

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 001-37425

WINGSTOP INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

47-3494862

(IRS Employer Identification No.)

5501 LBJ Freeway, 5th Floor,
Dallas, Texas

(Address of principal executive offices)

75240

(Zip Code)

(972) 686-6500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Larger accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

On November 3, 2017 there were 29,094,967 shares of common stock outstanding.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

WINGSTOP INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(amounts in thousands, except share and per share amounts)

	September 30, 2017 (Unaudited)	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	\$ 4,589	\$ 3,750
Accounts receivable, net	4,641	3,199
Prepaid expenses and other current assets	3,305	1,634
Advertising fund assets, restricted	4,674	2,533
Total current assets	17,209	11,116
Property and equipment, net	5,681	4,999
Goodwill	46,557	45,128
Trademarks	32,700	32,700
Customer relationships, net	15,904	16,914
Other non-current assets	3,073	943
Total assets	\$ 121,124	\$ 111,800
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable	\$ 2,149	\$ 1,458
Other current liabilities	9,024	9,241
Current portion of debt	3,500	3,500
Advertising fund liabilities, restricted	4,674	2,533
Total current liabilities	19,347	16,732
Long-term debt, net	136,685	147,217
Deferred revenues, net of current	8,545	7,868
Deferred income tax liabilities, net	12,039	12,304
Other non-current liabilities	2,182	2,307
Total liabilities	178,798	186,428
Commitments and contingencies (see note 7)		
Stockholders' deficit		
Common stock, \$0.01 par value; 100,000,000 shares authorized; 29,093,736 and 28,747,392 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	291	287
Additional paid-in-capital	1,337	1,194
Accumulated deficit	(59,302)	(76,109)
Total stockholders' deficit	(57,674)	(74,628)
Total liabilities and stockholders' deficit	\$ 121,124	\$ 111,800

See accompanying notes to consolidated financial statements.

WINGSTOP INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(amounts in thousands, except per share data)
(Unaudited)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
Revenue:				
Royalty revenue and franchise fees	\$ 16,354	\$ 13,660	\$ 50,204	\$ 41,463
Company-owned restaurant sales	9,672	8,150	27,063	25,144
Total revenue	<u>26,026</u>	<u>21,810</u>	<u>77,267</u>	<u>66,607</u>
Costs and expenses:				
Cost of sales ⁽¹⁾	7,823	6,091	21,290	18,352
Selling, general and administrative	8,144	8,893	26,694	25,120
Depreciation and amortization	881	746	2,407	2,187
Total costs and expenses	<u>16,848</u>	<u>15,730</u>	<u>50,391</u>	<u>45,659</u>
Operating income	9,178	6,080	26,876	20,948
Interest expense, net	1,302	1,390	3,908	2,858
Other expense, net	—	216	—	254
Income before income tax expense	7,876	4,474	22,968	17,836
Income tax expense	2,864	1,721	6,161	6,714
Net income	<u>\$ 5,012</u>	<u>\$ 2,753</u>	<u>\$ 16,807</u>	<u>\$ 11,122</u>
Earnings per share				
Basic	\$ 0.17	\$ 0.10	\$ 0.58	\$ 0.39
Diluted	\$ 0.17	\$ 0.09	\$ 0.57	\$ 0.38
Weighted average shares outstanding				
Basic	29,081	28,725	29,003	28,652
Diluted	29,384	29,014	29,362	28,991
Dividends per share	\$ 0.07	\$ 2.90	\$ 0.07	\$ 2.90

⁽¹⁾ exclusive of depreciation and amortization, shown separately

See accompanying notes to consolidated financial statements.

WINGSTOP INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(amounts in thousands)
(Unaudited)

	Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016
Operating activities		
Net income	\$ 16,807	\$ 11,122
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	2,407	2,187
Deferred income taxes	(265)	(68)
Stock-based compensation expense	894	392
Amortization of debt issuance costs	219	357
Changes in operating assets and liabilities:		
Accounts receivable	(1,442)	875
Prepaid expenses and other assets	(951)	(98)
Accounts payable and other current liabilities	(331)	961
Deferred revenue	769	201
Other non-current liabilities	(127)	169
Cash provided by operating activities	<u>17,980</u>	<u>16,098</u>
Investing activities		
Purchases of property and equipment	(1,834)	(1,471)
Acquisition of restaurants from franchisees	(3,949)	—
Cash used in investing activities	<u>(5,783)</u>	<u>(1,471)</u>
Financing activities		
Proceeds from exercise of stock options	1,301	459
Borrowings of long-term debt	3,500	165,000
Repayments of long-term debt	(14,125)	(102,500)
Payment of deferred financing costs	—	(1,180)
Dividends paid	(2,034)	(83,268)
Cash used in financing activities	<u>(11,358)</u>	<u>(21,489)</u>
Net change in cash and cash equivalents	839	(6,862)
Cash and cash equivalents at beginning of period	3,750	10,690
Cash and cash equivalents at end of period	<u>\$ 4,589</u>	<u>\$ 3,828</u>

See accompanying notes to consolidated financial statements.

WINGSTOP INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

(1) Basis of Presentation

Basis of Presentation

Wingstop Inc. ("Wingstop" or the "Company"), through its primary operating subsidiary, Wingstop Restaurants Inc. ("WRI"), collectively referred to as the "Company", is in the business of franchising and operating Wingstop restaurants. As of September 30, 2017, 971 franchised restaurants were in operation domestically, and 94 international franchised restaurants were in operation across seven countries. As of September 30, 2017, the Company owned and operated 23 restaurants.

The accompanying unaudited consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Consequently, financial information and disclosures normally included in financial statements prepared annually in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted. Balance sheet amounts are as of September 30, 2017 and December 31, 2016 and operating results are for the thirteen and thirty-nine weeks ended September 30, 2017 and September 24, 2016.

In the Company's opinion, all necessary adjustments have been made for the fair presentation of the results of the interim periods presented. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying interim unaudited consolidated financial statements should be read in conjunction with the audited financial statements and the related notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2016.

The Company uses a 52/53-week fiscal year that ends on the last Saturday of the calendar year. Fiscal years 2017 and 2016 have 52 weeks and 53 weeks, respectively.

Advertising Fund

The Company administers the Wingstop Restaurants Advertising Fund ("Ad Fund"), which is used for various forms of advertising for the Wingstop brand. The revenues, expenses and cash flows of the Ad Fund are not included in the Consolidated Statements of Operations or Consolidated Statements of Cash Flows because the Company does not have complete discretion over the usage of the funds. Beginning in fiscal year 2017, in conjunction with the launch of national advertising, the advertising fund contribution collected from Wingstop restaurant franchisees and WRI-owned restaurants increased from 2% to 3% of gross sales. This change is not an increase to the existing 4% of the restaurants' gross sales that has historically been required to be spent on advertising according to our franchise agreement, but rather a reallocation of the types of advertising on which the 4% advertising fee will be spent. For the thirty-nine weeks ended September 30, 2017 and September 24, 2016 the Company made discretionary contributions to the Ad Fund totaling \$4.8 million and \$1.7 million, respectively, for the purpose of supplementing the national advertising campaign, which were included in Selling, general & administrative ("SG&A") expenses in the Consolidated Statements of Operations.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This update provides a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update is effective for annual and interim periods beginning after December 15, 2017 with early adoption permitted in fiscal year 2017. The Company will adopt this new guidance in fiscal year 2018 and expects to use the full retrospective transition method, which will result in restating each prior reporting period presented, fiscal years 2016 and 2017, in the year of adoption, as well as a cumulative effect adjustment to the opening balance of Accumulated Deficit as of the first day of fiscal year 2016.

