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SECTOR SPOTLIGHT: RESTAURANTS

Cracker Barrel Faces Casual Dining Headwinds as CEO Departs

After recovering from the logo controversy, Julie Masino is stepping down as spend and foot traffic decline and consumers keep shifting away from a shrinking casual dining category.

SPEND DRIVERS · 01

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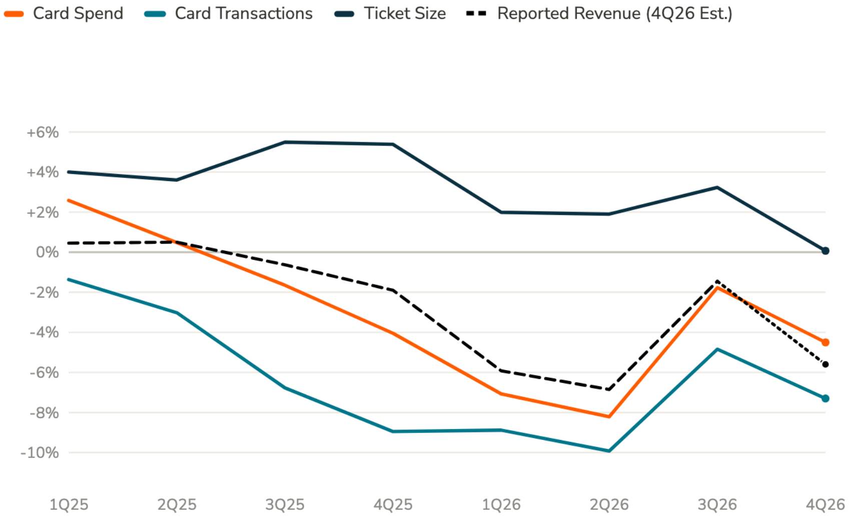
Spend and Transactions Stay Negative in 4Q26, but In Line with June's Upgraded Guidance

Prices for core menu items declined between calendar year 3Q25 (~fiscal quarter 1Q26) and 1Q26 (~fiscal quarter 3Q26). After downward revisions during its 2025 rebrand backlash and a guidance upgrade on the June 9 earnings call, card spend (-4.5% Y/Y) and transactions (-7.3% Y/Y) remain negative in 4Q26 QTD (through 7/24). Both have recovered substantially from their 1H26 lows, leaving Cracker Barrel in line with June's upgraded full-year guidance.

Spend, transactions & ticket

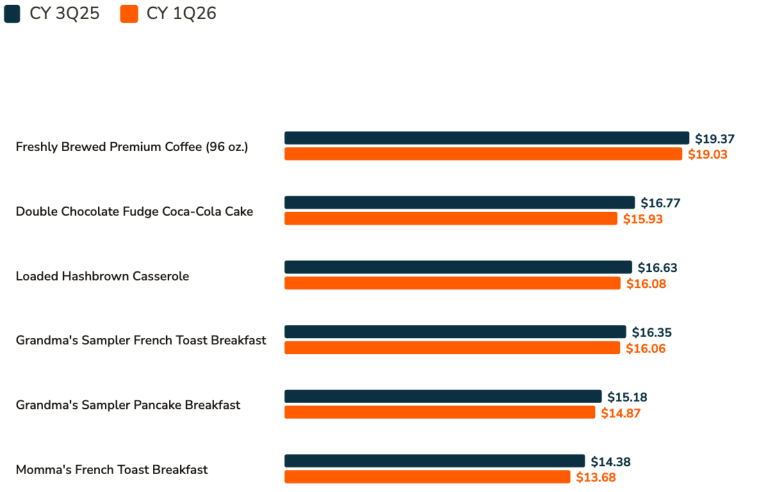
Y/Y % · fiscal quarters



Source: Carbon Arc Credit Card – US Complete Panel – CA0056 · Price: 9.98 Tokens
4Q26 spend and transactions growth blends raw spend and panel-normalized growth rates

Core menu item prices

USD



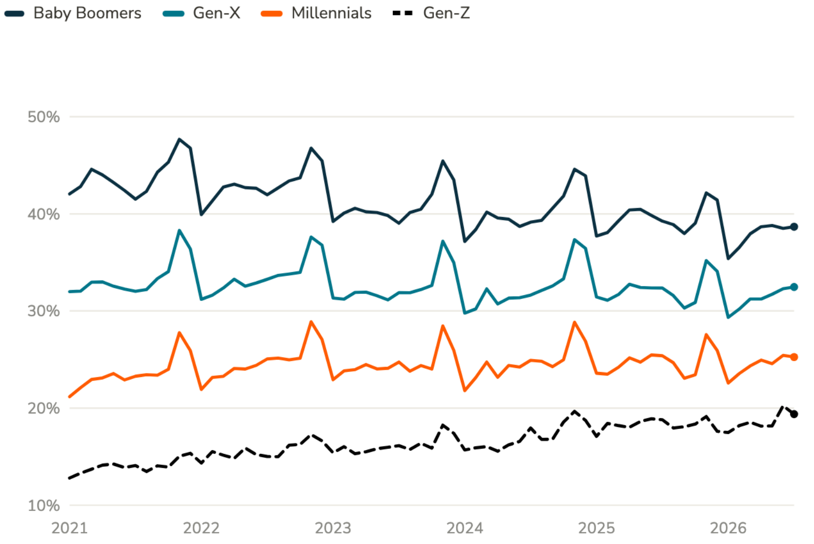
Source: Carbon Arc Menu Data – CA0057 · Price: requires row-level access, available via Carbon Arc Block

