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Dutch Bros Inc. (BROS) Q2 2026 Earnings Call Transcript

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Dutch Bros Inc. (BROS) Q2 2026 Earnings Call August 5, 2026 5:00 PM EDT

Company Participants

Neil Patel - Senior Manager of Investor Relations
Christine Barone - CEO, President & Director
Joshua Guenser - Chief Financial Officer

Conference Call Participants

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Andrew Charles - TD Cowen, Research Division
Jeffrey Farmer - Gordon Haskett Research Advisors
Sara Senatore - BofA Securities, Research Division
Andrew North - Robert W. Baird & Co. Incorporated, Research Division
Rahul Krotthapalli - JPMorgan Chase & Co, Research Division
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Sharon Zackfia - William Blair & Company L.L.C., Research Division
Gregory Francfort - Guggenheim Securities, LLC, Research Division
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Christopher Carril - KeyBanc Capital Markets Inc., Research Division
Matthew Curtis - D.A. Davidson & Co., Research Division

Presentation

Operator

Thank you for standing by, and welcome to the Dutch Bros, Inc. Second Quarter 2026 Earnings Conference Call and Webcast. This conference call and webcast is being recorded today, August 5, 2026, at 5:00 p.m. Eastern Time and will be available for replay shortly after it has concluded. [Operator Instructions] I would now like to turn the call over to Neil Patel, Dutch Bros Director, Investor Relations. Please go ahead.

Neil Patel

Senior Manager of Investor Relations

Good afternoon. I'm joined by Christine Barone, CEO and President; and Joshua Guenser, CFO. We issued our earnings press release for the quarter ended June 30, 2026, after the market closed today. The earnings press release, along with a supplemental information deck have been posted to our Investor Relations website at investors.dutchbros.com.

Please be aware that all statements in our prepared remarks and in response to your questions other than those of historical fact are forward-looking statements and are subject to risks, uncertainties and assumptions that may cause actual results to differ materially. They are qualified by the cautionary statements in our earnings press release and the risk factors in our latest SEC filings, including our most recent annual report on Form 10-K and quarterly report on Form 10-Q. We assume no obligation to update any forward-looking statements.

We will also reference non-GAAP financial measures on today's call. As a reminder, non-GAAP measures are neither substitutes for nor superior to measures that are prepared under GAAP. Please review the reconciliation of non-GAAP measures to compare GAAP results in our earnings press release. During the question-and-answer portion of today's call, please limit yourself to one question and avoid multi-part questions, so that we can accommodate as many participants as possible. With that, I would like to turn the call over to Christine.

Christine Barone

CEO, President & Director

Thank you, Neil, and good afternoon, everyone. Dutch Bros continues to be powered by a differentiated people-led culture, expanding customer occasions and a real estate development engine that is unlocking new growth opportunities across the country. The success of our strategy was evident in Q2 as we delivered our eighth consecutive quarter of transaction growth and again delivered strong comp sales that have compounded year-over-year, durable growth built on an already strong base.

In fact, Q2 marked our 13th straight quarter of positive comp sales. This performance is the product of years of foundational investment, not one lever, but a full playbook we built deliberately and are executing with intention. This gives us incredible confidence in our ability to continue growing this business for the long term. Based on our performance so far this year and the recent acquisition of one of our Phoenix franchisees, we are raising our full year guidance.

Turning to our Q2 results. Total revenues increased an outstanding 32%, accompanied by strong profitability with adjusted EBITDA up 28%. Our distinctive value proposition continued to resonate in Q2, and we saw system-wide transaction growth driven by the strength of our brand and our endlessly customizable offerings delivered with speed, quality and service. Development momentum remained exceptionally strong during the quarter with 48 system shop openings, reinforcing our confidence in our pipeline and the path ahead to reaching 2,029 shops in 2029.

Our transaction-driving initiatives, including the rollout of food and category-leading innovation are working, serving as an important proof point in our ability to continue growing transactions while scaling nationally. System-wide AUVs continued their record upward momentum in Q2, and new shop productivity was exceptional, an important validation of Dutch Bros long-term growth opportunity and the continued expansion of the beverage category. Our Q2 results are a direct reflection of the investments we've made across the business over the past several years. Our foundation remains exceptionally strong, and we're building on that momentum.

As we look ahead, the power of our brand, industry-leading innovation and our ability to grow customer occasions give us tremendous confidence in the long-term trajectory of Dutch Bros. But none of it would be possible without our team who bring the Dutch Bros experience to life every day. At Dutch Bros, everything starts with our people. Our people-led culture remains the foundation of our success and the driving force behind how we grow. Our Broistas, the heartbeat of our brand, pour into their communities, make customers feel seen and create meaningful moments that keep customers coming back.