Based on a preliminary assessment, the Company believes the recognition of the majority of its revenues, including ongoing royalty fee revenues, which are based on a percentage of franchise sales, and revenues from Company-owned stores, will not be affected by the new guidance. The Company expects the adoption of the new guidance to change the timing of recognition of initial franchise fees, including development and territory fees for our international business, and renewal fees. Currently, these fees are generally

WINGSTOP INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

recognized upfront upon either opening of the respective restaurant or when a renewal agreement becomes effective. The new guidance will generally require these fees to be recognized over the term of the related franchise license for the respective restaurant.

The Company also expects the adoption of this new guidance to change the reporting of advertising fund contributions from franchisees and the related advertising fund expenditures, which are not currently included in the consolidated statements of operations. Under the new guidance, the Company expects advertising fund contributions and expenditures to be reported on a gross basis in the consolidated statements of operations. Although we expect this change to have a material impact to our total revenues and expenses, we expect such contributions and expenditures to be largely offsetting and not to materially impact our reported net income.

Although the majority of the assessment phase is complete, the Company continues to evaluate the impact the adoption of this new guidance will have on these and other revenue transactions, in addition to the impact on accounting policies and related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will be effective beginning in the first quarter of 2019. Early adoption of ASU 2016-02 as of its issuance is permitted. This new guidance requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company is currently evaluating the impact of adopting this new guidance on the consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which was issued to simplify accounting for several aspects of share-based payment transactions, including the income tax impact, classification on the statement of cash flows and forfeitures.

The Company adopted this new standard on January 1, 2017.

As a result, the recognition of excess tax benefits are reflected in our provision for income taxes in the Consolidated Statements of Operations rather than Stockholders' deficit in the Consolidated Balance Sheet for all periods after fiscal year 2016. This provision was required to be applied prospectively. For the thirteen and thirty-nine weeks ended September 30, 2017, we recognized \$0.1 million and \$2.5 million, respectively, of excess tax benefits in income tax expense in the Consolidated Statements of Operations.

Excess tax benefits are now reported in cash flows from operating activities rather than cash flows from financing activities in the Consolidated Statement of Cash Flows. We elected to apply this change in presentation retrospectively, and thus, prior periods have been adjusted, resulting in an increase to cash provided by operating activities and cash used in financing activities of \$1.0 million for the thirty-nine weeks ended September 24, 2016.

This new standard allows entities to make an accounting policy election to either estimate the number of equity awards that are expected to vest, as previously required, or account for forfeitures when they occur. We have elected to recognize forfeitures in the period they occur. This change in accounting policy did not result in a material impact to the Consolidated Statements of Operations.

(2) Earnings per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the reporting period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. For the calculation of diluted earnings per share, the basic weighted average number of shares is increased by the dilutive effect of stock options and restricted stock units, determined using the treasury stock method.

Basic weighted average shares outstanding is reconciled to diluted weighted average shares outstanding as follows (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
Basic weighted average shares outstanding	29,081	28,725	29,003	28,652
Dilutive shares	303	289	359	339
Diluted weighted average shares outstanding	29,384	29,014	29,362	28,991

WINGSTOP INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

For the thirteen weeks ended September 30, 2017 and September 24, 2016, respectively, approximately 3,000 and 5,000 equity awards were excluded from the dilutive earnings per share calculation because the effect would have been anti-dilutive.

For the thirty-nine weeks ended September 30, 2017 and September 24, 2016, respectively, approximately 11,000 and 5,000 equity awards were excluded from the dilutive earnings per share calculation because the effect would have been anti-dilutive.

(3) Dividends

On August 3, 2017, the Company's Board of Directors declared a quarterly dividend of \$0.07 per share of common stock for shareholders of record as of September 3, 2017, which was paid on September 18, 2017, totaling \$2.0 million.

Subsequent to the third quarter, on November 2, 2017, the Company's Board of Directors declared a quarterly dividend of \$0.07 per share of common stock for shareholders of record as of December 4, 2017, to be paid on December 19, 2017, totaling approximately \$2.0 million.

(4) Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. Assets and liabilities are classified using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 — Unadjusted quoted prices for identical instruments traded in active markets.

Level 2 — Observable market-based inputs or unobservable inputs corroborated by market data.

Level 3 — Unobservable inputs reflecting management's estimates and assumptions.

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their short-term nature. Fair value of debt is determined on a non-recurring basis, which results are summarized as follows (in thousands):

	Fair Value Hierarchy	September 30, 2017		December 31, 2016	
		Carrying Value ⁽²⁾	Fair Value	Carrying Value ⁽²⁾	Fair Value
Senior Secured Credit Facility:					
Term loan facility ⁽¹⁾	Level 2	\$ 65,625	\$ 65,625	\$ 68,250	\$ 68,250
Revolving credit facility ⁽¹⁾	Level 2	\$ 75,000	\$ 75,000	\$ 83,000	\$ 83,000

⁽¹⁾ The fair value of long-term debt was estimated using available market information.

⁽²⁾ Excluding issuance costs netted on the Balance Sheet.

The Company also measures certain non-financial assets at fair value on a non-recurring basis, primarily long-lived assets, intangible assets and goodwill, in connection with our periodic evaluations of such assets for potential impairment.

(5) Income Taxes

Income tax expense and the effective tax rate were \$2.9 million and 36.4%, respectively, for the thirteen weeks ended September 30, 2017, and \$1.7 million and 38.5%, respectively, for the thirteen weeks ended September 24, 2016. Income tax expense and the effective tax rate were \$6.2 million and 26.8%, respectively, for the thirty-nine weeks ended September 30, 2017, and \$6.7 million and 37.6%, respectively, for the thirty-nine weeks ended September 24, 2016.

Income tax expense for the thirteen and thirty-nine weeks ended September 30, 2017 includes \$0.1 million and \$2.5 million in tax benefits, respectively, resulting from the recognition of excess tax benefits from share-based compensation in income tax expense rather than paid-in capital due to the adoption of ASU 2016-09, which resulted in a lower effective tax rate for the thirteen and thirty-nine weeks ended September 30, 2017 compared to the prior year period.

(6) Debt Obligations

The senior secured credit facility consists of a term loan facility in an aggregate amount of \$70.0 million and a revolving credit facility up to an aggregate amount of \$110.0 million. As of September 30, 2017, the term loan facility and the revolving credit facility had outstanding balances of \$65.6 million and \$75.0 million, respectively, bearing interest at 3.33%.

WINGSTOP INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

In 2017, the Company made payments of \$11.5 million and \$2.6 million on the outstanding principal balance of its revolving credit facility and term loan facility, respectively, and borrowings on its revolving credit facility of \$3.5 million.

