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Darden Restaurants, Inc. (DRI) Q2 2026 Earnings Call Transcript

Dec. 18, 2025 1:47 PM ET | **Darden Restaurants, Inc. (DRI) Stock**

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EPS of $2.08 misses by $0.02 | Revenue of $3.10B (7.34% Y/Y) beats by $27.19M

Darden Restaurants, Inc. (DRI) Q2 2026 Earnings Call December 18, 2025 8:30 AM EST

Company Participants

Courtney Aquilla
Ricardo Cardenas - CEO, President & Director
Rajesh Vennam - Senior VP & CFO

Conference Call Participants

Brian Bittner - Oppenheimer & Co. Inc., Research Division
David Palmer - Evercore ISI Institutional Equities, Research Division
Brian Harbour - Morgan Stanley, Research Division
Jacob Aiken-Phillips - Melius Research LLC
Jake Bartlett - Truist Securities, Inc., Research Division
Andrew Charles - TD Cowen, Research Division
Jeffrey Bernstein - Barclays Bank PLC, Research Division
Sara Senatore - BofA Securities, Research Division
James Salera - Stephens Inc., Research Division
Lauren Silberman - Deutsche Bank AG, Research Division
Peter Saleh - BTIG, LLC, Research Division
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Gregory Francfort - Guggenheim Securities, LLC, Research Division
Brian Vaccaro - Raymond James & Associates, Inc., Research Division
James Sanderson - Northcoast Research Partners, LLC
John Ivankoe - JPMorgan Chase & Co, Research Division
Hyun Jin Cho - Goldman Sachs Group, Inc., Research Division

Presentation

Operator

Greetings, and welcome to the Darden Restaurants Q2 Fiscal Year 2026 Earnings Conference Call and Webcast. [Operator Instructions] As a reminder, this conference is being recorded.

It is now my pleasure to turn the call over to Courtney Aquilla, Vice President, Finance and Investor Relations. Courtney, please go ahead.

Courtney Aquilla

Thank you, Kevin. Good morning, everyone, and thank you for participating on today's call. Joining me are Rick Cardenas, Darden's President and CEO; and Raj Vennam, CFO.

As a reminder, comments made during this call will include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties that could cause actual results to differ materially from our expectations and projections. Those risks are described in the company's press release, which was distributed this morning, and in the filings with the Securities and Exchange Commission. We are simultaneously broadcasting a presentation during this call, which is available on the Financials tab in the Investors section of our website at darden.com.

Today's discussion and presentation include certain non-GAAP measurements, and reconciliations of these measurements are included in the presentation. Looking ahead, we plan to release fiscal 2026 third quarter earnings on Thursday, March 19, before the market opens, followed by a conference call.

During today's call, all references to industry results refer to the Black Box Intelligence Casual Dining benchmark, excluding Darden. During our fiscal second quarter, average same-restaurant sales for the industry grew 1.3% and average same-restaurant guest count decreased 0.4%. Additionally, median same-restaurant sales for the industry grew 1.9% and median same-restaurant guest counts decreased 0.5%.

This morning, Rick will share some brief remarks on the quarter, Raj will provide detail on our second quarter financial performance and share our updated fiscal 2026 financial outlook. Then Rick will close with some final comments.

Now I'll turn the call over to Rick.

Ricardo Cardenas
CEO, President & Director

Thank you, Courtney. Good morning, everyone. We had a strong quarter that exceeded our sales expectations as each of our segments delivered positive same-restaurant sales. Commodity headwinds were stronger than we anticipated as beef prices remained at historically high levels throughout the quarter. Our restaurant teams did a great job of being brilliant with the basics during the quarter, driving record or near record guest satisfaction scores across all of our brands.

At the Darden level, we continue to leverage our 4 competitive advantages to enable our brands to compete effectively and continue providing strong value to our guests. The power of our scale enables us to continue to price below inflation over the long term and not pass all the costs on to our guests while the breadth of our portfolio enables our brands to stick to their strategy, even if they are overly impacted by a single commodity.

We opened 17 new restaurants during the quarter and are on pace to exceed our planned openings for the full fiscal year. These new restaurants opened faster than planned, collectively contributing 40 additional operating weeks versus our plan for the quarter. This is a testament to the outstanding job Todd Burrowes and the entire development team, led by Marc Braun, have done to strengthen our pipeline.

Olive Garden delivered positive same-restaurant sales of 4.7% for the quarter, driven by the success of the Never Ending Pasta Bowl promotion and first-party delivery, combined with strong operational execution that led to all-time high guest satisfaction scores. For the fourth consecutive year, the starting price for Never Ending Pasta Bowl was $13.99. Preference was strong and refill rates reached a record high, demonstrating that guests continue to find abundance and meaningful value at Olive Garden in this environment.

First-party delivery, through our partnership with Uber Direct, continue to drive strong results. This channel attracts younger, more affluent guests to crave Olive Garden at home, value convenience and order more frequently. These guests have a higher check average than dine-in guests. Uber Direct sales represented 4% of total sales for the quarter, and approximately half of that was incremental.

As we have discussed on recent calls, across the portfolio, we are placing a greater emphasis on sales growth and reinvesting to drive long-term success. At Olive Garden, the success of first-party delivery is helping fund investments such as the addition of the lighter portion section on our menu, which features 7 existing dishes with a smaller portion and a lower price. This section is designed to give guests more choices and is offered in addition to the Olive Garden's regular portion sizes.

Olive Garden has seen a double-digit increase in affordability perceptions from guests who order from the lighter portions menu and an increase in frequency among these guests, which should help build traffic over time. 40% of restaurants offered this menu during the quarter, and they added another 20% of locations early in the third quarter. Olive Garden plans to complete the rollout system-wide in January.

As we begin the third quarter, the Olive Garden team is poised to build on their momentum. They are currently offering 2 fan favorites for a limited time, ravioli di portobello and braised beef tortellini. Thousands of Olive Garden fans requested the return of these iconic dishes, which included multiple online petitions to bring them back.

Turning to LongHorn Steakhouse. The team's ongoing commitment to their strategy rooted in quality, simplicity and culture continue to guide their success as they delivered strong top line momentum, driven by same-restaurant sales growth of 5.9%. Their relentless focus on executing every dish on their menu to their high standards was reflected in an all-time high [indiscernible] score for the quarter. Their ability to consistently operate at this high level is enabled by having one of the most experienced teams in the industry. In fact, LongHorn further strengthened their impressive retention by setting their record low for team member turnover during the quarter.

The investments LongHorn has made in food quality, combined with their grilling expertise, have built strong guest loyalty. And to further build on their leadership in food quality, LongHorn brought back a guest favorite for the holidays, their 14 ounce, 7-Pepper Crusted New York Strip with brown butter sauce, which was met with enthusiastic reviews by guests and social media influencers.

Same-restaurant sales for our Other Business segment grew 3.1% during the quarter, driven by strong performance at Yard House. During the quarter, Yard House's Oktoberfest event returned for the fifth year. This event continued to deepen guest engagement and drive results through limited-time menu offerings that strengthen Yard House's competitive advantages of a socially energized bar and distinctive culinary with broad appeal. The event also featured a $5 refillable beer stein that was a hit with guests, with all steins selling out within the first few weeks.