These genuine customer connections remain the strongest differentiator of the Dutch Bros experience. Customers come to us for more than a drink. They come for the moment at the window that makes their day a little better. That connection has been the hallmark of our brand since our very first stand. And because we grow our leaders from behind the window, that special feeling of connection only gets stronger as we grow. It is the reason we continue to be at the top of the industry in customer ratings for pleasant and friendly service. The exceptional people across our brand allow us to execute consistently, scale into new markets and deliver the unmatched Dutch Bros energy our customers know and love.

Today, we have more than 525 operator candidates in our pipeline with an average tenure of nearly 8 years, a leadership bench that gives us tremendous confidence in our ability to continue growing in a unique way only Dutch Bros can. At the end of June, I spent time with more than 2,000 of our field leaders at A Better World, our immersive and engaging field event focused on developing the next generation of Dutch Bros leaders. Being surrounded by the people who bring our culture to life every day reinforced what makes Dutch Bros so special.

Their passion for growing others, serving with kindness and living our mission gives me tremendous confidence that our people will continue to be our greatest differentiator as we grow. The road to 2,029 shops in 2029 remains very clear, supported by our robust development pipeline. As we deepen our presence in existing markets and thoughtfully expand into new ones, each new shop opening reinforces the power of the Dutch Bros brand from coast to coast. Importantly, density continues to be a competitive advantage.

We believe density matters and continue to view it as a strategic asset of both our expansion model and growing brand awareness. While we continue this densification strategy, we are also entering new markets as we expand our footprint across the country, and new market performance continues to give us even more confidence in our growth path ahead. One of the best examples is in the Chicago market. Last quarter, we provided an update on our entry into the greater Chicago area, highlighting that our first shop was pacing to a volume of approximately $4 million.

During Q2, we expanded our footprint in the Greater Chicagoland area with our Melrose Park shop, which is pacing to a volume of approximately $7 million. The response from the community has been incredible. Opening day demand exceeded our expectations and set a new company record, further underscoring the portability of the Dutch Bros brand. The early results affirm our belief that the greater Chicagoland area represents a meaningful long-term growth opportunity. Across several newer markets, we are also seeing incredible traction.

From Atlanta to Charlotte to Tampa, we are seeing many new markets annualizing meaningfully above expectations, showcasing firsthand how well the Dutch Bros brand travels and resonates across diverse geographies. We are also excited to have entered our 26th state, Mississippi, in July. We recently completed the Phoenix East Valley acquisition following the retirement of our franchise partner who had been with Dutch Bros for nearly 20 years.

Looking ahead, our development momentum remains very strong. We're opening shops ahead of schedule. Our pipeline is rapidly growing, and we continue to see attractive conversion opportunities, both from emerging growth concepts and legacy beverage and drive-thru players. Whether we're entering new markets or building density in existing ones, the broad appeal of the Dutch Bros brand and the significant runway ahead become even more evident with each shop we open.

Growth isn't just about expanding our footprint. It's also about creating more reasons for customers to choose Dutch Bros throughout the day. In Q2, innovation across our menu and our relentless focus on the customer experience helped strengthen customer routines, drive frequency and deepen engagement with the brand. Let me start with food. Food continues to be one of our most important sales drivers and a key component of our morning day part strategy. By the end of Q2, we completed the rollout of our new food program across approximately 750 system shops, ahead of schedule. Throughout the rollout, the response from customers and Broistas has exceeded expectations.

We're seeing customers incorporate Dutch Bros into more morning occasions, creating additional opportunities to engage with the brand and strengthening our position within customers' daily routine. Beyond food, innovation across our beverage menu and Merch drops kept customers engaged and excited to visit Dutch Bros in the quarter. In May, we introduced Myst Energy Refreshers, a new category of plant-powered energy drinks to complement our proprietary Rebel platform, further strengthening our leadership position in the energy space. Myst allows us to broaden our occasions and reach new customers while bringing meaningful innovation to the beverage industry.

At launch, we drove trial of Myst through our Fill-A-Tray event, making it easy for customers to mix and match and discover this new platform. Myst headlined our Q2 LTO lineup alongside the return of fan favorites Strawberry Colada and Dulce de Leche and drove outstanding year-over-year growth in LTO unit velocity. Since the launch of Myst, we've increased our overall energy mix and driven retention rates ahead of recent LTO benchmarks. Given the overwhelmingly positive customer response, we've made the decision to give Myst a permanent home on the menu alongside our Rebel program.

Together, Myst and Rebel reinforce our innovation edge in energy and create a sustainable growth engine for the business. Beyond beverages, our merch drops continue to generate excitement and engagement, giving customers another reason to make a special trip to Dutch Bros while becoming truly signature events for the brand. We saw another quarter of meaningful sales lift with standout drops like the State Sticker and Frog Charm delivering the strongest merchant sticker drops of the year. Our digital ecosystem also continues to deepen customer engagement.

We ended Q2 with over 73% of transactions flowing through Dutch Rewards, reflecting continued customer adoption and engagement. Rewards penetration has been on a consistent climb over the last 3 years, and we have grown our registered members per shop by over 50%. In Q2, Dutch Rewards also delivered its strongest contribution to comp since the start of our customer segmentation journey. Our ongoing investment in segmentation and personalization is enabling more relevant customer experiences and remains an important lever to drive long-term transaction growth.