The senior secured credit facility is secured by substantially all assets of the Company and requires compliance with certain financial and non-financial covenants. As of September 30, 2017, the Company was in compliance with all covenants.

As of September 30, 2017, the scheduled principal payments on debt were as follows (in thousands):

Remainder of fiscal year 2017	\$	875
Fiscal year 2018		3,500
Fiscal year 2019		2,625
Fiscal year 2020		3,500
Fiscal year 2021		130,125
Total	\$	<u>140,625</u>

(7) Commitments and Contingencies

WRI leases certain office and retail space and equipment under non-cancelable operating leases with terms expiring at various dates through July 2032.

A schedule of future minimum rental payments required under our operating leases, excluding contingent rent, that have initial or remaining non-cancelable lease terms in excess of one year, as of September 30, 2017, is as follows (in thousands):

Remainder of fiscal year 2017	\$	446
Fiscal year 2018		1,783
Fiscal year 2019		1,561
Fiscal year 2020		1,436
Fiscal year 2021		1,282
Fiscal year 2022		1,226
Thereafter		4,038
Total	\$	<u>11,772</u>

Rent expense under cancelable and non-cancelable leases was \$508,000 and \$479,000 for the thirteen weeks ended September 30, 2017 and September 24, 2016, respectively, and \$1.5 million and \$1.4 million for the thirty-nine weeks ended September 30, 2017 and September 24, 2016, respectively.

The Company is subject to legal proceedings, claims and liabilities, such as employment-related claims and premises-liability cases, which arise in the ordinary course of business and are generally covered by insurance. In the opinion of management, the amount of ultimate liability with respect to those actions should not have a material adverse impact on the Company's financial position, results of operations or cash flows.

WINGSTOP INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

(8) Stock-Based Compensation

Stock-based compensation is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the requisite employee service period (generally the vesting period of the grant). The Company recognized \$0.9 million in stock compensation expense for the thirty-nine weeks ended September 30, 2017, with a corresponding increase to additional paid-in-capital. Stock compensation expense is included in SG&A in the Consolidated Statements of Operations.

Stock Options

The following table summarizes stock option activity (in thousands, except per share data):

	Stock Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Term
Outstanding - December 31, 2016	855	\$ 5.14	\$ 20,905	6.8
Granted	—	\$ —		
Exercised	(325)	\$ 4.00		
Canceled	(109)	\$ 7.12		
Outstanding - September 30, 2017	421	\$ 5.52	\$ 11,679	5.9

The total grant-date fair value of stock options vested during the thirty-nine weeks ended September 30, 2017 was \$1.0 million. The total intrinsic value of stock options exercised during the thirty-nine weeks ended September 30, 2017 was \$8.1 million. As of September 30, 2017, total unrecognized compensation expense related to unvested stock options was \$1.1 million, which is expected to be recognized over a weighted-average period of 1.7 years.

Restricted Stock Units and Performance Stock Units

The following table summarizes activity related to restricted stock units and performance stock units (in thousands, except per share data):

	Restricted Stock Units	Weighted Average Grant Date Fair Value	Performance Stock Units	Weighted Average Grant Date Fair Value
Outstanding - December 31, 2016	—	\$ —	—	\$ —
Granted	105	27.02	94	27.52
Released	—	—	—	—
Canceled	(11)	26.30	(8)	26.30
Outstanding - September 30, 2017	94	\$ 27.10	86	\$ 27.63

The fair value of restricted stock units and performance stock units are based on the closing market price of the stock on the date of grant. The restricted stock units granted during the thirty-nine weeks ended September 30, 2017 vest over a three year service period. As of September 30, 2017, total unrecognized compensation expense related to unvested restricted stock units was \$2.1 million, which is expected to be recognized over a weighted-average period of 2.4 years.

The performance stock units vest based on the outcome of certain performance criteria. For performance stock units granted during the thirty-nine weeks ended September 30, 2017, the amount of units that can be earned range from 0% to 100% of the number of performance awards granted, based on the achievement of certain adjusted EBITDA targets, as defined by the plan, over a performance period of one to three years. The compensation expense related to the performance stock units is recognized over the vesting period when the achievement of the performance conditions become probable. As of September 30, 2017, total unrecognized compensation expense related to unvested performance stock units was \$1.8 million, which is expected to be recognized over a weighted-average period of 2.4 years.

Restricted Stock Awards

The Company granted 9,000 shares of restricted stock awards during the thirty-nine weeks ended September 30, 2017 with a weighted average grant date fair value of \$29.12. The fair value of the non-vested restricted stock awards is based on the closing price on the date of grant. As of September 30, 2017, total unrecognized compensation expense related to unvested restricted stock awards was \$0.4 million, which will be recognized over a weighted average period of approximately 2.4 years.

WINGSTOP INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

(9) Business Segments

The Franchise segment consists of domestic and international franchise restaurants, which represent the majority of our system-wide restaurants. As of September 30, 2017, the franchise operations segment consisted of 1,065 restaurants operated by Wingstop franchisees in the United States and seven countries outside of the United States as compared to 929 franchised restaurants in operation as of September 24, 2016. Franchise operations revenue consists primarily of franchise royalty revenue, sales of franchise and development fees, international territory fees, and other revenue.

As of September 30, 2017, the Company segment consisted of 23 company-owned restaurants, located in the United States, as compared to 20 company-owned restaurants as of September 24, 2016. Company restaurant sales are comprised of food and beverage sales at company-owned restaurants. Company restaurant expenses are operating expenses at company-owned restaurants and include food, beverage, labor, benefits, utilities, rent and other operating costs.

Information on segments and a reconciliation to income before taxes are as follows (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
Revenue:				
Franchise segment	\$ 16,354	\$ 13,660	\$ 50,204	\$ 41,463
Company segment	9,672	8,150	27,063	25,144
Total segment revenue	\$ 26,026	\$ 21,810	\$ 77,267	\$ 66,607
Segment Profit:				
Franchise segment	\$ 8,251	\$ 6,199	\$ 23,792	\$ 18,794
Company segment	927	1,236	3,084	4,211
Total segment profit	9,178	7,435	26,876	23,005
Corporate and other ⁽¹⁾	—	1,355	—	2,057
Interest expense, net	1,302	1,390	3,908	2,858
Other (income) expense, net	—	216	—	254
Income before taxes	\$ 7,876	\$ 4,474	\$ 22,968	\$ 17,836

⁽¹⁾ Corporate and other includes corporate related items not allocated to reportable segments and consists primarily of expenses associated with the refinancing of our credit agreement and our public offerings.

(10) Restaurant Acquisition

On July 16, 2017, the Company acquired two existing restaurants from a franchisee. The total purchase price was \$3.9 million and was paid in cash funded by operations and proceeds from our revolving credit facility. The results of operations of these locations are included in our Consolidated Statements of Operations as of the date of acquisition. The acquisition is accounted for as a business combination.

