



April 17, 2014

## **SONIC Drive-In, One of America's Largest Restaurant Brands, Aims to Open One Thousand Locations Over the Next 10 Years**

*60 years of brand success, a robust franchise support system and pent-up demand signifies a bright future for the iconic brand*

OKLAHOMA CITY--(BUSINESS WIRE)-- With more than 60 years in the quick-service game and a robust presence in the South and Central Plains, [SONIC@ Drive-In](#) (NASDAQ: SONC), the nation's largest chain of drive-in restaurants, is making bold progress in its commitment to expanding across the United States primarily through coast-to-coast franchise development. The brand recently placed in the top six percent of franchise brands in the [Entrepreneur 2014 Franchise 500](#), coming in as the third highest burger chain among all franchise brands reviewed, signifying a strong start to 2014. As a franchise-centric company offering substantial franchisee support services, a national advertising budget in excess of \$100 million annually and brand differentiation impossible to duplicate, SONIC Drive-In is primed for expansion with a goal of one thousand new drive-ins in the next 10 years.

[Click to Tweet](#): .@sonicdrivein aims to open 1,000 locations over the next 10 years. <http://franchise.sonicdrivein.com/>

### **Setting the Stage for Renewed Growth in 2013**

Last year marked significant growth in the franchise development team for SONIC. The brand brought on John Budd for a newly created role of chief development and strategy officer to establish and implement a development program designed to move the brand down a more ambitious path for growth.

"My job is to make sure that SONIC capitalizes on current success and continues to stay on the cutting edge of the quick-service and fast-casual categories," said Budd. "We have built one of the leading brands in the industry. Our growth strategy will focus on identifying current and new franchise partners to develop drive-ins in established locations, areas with low penetration and completely untouched markets to bring our differentiated, high-quality menu and unique Carhop service model to a broader audience of potential guests. We know that people across the country see our commercials and crave our food - we hear from them all the time. Now, we want to be able to meet the demand."

Additionally, Bob Franke moved into the newly created position of senior vice president of franchise sales and international development, leveraging his more than 35 years in franchising management to expand SONIC's scope beyond the fifty states - an area where he has vast experience given his past as managing director of McDonald's Europe and Latin America.

Under Budd's leadership, the development team has been busy refining their strategic priorities, including: growth through franchise agreements in new and developing markets; in-fill development in established markets; development of non-traditional locations with a focus on airports; expansion of locations with indoor dining; planning for international expansion and development in small towns utilizing a new, lower-cost building prototype. The execution of these strategies to-date has been impressive, bringing in numerous multi-unit agreements for drive-ins nationwide. In past months, SONIC announced franchise development agreements bringing: five new drive-ins to the Rochester, N.Y. market over the next four years; 15 new drive-ins to San Diego County and the greater Los Angeles area over the next six years; 13 new drive-ins to small towns across the country in Louisiana, Oklahoma, Tennessee and Texas and 14 new drive-ins in the greater Seattle market by 2018. In addition, SONIC opened its first location in North Dakota in 2013 - pushing SONIC's state tally to 44 - and reached an agreement with the Wyandotte Nation, an Oklahoma-based Native American tribe, to open its first SONIC Drive-In in Seneca, Mo.

### **2014 Success To-Date**

SONIC Drive-In started this year strong by announcing a bold growth target of 300 drive-ins in California by 2020. To achieve this goal, SONIC added additional talent to the business development team, with Craig Sherwood leading expansion in California and 15 other western states in addition to SONIC's airport expansion initiative. SONIC also brought on Steve Bailey to lead franchise development for 16 central states. Both Sherwood and Bailey joined SONIC's Lori Osley as senior directors of franchise sales to further accelerate recent expansion momentum and bring business opportunities to existing and new markets nationwide.

The year also started with numerous announcements from coast to coast, including a franchise agreement for eight new drive-

ins in Buffalo, N.Y. within the next six years, a franchise agreement for 10 new drive-ins in the Los Angeles market over the next seven years and a franchise agreement with an existing franchisee for an additional six locations in Syracuse, N.Y. and Watertown, N.Y. in the next four years. With these commitments, pending agreements and opportunity in numerous markets which are undeveloped or underdeveloped, SONIC is primed for significant drive-in growth.

## **Longer-Term Plans**

As momentum builds, SONIC is setting a bold growth target for a goal of one thousand new SONIC Drive-Ins in the next 10 years, growing the popular chain by nearly 30 percent. Continued domestic growth will power much of this goal, with plans to move from 44 states to all 50 states. Additional market research with consideration on the success of other American brands on international soil will fuel strategic yet aggressive development in existing and new markets.

