next fiscal year, be reimaging again at a decent pace. From a capital dollar standpoint, I think this year, we'll definitely be well below last year's spend. It is, frankly, a bit of a moving target for us as we see where the business goes as it comes back online and grows. We will have the opportunity to increase some of that capital investment. But you can expect probably a year-over-year final capital payment meaningfully below last year. But on a trajectory of getting kind of back towards the level of capital investments you've seen in the last couple of years, pre-pandemic.

I think we have time for about 2 more sets of questions.

Operator

The next question is coming from Bob Derrington.

Robert Marshall Derrington - *Telsey Advisory Group LLC - MD & Senior Research Analyst*

Not to belabor a point, but just certainly we're pretty excited, I think, as most are about the virtual brands. I'm just wondering is -- we've seen one of the major fast casual brands within the industry use free delivery as a carrot to really kind of drive customer interest. Wyman, is that one of the things that you can use, I guess, in ebb and flow depending on the demand and how you want to ultimately improve it, spike it, hold it back? Is that a carat...?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes. Yes. Sure, Bob. I think, again, the primary marketing tool is DoorDash and getting awareness levels of a brand that is really coming from nowhere. You've got to get some visibility and a real powerful way to do that is through getting it on the right carousel and whether it's the free delivery or try free, try first time offer. Those are reasonable investments to make, especially given the cost structure of this brand and how it fits into our portfolio. And again, as we've said a couple of times, because there's not a lot of incremental costs associated with this, you can afford to do some of that. Similar to the fast food concept, I think, I know you're talking about and has had fairly good success doing that extensively. So yes, that's how we look at it. And I think that's a key tool in the marketing tool chest, if you will -- tool box to kind of get build awareness and drive it. It doesn't mean everybody gets that way. Well, it just doesn't mean everybody gets it that way. It's not free for every -- free delivery doesn't go to every offer, but it's another -- it's a powerful marketing tool.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

And one of the great things you see in the early stages of this brand is the trial coming from DoorDash users that have not utilized Chili's. So north of 60% of the trial for It's Just Wings, we're tapping into a new DoorDash user, so broadening that base and that appeal.

Robert Marshall Derrington - *Telsey Advisory Group LLC - MD & Senior Research Analyst*

A quick follow-up, if I may. The check average opportunity, certainly, It's Just Wings offers, in my view, a very compelling value to consumers. Is that the niche that you kind of focus on, Wyman, as you look out towards other opportunities? And could you do something as we know the public is enamored with spicy chicken sandwiches? Could you do something within spicy chicken sandwiches to create a virtual brand?

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

I'd love to innovate on the call, Bob. It's a very good thing. Now we'll -- again, we're looking at a lot of different concepts, ideas. The first priority is to get It's Just Wings established and growing and strong. And it's off to a great start, but we think it's got a lot of upside. So we're not going to get distracted too early with what's next. But it's not necessarily the only way to go in at a virtual brand. It's Just Wings is it's just wings. It's statement is around a value proposition and how we go after it. But we're looking at other concepts, and we've -- again, we've tested some concepts that don't necessarily walk in or present themselves to the consumer on just kind of that on a value proposition based on the same value proposition that It's Just Wings does. And they also have shown some very encouraging opportunities with regard to sales potential. So to answer your question, I just think, which they don't -- we don't see the whole world of virtual brands being positioned exactly like It's Just Wings.

Operator

And final question coming from Sara Senatore.

Unidentified Analyst

This is actually Leo for Sara from Bernstein. So I have a question on Chili's same-store sales for restaurants that have off-premise only. The same-store sales trend in July for this restaurant is very similar to the trend that we saw in the end of April, right before you started to reopen dining rooms. So is that because the restaurants still don't have any dining room capacity are the hardest hit states where the recovery has been smallest? Any color on that would be great.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Yes. I think the question -- and we're not -- I'm not totally sure if I got this right. But yes, our restaurants that are not open, so that's 15%, 16% that don't have dining room open are experiencing similar trends to what we saw earlier when we were in that situation, that down 40-ish percentage. And I think you may -- because we don't build big patios and haven't built big patios or outdoor spaces with the typical Chili's, there have been -- the difference between what we -- what some concepts have seen in April and what they've seen in June and July is that in April it was shutdown everything. And in June and July, if you've got big patio spaces, you can leverage those a little more. And so they're seeing maybe a little bit of a pick up there, kind of in California, that's where you've seen it the most. I think the first closure in California was everything, and the second closure is indoor dining. And so if you had bigger patios, you may have gotten some better results. But our -- because we don't leverage patios as much as some others, we've seen a little less of that. But it's all about -- again, 85% of the restaurants are open for dining. We think these others will open sooner than later, as the virus and people wear masks and we get this thing under control and they realize that, hey, you can do that and still have social distancing in restaurants. And then we're going to be back to, again, these low-single digits and in a lot of restaurants positive comp sales.

Mika Ware - *Brinker International, Inc. - VP of Finance & IR*

Thank you, everyone. We appreciate everyone joining us on the call today, and we look forward to updating you on our first quarter results in October.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Thanks, everybody.

Mika Ware - *Brinker International, Inc. - VP of Finance & IR*

Bye. Thank you.

Wyman T. Roberts - *Brinker International, Inc. - CEO, President & Non-Independent Director*

Be safe.

Joseph G. Taylor - *Brinker International, Inc. - Executive VP & CFO*

Thank you, everyone.

Operator

Thank you, ladies and gentlemen. This does conclude today's conference call. You may disconnect your phone lines at this time, and have a wonderful day. Thank you for your participation.