The following table summarizes the final allocation of the purchase price to the estimated fair values of assets acquired and liabilities assumed at the date of the acquisition, inclusive of adjustments made during the measurement period (in thousands):

	Final Purchase Price Allocation
Inventory	\$ 16
Property and equipment	183
Reacquired franchise rights	2,323
Goodwill	1,429
Gift card liability	(2)
Total purchase price	\$ 3,949

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Notes to Consolidated Financial Statements
(Unaudited)

The excess of the purchase price over the aggregate fair value of assets acquired was allocated to goodwill and is attributable to the benefits expected as a result of the acquisition, including sales and unit growth opportunities. As of September 30, 2017, \$1.4 million of the goodwill from the acquisition is expected to be deductible for federal income tax purposes.

Pro-forma financial information of the combined entities is not presented due to the immaterial impact of the financial results of the acquired restaurants on our consolidated financial statements.

The fair value measurement of tangible and intangible assets and liabilities as of the acquisition date is based on significant inputs not observed in the market and thus represents a Level 3 fair value measurement. Fair value measurements for reacquired franchise rights were determined using the income approach. Fair value measurements for property and equipment were determined using the cost approach.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes in Item 1 and with the audited consolidated financial statements and the related notes included in our annual report on Form 10-K. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Special Note Regarding Forward-Looking Statements" below and "Risk Factors" on page 15 of our annual report on Form 10-K. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

We operate on a 52 or 53 week fiscal year ending on the last Saturday of each calendar year. Our fiscal quarters are comprised of 13 weeks, with the exception of the fourth quarter of a 53 week year, which contains 14 weeks. Fiscal years 2017 and 2016 contain 52 weeks and 53 weeks, respectively.

Overview

Wingstop is a high-growth franchisor and operator of restaurants that offer cooked-to-order, hand-sauced and tossed chicken wings.

We believe we pioneered the concept of wings as a "center-of-the-plate" item for all of our meal occasions. While other concepts include wings as add-on menu items or focus on wings in a bar or sports-centric setting, we are singularly focused on wings, fries and sides, which generate approximately 92% of our system-wide sales.

We offer 11 bold, distinctive and craveable flavors on our bone-in and boneless chicken wings paired with fresh-cut, seasoned fries and sides made fresh daily. Our menu is highly-customizable for different dining occasions, and we believe it delivers a compelling value proposition for groups, families, and individuals. We have broad and growing consumer appeal anchored by a sought after core demographic of 18-34 year old Millennials, which we believe is a loyal consumer group that dines at fast casual restaurants more frequently.

Founded in 1994 in Garland, Texas, we have sold approximately 4 billion wings since our inception. Today, Wingstop is the largest fast casual chicken wings-focused restaurant chain in the world and has demonstrated strong, consistent growth. As of September 30, 2017, we had a total 1,088 restaurants across 42 states and eight countries in our system. Our restaurant base is 98% franchised, with 1,065 franchised locations (including 94 international locations) and 23 company-owned restaurants.

Key Performance Indicators

Key measures that we use in evaluating our restaurants and assessing our business include the following:

Number of restaurants. Management reviews the number of new restaurants, the number of closed restaurants, and the number of acquisitions and divestitures of restaurants to assess net new restaurant growth, system-wide sales, royalty and franchise fee revenue and company-owned restaurant sales.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
Domestic Franchised Activity:				
Beginning of period	946	831	901	767
Openings	28	31	79	96
Closures	(1)	—	(7)	(1)
Acquired by Company	(2)	—	(2)	—
Restaurants end of period	971	862	971	862
Domestic Company-Owned Activity:				
Beginning of period	21	20	21	19
Openings	—	—	—	1
Closures	—	—	—	—
Acquired from franchisees	2	—	2	—
Restaurants end of period	23	20	23	20
Total Domestic Restaurants	994	882	994	882
International Franchised Activity:				
Beginning of period	89	63	76	59
Openings	5	4	20	11
Closures	—	—	(2)	(3)
Restaurants end of period	94	67	94	67
Total System-wide Restaurants	1,088	949	1,088	949

System-wide sales. System-wide sales represents net sales for all of our company-owned and franchised restaurants, as reported by franchisees. While we do not record franchised restaurant sales as revenue, our royalty revenue is calculated based on a percentage of franchised restaurant sales, which generally range from 5.0% to 6.0% of gross sales net of discounts. This measure allows management to better assess changes in our royalty revenue, our overall store performance, the health of our brand and the strength of our market position relative to competitors. Our system-wide sales growth is driven by new restaurant openings as well as increases in same store sales.

Average unit volume (AUV). AUV consists of the average annual sales of all restaurants that have been open for a trailing 52-week period or longer. This measure is calculated by dividing sales during the applicable period for all restaurants being measured by the number of restaurants being measured. Domestic AUV includes revenue from both company-owned and franchised restaurants. AUV allows management to assess our company-owned and franchised restaurant economics. Changes in AUV are primarily driven by increases in same store sales and are also influenced by opening new restaurants.

Same store sales. Same store sales reflects the change in year-over-year sales for the same store base. We define the same store base to include those restaurants open for at least 52 full weeks. This measure highlights the performance of existing restaurants, while excluding the impact of new restaurant openings and closures. We review same store sales for company-owned restaurants as well as system-wide restaurants. Same store sales are driven by changes in transactions and average transaction size. Transaction size changes are driven by price changes or mix shifts from either a change in the number of items purchased or shifts into higher/lower priced categories of items.

Adjusted EBITDA. We define Adjusted EBITDA as net income before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for transaction costs, gains and losses on the disposal of assets, and stock-based compensation expense. Adjusted EBITDA may not be comparable to other similarly titled captions of other companies due to differences in methods of calculation. For a reconciliation of net income to EBITDA and Adjusted EBITDA see the table below. For further discussion of EBITDA and Adjusted EBITDA as non-GAAP measures and how we utilize them see footnote 2 below.

The following table sets forth our key performance indicators as well as our total revenue and net income for the thirteen and thirty-nine weeks ended September 30, 2017 and September 24, 2016 (dollars in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
Number of system-wide restaurants open at end of period	1,088	949	1,088	949
System-wide sales ⁽¹⁾	\$ 274,021	\$ 235,975	\$ 802,420	\$ 707,077
Domestic restaurant AUV	\$ 1,102	\$ 1,126	\$ 1,102	\$ 1,126
System-wide domestic same store sales growth	4.1%	4.1%	1.7%	3.9%
Company-owned domestic same store sales growth	5.5%	4.8%	0.5%	6.9%
Total revenue	\$ 26,026	\$ 21,810	\$ 77,267	\$ 66,607
Net income	\$ 5,012	\$ 2,753	\$ 16,807	\$ 11,122
Adjusted EBITDA ⁽²⁾	\$ 10,412	\$ 8,319	\$ 30,177	\$ 25,545

(1) The percentage of system-wide sales attributable to company-owned restaurants was 3.5% for both the thirteen weeks ended September 30, 2017 and September 24, 2016, and was 3.4% and 3.6% for the thirty-nine weeks ended September 30, 2017 and September 24, 2016, respectively. The remainder was generated by franchised restaurants, as reported by our franchisees.

(2) EBITDA and Adjusted EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with, U.S. GAAP. EBITDA and Adjusted EBITDA are not measurements of our financial performance under U.S. GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with U.S. GAAP, or as an alternative to cash flows from operating activities as a measure of our liquidity.