We're also seeing continued adoption of Order Ahead, which reached approximately 16% of the total transaction mix, improving convenience and making it even easier for customers to engage with us. Our CPG business continues to expand the reach of our brand, introducing customers to Dutch Bros and keeping the brand top of mind between visits to our shops. In Q2, the Dutch Bros CPG portfolio continued to show strong customer demand, generating above category average velocity in all formats in which we compete.

As we scale the brand, maintaining strong operational discipline remains a key priority. In Q2, we launched our Vibe Check scorecard, giving leaders greater visibility into shop level performance and enabling our field teams to make more informed operational decisions. As we continue to grow, tools like these help our teams maintain consistency and operational discipline. We successfully executed several high-demand events during the quarter, including major Sticker, Merch Drop and Fill-A-Tray events. Through improved staffing and operational planning, our teams delivered a consistent customer experience even during these periods of elevated demand.

Finally, we continue to see improvement in throughput with further progress already underway. We're focused on shop layout, equipment optimization and operational processes that help our Broistas to serve customers with speed while maintaining the quality and service our customers expect. In closing, our confidence in the opportunity ahead has never been greater, and it's clear that our strategy is working.

Our people-led culture continues to scale alongside the business and remains the defining differentiator of the Dutch Bros brand. Backed by our deep leadership pipeline and consistent execution, we believe what sets us apart today will continue to be a key reason why customers choose Dutch Bros and keep coming back. Our strong performance in new markets and continued momentum across our development pipeline reinforces our confidence in the path to 2,029 shops in 2029.

Our sales-driving initiatives are delivering exceptional results, exceeding our expectations and delighting customers. Beverage innovation, food, merch drops and digital advancements. This is our playbook in action, all working together. And eight consecutive quarters of transaction growth is the clearest proof it's paying off.

Looking ahead, we remain confident in our ability to execute against the significant opportunity ahead of us. We continue to see significant runway for growth, supported by the strength of our brand, the passion of our people and our ability to continue creating more occasions for customers. Together, these advantages position Dutch Bros to continue taking share and further solidify our position in the beverage category. With that, I'll pass it to Josh.

Joshua Guenser
Chief Financial Officer

Thanks, Christine. I'll start with a recap of our second quarter performance and then share our outlook for the remainder of 2026. Our second quarter results were above our expectations with upside driven by outstanding execution of our marketing initiatives and the continued traction in our idiosyncratic sales drivers. The dedication of our people and the strong conviction we have in our brand solidify my confidence in the balance of the year and our ability to drive long-term growth.

For the second quarter, total revenues were $551 million, growing 32% over the second quarter of last year. Company-operated same-shop sales growth in Q2 was an impressive 8.3% with transaction growth of 3.4%. System same-shop sales growth in Q2 was 5.8% with transaction growth of 1.7%. The strength of our 2-year transaction stack highlights the effectiveness of the layers of sales driving initiatives we have executed over recent years and their ability to generate strong customer demand even in an environment of lower consumer sentiment.

Performance during the quarter benefited from the continued rollout of our new food program, the continued maturation of newer shop vintages, strength in brand marketing initiatives and the momentum in customer segmentation within Dutch Rewards. And with our system same-shop sales performance in Q2 and performance quarter-to-date in Q3, we are updating our guidance for the full year to 5% to 6%. Now let me be clear, given our performance to date and our expectations for the full year, we are trending towards the midpoint of that 5% to 6% range. This guidance reflects transaction comparisons continuing to step up through the remainder of the year and the lap of the food rollout we began in Q3 of last year, which primarily impacts net ticket.

Our updated full year comp guidance contemplates system same-shop sales growth of approximately 4% to 5% in Q3, reflecting stronger transaction comparisons and the impact of effective pricing stepping down sequentially. As a reminder, we rolled off another point of price in early July. And with pricing taken during the year, our ticket will include less than a point of effective pricing in the back half of the year. This reflects our disciplined approach to pricing while preserving our strong value proposition. I am very proud of the momentum we've generated across our business as the number of new shops we opened quarter after quarter continued to reach record volumes.

The strength of our brand, the effectiveness of our sales drivers and the tactical execution of our playbook continue to drive system-wide AUVs higher. New shop productivity remained strong in Q2, keeping pace with this continued upward trajectory in system-wide AUVs. And we continue to build momentum across our real estate development pipeline.

During the second quarter, we opened 48 new shops, continuing our strong pace of development growth. We now have approximately 90% of our pipeline needed to achieve 2,029 shops in 2029. The depth of this pipeline, coupled with the outstanding execution of our development team, reinforces our confidence in our ability to continue capturing the significant amount of white space ahead of us. Last week, we completed the acquisition of the franchise rights and assets of 31 locations in the Phoenix market, including one location currently under development.

