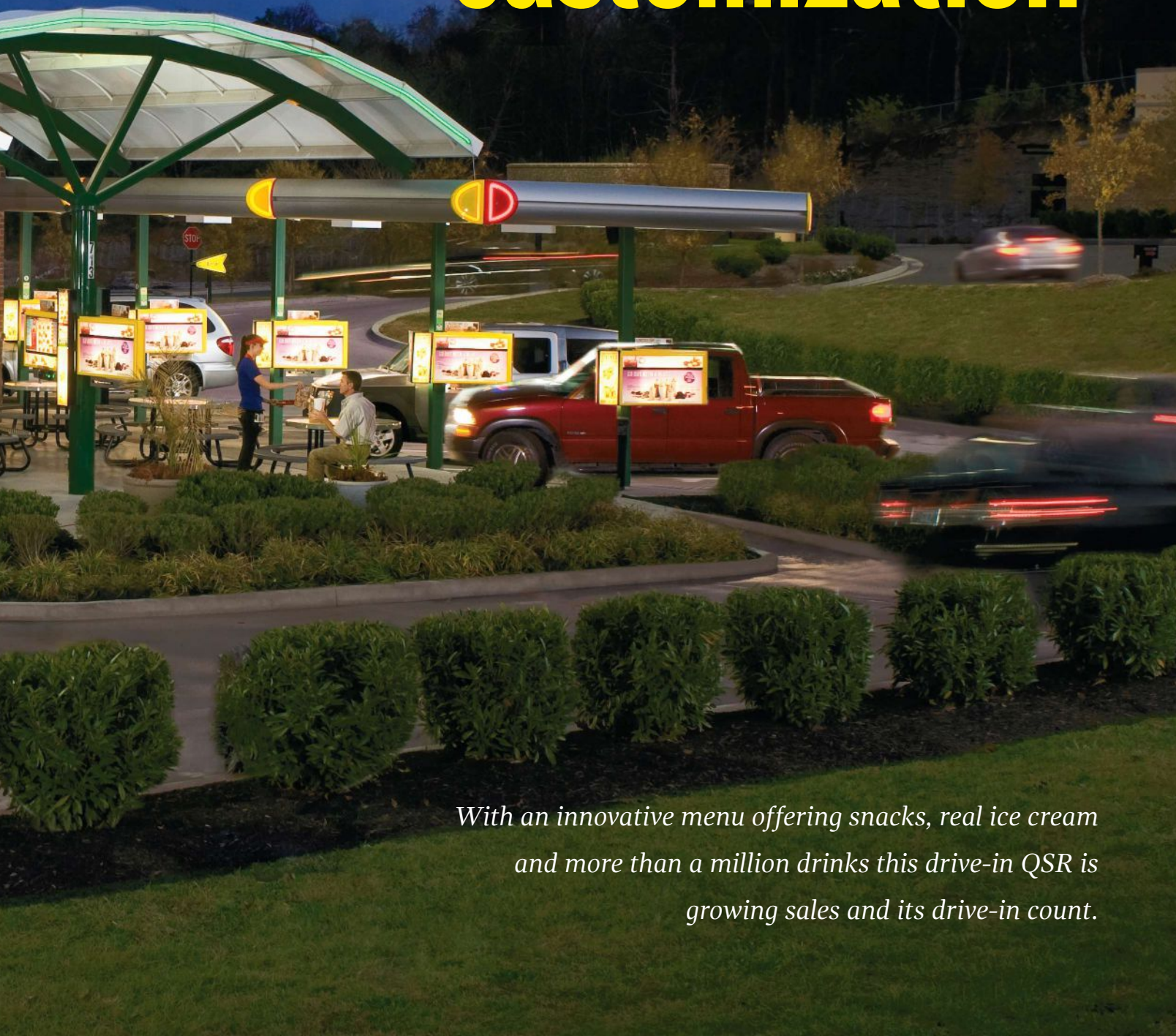


SONIC BOOM: “America’s Drive-in” is Growing through Customization



With an innovative menu offering snacks, real ice cream and more than a million drinks this drive-in QSR is growing sales and its drive-in count.



At its Ultimate Drink Stop®, SONIC offers customers more than a million fountain drink and Slush combinations to accompany its coneys and other specialties

With all the ways the quick-service industry has changed over the years, you wouldn't expect a 61-year-old drive-in restaurant to have one of the most innovative menus in the sector. You'd be wrong, though. Founded in 1953, Oklahoma City-based SONIC® staked a claim on the foodservice landscape with a menu that goes way beyond burgers, combined with a willingness to serve whatever customers want, whenever they want it. SONIC pioneered the use of curbside speakers,



“SONIC has one of the most unique menus in the quick-service restaurant category.”

which allow customers to place their food order without leaving their car. That concept spawned the slogan, “Service at the Speed of Sound™,” which conjured up the idea of SONIC. Founder Troy Smith changed the chain's name from Top Hat to SONIC Drive-In® in 1959.