We define "EBITDA" as net income before interest expense, net, income tax expense, and depreciation and amortization. We define "Adjusted EBITDA" as EBITDA further adjusted for transaction costs, gains and losses on the disposal of assets and stock-based compensation expense. There were no gains and losses on disposal of assets during the thirteen and thirty-nine weeks ended September 30, 2017 and September 24, 2016. We caution investors that amounts presented in accordance with our definitions of EBITDA and Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors, because not all companies and analysts calculate EBITDA and Adjusted EBITDA in the same manner. We present EBITDA and Adjusted EBITDA because we consider them to be important supplemental measures of our performance and believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations. Many investors are interested in understanding the performance of our business by comparing our results from ongoing operations period over period and would ordinarily add back non-cash expenses such as depreciation and amortization, as well as items that are not part of normal day-to-day operations of our business.

Management uses EBITDA and Adjusted EBITDA:

- as a measurement of operating performance because they assist us in comparing the operating performance of our restaurants on a consistent basis, as they remove the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections;
- to evaluate the performance and effectiveness of our operational strategies;
- to evaluate our capacity to fund capital expenditures and expand our business; and
- to calculate incentive compensation payments for our employees, including assessing performance under our annual incentive compensation plan and determining the vesting of performance shares.

By providing these non-GAAP financial measures, together with a reconciliation to the most comparable GAAP measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors

in evaluating how well we are executing our strategic initiatives. Items excluded from these non-GAAP measures are significant components in understanding and assessing financial performance. In addition, the instruments governing our indebtedness use EBITDA (with additional adjustments) to measure our compliance with covenants such as fixed charge coverage, lease adjusted leverage and debt incurrence. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation, or as an alternative to, or a substitute for net income or other financial statement data presented in our consolidated financial statements as indicators of financial performance. Some of the limitations are:

- such measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- such measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- such measures do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Due to these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our U.S. GAAP results and using these non-GAAP measures only supplementally. As noted in the table below, Adjusted EBITDA includes adjustments for transaction costs, gains and losses on disposal of assets and stock-based compensation, among other items. It is reasonable to expect that these items will occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our restaurants and complicate comparisons of our internal operating results and operating results of other restaurant companies over time. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the reconciliation table below help management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the thirteen and thirty-nine weeks ended September 30, 2017 and September 24, 2016 (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
Net income	\$ 5,012	\$ 2,753	\$ 16,807	\$ 11,122
Interest expense, net	1,302	1,390	3,908	2,858
Income tax expense	2,864	1,721	6,161	6,714
Depreciation and amortization	881	746	2,407	2,187
EBITDA	\$ 10,059	\$ 6,610	\$ 29,283	\$ 22,881
Additional adjustments:				
Transaction costs ^(a)	—	1,570	—	2,272
Stock-based compensation expense ^(b)	353	139	894	392
Adjusted EBITDA	\$ 10,412	\$ 8,319	\$ 30,177	\$ 25,545

(a) Represents costs and expenses related to the refinancings of our credit agreement and our public offerings; all transaction costs are included in SG&A with the exception of \$215,000 that is included in Other expense, net during the thirteen and thirty-nine weeks ended September 24, 2016.

(b) Includes non-cash, stock-based compensation.

Results of Operations

Thirteen Weeks Ended September 30, 2017 compared to Thirteen Weeks Ended September 24, 2016

The following table sets forth our results of operations for the thirteen weeks ended September 30, 2017 and September 24, 2016 (in thousands):

	Thirteen Weeks Ended		Increase / (Decrease)	
	September 30, 2017	September 24, 2016	\$	%
Revenue:				
Royalty revenue and franchise fees	\$ 16,354	\$ 13,660	\$ 2,694	19.7%
Company-owned restaurant sales	9,672	8,150	1,522	18.7%
Total revenue	26,026	21,810	4,216	19.3%
Costs and expenses:				
Cost of sales ⁽¹⁾	7,823	6,091	1,732	28.4%
Selling, general and administrative	8,144	8,893	(749)	(8.4)%
Depreciation and amortization	881	746	135	18.1%
Total costs and expenses	16,848	15,730	1,118	7.1%
Operating income	9,178	6,080	3,098	51.0%
Interest expense, net	1,302	1,390	(88)	(6.3)%
Other expense, net	—	216	(216)	(100.0)%
Income before income tax expense	7,876	4,474	3,402	76.0%
Income tax expense	2,864	1,721	1,143	66.4%
Net income	\$ 5,012	\$ 2,753	\$ 2,259	82.1%

⁽¹⁾ Exclusive of depreciation and amortization, shown separately.

Total revenue. During the thirteen weeks ended September 30, 2017, total revenue was \$26.0 million, an increase of \$4.2 million, or 19.3%, compared to \$21.8 million in the comparable period in 2016.

Royalty revenue and franchise fees. During the thirteen weeks ended September 30, 2017, royalty revenue and franchise fees were \$16.4 million, an increase of \$2.7 million, or 19.7%, compared to \$13.7 million in the comparable period in 2016. Royalty revenue increased \$2.0 million due to an increase in the number of franchised restaurants from 929 at September 24, 2016 to 1,065 at September 30, 2017 and domestic same store sales growth of 4.1%. Other revenue increased \$0.7 million, primarily due to an increase in vendor rebates compared to the prior year period.

Company-owned restaurant sales. During the thirteen weeks ended September 30, 2017, company-owned restaurant sales were \$9.7 million, an increase of \$1.5 million, or 18.7%, compared to \$8.2 million in the comparable period in 2016. The increase is the result of the acquisition of two restaurants from a franchisee in the third quarter 2017 resulting in sales of \$0.8 million, company-owned domestic same store sales growth of 5.5%, primarily due to an increase in transaction counts, and the opening of one company-owned restaurant during December 2016.

Cost of sales. During the thirteen weeks ended September 30, 2017, cost of sales was \$7.8 million, an increase of \$1.7 million, or 28.4%, compared to \$6.1 million in the comparable period in 2016. Cost of sales as a percentage of company-owned restaurant sales was 80.9% in the quarter ended September 30, 2017 compared to 74.7% in the prior year.

The table below presents the major components of cost of sales (dollars in thousands):

	Thirteen Weeks Ended			
	September 30, 2017	As a % of company- owned restaurant sales	September 24, 2016	As a % of company- owned restaurant sales
Cost of sales:				
Food, beverage and packaging costs	\$ 4,136	42.8 %	\$ 2,932	36.0 %
Labor costs	2,295	23.7 %	1,934	23.7 %
Other restaurant operating expenses	1,634	16.9 %	1,438	17.6 %
Vendor rebates	(242)	(2.5)%	(213)	(2.6)%
Total cost of sales	\$ 7,823	80.9 %	\$ 6,091	74.7 %

Food, beverage and packaging costs as a percentage of company-owned restaurant sales were 42.8% in the thirteen weeks ended September 30, 2017 compared to 36.0% in the comparable period in 2016. The increase is primarily due to a 41.3% increase in commodities rates for bone-in chicken wings as compared to the prior year period.

Labor costs as a percentage of company-owned restaurant sales were 23.7% for the thirteen weeks ended September 30, 2017, comparable to the prior year period.