Also during the quarter, Yard House began rolling out first-party delivery through our partnership with Uber Direct. While the impact on total sales won't be as significant as what we've seen at Olive Garden, the team is pleased with the initial results and plans to continue rolling it out to additional restaurants in the third quarter.

Same-restaurant sales for the Fine Dining segment grew 0.8% for the quarter, driven by strong performance at Ruth's Chris Steak House and improving trends at The Capital Grille. As guests continue to seek price certainty, Ruth's Chris brought back its limited time offer, featuring a 3-course menu for $55. It was a key driver of sales and traffic growth and featured a new 8-ounce prime fit cut strip and 2 guest favorites, Stuffed Chicken and Salmon & Shrimp. Each entree came with a super salad, an individual side and a dessert.

The Capital Grille's Wagyu & Wine event returned during the quarter, featuring a choice of a Dave Phinney wine and Wagyu Burger for $35. This event delivered strong guest preference and sales momentum at The Capital Grille continued to grow throughout the quarter.

I am pleased with our performance as we move back into the back half of our year. Our brand teams have the appropriate plans in place and the power of Darden positions us well to win in a competitive environment.

Now I'll turn it over to Raj.

Rajesh Vennam
Senior VP & CFO

Thank you, Rick, and good morning, everyone. As Rick mentioned, the second quarter was another strong sales quarter for Darden with top line momentum exceeding our expectations. While elevated commodity costs, driven by beef, were a significant headwind for the quarter, we priced 130 basis points below inflation as we remain committed to providing strong value to our guests. This large investment in underpricing inflation resulted in restaurant-level margins being below last year. The near record beef costs have sustained longer than we anticipated and are likely to remain elevated into the third quarter, with some relief as we get into the fourth quarter.

In the second quarter, we generated $3.1 billion of total sales, 7% higher than last year, driven by same-restaurant sales growth of 4.3%, the addition of 30 net new restaurants and the acquisition of Chuy's in October of last year. Both our same-restaurant sales and same-restaurant guest counts were in the top decile of the industry again this quarter. Same-restaurant sales exceeded the industry benchmark by 300 basis points and the positive gap widened throughout the quarter.

Adjusted diluted net earnings per share from continuing operations of $2.08 were 2.5% higher than last year. We generated $466 million of adjusted EBITDA and returned $396 million to our shareholders this quarter by paying $174 million in dividends and repurchasing $222 million in shares.

Now looking at our adjusted margin analysis compared to last year. Food and beverage expenses were 90 basis points higher, primarily due to elevated beef costs driving total commodities inflation of approximately 5.5% for the quarter.

Restaurant labor was 10 basis points higher with total labor inflation of 3.3%. Restaurant labor in our comparable restaurants was favorable to last year, driven by productivity improvements that more than offset pricing below labor inflation. Restaurant expenses were 10 basis points higher as sales leverage was more than offset by Uber Direct fees and brand mix with the addition of Chuy's.

Marketing expenses were 10 basis points lower due to sales leverage. We had incremental marketing activity in the quarter that was funded by cost savings. This all resulted in restaurant-level EBITDA of 18.7%.

Adjusted G&A expenses were 60 basis points favorable, driven by leverage from sales growth and lower incentive compensation accrual as well as favorable mark-to-market expense on our deferred compensation. Due to the way we hedge mark-to-market expense, this favorability is fully offset in the tax line. Our adjusted effective tax rate for the quarter was 13.2%, and we generated $243 million in adjusted earnings from continuing operations, which was 7.8% of sales.

Looking at our segments, all segments grew sales for the quarter, driven by positive same-restaurant sales. The high beef cost pressured segment profit margins at all of our segments, except for Olive Garden. Total sales for Olive Garden increased by 5.4%, driven by strong same-restaurant sales and traffic growth as well as the addition of 11 net new restaurants. The sales momentum continued from prior quarters with same-restaurant sales in the top decile of the industry and outperformed the industry benchmark by 340 basis points.

Olive Garden delivered a strong segment profit margin of 21.8% for the quarter, which was 30 basis points above last year, even with an approximate 20 basis points of margin investment related to the lighter portions menu and the continued impact of delivery fees.

At LongHorn, total sales increased by 9.3%, driven by same-restaurant sales growth of 5.9% and the addition of 21 new restaurants. The sustained sales and traffic outperformance resulted in same-restaurant sales and traffic in the top decile again this quarter. The LongHorn team is doing a great job of staying focused on their strategy and maintaining momentum despite elevated beef costs. Our measured approach in reacting to inflation resulted in pricing 320 basis points below inflation at LongHorn that resulted in segment profit margin of 16.2%.

Total sales at Fine Dining segment increased 3.3%, driven by positive same-restaurant sales and the addition of 3 net new restaurants. High beef costs also had a large impact on the brands in the segment, resulting in segment profit margin of 14.8%, 280 basis points lower than last year.

The Other Business segment sales increased 11.3%, with positive same-restaurant sales of 3.1% and the acquisition of Chuy's benefiting part of the quarter. The positive sales growth and the continued productivity improvements in multiple brands within this segment were not enough to fully offset the elevated commodity pressures from beef and the impact of delivery fee. This resulted in segment profit margin of 13.4%, 60 basis points lower than last year.

Turning to our financial outlook for fiscal 2026. We have updated our guidance to reflect the year-to-date performance, the evolving commodities environment and the expectations for the back half of the year. We now expect total sales growth for the year of 8.5% to 9.3%; same-restaurant sales growth of 3.5% to 4.3%; 65 to 70 new restaurant openings; total capital spending of $750 million to $775 million; total inflation of approximately 3.5%, with commodities inflation of 4% to 5%; and approximately 116.5 million diluted average shares outstanding. All other aspects of our guidance remain unchanged, including adjusted diluted net earnings per share between $10.50 and $10.70, of which approximately $0.20 is related to the addition of 53rd week.

We expect earnings per share growth in the third and fourth quarters to sequentially improve as the gap between pricing and total inflation narrows in the back half of the year. Specifically, for the third quarter, we expect earnings per share growth in the mid-single digits compared to the third quarter of last year.

In summary, we're pleased with our strong top line performance and continued industry outperformance this quarter. While our pricing strategy and amid elevated commodity costs has impacted margins in the near term, we believe it's the right approach to support our long-term success. As we move through the rest of the fiscal year, we remain confident in our ability to grow sales, manage costs and deliver value to our guests and shareholders.

Now I'll turn it back to Rick.

Ricardo Cardenas
CEO, President & Director

As I reflect on our performance, I'm reminded of the power of the platform we built over time and our ability to navigate whatever comes our way. When you look at our company, there are 3 key attributes that we believe make Darden a great company and a great stock.

First, our winning strategy grounded in our 4 competitive advantages and our commitment to managing the business for the long term has led to a long track record of success. Over our 30-year history as a public company, Darden has achieved annualized total shareholder return of 10% or greater for any 10 fiscal year period when considering Darden stock appreciation plus dividend yield.

Second, we have a clear road map to grow our portfolio of iconic brands, which includes 2 dominant brands, 3 high-potential growth brands and several balanced brands that are leaders in their respective categories. And third, our strong commitment to disciplined capital stewardship enables us to return capital to shareholders while making appropriate investments in the business for long-term success.

I'm incredibly proud of the results we continue to deliver for our shareholders, and we remain committed to executing our strategy to drive shareholder value now and for generations.