Market Shares Highlight Category-Level Challenges as Cracker Barrel Makes Gains

In July MTD, Cracker Barrel gained 0.2 pp of market share (vs. July 2025) against Casual Dining, marking 2 consecutive months of Y/Y share growth and its strongest month since June 2025, before its rebrand. Cracker Barrel has made gains with Millennials and Gen-Z over the last 5 years, improving its future positioning, but share growth and spend declines indicate a shrinking casual dining category.

Spend share by generation

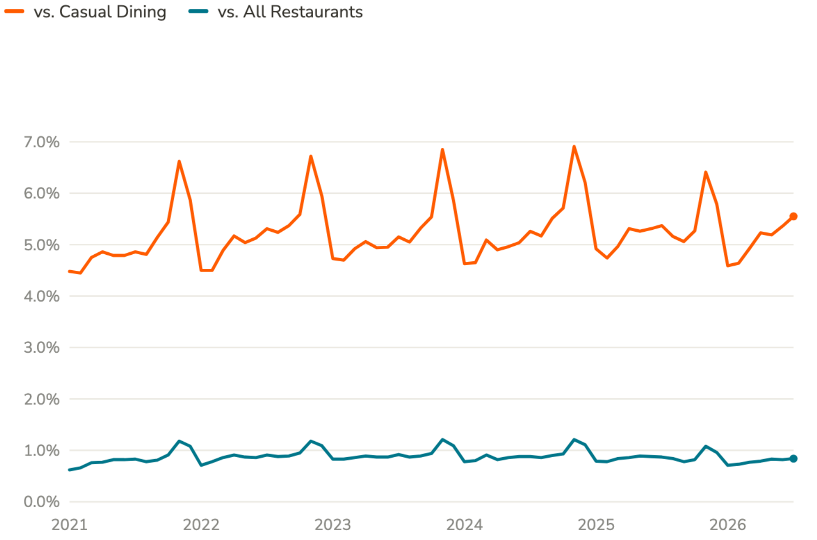
Monthly, 2021–2026



Source: Carbon Arc Credit Card – US Complete Panel – CA0056 · Price: 387.96 Tokens

Cracker Barrel market share

Monthly, 2021–2026



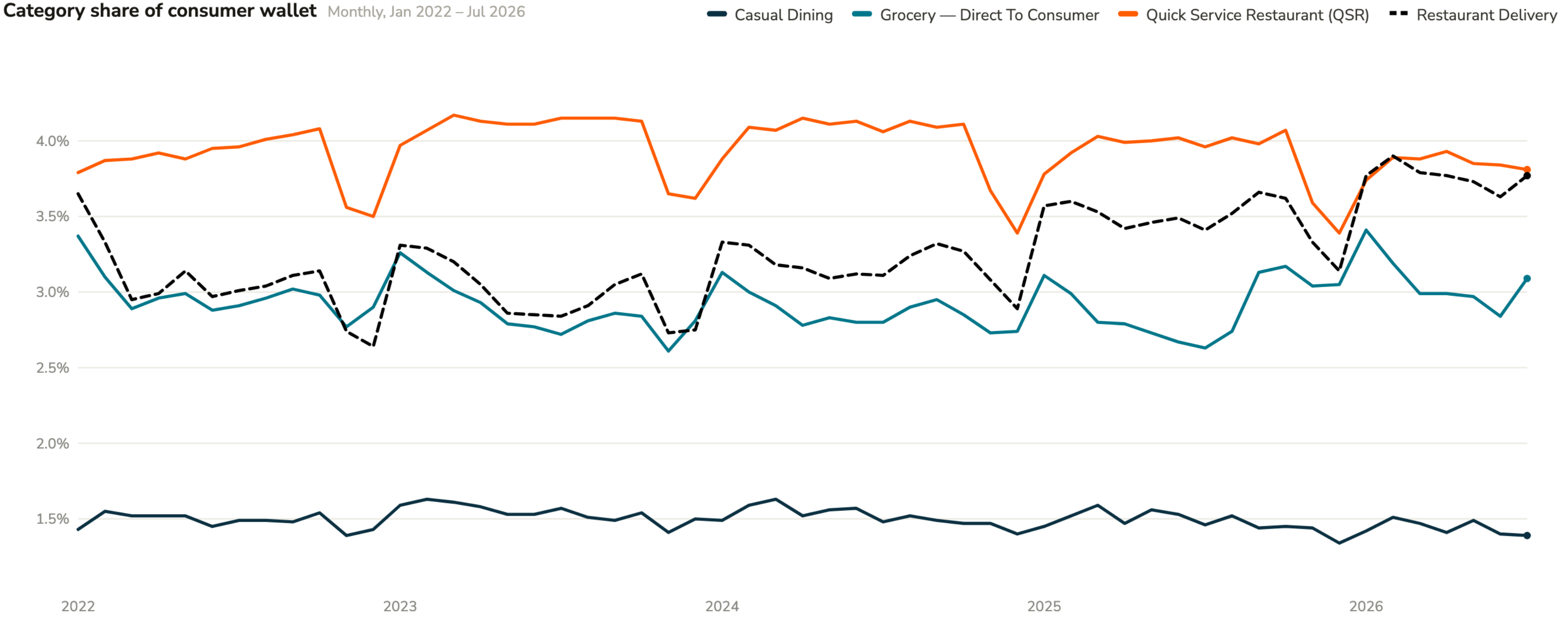
Source: Carbon Arc Credit Card – US Complete Panel – CA0056 · Price: 64.66 Tokens