Other restaurant operating expenses as a percentage of company-owned restaurant sales were 16.9% for the thirteen weeks ended September 30, 2017 compared to 17.6% in the comparable period in 2016. The decrease as a percentage of company-owned restaurant sales is primarily due to our ability to leverage costs due to the company-owned domestic same store sales increase of 5.5%.

Selling, general and administrative. During the thirteen weeks ended September 30, 2017, SG&A expense was \$8.1 million, a decrease of \$0.7 million compared to \$8.9 million in the comparable period in 2016. The decrease in SG&A expense is due to a decrease in nonrecurring costs of \$1.4 million related to the refinancing of our credit agreement and subsequent dividend payout, which occurred in the third quarter of 2016. This decrease is partially offset by an increase in voluntary contributions made to the Company's advertising fund of \$0.3 million, as well as planned headcount additions and an increase in stock based compensation, as compared to the prior year period.

Depreciation and amortization. During the thirteen weeks ended September 30, 2017, depreciation expense was \$0.9 million, an increase of \$0.1 million, compared to \$0.7 million in the comparable period in 2016.

Interest expense, net. During the thirteen weeks ended September 30, 2017, interest expense was \$1.3 million, a decrease of \$0.1 million compared to \$1.4 million in the comparable period in 2016. The decrease is primarily due to a decrease in the principal amount of indebtedness as compared to the prior year period.

Income tax expense. Income tax expense was \$2.9 million in the thirteen weeks ended September 30, 2017, yielding an effective tax rate of 36.4%, compared to an effective tax rate of 38.5% in the prior year. The decrease in the effective tax rate is due to tax benefits of \$0.1 million resulting from the recognition of excess tax benefits from share-based compensation in income tax expense rather than paid-in capital as a result of the adoption of a new accounting standard.

Segment results. The following table sets forth our revenue and operating profit for each of our segments for the period presented (dollars in thousands):

	Thirteen Weeks Ended		Increase / (Decrease)	
	September 30, 2017	September 24, 2016	\$	%
Revenue:				
Franchise segment	\$ 16,354	\$ 13,660	\$ 2,694	19.7 %
Company segment	9,672	8,150	1,522	18.7 %
Total segment revenue	\$ 26,026	\$ 21,810	\$ 4,216	19.3 %
Segment Profit:				
Franchise segment	\$ 8,251	\$ 6,199	\$ 2,052	33.1 %
Company segment	927	1,236	(309)	(25.0)%
Total segment profit	\$ 9,178	\$ 7,435	\$ 1,743	23.4 %

Franchise segment. During the thirteen weeks ended September 30, 2017, franchise segment revenue was \$16.4 million, an increase of \$2.7 million, or 19.7%, compared to \$13.7 million in the comparable period in 2016. Royalty revenue increased \$2.0 million due to 136 net franchise restaurant openings since September 24, 2016 and domestic same store sales growth of 4.1%. Other revenue increased \$0.7 million, primarily due to an increase in vendor rebates compared to the prior year period.

During the thirteen weeks ended September 30, 2017, franchise segment profit was \$8.3 million, an increase of \$2.1 million, or 33.1%, compared to \$6.2 million in the comparable period in 2016 primarily due to the growth in revenue.

Company segment. During the thirteen weeks ended September 30, 2017, company-owned restaurant sales were \$9.7 million, an increase of \$1.5 million, or 18.7%, compared to \$8.2 million in the comparable period in 2016. The increase is the result of the acquisition of two restaurants from a franchisee in the third quarter 2017 resulting in sales of \$0.8 million, company-owned domestic same store sales growth of 5.5%, primarily due to an increase in transaction counts, and the opening of one company-owned restaurant during December 2016.

During the thirteen weeks ended September 30, 2017, company segment profit was \$0.9 million, a decrease of \$0.3 million, or 25.0%, compared to \$1.2 million in the comparable period in 2016. The decrease is primarily due to a 41.3% increase in the commodities rates for bone-in chicken wings, offset by leveraging of fixed costs due to the company-owned same store sales growth of 5.5%.

Thirty-Nine Weeks Ended September 30, 2017 compared to Thirty-Nine Weeks Ended September 24, 2016

The following table sets forth our results of operations for the thirty-nine weeks ended September 30, 2017 and September 24, 2016 (in thousands):

	Thirty-Nine Weeks Ended		Increase / (Decrease)	
	September 30, 2017	September 24, 2016	\$	%
Revenue:				
Royalty revenue and franchise fees	\$ 50,204	\$ 41,463	\$ 8,741	21.1 %
Company-owned restaurant sales	27,063	25,144	1,919	7.6 %
Total revenue	77,267	66,607	10,660	16.0 %
Costs and expenses:				
Cost of sales ⁽¹⁾	21,290	18,352	2,938	16.0 %
Selling, general and administrative	26,694	25,120	1,574	6.3 %
Depreciation and amortization	2,407	2,187	220	10.1 %
Total costs and expenses	50,391	45,659	4,732	10.4 %
Operating income	26,876	20,948	5,928	28.3 %
Interest expense, net	3,908	2,858	1,050	36.7 %
Other expense, net	—	254	(254)	(100.0)%
Income before income tax expense	22,968	17,836	5,132	28.8 %
Income tax expense	6,161	6,714	(553)	(8.2)%
Net income	\$ 16,807	\$ 11,122	\$ 5,685	51.1 %

⁽¹⁾ Exclusive of depreciation and amortization, shown separately.

Total revenue. During the thirty-nine weeks ended September 30, 2017, total revenue was \$77.3 million, an increase of \$10.7 million, or 16.0%, compared to \$66.6 million in the comparable period in 2016.

Royalty revenue and franchise fees. During the thirty-nine weeks ended September 30, 2017, royalty revenue and franchise fees were \$50.2 million, an increase of \$8.7 million, or 21.1%, compared to \$41.5 million in the comparable period in 2016. Royalty revenue increased \$5.3 million primarily due to an increase in the number of franchised restaurants from 929 at September 24, 2016 to 1,065 at September 30, 2017 and domestic same store sales growth of 1.7%. Other revenue increased \$3.4 million, primarily due to an increase in vendor rebates, including a one-time payment, based on system-wide volumes purchased in the prior year, received in conjunction with a new vendor agreement that was executed during the first quarter of 2017. The funding from this agreement will primarily be used to support our national advertising campaign. This increase was offset by \$1.1 million in vendor contributions received in the prior year period for the franchisee convention.

Company-owned restaurant sales. During the thirty-nine weeks ended September 30, 2017, company-owned restaurant sales were \$27.1 million, an increase of \$1.9 million, compared to \$25.1 million in the comparable period in 2016. The increase is primarily due to the acquisition of two restaurants from a franchisee during the third quarter 2017 resulting in sales of \$0.8 million, the opening of two company-owned restaurants during June and December 2016, and an increase in company-owned domestic same store sales of 0.5%, primarily due to an increase in transaction counts.

Cost of sales. During the thirty-nine weeks ended September 30, 2017, cost of sales was \$21.3 million, an increase of \$2.9 million, or 16.0%, compared to \$18.4 million in the comparable period in 2016. Cost of sales as a percentage of company-owned restaurant sales was 78.7% in the thirty-nine weeks ended September 30, 2017 compared to 73.0% in the prior year.