Finally, I want to take a moment to acknowledge the recent passing of Darden's first CEO, Joe Lee. Joe was the visionary leader whose leadership helped shape not only Darden, but the entire casual dining industry. I was fortunate to work with Joe. And one of the things that always stood out to me was the care and compassion he had for his people. He always said, if you take care of your people, they will take care of your guests. Those words remain fundamental to Darden's culture today and they are especially meaningful during the holidays.

Now is the busiest time of the year in our restaurants, and I'm so proud of our 200,000 team members who do such a remarkable job of nourishing and delighting everyone they serve. On behalf of our entire leadership team and the Darden Board of Directors, thank you to all of our team members for everything you do. I wish you and your families a happy holiday season.

Now we'll take your questions.

Question-and-Answer Session

Operator

[Operator Instructions] Our first question today is coming from Brian Bittner from Oppenheimer.

Brian Bittner
Oppenheimer & Co. Inc., Research Division

Happy holidays, and congratulations on solid top line results. First question is on the lighter portions menu and the strategy as you rolled that out to 100% of the Olive Garden restaurants here in January. How impactful do you think this will be to sales just based on what you've seen so far? Is it something that we're actually going to be able to identify here from the outside? Or is it more of an impact to internal metrics, like value perception, et cetera?

Ricardo Cardenas
CEO, President & Director

Brian, it is an impact to internal metrics, value perception, affordability and the right portion size. But we will see some impacts to sales in a couple of ways. In the long term, as we said, we've got higher frequency in the guests that are ordering this versus the guests that aren't. And the guests that aren't are increasing frequency as well. So this is a good top spin.

In the short term, there will be a little bit of check mix. So as Raj mentioned, in the second quarter, we had about 20 basis points of mix from -- 20 to 30 basis points of mix from the lighter portion. As we roll it out to more restaurants, there will be a little bit of bigger mix impact, but that's being offset by other things we have with the strong performance of delivery. It might not be necessarily in mix offset but in total sales.

So we believe this is the right thing to do for our guests in the short term and the long term. And that's why we've actually accelerated the rollout.

Brian Bittner

Oppenheimer & Co. Inc., Research Division

And my follow-up is on labor and the margins on labor. Over the last couple of quarters, you've seen some labor margin deleverage despite growing comps over 4% the last couple of quarters. What do you attribute this to? Because historically, you've been able to better leverage labor margins on these type of comps. Is there any specific investments going into labor or mix issues within the brands worth pointing out? And how are you thinking about the ability to maybe better leverage labor margins moving forward?

Rajesh Vennam

Senior VP & CFO

Brian, this is Raj. So from a labor margin perspective, I think I said in my prepared remarks, if you actually look at our comparable restaurants, which is where we obviously had the same-restaurant sales growth, you have actually labor leveraging. We actually saw labor improve year-over-year. Even with us underpricing inflation, because labor inflation, as I said, was about 3.3%, our pricing was 2.6%, so we were able to offset that underpricing inflation and drive labor leverage through productivity improvements.

The reason you don't see it at the total Darden level is because of the growth over the last year and the acquisition of Chuy's. And so that's really what you got to look at the brand mix combined with some of the nuances. So it's more, I would say, idiosyncratic versus a systematic issue. We actually feel like as we go through the back half, you should start to see labor start to be more of a good guy.

Operator

Next question is coming from David Palmer from Evercore ISI.

David Palmer
Evercore ISI Institutional Equities, Research Division

Congrats on this, particularly this Olive Garden same-store sales result in the quarter, which should help with concerns about that brand lapping the tough comparisons coming up in the fourth quarter. But I'm wondering what does your guidance generally anticipate with regard to Olive Garden comps going into that quarter? Are you factoring any benefit from fiscal stimulus? And just generally, what do you think you'll be doing in general to help maximize your chances of keeping positive comps going over those tough comparisons? And I have a quick follow-up.

Rajesh Vennam
Senior VP & CFO

Yes, David, thanks for those comments. So from a same-restaurant sales perspective, if you look at our guidance, we talked about, for the full year, 3.5% to 4.3%, which essentially means roughly 2.5% to 4% in the back half, which would imply basically flat traffic at the midpoint of that range. I don't want to get specifically into the brands, but here is how we think about the total.

When we look at the -- take into consideration the first half of the year, some macro uncertainty, but potential consumer spending benefit from the fiscal stimulus in early 2026, and we have several initiatives at the brand levels to drive sales. We feel like the outlook we provided is reasonable. And so I think that's really all I have to say on that front.

David Palmer
Evercore ISI Institutional Equities, Research Division

The other thing I'm curious about is how you're thinking about pricing versus the path of inflation on beef and steak. Clearly, I think you said something about your pricing was trailing inflation by 3 points or more. I think I didn't quite catch that at LongHorn. So I'm just wondering about whether you think that -- does your guidance anticipate additional pricing at LongHorn through the rest of the year? Any thoughts on that?

Rajesh Vennam
Senior VP & CFO

David, so yes, on the pricing front, let me start at a bigger picture and then get back to LongHorn specifically. So we did price for the quarter, at the Darden level, was about 130 basis points below inflation. And we do expect that to cut in half by the time we get to third quarter and actually catch up to inflation as we get to fourth quarter, primarily because, one, we're taking some pricing, but also we expect inflation to come down, especially as we go into the fourth quarter.

And specifically at LongHorn, yes, I don't expect LongHorn to have underpricing by 320 basis points as you move forward. We'll take some modest price increases. But that's the benefit of the portfolio, right? We've talked about -- Rick mentioned this in his prepared remarks, that when there is some near-term pressure on one of the commodities, the portfolio provides the air cover to be able to kind of deal with this for the near term.

And so all that said, look, our bias is to minimize pricing. And we'll do what we think is right to protect the guest, even if that means some margin erosion in the near term. Primarily, we're talking about second and third quarter, because we expect margin growth as we get into the fourth quarter.

Operator

Our next question today is coming from Brian Harbour from Morgan Stanley.

Brian Harbour
Morgan Stanley, Research Division

Raj, can you maybe just talk more about the beef piece and what kind of gives you the confidence that starts to come down by 4Q?

Rajesh Vennam
Senior VP & CFO

Brian, I guess maybe let me start with what happened in the second quarter and how we're transitioning and how we see this. Because beef prices peaked in our fiscal second quarter, and they were well above the normal seasonal trends due to supply constraints that stem from packer cutbacks and halted Mexican cattle imports due to the screwworm outbreak.

We have seen retail demand destruction accelerate over the past few months. And we think November was actually down about 14% demand, volume down in steak. Prices have started to improve in recent weeks, and we've been able to take some coverage for the back half. I think this morning we showed about 45% coverage for the back half. And actually, as we're speaking, our team is getting a little bit more coverage. And so that's -- and the prices that were -- the coverage we're getting at is at the levels that are in line with our updated thinking, and all of that is contemplated in our guidance.

If you look at what happened in the near term, prices are expected to ease a little bit as beef production actually increased to near prior year levels the last couple of few weeks, driven by packer profitability and lower cattle prices. Now there are -- there is enough inventory on feedlot to support the recent production increase.