Total purchase consideration was $63.5 million. For the remainder of 2026, we expect this to drive net incremental total revenue of approximately $25 million, inclusive of an approximately $5 million reduction in franchise and other revenue. We also expect incremental adjusted EBITDA of approximately $5 million for the balance of the year, which is net of transition-related costs.

Earlier this week, we entered into an agreement to acquire the real estate and related site assets of up to 65 Salad and Go locations in Arizona, Nevada, Oklahoma and Texas, an opportunity that we believe enhances our development pipeline and deepens our scale in these markets. We anticipate closing this acquisition this quarter, subject to applicable approvals and other customary closing conditions, with conversions expected in 2027.

We are excited to expand our company-operated presence in these important growth markets where we continue to see significant white space opportunity. Shifting to our company-operated shops. Performance in Q2 was exceptional, with revenue totaling $510 million, an increase of 34% or $130 million compared to the second quarter of last year. Company-operated shop contribution was $156 million, representing a year-over-year increase of 32%.

Company-operated shop contribution margin was incredibly strong at approximately 31%. Beverage, food and packaging costs were 26.1% of company-operated shop revenue, which is 80 basis points higher year-over-year, primarily driven by higher coffee costs and costs associated with the continued rollout of our new food program. We continue to expect an impact from higher coffee costs in the back half of the year. The updated full year 2026 guidance contemplates approximately 60 basis points of total COGS pressure, which includes the impact from costs associated with the new food program.

Labor costs were 25.4% of company-operated shop revenue, which is 120 basis points favorable year-over-year, primarily due to sales leverage. Occupancy and other costs were 16.3% of company-operated shop revenue, which is 50 basis points higher year-over-year, primarily due to higher rent on new shops as we shift more of our portfolio to build-to-suit leases. We continue to expect the shift towards build-to-suit leases will drive higher occupancy costs as a percentage of revenue in 2026.

We expect this impact to be approximately 50 basis points for 2026, consistent with what we saw in Q2. Preopening expenses were 1.6% of company-operated shop revenue, which is 40 basis points higher year-over-year, primarily driven by increased number of shop openings. Moving down the P&L. Adjusted SG&A in Q2 was $72 million or 13.2% of total revenue. While continuing to make investments in our people and infrastructure, we were able to drive 90 basis points of leverage on adjusted SG&A.

Our updated 2026 guidance now contemplates approximately 90 basis points of leverage on adjusted SG&A for the full year. Our full year guidance contemplates Q3 adjusted SG&A of $73 million to $74 million. In the quarter, adjusted EBITDA was $114 million, an increase of 28% over Q2 of last year, and we delivered $0.33 of adjusted EPS, up from $0.26 in the second quarter of last year. Let me now provide an update on our liquidity and CapEx.

As of June 30, we had approximately $699 million in total liquidity, including $269 million in cash and cash equivalents and the balance in our undrawn revolver. In Q2, our average CapEx per shop was approximately $1.4 million, consistent with Q2 of last year. We remain on track toward our long-term goal of 60% build-to-suit lease mix, and we continue to increase the number of high-quality sites we are adding to our pipeline. As other concepts continue to rightsize their drive-thru fleet, they're creating even more opportunities for us to expand into high-quality locations with exceptional long-term economics.

Turning to our guidance. We are approaching the back half of the year from a position of strength. We have a highly focused plan, long-term visibility into our key growth initiatives and a very clear objective to continue converting the significant white space ahead of us into durable growth. Given the performance we have seen thus far and the impact of the Phoenix franchise acquisition, we are raising our 2026 guidance in the following areas: Total revenues are now projected to be between $2.1 billion and $2.13 billion, representing 28% to 30% growth year-over-year.

System same shop sales growth is now estimated to be in the range of 5% to 6%, with us trending towards the midpoint of that range. Adjusted EBITDA is now estimated to be in the range of $385 million to $390 million. The midpoint of this range contemplates approximately 20 basis points of year-over-year net adjusted EBITDA margin pressure, reflecting the impact of higher coffee costs and increased occupancy costs, partially offset by leverage on adjusted SG&A.

Capital expenditures are now expected to be in the range of $350 million to $370 million. We remain very confident in opening at least 185 system shops in 2026. I am very proud of the results our team delivered in Q2. Strong operational execution, a continued focus on establishing the everyday routine for our customers and incredibly strong four-wall economics give me even greater conviction that we are set up for long-term success. Thank you, everyone. We'll now take your questions. Operator, please open the lines.

Question-and-Answer Session

Operator

[Operator Instructions] And our first question will come from Dennis Geiger with UBS.

Dennis Geiger

UBS Investment Bank, Research Division

Josh, you gave some really helpful color on the rest of the year guidance, including as it relates to the same-store sales target. I wanted to know if you could get into that a little bit more as far as how you're thinking about the back half comp outlook.

Any other puts and takes as it relates to some of the key initiatives that you've got in place and how you're thinking about contribution as we move through the back half of the year as well as just kind of anything on broader macro backdrop, competition, anything else that might impact the back half of the year comps?