The table below presents the major components of cost of sales (dollars in thousands):

	Thirty-Nine Weeks Ended			
	September 30, 2017	As a % of company- owned restaurant sales	September 24, 2016	As a % of company- owned restaurant sales
Cost of sales:				
Food, beverage and packaging costs	\$ 11,002	40.7 %	\$ 9,357	37.2 %
Labor costs	6,535	24.1 %	5,541	22.0 %
Other restaurant operating expenses	4,431	16.4 %	4,194	16.7 %
Vendor rebates	(678)	(2.5)%	(740)	(2.9)%
Total cost of sales	<u>\$ 21,290</u>	<u>78.7 %</u>	<u>\$ 18,352</u>	<u>73.0 %</u>

Food, beverage and packaging costs as a percentage of company-owned restaurant sales were 40.7% in the thirty-nine weeks ended September 30, 2017 compared to 37.2% in the comparable period in 2016. The increase is primarily due to a 20.5% increase in commodities rates for bone-in chicken wings.

Labor costs as a percentage of company-owned restaurant sales were 24.1% for the thirty-nine weeks ended September 30, 2017 compared to 22.0% in the comparable period in 2016. The increase as a percentage of company-owned restaurant sales is primarily due to an increase in wage rates and labor due to the investments in roster sizes and staffing we made in the third and fourth quarters of fiscal year 2016 and the impact of our two 2016 openings which perform at lower volumes than our average AUV.

Other restaurant operating expenses as a percentage of company-owned restaurant sales were 16.4% for the thirty-nine weeks ended September 30, 2017 compared to 16.7% in the comparable period in 2016. The decrease as a percentage of company-owned restaurant sales is primarily due to a decrease repairs and maintenance, as well as a decrease in pre-opening expenses associated with the opening of a new company-owned restaurant during June 2016.

Vendor rebates decreased \$0.1 million primarily due to a vendor rebate received during the thirty-nine weeks ended September 24, 2016 related to the franchisee convention.

Selling, general and administrative. During the thirty-nine weeks ended September 30, 2017, SG&A expense was \$26.7 million, an increase of \$1.6 million compared to \$25.1 million in the comparable period in 2016. The increase in SG&A expense is primarily due to an increase in voluntary contributions the Company made to its advertising fund, including a one-time payment in the first quarter in conjunction with a new vendor agreement executed during the thirteen weeks ended April 1, 2017, which was intended to provide support for the Company's national advertising campaign. SG&A expense also increased due to planned headcount additions and an increase in stock based compensation and travel expenses. These increases are partially offset by a decrease of \$1.1 million of expenses related to the 2016 franchisee convention, as well as a decrease in nonrecurring expenses of \$2.1 million related to the follow on offering and refinancing of our credit agreement, which occurred in the prior year period.

Depreciation and amortization. During the thirty-nine weeks ended September 30, 2017, depreciation expense was \$2.4 million, an increase of \$0.2 million, compared to \$2.2 million in the comparable period in 2016.

Interest expense, net. During the thirty-nine weeks ended September 30, 2017, interest expense was \$3.9 million, an increase of \$1.1 million compared to \$2.9 million in the comparable period in 2016. The increase is primarily due to an increase in the principal amount of indebtedness related to the refinancing of our credit agreement, which occurred in the third quarter of 2016.

Income tax expense. Income tax expense was \$6.2 million in the thirty-nine weeks ended September 30, 2017, yielding an annual effective tax rate of 26.8%, compared to an annual effective tax rate of 37.6% in the prior year. The decrease in the effective tax rate is due to tax benefits of \$2.5 million resulting from the recognition of excess tax benefits from share-based compensation in income tax expense rather than paid-in capital as a result of the adoption of a new accounting standard.

Segment results. The following table sets forth our revenue and operating profit for each of our segments for the period presented (dollars in thousands):

	Thirty-Nine Weeks Ended		Increase / (Decrease)	
	September 30, 2017	September 24, 2016	\$	%
Revenue:				
Franchise segment	\$ 50,204	\$ 41,463	\$ 8,741	21.1 %
Company segment	27,063	25,144	1,919	7.6 %
Total segment revenue	\$ 77,267	\$ 66,607	\$ 10,660	16.0 %
Segment Profit:				
Franchise segment	\$ 23,792	\$ 18,794	\$ 4,998	26.6 %
Company segment	3,084	4,211	(1,127)	(26.8)%
Total segment profit	\$ 26,876	\$ 23,005	\$ 3,871	16.8 %

Franchise segment. During the thirty-nine weeks ended September 30, 2017, franchise segment revenue was \$50.2 million, an increase of \$8.7 million, or 21.1%, compared to \$41.5 million in the comparable period in 2016. Royalty revenue increased \$5.3 million primarily due to 136 net franchise restaurant openings since September 24, 2016 and domestic same store sales growth of 1.7%. Other revenue increased \$3.4 million primarily due to an increase in vendor rebates, including a one-time payment, based on system-wide volumes purchased in the prior year, received under a new vendor agreement executed during the first quarter of 2017. The funding from this agreement will primarily be used to support our national advertising campaign. This increase was offset by \$1.1 million in vendor contributions received in the prior year period for the franchisee convention.

During the thirty-nine weeks ended September 30, 2017, franchise segment profit was \$23.8 million, an increase of \$5.0 million, or 26.6%, compared to \$18.8 million in the comparable period in 2016 primarily due to the growth in revenue.

Company segment. During the thirty-nine weeks ended September 30, 2017, company-owned restaurant sales were \$27.1 million, an increase of \$1.9 million, compared to \$25.1 million in the comparable period in 2016. The increase is primarily due to the acquisition of two restaurants from a franchisee during the third quarter 2017 resulting in sales of \$0.8 million, the opening of two company-owned restaurants during June and December 2016, and an increase in company-owned domestic same store sales of 0.5%, primarily due to an increase in transaction counts.

During the thirty-nine weeks ended September 30, 2017, company segment profit was \$3.1 million, a decrease of \$1.1 million, or 26.8%, compared to \$4.2 million in the comparable period in 2016. The decrease is primarily due to a 20.5% increase in commodities rates for bone-in chicken wings and an increase in wage rates and labor due to the investments in roster sizes and staffing we made in the third and fourth quarters of fiscal year 2016.

Liquidity and Capital Resources

General. Our primary sources of liquidity and capital resources are cash provided from operating activities, cash and cash equivalents on hand, and proceeds from the incurrence of debt. Our primary requirements for liquidity and capital are working capital and general corporate needs. Historically, we have operated with minimal positive working capital or negative working capital. We believe that our sources of liquidity and capital will be sufficient to finance our continued operations and growth strategy.

The following table shows summary cash flows information for the thirty-nine weeks ended September 30, 2017 and September 24, 2016 (in thousands):

	Thirty-Nine Weeks Ended	
	September 30, 2017	September 24, 2016
Net cash provided by (used in):		
Operating activities	\$ 17,980	\$ 16,098
Investing activities	(5,783)	(1,471)
Financing activities	(11,358)	(21,489)
Net change in cash and cash equivalents	\$ 839	\$ (6,862)

Operating activities. Our cash flows from operating activities are principally driven by sales at both franchise restaurants and company-owned restaurants, as well as franchise and development fees. We collect franchise royalties from our franchise owners on a weekly basis. Restaurant-level operating costs at our company-owned restaurants, unearned franchise and development fees and corporate overhead costs also impact our cash flows from operating activities.