Brian Harbour
Morgan Stanley, Research Division

Okay. That's helpful. With first-party delivery, is 4% of sales, is that kind of where you're expected to be at this point? Or I guess what else do you think could continue to push that higher, if you, in fact, want that? Are you still seeing sort of sequential increases in delivery mix?

Ricardo Cardenas
CEO, President & Director

Yes, Brian, we're really pleased with 4%. As you recall, we didn't do any marketing -- you didn't know that, but we didn't do any marketing in Q2, and we're at 4%. I think the way that would increase is if we do some more marketing and get more people into it. But it's tracking pretty closely to our overall to-go business. And we feel good where that is with the incrementality we're getting. But if we want to drive that up, we have some options on the marketing side.

Operator

Your next question today is coming from Jacob Aiken-Phillips from Melius Research.

Jacob Aiken-Phillips
Melius Research LLC

So I wanted to ask on Olive Garden delivery. You said about half of the 4% was incremental. But as delivery grows, do you expect the incremental share to hold? Or does cannibalization increase with penetration? And then what are you doing operationally to try to preserve the incrementality?

Ricardo Cardenas
CEO, President & Director

Jacob, I would hypothesize that as delivery grows, the incrementality will stay where it is or get better, because it's these folks that are ordering delivery, are higher frequency, and lower -- a little bit younger and more affluent. So as it grows, if it continues to grow, we would expect a little bit more incrementality, until it [wraps] on itself, and then it's a little less there.

Jacob Aiken-Phillips
Melius Research LLC

And then just more broadly, you've talked about guests moving between channels depending on value or occasion. Have you seen any meaningful shift and where full-service or casual dining fits into the broader food spend mix?

Ricardo Cardenas
CEO, President & Director

Yes. As you see our sales performance in the casual dining industry itself, I think the industry has been growing faster than other segments, and we've been growing faster than the industry. So I would say that we're continuing to share from casual, and we're taking share from a little bit on the limited service.

Operator

Next question today is coming from Jake Bartlett from Truist Securities.

Jake Bartlett
Truist Securities, Inc., Research Division

My first was about marketing. And marketing as a percentage of sales was down a little bit in the second quarter, I think roughly flat in the first. What are your expectations for the year? Is it still the 10 to 20 basis points? And I guess that would imply an acceleration. Maybe if you can confirm that, and then I have a follow-up.

Rajesh Vennam
Senior VP & CFO

Jake, so recall, we said in the last quarter, I think we talked about -- we got about, call it, roughly $20 million of savings in marketing with some of the work -- great work our teams did to go back and take a look at how we spend the dollars. So anyway, when we take that into consideration, that helped increase marketing activity even though the dollars were basically flat to last year. Now as we look at the full year, we're probably closer to somewhere around 10 basis points increase year-over-year. But if something changes, we'll update you next quarter.

Jake Bartlett

Truist Securities, Inc., Research Division

Okay. And my follow-up was just on the macro environment. I'm not sure if I heard you kind of talk about what you're seeing from a consumer perspective, lower income, whether some of the weakness is bleeding up into the middle income. What is the baseline macro environment that you're basing the back half sales guidance on?

Ricardo Cardenas

CEO, President & Director

Yes. I would say that we see the same reports you see, we've said that before. But the consumer is still resilient. They're being cautious. As we've said a few times, the weaker consumer sentiment doesn't necessarily translate into reduced spending. During the quarter -- so this is what's happening in our brands. During the quarter, our casual brands saw an increase of visits year-over-year from guests within middle to higher income groups. So it hasn't kind of moved up for us to the middle income groups with the largest growth coming from our higher income households.

We did see strong traffic growth from guests 55 and over as well, so on the demographic side, but there was a little pullback in those earning less than $50,000 in the casual brands. But we'll -- I'll end it with the way we always talk about it. We know Casual Dining is the #1 category where consumers intend to treat themselves and indulge. And when they're kind of thinking about where they spend their hard earned money, they want to go to a place that they get a great value and a good experience for a great price. So we'll continue to focus on delivering an excellent experience and deliver value for every guest that chooses to dine with us.

Operator

Next question today is coming from Andrew Charles from TD Cowen.

Andrew Charles
TD Cowen, Research Division

Raj, just curious, with the updated same-store sales guidance, does that embed any incremental pricing? You talked about the higher inflation forecast and how you're not going to fully price to offset inflation. Just curious if there's an increased pricing factor contemplated with the updated guidance.

Rajesh Vennam
Senior VP & CFO

Yes, Andrew, there is a little bit of increase in price. As I said, we actually expect our pricing to be closer to mid-3s in the back half, for the full year to be close to 3%. So if you think about where we started the year, I think we were 2.2% in the first quarter, 2.6% in the second quarter. So there's a little bit of an increase there that we incorporated into our guidance.

Andrew Charles
TD Cowen, Research Division

Very good. And Rick, in the past, you've laid out your hesitations around listing Olive Garden on third-party delivery. I'm curious if any of those pieces around things you've laid in the past, like data sharing, tip sharing, the ability to throttle it on and off, you believe are better addressable is ultimately contemplating the decision to add Olive Garden to third-party delivery?

Ricardo Cardenas
CEO, President & Director

Yes, Andrew, I would say the 2 big third-party delivery providers know what our concerns are on third party. And as long as we get a solution for those concerns, then we would look at it. It wouldn't make sense for us not to look at it, but we really do have some concerns and they know what they are.

Operator

Next question is coming from Jeffrey Bernstein from Barclays.

Jeffrey Bernstein
Barclays Bank PLC, Research Division

My first question is just on the comp commentary. Just I think, Raj, you mentioned that the favorable gap to the industry improved through fiscal 2Q. I was wondering whether you would assume or you are assuming that that continues. Maybe you have some quarter-to-date third quarter numbers. But your assumption for the back half of the year in terms of maybe a further widening of that gap? And then I had a follow-up.

Rajesh Vennam
Senior VP & CFO

Jeff, look, we did see an increase in our performance and we've said historically, when industry slows down a little bit, we have widened the gap. But as we look at the back half, we don't really start with what the industry numbers are. We actually look at a lot of what's macro and then all the things I mentioned about the brand initiatives because industry is a representation of some of it, but not all of it. And so we just -- we do it differently. And so I don't want to comment on what we expect the gap to be going forward.

Jeffrey Bernstein

Barclays Bank PLC, Research Division

Understood. And then the follow-up is just on the Uber addition. It sounds like Yard House is next up, third in line, therefore, behind Olive Garden and Cheddar's. I think you mentioned it's not likely to be as meaningful of a contributor as it is more of a bar type concept. But just wondering where LongHorn sits or where -- I know you don't dictate it, so where perhaps management of LongHorn specifically think about it. It would seem like that's the next big brand that could have more of a meaningful contribution, but offsetting that, I know often discuss that maybe their food doesn't travel as well. So just wondering your updated thoughts in terms of whether LongHorn could add 1P delivery.

Ricardo Cardenas

CEO, President & Director

Jeff, I'll start with the Yard House part. We don't anticipate it to be as big an impact because Yard House is a smaller brand, not just because they're a bar, but they also do a little bit lower to-go business. So if you think about when we implemented it at Olive Garden and then at Cheddar's, the percent delivery lined up pretty well with the percent to-go. So Cheddar's right now, I think, is doing about 15% off-premise. LongHorn does about 15% off-premise. So it's not a small off-premise business.