Joshua Guenser
Chief Financial Officer

Yes, Dennis, thanks for the question. So as we think about our guide for the full year of the midpoint of the 5% to 6% range, that really does reflect the continued step-up in transaction comparisons. So we see that step up in Q3 and Q4.

We also are rolling off net pricing as we head into Q3. So we'll see that impact our ticket. And then we begin to roll over actually the start of the rollout of our food program that we started in Q3 of last year and more meaningfully in Q4. So all those factors lead us to that 5% to 6% range for the full year and 4 to 5 points comp for Q3.

Christine Barone
CEO, President & Director

Yes. And if we look at the broader macro environment, we're feeling really good about how we're positioned. We think that we are continuing to be positioned to really outcompete the rest of the industry and outperform with mobile order, with Dutch Rewards, with the food program and all of the different initiatives that we've added together are just really performing. Our customers are loving them and our Broistas are serving them with exceptional service.

Operator

And our next question will come from Andrew Charles with TD Cowen.

Andrew Charles
TD Cowen, Research Division

Just a little on the guidance for 3Q of 4% to 5%. It implies a deceleration from the strong 2Q results on both a 2-year basis as well as a seasonal basis. And I know you called out rolling off some price, but are there other dynamics to think about considering perhaps the implied deceleration? In particular, are you seeing any headwinds from the surges of gas prices? Obviously, Starbucks had a big launch this month with blended energy as well. Just other dynamics that we should be thinking about as well here.

Joshua Guenser
Chief Financial Officer

Andrew, thanks for the question. I'd really point you towards the primary driver being that transaction lapse starting to step up here and then what we're rolling off both in terms of pricing and the rollover of the start of our food program. So we do feel like -- feel very good about the position that we're in as we head into Q3 and for the balance of the year and how things are shaping up for us.

Operator

We'll go next to Jeff Farmer with Gordon Haskett.

Jeffrey Farmer
Gordon Haskett Research Advisors

Over the last couple of quarters, you guys pointed out some pretty big increases in your LTO unit velocity. So just looking for a little bit more color there. And then more importantly, what's the relationship between increased LTO velocity and your traffic and same-store sales numbers?

Christine Barone
CEO, President & Director

Yes. Thanks for the question. So we continue to be really pleased with how our LTOs are performer -- performing. When you look at Q2, I would highlight the launch of Myst. This is an incredibly important platform for us. We are the leader, the category creator in customized energy and having that full platform, including Myst, really just adds to what our customers can choose across that.

We actually saw an incremental increase in energy as a total percent of our sales as we looked over that quarter. So really excited to see how that's performing. We did launch that as an LTO and with that strong performance, have decided to keep that on the menu. As we've talked over the last couple of quarters and look at our innovation, we really look at innovation as platform innovation and then some of those LTOs and those new flavors that just drive excitement across our business.

And this quarter, we were really focused on that platform innovation with launching Myst. The other thing we saw, too, is as we look at our LTOs, we look each year at what's performing really well and saw continued really great performance out of Strawberry Colada. So to see both Myst performing and our Strawberry Colada along with very strong performance out of Dulce de Leche for that second year as well.

Operator

Moving on to Sara Senatore with Bank of America.

Sara Senatore

BofA Securities, Research Division

I wanted to ask about the franchisee comps perhaps. It looks like the gap is widening, although certainly, I think the 2-year gap maybe is more stable. I guess the reason I ask is twofold. One, trying to distinguish kind of how much of your strength in the company system was kind of the wind that you're back from a strong segment versus, I think you tend to do more preopening, you tend to do like more local marketing.

So just as I think about your underlying drivers, it sort of feels like maybe franchise is a control group. And then the other piece is I know you bought in a franchise system. I guess, is there an opportunity to maybe increase or accelerate comps from that business as well?

Joshua Guenser

Chief Financial Officer

Yes, Sara, I'll just talk about the broader spread to start with. As we shared in the past, one of the biggest drivers of the spread between company and franchise is really that we see strong comp tailwinds coming from the newer vintages of shops and our growth is more heavily weighted towards the company-operated side. So that just disproportionately benefits our company-operated system more.

I'd say adding to that, as we've rolled out food, we completed the rollout of food into our company-operated system during the quarter. We'll start rolling that out into the franchise system starting next quarter. So certainly, that helped create some more of the spread, especially on the ticket side as we look at Q2.

Christine Barone
CEO, President & Director

And then just as a reminder, about 300 of our shops won't be able to have the Hot Food program, and that really is disproportionately in the franchise shops. The franchise shops that we have been testing with and have started to roll out food and those that have all of the new bakery are seeing great results with it.

Operator

We'll go next to Drew North with Baird.

Andrew North
Robert W. Baird & Co. Incorporated, Research Division

Great. I had a follow-up on the food platform, so you teed it up well. I was hoping you could expand a bit on your opportunity to raise awareness of the offering. I think, as you mentioned, I mean, food has rolled out to the majority of the company-operated locations now to date.