“SONIC has one of the most unique menus in the quick-service restaurant category,” said Eddie Steffensen, the chain's Director of Equipment Services. “SONIC recognizes that today's consumers don't necessarily eat three

square meals a day. Whether you like to snack throughout the day, eat breakfast for dinner or eat dinner for breakfast, SONIC is there for you. SONIC Drive-Ins nationwide serve the entire menu all day, every day, and all items are made to order and served by a friendly Carhop.”

The chain continues to thrive due to this approach. SONIC's network now totals more than 3,500 locations spread across 44 states. Its same-store sales increased 3.5% for the chain's fiscal year that ended on August 31, 2014. During that period SONIC also opened 40 new drive-ins, a full 50% increase from the previous year.

The numbers tell only part of the story, though. How does SONIC's flexible, innovative menu philosophy work in the real world?

SONIC AT A GLANCE

Year Founded: 1953

Headquarters:
Oklahoma City, Okla.

Website:
www.sonicdrivein.com

NASDAQ/NM: SONC

Number of Units:
SONIC has 3,518 drive-ins located in 44 states (Fiscal year ending August 31, 2014)

Average Unit Sales:
\$1,153,000 for FY14, which closed on August 31, 2014

Operational Style:
Drive-in quick-service restaurant featuring individual stalls for "no rush" ordering

Menu Highlights:
SONIC serves its entire menu all day. Menu highlights include burgers, hot dogs and chicken sandwiches; "snackable" items like mozzarella cheese sticks and cheddar cheese-stuffed fried jalapeno peppers; the "Ultimate Drink Stop," which offers more than 1 million drink combinations; and the "Frozen Zone" offering real ice cream treats.

Electro Freeze equipment helps SONIC serve up its Slushes and other frozen treats



SONIC FUN FACTS

In one year SONIC:

Sells enough **tots** that, if placed end to end, they'd **circle the globe two times**

Sells enough **Footlong Quarter Pound Cones** to **border the 48 contiguous United States**

Sells enough **Cherry Limeades** to fill more than **50 Olympic-sized swimming pools**

Gives away enough **mints** to reach the **top of the Empire State Building**



Above: Customers have come to expect Scotsman Original Chewable Nugget Ice® in their drinks at SONIC

Left: Classic American favorites like the Corn Dog are another reason why customers keep coming back to SONIC

Look at the menu and you'll see the classics, of course: burgers, chicken sandwiches, popcorn chicken, fries and tots. But the chain goes way beyond the standards to provide customers with a level of choice that is hard to match. Options include foot-long chili dogs, and boneless buffalo, barbecue and Asian wings, and "snackable" food like mozzarella sticks and cheddar cheese-stuffed fried jalapenos. All, it should be noted, held at safe temperatures in Beverage-Air® refrigeration units and ready to cook at a moment's notice. Beverage-Air, in fact, has been a valued member of the SONIC team for 18 years now. Fresh taste that's made to order is one of the hallmarks

SONIC, though, takes its drink game to a whole new level, making cold drinks a central part of its menu *and* its brand.



Scotsman has been a SONIC partner for more than 30 years

of SONIC's menu, and keeping food fresh is what Beverage-Air excels at. "For a restaurant chain, dependable refrigeration is of the utmost importance, and allows us to serve our guests the great SONIC food, drinks and desserts they've come to love," said Steffensen.

"Durability and consistent performance are a must in SONIC kitchens, where the refrigeration equipment is often placed near (or even between) pieces of cooking equipment," said Jennifer Ward, Sr. Vice President of Sales and Marketing for Beverage-Air. "Beverage-Air is proud to be a supplier and partner of SONIC. It is important for refrigeration equipment to perform in high-ambient, high-usage locations. Our unmatched performance in these conditions, backed by our strong customer service and support, makes Beverage-Air a smart choice for SONIC."

Then there's its drink menu, the Ultimate Drink Stop™. For most QSR chains, drinks are an afterthought – highly profitable, but an afterthought all the same. SONIC, though, takes its drink game to a whole new level, making cold drinks a central part of its menu *and* its brand.

SONIC offers an astonishing number of drinks. There are Slushes (drinks mixed with crushed ice), Limeades, sodas, iced teas and more. All can be made with flavor add-ins ranging from cherry to chocolate, mint to green apple. All of these different drink styles combined with all the different flavor add-ins allow SONIC to offer an astounding 1,392,085 drink combinations. That's more drinks than anyone could have in a lifetime. Even at three drinks a day, every day, it would take nearly 1,300 years to try every combination.

With just a few exceptions (coffee, juice boxes, etc.), these drinks are all made with The Original Chewable Nugget Ice® from machines designed and built by Scotsman Ice Systems®,

which has been a SONIC partner for more than 30 years. Scotsman is the creator of The Original Chewable Nugget Ice® that SONIC customers have loved over the years. This ice is very much a part of SONIC's identity. It can be seen in commercials, on the website, and on the menu board. Consumers crave the Nugget Ice, and Scotsman's partnership in providing ice solutions to SONIC over the years has been a key component of the beverage program.

It's so popular with customers that most locations derive an extra revenue stream by selling bags of Nugget Ice. In fact, the ice is so synonymous with the chain, said Scotsman Vice President of Sales and Marketing Nate Jackson, that the manufacturer receives frequent inquiries from customers who want a machine that makes "SONIC Ice."