And we do know that when guests order at LongHorn off-premise, the mix is different. So they order more chicken and seafood and a little less steak than they do in the dining room. So it's something that LongHorn is learning from the other brands to see if it makes sense for us to go on to Uber Direct. And if it does, then we'll start testing it. But we don't have anything to say about that right now.

Operator

Your next question today is coming from Sara Senatore from Bank of America.

Sara Senatore
BofA Securities, Research Division

I was interested just on the topic of value. It sounds like that's resonating even actually in Fine Dining. You talked about these sort of combos and these -- and the $55 at Ruth's. I guess, are you bringing in different customers to the -- across the brands? I mean I know you mentioned maybe some softness in below $50.

But if I just think about -- while the pricing may be up low single digits, there's presumably some negative mix and the sort of entry-level price points are lower across -- it sounds like across maybe all your brands. So are you seeing different customers come in for that? Or is it just more increasing frequency among the customers you do have as you offer these kinds of very accessible price points?

Ricardo Cardenas
CEO, President & Director

Yes, Sara, most of our promotions really help our core customers. We are seeing a little bit of an increase in new customers or customers who haven't seen in a while when we do these. But we actually see an increase in our core, too. So it's not targeted to get new -- for new people, it's targeted for anybody. And we do see a little bit of a mix at Ruth's Chris when we do the $55 prefixed menu. But that's because guests are looking for certainty and price certainty. And so that's what we're giving them. And it drives quite a bit of volume at Ruth's Chris, and it's a good thing for us. It's not -- it's a profitable deal for us.

Sara Senatore
BofA Securities, Research Division

Great. Understood. And then just on a follow-up, Raj, you mentioned, I think, the demand has declined about 14% in November for beef. I guess, do you -- are there certain kind of rules of thumb about what that would mean for beef prices? Just as I think about it, it seems like this is the first time we've really seen like retail demand pull back. So just trying to understand how that translates into kind of the market prices for beef.

Rajesh Vennam

Senior VP & CFO

Sara, I would say, the last few months have been different from what we would have seen historically. Historically, there was retail demand destruction. You saw the prices come down sooner. I don't want to get into a lot of the dynamics, but there is something with how the -- between the packers and how things are working. It seems like there is some constraining of supply. But it's hard for us to really know what's happening. Maybe they have other challenges.

But -- so it's really going to be a function of how much production is out there, right? And so, yes, I don't think we have a good crystal ball on that. But I did share, we are seeing some green shoots, and that's -- that are actually starting to see the coverage that come more in line with our expectations.

Operator

Our next question is coming from Jim Salera from Stephens.

James Salera

Stephens Inc., Research Division

Raj, I wanted to start and maybe ask if you could us the comp components for Olive Garden breaking out particularly mix and traffic? And then as an add-on to that, are you able to give us any details around the type of consumer that you're seeing in the near term with Olive Garden given that it's a well-established brand, but they have a lot more avenues that consumers can access the brand? Now I wonder if that has any noticeable changes in the type of guests, whether it's income level, age, group sizes. Anything like that you could provide would be great.

Rajesh Vennam

Senior VP & CFO

Yes. So from an Olive Garden breakdown, the comp -- the same-restaurant sales were 4.7%. The traffic, as we measured, was 1.7%, but when you add the catering of 1.1%, that's basically a traffic growth of 2.8%. And the pricing was 2.6%, so there was some negative mix, but also there was some help from Uber Direct fees, but that's the mix of the traffic and the sales.

From a guest perspective, I think Rick already addressed it in the script or in his prepared remarks about we're seeing more increased growth across all income levels above $50,000. And we're seeing a little bit more growth from the -- as we move up the age spectrum, there's a little bit of a pullback, the below $50,000 and lower -- our younger folks, but that's really it.

James Salera

Stephens Inc., Research Division

Okay. And then if I could shift gears a little on LongHorn, continued outperformance there, I think, value steak in general. Is there any way for us to maybe match that up with the outperformance in Fine Dining as well? Because I think a lot of people expected the value to continue to do well, but were surprised by the outperformance in Fine Dining. I don't know if there's a read to make there, if there's some maybe aspirational guests that are accessing Fine Dining, or if we just reached a point where we've lapped enough and the sales base is lower than we can get back to positive on Fine Dining?

Ricardo Cardenas
CEO, President & Director

Yes, Jim, I'll start talk with LongHorn. I think LongHorn, their outperformance is driven by years of what they've done focusing on their strategy: continue to price a little below inflation, invest in their food and cook their stakes better. And that's been very helpful for them.

Now I think they may be benefiting right now with such a high price of beef that consumers are actually going to LongHorn instead of eating at home. And when we talk about the $50,000 consumer, under $50,000, I think LongHorn grew under $50,000. So it's interesting, they have a higher check than Olive Garden, but they grew their guest count at an under $50,000 range. That could be because such a disparity between how much you have to pay in the grocery store versus what you pay in the restaurant, which could be driving some of the traffic growth. But it has impacted their margins.

So on the Fine Dining side -- I'll finish with one other thing at LongHorn. I still think they might be taking a little bit of share from Fine Dining. That said, Fine Dining had a good quarter this quarter. Its trends are improving. And it may be that we're getting closer to kind of clearing everything out that happened during COVID. We're seeing some good value, some good performance at Ruth's Chris. Capital Grille had a good quarter.

But we don't -- it's not over yet. We've got to see that continue for a while to feel really great about it. We feel good about it. We want to feel great about it. So as we think about what's happening in the industry, we continue to say that as long as we do the things that we're supposed to do, provide a great value, cook the food properly, give a great experience to our guests, they're going to be coming back.

Operator

Next question is coming from Lauren Silberman from Deutsche Bank.

Lauren Silberman
Deutsche Bank AG, Research Division

Great. Can you just help unpack what you saw in terms of cadence of actual comp as you move through the quarter? I know there's a lot of volatility and noise in the industry. And then anything that you can provide on what you're seeing quarter-to-date as well as differences that you may be seeing across regions?

Rajesh Vennam
Senior VP & CFO

Lauren, I don't want to get into the quarterly cadence of comps, but I'll just say from an earnings perspective, I think we kind of provided the high level how we're thinking about it. And it's really more driven by pricing. As I said, pricing gap to inflation is expected to cut in half as we get into third quarter as we take a little bit more price and inflation actually is probably closer to the Q2 level.

But then as we get to the fourth quarter, we expect pricing to go up a little bit more and inflation to come down a little bit more. And so that's kind of why in -- we talked about what we expect earnings growth to be more in the third quarter to be in the mid-single digits. But I don't want to get too much into the quarterly sales comp.

Lauren Silberman
Deutsche Bank AG, Research Division

Okay. And then just on stimulus, there's some excitement about stimulus into '26. If you go back to prior fiscal stimulus, which brands tend to benefit the most in your portfolio? And do you see it through traffic or average check?

Ricardo Cardenas
CEO, President & Director

Yes, Lauren, I would say all of our brands benefit from stimulus, depending on how it comes in. But I will say that if you think about the folks that benefit from no tax on tips and no tax on overtime, they may be a median income and lower. So that could help our brands like Olive Garden or Cheddar's or Chuy's that have a little bit higher mix there. But all of our brands benefit when there's stimulus that gives more money to consumers.

Operator

Next question is coming from Peter Saleh from BTIG.