"The entire development team is traveling the country attending trade shows and hosting information sessions to bring in qualified franchisee partners," said Franke. "We are confident that our distinctive business strategy and model can offer great opportunity to the right franchisee."

The recent and planned expansion is thanks to new talent and leadership as well as the strength of the SONIC Drive-In concept. SONIC is one of the most differentiated franchise brands available today, with a unique and ever-evolving menu, nostalgic Carhop delivery and flexible drive-in prototypes made to fit any real estate challenge. A revamped franchisee acquisition website has already brought in thousands of leads for potential franchisees since launching in late 2013. Though SONIC is a common sight in the South and Central Plains states, there are still many franchise opportunities in markets big and small throughout the United States and beyond. All of this combined with a revolutionary point-of-sale system at the drive-in stall level makes SONIC a strong and proven concept in a franchising world full of flash-in-the-pan concepts that have yet to withstand the test of time.

## **The Case for SONIC Drive-In**

As the largest national chain of drive-in restaurants the iconic SONIC style is hard to duplicate, but SONIC's distinct brand differentiation goes far beyond the drive-in format. SONIC's one-of-a-kind menu offers a variety of options unavailable from other brands, including Real Ice Cream desserts, TOASTER® sandwiches, Molten Cake Sundaes, breakfast all day, tasty Tots, premium hot dogs and more than 1 million unique drink combinations.

On the business side, the flexibility of the drive-in building, featuring SONIC's unique look and feel and the variety of prototypes means that SONIC can be customized for any space or pre-existing structure, and building conversions are common and easily achievable. Recently refreshed drive-in prototypes offer indoor dining for franchisees in colder climates or smaller footprints for franchisees in metropolitan areas. SONIC is a franchise-centric brand that provides a full range of franchisee support services that extend far beyond the first drive-in opening, including: real estate site selection and negotiation, site design and construction guidance; a comprehensive training program; continuing education through in-person, online and mobile learning; human resources and staff selection support; actionable consumer insights and marketing support to set each franchisee up for success.

Though SONIC started in the South, the brand is now in 44 states nationwide. To support marketing efforts, drive traffic and reach more consumers while also increasing awareness in markets yet to be developed, SONIC substantially increased its national media spending. The strategy works, and SONIC is now among the top five burger or sandwich advertisers in most major markets with memorable and recognizable advertising starring SONIC's beloved "Two Guys." According to a recent study by industry research firm Technomic, SONIC advertising ranks third in a list of most effective advertising brands in the restaurant industry, and is the top burger chain in the group. This broad marketing reach allows new franchisees to open in a community that already has high brand awareness and significant pent-up demand, leading to high initial traffic followed by sustainable return business.

"Our robust media plan means that a SONIC franchise group is a leading marketer in its town before ever opening a drive-in," said Budd. "The brand equity we've built in more than 60 years, the most diversified menu in the category and our continued passion for offering one-of-a-kind service makes SONIC an established and attractive business opportunity for the right partner. Our expansion plans are ambitious, and we've got the right team and the right brand to make it happen."

Though there are currently more than 3,500 SONIC Drive-Ins serving guests every day, there are still franchising opportunities in markets big and small across the country, and there is no minimum requirement for number of drive-ins. Individuals interested in pursuing a SONIC franchise are encouraged to visit [SonicFranchises.com](http://SonicFranchises.com) for more information.

## **About SONIC, America's Drive-In**

SONIC, America's Drive-In, is the nation's largest drive-in restaurant chain serving more than 3 million customers every day. Nearly 90 percent of SONIC's 3,500 drive-in locations are owned and operated by local business men and women. Over the

past 60 years, SONIC has delighted guests with unique menu items, more than 1 million drink combinations and friendly service by iconic Carhops. SONIC received top honors as America's "#1 burger quick service restaurant," ranking in the top 5 of all brands in the 2014 Temkin Experience Ratings report. To learn more about Sonic Corp. (NASDAQ/NM: SONC), please visit [sonicdrivein.com](http://sonicdrivein.com) or follow us on [Facebook](#) and [Twitter](#).

This news release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements reflect management's expectations regarding future events and operating performance and speak only as of the date hereof. These forward-looking statements involve a number of risks and uncertainties. Factors that could cause actual results to differ materially from those expressed in, or underlying, these forward-looking statements are detailed in the company's annual and quarterly report filings with the Securities and Exchange Commission. The company undertakes no obligation to publicly release revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unforeseen events, except as required to be reported under the rules and regulations of the Securities and Exchange Commission.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20140417005076/en/>

for SONIC Drive-In  
Madison LaRoche, 512-542-2842  
[madison.laroche@cohnwolfe.com](mailto:madison.laroche@cohnwolfe.com)

Source: SONIC Drive-In

News Provided by Acquire Media