I was wondering if you're seeing sales mix continue to build as awareness has naturally grown and maybe how you're thinking about putting marketing dollars, if that's a consideration behind food to drive year two, of growth in that platform?

Christine Barone
CEO, President & Director

Yes. So as we look at the food platform, our teams are really excited about the platform. So we actually see really from the very beginning of launch of food that we see that pop up in food attach very, very quickly within our shops. And as we look at what we're trying to do with food, really the first thing that we're trying to do is we heard from our customers loud and clear that hey, I love Dutch Bros the most.

But some days, I go to another place because I want a breakfast sandwich or something like that in the morning. And so it's really important for us to add this for our customers. And we are seeing that attach right away as we roll out the program. So we're very focused right now on executing the program really well. We're really pleased with the lift that we're seeing. As we look at the long-term opportunity, I think not only do we have an opportunity to grow awareness of the program, but we also now have a very important food capability as part of our toolkit.

And so as we look ahead, I think there are other platforms, we can look at that might still be missing within our offering. We only have nine SKUs right now within our shops. I think food can also play a nice role in seasonal offerings to help drive that awareness and that traffic.

And as we roll out into new markets, I think another thing that's needs to see is customers really expect us to have that broader food offering. And so I think we are very pleased when they come to our shops. So some of those new shops that we spoke about are seeing really great success with food as well.

Operator

And our next question will come from Rahul Kro with JPMorgan.

Rahul Krotthapalli
JPMorgan Chase & Co, Research Division

Can you help us understand how the new store productivity has been steadily ticking higher? I mean, look, what is being done differently, especially as many stores are not necessarily been opening in the newer markets? And I have a follow-up.

Christine Barone
CEO, President & Director

Yes. So as we look at our new shop performance, we continue to be incredibly pleased. As you know, we've been on a journey in really developing our real estate capabilities. So starting with market planning, understanding how each store that we open is going to perform not only when it opens, but also as we fill out that whole market. Then looking at our -- how we do our marketing sequence within a new market, how we think about what really works, what helps to drive customers in.

We've been on a march to build brand awareness as we go into new markets. And I think as you look across all of those things, it's clearly working, and we are opening great new shops as we continue to roll out in the country. I think one of the big highlights that we had in this quarter was opening in Chicago, our second shop there. And I think to set an opening day record when we're at 1,200-plus shops in a new market just really speaks to the incredible strength of the brand and all of the awesome work that our teams are doing.

Operator

We'll next to Nick Setyan with Mizuho Securities.

Nerses Setyan
Mizuho Securities USA LLC, Research Division

Just in terms of the guidance for second half, any way you kind of break out company-owned versus franchise given the expanding gap here? That would be very helpful. And then aside from the food rollout being delayed at the franchise stores, are any of the other initiatives that are taking place in the company-owned stores not taking place within the franchise stores?

Joshua Guenser
Chief Financial Officer

Yes, Nick, so we don't provide guidance on the components of the company versus franchise. Certainly, as we think about some of the drivers for that spread there, you'd expect to remain a spread as we continue to -- our shop growth cadence on the company side is certainly outpacing the franchise side. But that's about as much detail as we'd give on guidance as it relates to the spread between the two.

Christine Barone
CEO, President & Director

And then our food rollout really is ahead of schedule. I think as we've continued to see how our teams have embraced the food rollout, we always expected to actually roll out the company-operated shops first. And for our franchisees to get to see that great performance and then adopt that program.

Operator

We'll go next to Sharon Zackfia with William Blair.

Sharon Zackfia

William Blair & Company L.L.C., Research Division

Can you talk about what you're seeing with Myst in terms of the demographic and the dayparts that might differ from what you see with Rebel?

Christine Barone

CEO, President & Director

Yes. So if we look at Myst, we really are seeing that afternoon daypart strength continue, but we also do see Myst occasions in the morning as well. And I do think that it is a lighter, customizable caffeine, that is in the Myst product. It's plant-powered and it provides that really refreshing platform that our customers love.

As far as demographics go, again, it looks fairly similar, I think, to what we're seeing from Rebel as well. But it is incredibly early days still for Myst. We think this platform just has a long way to go. And I think that as the energy market continues to evolve, we would expect that you would actually continue to see more of those occasions come into the morning as well. And I think that it's becoming something that our customers are really drinking throughout the day.

Operator

Moving on to Gregory Francfort with Guggenheim Partners.

Gregory Francfort

Guggenheim Securities, LLC, Research Division

I just wanted to ask about thought behind the Salad and Go lease acquisition. I mean I think these are 1,000 square feet, so it's pretty comparable to the size of a Dutch Bros. But I think Arizona and Nevada might be 2 of your 3 or 4 most penetrated states and you kind of growing mid-single-digit unit growth in those markets. Just like is this to kind of turbocharge? Is there a lot of overlap with your stores? Just anything on the thought process there?