Peter Saleh
BTIG, LLC, Research Division

I just wanted to follow up on the conversation around the marketing efforts around Uber Direct. I think you guys mentioned you didn't do any marketing this quarter. Can you just talk about that decision? And what's the game plan in the back half of the year? Are you planning on increasing marketing around that effort? Any thoughts on that would be helpful.

Ricardo Cardenas
CEO, President & Director

Peter, the reason we didn't do any marketing on Uber Direct in the second quarter was we had just kind of done some in Q1, and we had other things that we wanted to spend our marketing dollars on, particularly Never Ending Pasta Bowl. Never Ending Pasta Bowl is our best promotion at Olive Garden. And I think others had some concern that we were wrapping on Never Ending Pasta Bowl on how that would go. And as Raj mentioned, our gap to the industry grew every month in the quarter, even though Never Ending Pasta Bowl was kind of coming towards the end of the promotion period.

So we think that we would -- we're better off spending marketing dollars on Never Ending Pasta Bowl than we are on delivery at that time. I can't comment on if we're going to do it in the third or fourth quarter, but it's something that people will see pretty quickly if we do.

Peter Saleh
BTIG, LLC, Research Division

Great. And then just following up, my last question, on tariffs. Is there any sort of update on the impact there, tariffs, on either commodities or on development costs? I think in the past, you had mentioned there was maybe a slight impact on development cost from tariffs. Just any update on that front would be helpful too.

Rajesh Vennam
Senior VP & CFO

Yes, Peter, not a lot. I mean at this point, part of our commodity inflation includes all of the tariff impact. It's in the tens of basis points as a percent of sales, which is in line with what we had indicated earlier. From a construction cost, I'd say we're still -- from the data we're seeing, it's in that mid-single-digit impact. No change there.

Operator

Next question is coming from Jon Tower from Citi.

Jon Tower
Citigroup Inc., Research Division

Maybe going back to the small plates that you're rolling out now and getting it done by January. I'm just curious, have you tested any media behind it? What's your intention behind doing that? Obviously, you're seeing a bit of negative mix now that you've rolled it out to some of the stores. So how are you thinking about communicating it to guests? And obviously, there could be some pressure on the business if you were to market it to them. So how are you thinking about the trade-off there?

Ricardo Cardenas
CEO, President & Director

Yes, Jon, currently, we're not expecting or we're not thinking about marketing it to our guests because it's doing pretty well on the menu the way it is, and it's driving a little bit more frequency and the guests should order it. And maybe the word of mouth from other guests will do that. But our plans right now don't include marketing it, but those could change.

Jon Tower
Citigroup Inc., Research Division

Okay. And is this something that will be available to delivery, so 1P, guests as well?

Ricardo Cardenas
CEO, President & Director

Yes. The way we think about 1P is if it's on our menu, it's probably available for delivery.

Jon Tower
Citigroup Inc., Research Division

Okay. Cool. And then just on the unit growth update, it's nice to see you guys taking up the numbers by another 5 potentially for the year. Can you just give us some color on where you're seeing those numbers or what brands it's coming from? And then is this just a pull forward from what you were thinking for fiscal '27?

Ricardo Cardenas
CEO, President & Director

Yes, Jon, we're talking about 5 restaurants, it's a couple of brands that are driving that. So without telling you exactly which one, because that can change throughout the year where we end up at the fiscal year, so we'd say 65 to 70. It isn't necessarily a pull forward from next year that doesn't get backfilled by other brands. So we don't anticipate that this year's growth a little bit ahead of plan will damper next year's, because our teams are out there working hard, going and finding sites and getting deals done faster than they had before.

And as you recall, in the June call, I said that we are farther along in development than any point in any June we've had in years. So we feel really good about it. And that team is still doing great work to get us more sites.

Operator

Next question is come from Jeff Farmer from Gordon Haskett.

Jeffrey Farmer
Gordon Haskett Research Advisors

With all the pushes and pulls, how are you guys thinking about the fiscal '26 restaurant level margin versus fiscal '25?

Rajesh Vennam
Senior VP & CFO

Jeff, I would just refer you back to the long-term framework, and we've talked about that we've put out at the beginning of the year, and we said we're focused on earnings after-tax margin of flat to positive 20 basis points. And I think our guidance still implies we're going to be in that range, give or take 10 basis points, but that's kind of how we look at it.

We don't want to get too bogged down on any one level of -- one line item. We manage the business holistically to get a good return to the investors. And I would encourage you all to look at it through that lens.

Jeffrey Farmer
Gordon Haskett Research Advisors

Okay. And then with your top line exceeding expectations for the second consecutive quarter, I appreciate that there's some incremental costs or greater than expected costs that you guys are incurring. But are there areas where you're increasing reinvestment relative to prior expectation with that better top line performance?

Ricardo Cardenas
CEO, President & Director

Yes, Jeff, we are making investments with these incremental sales and, primarily, it's in the lighter portion section on the Olive Garden menu, we are rolling out faster than we anticipated. We had originally expected to roll it out over the fiscal year and maybe even into next fiscal year, but it's doing so well. And the -- and delivery is doing so well, we just decided to keep going. And then we're also making big investments and still pricing below inflation.

Operator

Next question is coming from Dennis Geiger from UBS.

Dennis Geiger
UBS Investment Bank, Research Division

I just wanted to ask the latest on the operational efforts or the speed of service efforts. I know it's a longer-term initiative that you've touched on previously. But just any updates on the implementation of that or how you're thinking about the plan?

Ricardo Cardenas
CEO, President & Director

Yes, Dennis, every brand is implementing it a little differently depending on what they need to do. I would say that some brands are getting their speed up faster than other brands. But all brands are making some improvement. And again, this is going to take a lot of effort and a lot of time to convince a group of folks that they have to do something a little differently than they thought, and to help the teams understand that the guests want things faster.

And we don't really get a whole lot of complaints about being too fast, we get about being too slow. So those are the things that we have to keep doing. This is changing people's habits, and that takes a while, but we're seeing some improvement.

Dennis Geiger
UBS Investment Bank, Research Division

Great. Just to follow up on that. I know the genesis of the plan is to improve the customer experience, et cetera, more so than table turns, I believe. But an obvious benefit over time if this goes well, presumably, is your table turns move notably and maybe there's a traffic benefit that you see from this. Is that fair?

Ricardo Cardenas
CEO, President & Director

Absolutely. I think especially during peak times, if we can get speed better, then table turn should speed up and it would increase traffic during those times. But I think it will increase traffic long term anyway because people are getting the experience they want at the pace they want, and they'll come back more often.

Operator

Next question is coming from Andy Barish from Jefferies.

Andrew Barish

Jefferies LLC, Research Division

Could you give us just kind of a Cheddar's brand update? And not a lot of call out there, I imagine there's some pressure just given the success of some big bar and grill concepts right now. But just kind of where that stands and what you might look at as a key for more unit growth there.

Ricardo Cardenas

CEO, President & Director

Yes, Andy. Cheddar's is part of the Other segment. The Other segment also grew same-restaurant sales. And Cheddar's didn't disappoint, so they grew their same-restaurant sales as well. Even if other bar and grills are kind of out there talking a little bit more -- a lot more about value, Cheddar's is still doing what they do: providing great everyday experience with wow pricing.