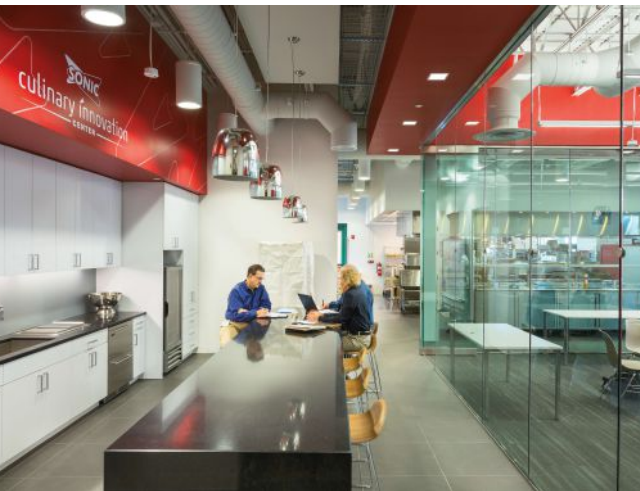
Frozen treats are another important part of SONIC's success. The "Frozen Zone™" section of the chain's menu features, first and foremost, real ice cream rather than soft serve. (By definition soft-serve ice cream has fewer milk solids than real ice cream.) SONIC uses Electro Freeze® equipment to make and dispense its real ice cream, which is included in "Frozen Zone" menu

items like cones, shakes, sundaes, Blasts (ice cream mixed with cookie or candy pieces), floats and more. The combination of frozen and creamy desserts with a variety of toppings, mix-ins and serving formats guarantees that customers can find their perfect treat.

SONIC also uses Electro Freeze equipment to make the Slushes offered in the Ultimate Drink Stop. The Ultimate Drink Stop gives customers an incredible array of choices to quench their thirst, from cold, fruity Slushes to light, guilt-free iced teas.

Looking ahead, SONIC will continue its commitment to innovation and customization, providing customers what they want when they want it. The chain is so dedicated to this approach that it's now a built-in part of SONIC headquarters, said Steffensen. "We are constantly innovating in the kitchen to make our menu exciting and unique," he said. "We just opened a new state-of-the-art Culinary Innovation Center at our headquarters where SONIC's culinary experts will test ideas, equipment, recipes and products to create the delicious and distinct drinks, snacks, entrees and desserts customers love and expect."

Dependable refrigeration is vital to SONIC's operation, and Beverage-Air refrigeration units perform consistently in high-ambient, high-usage conditions



SONIC's culinary experts test ideas, equipment, recipes and products at its new state-of-the-art Culinary Innovation Center in Oklahoma City, Oklahoma



Five Questions for Eddie Steffensen, Director of Equipment Services for SONIC



SONIC serves its entire menu all day, every day. What does that mean from a kitchen equipment standpoint?

The fact that we serve the whole menu all day means we must have the equipment available and operational at all times to prepare the specific menu items ordered by our guests throughout the day. We need to have the capability to prepare a Breakfast Burrito or Breakfast Toaster sandwich ordered during the lunch rush or to make the SuperSONIC Double Cheeseburger ordered for breakfast. It's important that equipment can perform multiple tasks and we design our equipment and operations around this very situation so our guests always get exactly what they want when they want it.

What kind of after-sale support do you require from your equipment providers?

When it comes to after-sale support, the level of service required from our equipment providers all depends on the situation at hand. I expect our providers to think of it as more than just a sale, because if we are successful then in turn they are successful. We are all in this together and we expect them to stand behind their products and services and help

make everything seamless at the drive-in level, allowing our drive-in crews to do their jobs of serving guests without any issues.

Your company has long-standing relationships with three Ali Group brands. How have these relationships helped SONIC evolve?

SONIC maintains long-standing relationships with our equipment providers because they are the ones we turn to for their specific areas of expertise; they help us evolve and help us achieve our goals as a brand. We appreciate their willingness to step up and help us drive results. Bottom line, we have high standards and we only work with those that can meet those standards.

Beverage-Air is your primary refrigeration provider, and a company you've worked with for 18 years. What kind of support do you look for from them?

We look for expertise in refrigeration technology, and also how the technology relates to our products and our specific environment to ensure we are meeting all our food safety standards. Beverage-Air spends time in our drive-ins helping identify our needs and how they can help us stay ahead of the curve as it relates to our high-temperature and high-volume environments. They make any necessary adjustments from an engineering and design standpoint while working alongside us to help us achieve our goals.

What about your other Ali Group partners, Scotsman and Electro Freeze? What extra steps do they take to understand and meet your needs?

We share our plans with them and expect them to be part of the solution in pushing SONIC forward. If we are going to focus on "frozen favorites" for a specific time frame, then we ask Electro Freeze how they can help us prepare for a successful promotion. This support comes in a variety of forms, from offering promotions to help our system invest in the right equipment to putting together spare parts kits to ensure everything is running and functioning as it should be. The same applies to Scotsman; we work closely with them to ensure we are using the right equipment and asking the right questions of them to support the business our system experiences.