CATEGORY SHIFT · 03

Casual Dining Hits Its Lowest Seasonal Levels post-COVID

Excluding Decembers, spend on casual dining in June and July is at its lowest levels since COVID, as restaurant spend decreases and delivery and grocery spend increase, a prioritization of convenience over any sort of dining experience and a significant headwind for Cracker Barrel's recovery.

Category share of consumer wallet Monthly, Jan 2022 – Jul 2026



Source: Carbon Arc Credit Card - US Complete Panel - CA0056 · Price: 80.82 Tokens

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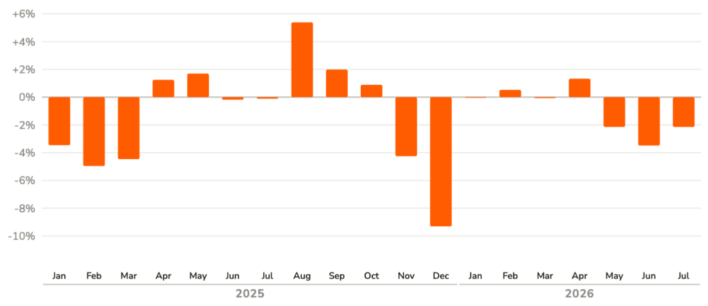
Foot Traffic Slowed Despite Easier Comps and Digital Ad Investment

Foot traffic fell 3% Y/Y in June and 2% Y/Y in July despite easier 2025 comps and a doubling of digital ad investment vs. 2Q25. While the rebrand may have negatively impacted spend, traffic growth at Cracker Barrel peaked last August, when the change was announced.

Foot traffic

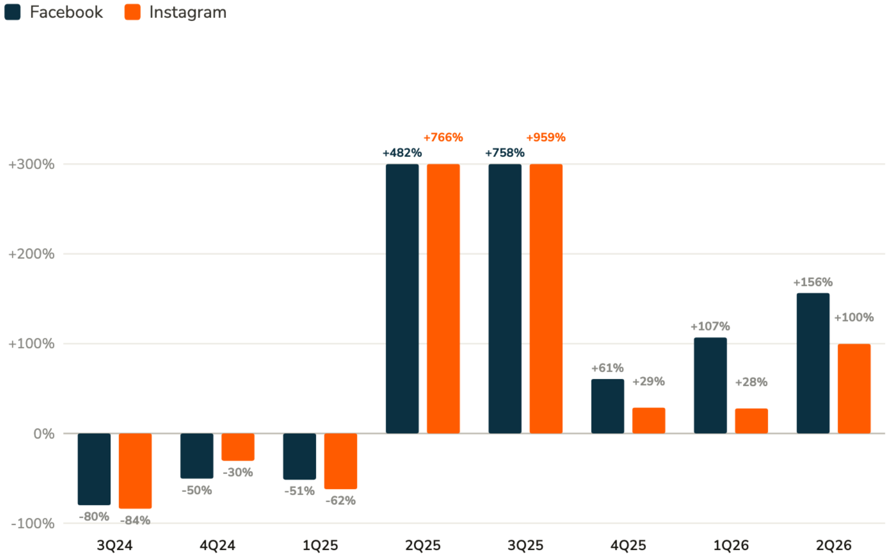
Y/Y % change · monthly, Jan 2025 – Jul 2026



Source: Carbon Arc Foot Traffic – CA0060 · Price: 21.71 Tokens

Digital ad spend

Y/Y % · axis capped at +300%



Source: Carbon Arc Digital Advertising – CA009 · Price: 4.99 Tokens