The other thing that we've been able to do over the years is to significantly improve their operational turnover. So if you think about turnover when we bought Cheddar's, it was well, well above the industry average. And now it's below industry average. It's much closer to Darden averages for turnover. And that means a better experience.

And so we do believe that Cheddar's is one of those brands that I mentioned earlier that have high potential for growth. And what I would say is I want to remind everybody that we think that growing way too fast is an issue in the industry. So our growth rates for any of our brands won't exceed 10%. But for Cheddar's, this year is the year that they're kind of finalizing and building their pipeline, and so it might take a year or so before you start seeing a little bit more growth at Cheddar's.

Andrew Barish

Jefferies LLC, Research Division

Appreciate it. And then Raj, can you just go through -- I missed some of the Olive Garden, the components of same-store sales?

Rajesh Vennam
Senior VP & CFO

Sure, Andy. So the traffic was -- as we measure, was up 1.7%. Catering was another 1.1%, so I'd say really the traffic growth was 2.8%. And then the check was 2.6%. Yes. And then -- not check, sorry, pricing. Pricing was 2.6%. So if you look at it through that lens of 2.8%, then the implied check would be 1.9%.

Operator

Next question today is coming from Chris O'Cull from Stifel.

Christopher O'Cull
Stifel, Nicolaus & Company, Incorporated, Research Division

Rick, is there a plan to take the smaller portion approach with any of the other brands?

Ricardo Cardenas
CEO, President & Director

We do have another brand testing smaller portions of current menu items, but they're doing it in a different way and not as many items. So there are some brands that lead to being able to do different kind of portions based on the protein, and so other brands already have it. So you think about LongHorn has different sizes for some steaks, they're testing a little bit more, they have different sizes for their chicken tenders, so does Cheddar's, I believe. So we do have other brands doing it, but not at the same way. We don't have a separate section on the menu for it.

Christopher O'Cull
Stifel, Nicolaus & Company, Incorporated, Research Division

Okay. And then just based on the company's research on GLP-1 usage, do you see a need to make any additional changes beyond the smaller portions to kind of accommodate these consumers?

Ricardo Cardenas
CEO, President & Director

We're continuing to monitor the usage and the impact on eating and drinking. It's impacting drinking more than it's impacting eating, especially in our kind of brands. The data that we see is they're basically pulling back on some restaurant visits, but more so limited service.

That said, the lighter portion section is helpful for that. But we aren't doing the lighter portion just for GLP-1. We're doing it to give all of our guests more options. It just so happens to benefit the consumers that might want smaller portions that are on GLP-1 medications. And we have a lot of options like that in all of our menus.

Operator

Next question is coming from Andrew Strelzik from BMO Capital Markets.

Andrew Strelzik
BMO Capital Markets Equity Research

I wanted to ask about your comments that the Olive Garden delivery was tracking with the broader off-premise business. Does that surprise you at all? I mean it's supposed to be a different guest that's as incremental as it is earlier in the life cycle. Just kind of curious for your perspective on that.

Ricardo Cardenas
CEO, President & Director

No, Andrew, it doesn't surprise us. They're more similar to off-premise guests than on-premise guests. So if you think about Olive Garden and the percent of sales they do with to-go, and you look at the ratio of what they do off-premise versus delivery, then I would expect that same ratio to happen with other brands, because they are more similar. Our off-premise guests that are not delivery are also a little bit higher frequency than on-premise guests. These are just the delivery guests are even higher frequency. So it wasn't surprising that the same kind of mix happened at other brands.

Andrew Strelzik
BMO Capital Markets Equity Research

Okay. All right. And then just curious on the change in CapEx guide. Is that all the new units? And with the updated new unit guide, you're close to the low end of your updated range? What's the realistic time line to start pushing kind of higher -- towards the higher end of that range?

Rajesh Vennam
Senior VP & CFO

Well, so let's start with the CapEx part of it. So CapEx is really a function of some of the openings happening sooner than we planned at the beginning of the year. And again, kudos to the team for doing a great job on that. But it's also a function of what we're -- as we fill up the pipeline for next year, because the spending this year happens for some of the restaurants opening, especially in the front half of next year. So we feel good about the pipeline.

We just updated our framework to reflect 3% to 4% unit growth contribution from new units. And we think we're going to be in that range based on what we provided here.

Operator

Next question is coming from Danilo Gargiulo from Bernstein.

Danilo Gargiulo
Sanford C. Bernstein & Co., LLC., Research Division

Stepping back and looking at the long term, you have been outperforming the industry for quite some time. And I was wondering if you were to decompose this outperformance versus the industry, which consumer cohorts are you winning the most? And I don't mean just by income level, but also maybe occasions, age. And as you're maturing your brands, how do you see this outperformance to continue?

Ricardo Cardenas
CEO, President & Director

Yes, Danilo, I would say that granularity of data on where we're outperforming more is a little bit harder to get because we don't know where other parts of the industry are getting their guests. We do know that we've had, over the last couple of years, a little bit better performance in our higher-income consumer than not. But I would say during COVID, we had a great performance in our lower-income consumer.

So it's really hard to say where we're getting the outperformance versus the industry. I can just tell you we've got a great portfolio of brands that meet all the different consumer needs. And so if a higher-income consumer is feeling great, we've got great brands for them. If lower-income consumer is feeling great, we've got great brands for them. So that's the beauty of our portfolio and that's what makes us pretty different than most.

Danilo Gargiulo
Sanford C. Bernstein & Co., LLC., Research Division

And then I want to follow up on your comment on GLP-1. Specifically, I think your brands have enough flexibility within your menu to offer different options for consumers and solve different needs. I was wondering if you can comment also on how the spending behavior is changing, not just on the alcohol mix, but also on the eating behavior, whether you see like a greater mix of protein, fewer desserts and sides. And what's your best estimate on how this is going to be evolving over time? And how it will be impacting the overall spending behavior in the industry?

Ricardo Cardenas
CEO, President & Director

I would say the only real big change in mix that we're seeing is in alcohol sales, and we've been seeing that for a little while. And you can see that more in the Fine Dining brands and the Other brands. We're not seeing a dramatic -- we are seeing a little bit of mix in appetizers and desserts, probably from some folks that are on GLP-1 drugs. Because I think when people get on GLP-1s, they also want to try to change their lifestyle and they want to eat a little less fried food. And if you think about most restaurants, appetizers are fried. So that could be part of it.

But we've got a broad menu, and we are going to continue to monitor what's going on with folks on GLP-1 drugs. We believe we have great brands that have a lot of protein, which is something that GLP-1 users want. And I would say we've got a great brand that was designed 20 years ago that is in the sweet spot of GLP-1s, that's Seasons 52. So we've got a lot of things that we can offer folks on those medications and anybody else. So I don't want to focus just on GLP-1 users. We've got a broad portfolio that can serve any guest needs.

Operator

Next question is coming from Gregory Francfort from Guggenheim.

Gregory Francfort
Guggenheim Securities, LLC, Research Division

Raj, can you just maybe give us an update on where turnover sits either for Olive Garden or your total system for labor? And do you think we're in a different environment now than we were over the last few years? And what that might look like going forward?

Rajesh Vennam

Senior VP & CFO

Greg, I would just say the turnover is actually pretty low. We continue to be better year-over-year. I think we're still trending probably double-digit increase versus prior year from a turnover -- essentially lower turnover. And so I think for most of our brands, we're probably -- this is like a record low, yes. And so from that perspective, we feel really good about that environment.