Joshua Guenser

Chief Financial Officer

Yes, Greg. So we really look at this as we shared in the past, even with something like Clutch, we look at this as a great opportunity for us to get a hold of some fantastic real estate in markets where we see a lot of potential to continue growing. So while we have several shops here in Arizona and Nevada, we still see a significant amount of white space ahead and availability for us to be able to go after creating more of that daily routine and a daily occasion with customers. So we see this as a nice addition to the overall portfolio. To your point, the sites themselves are right around our size shops should lead to easier conversion to a Dutch Bros.

Operator

Moving next to Jon Tower with Citigroup.

Jon Tower
Citigroup Inc., Research Division

Great. Maybe a quick clarification on the question. On the clarification front. Just want to make sure that the bump in CapEx that you guys had for the year guidance, that includes the acquisition of the franchise market in Arizona one. And then the question is on the rewards program.

I think, Christine, you had mentioned that it delivered its strongest contribution to comps since the start of the customer segmentation journey.

So can you just speak to what exactly contributed to that? Is it something that you're doing explicitly in the program that drew customers back? Was it products in the period? Was it exclusive merch that maybe they had access to? Just curious what moved the needle there.

Joshua Guenser
Chief Financial Officer

Yes, I'll start with the CapEx question quickly. That does -- the increase does reflect the franchisee acquisition, does not include the announcement around Salad and Go.

Christine Barone
CEO, President & Director

Yes. And then on the rewards program, we've really been on a journey and so a lot of this is actually us taking our data and being able to segment it in new ways and then be able to provide very unique offers to different customer segments that really match with what we're seeing from their behavior patterns.

So when we see a behavior pattern trying to get someone into that next layer of frequency, trying to get them into that next drink, trying to make them aware of other products that we have, things like that.

So it actually really is an increase in our sophistication in data and the way that we're using it within our rewards program. So it's a new capability that we've developed over time. We are also adding different ways that we can encourage our customers to try new things. So things like streaks in the program. So we are actually building out new technological capabilities as well, along with all of that data segmentation that we're working through.

Operator

And moving next to Jacob Aiken-Phillips with Melius Research.

Jacob Aiken-Phillips
Melius Research LLC

So between the 185 planned openings this year, acquired franchise shops, the Salad and Go conversions, I was just curious how you're pointing on sequencing these projects to ensure that the operator and MOB pipeline is not stretched. Is people capacity permitting or construction now the primary constraint?

Christine Barone
CEO, President & Director

Yes. So as we look at our openings, so on the franchise shops, we actually continuously operate at those. So that acquisition is complete. They closed one night as a franchisee shop, opened the next morning. And our teams did just such an incredible job with that seamless operation. I think given the proximity to our headquarters, we've had the teams in here getting them, getting ready for that, and they've done just a fantastic job with that.

On things like Salad and Go and like Clutch, that really is just adding real estate to our pipeline. So that's part of our normal process that we go through. It's really just building on that pipeline as we are on that March to 2,029 shops in 2029. We have an incredible pipeline of leaders. So as I mentioned on the call, we have 525 operator candidates in our pipeline. Our operators sit just above shops, so they manage multiple shops. And so we have a very, very strong group of leaders.

And as we look, in particular, adding shops in our pipeline in some of our markets that have been with us for the longest like our Arizona market, we have an incredible bench of really, really strong leaders in the Arizona market, in the Vegas market. And so as we look to add more sites, we've got great people ready to operate those shops.

Operator

Moving on to Jim Salera with Stephens.

James Salera
Stephens Inc., Research Division

I was wondering if you could provide us any detail on geographic distribution in terms of same-restaurant sales drivers. I know in 1Q, you guys highlighted very strong results out of Texas, and that helped support the kind of system-wide results. I'm wondering if there's any other callouts this quarter? And if you see any particular strength across any geographies?

Christine Barone
CEO, President & Director

Yes. So we don't typically share strength across geographies. We had shared that last quarter really just to highlight one of our most competitive markets and to show how well Dutch Bros is showing up and competing in those markets. But as we look across our comp and our very strong comp, both from a system perspective and then from a company-operated perspective, we are seeing strength across all dayparts with positive comp on all day parts.

We are seeing particular strength in the morning. And that is something, as we roll out these different initiatives, we've been very focused on growing that morning daypart. So what we have been expecting to see is really showing up in the numbers. And just super pleased by how that's going.

Operator

Our next question comes from Margaret-May Binshtok with Wolfe Research.

Margaret-May Binshtok

Wolfe Research, LLC

I just wanted to ask on the Vibe Check scorecard that you guys just launched. I guess, can you talk a little bit about what it actually measures, like what the intent is? Is it behind like catching issues early? Or just identifying best practices so you can replicate them to other shops?