And I think the other factor I'll mention is our hourly wage rate -- inflation on the hourly wage was about 3%. This is kind of lower than what we saw even before COVID. We used to be in the mid-3s. So to be around 3% tells you that the labor environment is actually pretty solid for us.

Operator

Our next question is coming from Brian Vaccaro from Raymond James.

Brian Vaccaro

Raymond James & Associates, Inc., Research Division

I just had a question on Olive Garden. And Rick, you spoke to the strength of Never Ending Pasta. I was just curious, was the sales mix up on NEP year-on-year? And are you seeing any changes in the mix, kind of the entry-level price point versus the higher tiers? And could you comment also just on the lighter portions? I think the sales mix was running mid-single digits last time we heard. Have you seen that increase the longer it's been in the market?

Ricardo Cardenas

CEO, President & Director

Yes, Brian, I would start with the Never Ending Pasta Bowl. We did see a little bit more mix to Never Ending Pasta Bowl, so a little bit more preference in it. We did see a much stronger refill rate. I think we had a record refill rate potentially. And we did see a little bit fewer buy-ups to the higher protein -- the more protein. But it could be because we've got more guests coming in and because the refills were so high, they were getting great value.

In regards to the lighter portion menu, still about -- still somewhere 1.5%, but we're around. So it could be up 10 basis points, down 10 basis points here or there. As we talk about frequency growing, it's going to take a while for that frequency to really make a meaningful impact in that mix. And we feel good about that mix.

Brian Vaccaro
Raymond James & Associates, Inc., Research Division

All right. That's helpful. And then Raj, just a quick one on G&A, if I could. It came in lower than we were expecting here in the current quarter. I know there's quarter-to-quarter volatility. But could you just give a quick update on what -- where you see G&A shaking out within your fiscal '26 guidance?

Rajesh Vennam
Senior VP & CFO

Yes, Brian, I'd say we're still probably around -- when we look at the full year, probably going to be still close to $500 million. Q4 is probably $15 million to $20 million higher than Q3. Part of it is because of the 53rd week and some seasonal stuff. But really no change to the total guidance for G&A.

Operator

Next question is coming from Jim Sanderson from Northcoast Research.

James Sanderson
Northcoast Research Partners, LLC

Just wanted to follow up on the lighter portions at Olive Garden. Anything to call out that's notable about the demographics of the consumer that is purchasing this light portion, whether by gender, household income, daypart, anything like that?

Ricardo Cardenas
CEO, President & Director

Jim, we're still doing some more work on that. You think about -- we haven't had it in all the restaurants, and we're talking about 1.5% of sales. So if you think about the number of tokens we have for that, it's going to take us a little bit of time to get that work.

James Sanderson
Northcoast Research Partners, LLC

All right. And just another quick follow-up. Anything to comment on with respect to holiday bookings? Are they exceeding your expectations for the current time frame, maybe in line? Just anything you would provide as a test on how the consumer is behaving.

Ricardo Cardenas
CEO, President & Director

Yes, Jim, two things. One, in regards to Thanksgiving, which was already happened, we had record Thanksgivings in our Fine Dining brands, our reservation brand, and our holiday bookings are strong.

Operator

Next question today is coming from John Ivankoe from JPMorgan.

John Ivankoe
JPMorgan Chase & Co, Research Division

So the question is on immigration broadly, and I was hoping we could touch on a couple of maybe related topics to that. Firstly, I heard the comments, obviously, that labor inflation is now running lower than even it was pre-COVID. So that must mean that your supply of labor overall is very good. But I wonder if there's anything happening kind of below the surface that maybe in certain restaurants, certain pockets that labor markets have kind of turned over, but you've just been able to replace the people that perhaps would have left or maybe gotten competed away? So that's kind of the first question.

And then secondly, make a comment, if you can, in terms of pockets of demand. I think I remember you're using the word that there may have been some ripples of kind of demand being affected in various markets. So I wanted to see if there was a change there.

And then the third point, there's a comment made on beef packers that maybe were constraining some supply. I wonder -- and this just actually came into mind when you said that, if there may be kind of an immigrant worker situation on the packer side, if that could potentially be a leading indicator for other types of industry. So just overall your view on those broadly important topics.

Ricardo Cardenas
CEO, President & Director

Jim, thanks. I'll try to get those answers and maybe Raj can jump in too. On the immigration front, on our team members, we really haven't seen anything material on any restaurants turning all of their team members for those reasons. As we mentioned, we've got record retention. So there might be a restaurant or two that had a few folks, but it's not something that we're too worried about.

In regards to the packer situation, we can't comment on what's going on and why there might be some supply constraints. I don't think it's necessarily driven by labor, although one supplier did close one of their plants. I don't know if that was a labor issue or not. They didn't comment on why.

And then Raj can talk about the sales impact for us.

Rajesh Vennam
Senior VP & CFO

Yes. From a regional difference, John, I'd say for the quarter, when we look at second quarter, Midwest was our strongest growth. And then I think we had -- we saw actually softness in sales in New England area, and then Pacific Northwest. Other than that, most others were pretty close to the median. Even Florida and Texas, which were lagging, were actually -- were still below the company average, but they were a little bit closer to the company average than they were a quarter ago.

Operator

Next question is coming from Christine Cho from Goldman Sachs.

Hyun Jin Cho
Goldman Sachs Group, Inc., Research Division

Follow-up to the earlier question, the Casual Dining outperformance. With many other segments kind of playing catch-up on value, could you kind of talk about your plans to better communicate value to consumers? Any new or expanded marketing approaches you are planning for the back half? And additionally, I think, Rick, you mentioned that you have no imminent plans to market the lower portion size menus. But what will make you change your mind?

Ricardo Cardenas
CEO, President & Director

Yes, Christine, competitively, I don't want to get into too much detail about our plans, especially for each brand. We're disciplined and we remain committed to our marketing filters. And as you all remember, the marketing filters, does the message build brand equity? Is it simple to execute and not at a deep discount?

And so we're going to continue to pull the right levers like we did with Never Ending Pasta Bowl, Oktoberfest at Yard House, the 3-course menu at Ruth's Chris, Wagyu & Wine at Capital Grille. Those are all things that elevate everything we talk about without a deep discount. When you look at our promotional calendar last year for the back half, I wouldn't anticipate it's going to be significantly different than that.

Now on the lighter portion menu and marketing, yes, right now, we have no plans to do it. If that changes, we'll have to find the right way to communicate it. But it will have to be something that we feel like we've got a great way to communicate it to explain what it is for consumers that don't really know that section of the menu. But I think that there's a better way to do that, which is just let the consumer tell their friends. And so right now, we don't have plans to do it. But if that changes, it's because Olive Garden came up with a great way to talk about it.

Operator

We reached the end of our question-and-answer session. I'd like to turn the floor back over for any further or closing comments.

Courtney Aquilla

That concludes our call. I want to remind you that we plan to release third quarter results on Thursday, March 19, before the market opens with a conference call to follow. Thank you for participating on today's call, and happy holidays, everyone.

Operator

Thank you. That does conclude today's teleconference and webcast. You may disconnect your lines at this time, and have a wonderful day. We thank you for your participation today.

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