Christine Barone

CEO, President & Director

Great. So as we look at the Vibe Check scorecard, it's really measuring those things that are important to our business. So like everything at Dutch Bros, it starts with our people. So really understanding turnover. We're working on a metric to really understand how are our crews doing and to make sure that our teams have great visibility across the board to the shops. We also have customer metrics. So what do our customers think of how we're doing? What do they think of our speed, quality and service?

And what differences do we see across shops? And then finally, business metrics. So how are we staffing our shops? Are we staffing against the demand really well. And then how are we growing our customers. We're inviting more customers into Dutch Bros. So it's really all of those things that are a good important check.

And as we roll this out, think the most important thing at the beginning of the rollout is really the learning that our teams can see from each other. So we might have a shop that's doing particularly well in motivating their teams, and they have really great turnover metrics. And then the whole rest of that region will get to learn from that great operator and understand what they're doing. And so we will use it to understand where things are, where we can improve.

But I think the greatest use of a tool like this is really the learning that our operators can provide for each other.

Operator

We'll hear next from Chris Carril with KeyBanc Capital Markets.

Christopher Carril

KeyBanc Capital Markets Inc., Research Division

Can you expand on throughput opportunities that you're seeing today? Maybe how much potential upside you see from increasing throughput over the near to medium term. And if you could maybe speak to this in the context of your highest volume stores, maybe touch upon some of the learnings from the Melrose Park shop. That would be helpful.

Christine Barone
CEO, President & Director

Yes. So we think we have a great path ahead of us to expand our throughput. And as we look at what is driving the most right now, it really is on labor deployment. And so what we are looking at is giving our shop very detailed and great information around how are they staffing versus the demand by day and by daypart. And if you look at that, it really helps match the demand and then we can go through those very long lines that we have in some of our shops much quicker.

And as I look at that and learnings from some of those very high-volume shops, I think we're doing a really great job of that in our highest volume shops. But really, labor deployment helps across our entire system. And so getting that correct. The other thing we're working on is longer-term opportunities and really looking at the shop layout.

So as we look at the demand, how much of the demand is coming out the drive-through window, how much of the demand is coming out of our walk-up window, especially now with mobile order at 16% sales, how do we balance that demand and make sure that the stations are in the right place and work is happening in the right place at the shop. So very early days on that, but excited by the work that the teams are starting to do on that.

Operator

And we'll go next to Matt Curtis with D.A. Davidson.

Matthew Curtis
D.A. Davidson & Co., Research Division

I've got another question on Myst with it being added to the permanent menu. What metrics gave you confidence in making that decision to make it permanent so quickly? Is there any additional color you can provide on repeat rates, perhaps how they're tracking relative to Rebel or prior successful product introductions?

Christine Barone
CEO, President & Director

Yes. So as we look at adding Myst to the permanent menu, we've actually been working on Myst for quite some time. And so kind of starting from the beginning and how we develop a product. First, we do concept testing to understand, hey, how does the -- as we describe this product to customers, how do we think they're going to react to it.

We're actually asking them, how does this product sound? What about these benefits, things like that, then we take it through some taste testing to see is this really the best product on the market? And how do customers react to the taste of the product? Then we go and we actually do a market test. So we're looking for a smaller market test at first to really test operations. And so can we make this? Does it fit within the cadence of what we're trying to do.

And then we go to a broader market test where we're actually looking at volumes, we're looking at repeat rates, things like that. So even before the launch of Myst, we had a lot of great data indicating that we were likely going to leave this on as a permanent menu item given what we had seen and really given the reaction as we had to temporarily take it off the menu for a little bit and that customer is really begging for it to come back.

And then as we roll out, we look very carefully at what customers are new? Where is it at on occasions, what other platforms do we see the product drawing from? And what's interesting here is with Myst, not only do we see new occasions, we do see some of it drawing from Rebel, but we also see it drawing from things like Lemonade.

And so I think there is this real need in the market for that type of energy that a product like Myst provides. And then as we look at it, we look at repeat rates and what happens as we launch a normal LTO and then what happens to that curve afterwards. And so we saw really great trial and then really strong repeat rates as Myst continued throughout the quarter.

Operator

And this now concludes our question-and-answer session. I would like to turn the floor back over to Christine Barone for closing comments.

Christine Barone
CEO, President & Director

Thank you for your questions. Before we wrap up, I'd like to recognize an achievement that reflects the very best of Dutch Bros. In Q2, Drink One for Dane Day raised more than $1.7 million for the Muscular Dystrophy Association. The event also marked an incredible milestone, helping us surpass $20 million in lifetime donations to the MDA supporting critical ALS research care and services for families affected by the disease.

Our partnership with the MDA continues to honor the legacy of our Co-founder, Dane Boersma, and reflects our deep commitment to giving back to the communities we serve. As Dutch Bros continues to grow, so does the impact we're able to make together. Thank you to our Broistas, our customers and our community partners for helping us honor Dane's legacy and make a massive difference one cup at a time.

Operator

Ladies and gentlemen, thank you for your participation. This does conclude today's teleconference. You may disconnect your lines, and have a wonderful day.

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