Net cash provided by operating activities was \$18.0 million in the thirty-nine weeks ended September 30, 2017, an increase of \$1.9 million from \$16.1 million in 2016. The increase was primarily due to the increase in net income, offset by timing of changes in working capital, specifically the timing of interest payments.

Investing activities. Our net cash used in investing activities was \$5.8 million in the thirty-nine weeks ended September 30, 2017, an increase of \$4.3 million from \$1.5 million used in investing activities in 2016. The increase was due to the acquisition of two restaurants from a franchisee during the third quarter 2017, as well as an increase in capital expenditures over the comparable period.

Financing activities. Our net cash used in financing activities was \$11.4 million in the thirty-nine weeks ended September 30, 2017, a decrease of \$10.1 million from cash used in financing activities of \$21.5 million in 2016. The decrease was due to the initiation of a regular dividend of \$2.0 million paid to stockholders, compared to a special dividend of \$83.3 million paid in connection with the refinancing of our credit agreement in the prior period. This was partially offset by net repayments of long-term debt of \$10.6 million in the thirty-nine weeks ended September 30, 2017, compared to net borrowings of \$62.5 million in the comparable period in 2016.

Senior secured credit facility. On June 30, 2016, we entered into a \$180.0 million new senior secured credit facility, which replaced the second amended and restated credit facility dated March 18, 2015. In connection with the new senior secured credit facility, the facility size was increased to \$180.0 million and is comprised of a \$70.0 million term loan and a \$110.0 million revolving credit facility. The previous credit facility included a term loan of \$132.5 million and a revolving credit facility of \$5.0 million. We used the proceeds from the new senior secured credit facility and cash on hand to refinance \$85.5 million of indebtedness under the Company's March 2015 credit facility and to pay a dividend of \$83.3 million to our stockholders. Borrowings under the new senior secured credit facility bear interest, payable quarterly, at the base rate plus a margin (1.00% to 2.00%, dependent on our reported leverage ratio) or LIBOR plus a margin (2.00% to 3.00%, dependent on our reported leverage ratio), at the Company's discretion. The new senior secured credit facility also extended the maturity date from March 2020 to June 2021. Subject to certain conditions, the Company has the ability to increase the size of the new senior secured credit facility by an additional \$30.0 million.

In the current year, we made principal payments of \$14.1 million and borrowed \$3.5 million on our new senior secured credit facility. Under the new senior secured credit facility, principal installments for the term loan of \$875,000 are due quarterly with all unpaid amounts due at maturity in June 2021.

The new senior secured credit facility is secured by substantially all of our assets and requires compliance with certain financial and non-financial covenants, including fixed charge coverage and leverage. We were in compliance with these covenants as of

September 30, 2017. Failure to comply with these covenants in the future could cause an acceleration of outstanding amounts under the term loan and restrict us from borrowing under the revolving credit facility to fund our liquidity requirements.

Contractual Obligations

In connection with our new senior secured credit facility, principal payments of \$875,000 are due quarterly with all unpaid amounts due at maturity in June 2021.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or obligations, except for leases, as of September 30, 2017.

Critical Accounting Policies and Estimates

Our consolidated financial statements and accompanying notes are prepared in accordance with GAAP. Preparing consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by the application of our accounting policies. Critical accounting estimates are those that require application of management's most difficult, subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. While we apply our judgment based on assumptions believed to be reasonable under the circumstances, actual results could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions. Our critical accounting policies and estimates are identified and described in our annual consolidated financial statements and the related notes included in our Form 10-K, and there have been no material changes since the filing of our annual report on Form 10-K.

Recent Accounting Pronouncements

JOBS Act. We currently qualify as an "emerging growth company" pursuant to the provisions of the JOBS Act. For as long as we are an "emerging growth company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, reduced disclosure obligations relating to the presentation of financial statements in Management's Discussion and Analysis of Financial Condition and Results of Operations, exemptions from the requirements of holding advisory "say-on-pay" votes on executive compensation and shareholder advisory votes on golden parachute compensation.

In addition, an emerging growth company can delay its adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are choosing to "opt out" of this extended transition period, and as a result, we plan to comply with any new or revised accounting standards on the relevant dates on which non-emerging growth companies must adopt the standards. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

As of the last business day of our second quarter of fiscal 2017, our market capitalization held by non-affiliates exceeded \$700 million. On this basis, we anticipate that we will qualify as a "large accelerated filer" as of the end of our fiscal year 2017, at which time we will cease to qualify as an emerging growth company and for the various reporting requirement exemptions described above. Among other things, our independent registered public accounting firm will be required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. If we are unable to comply with the requirements of Section 404 in a timely manner, the market price of our stock could decline and we could be subject to sanctions or investigations by the NASDAQ Stock Market, the SEC or other regulatory authorities, which could require additional financial and management resources. We anticipate incurring additional professional service fees and other operating expenses as a result of this and other public company reporting requirements that will apply to us in future fiscal periods.

Special Note Regarding Forward-Looking Statements

This document contains statements about future events and expectations that constitute forward-looking statements. Forward-looking statements are based on our beliefs, assumptions and expectations of our future financial and operating performance and growth plans, taking into account the information currently available to us. Such statements include, in particular, statements about our plans, strategies and prospects. Words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," "could," "would," "will" and variations of such words and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, our expectations

with respect to our future liquidity, expenses and consumer appeal. These statements are based on beliefs and assumptions of Wingstop's management, which in turn are based on currently available information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things:

- overall macroeconomic conditions may impact our ability to successfully execute our growth strategy and franchise and open new restaurants that are profitable and to increase our revenue and operating profits;
- the impact of the operating results of our and our franchisees' existing restaurants on our financial performance;
- the impact of new restaurant openings on our financial performance;
- our ability to recruit and contract with qualified franchisees and to open new franchise restaurants;
- our ability to develop and maintain the Wingstop brand, including through effective advertising and marketing and the support of our franchisees' and the negative impact of actions of a franchisee, acting as an independent third party, could have on our financial performance or brand;
- concerns regarding food safety and food-borne illness and other health concerns;
- our and our franchisees' reliance on vendors, suppliers and distributors or changes in food and supply costs, including any increase in the prices of the ingredients most critical to our menu, particularly bone-in chicken wings;
- our and our franchisees' ability to compete with many other restaurants and to increase domestic same store sales and average weekly sales;
- our ability to successfully meet or exceed the expectations of securities analysts or investors concerning our annual or quarterly operating results, domestic same store sales or average weekly sales;
- our expansion into new markets may present increased risks due to our unfamiliarity with those areas;
- the reliability of our, our franchisees' and our licensees' information technology systems and network security, including costs resulting from breaches of security of confidential guest, franchisee or employee information;
- legal complaints, litigation or regulatory compliance, including changes in laws impacting the franchise business model;
- our and our franchisees' ability to attract and retain qualified employees while also controlling labor costs;
- potential fluctuations in our annual or quarterly operating results and the impact of significant adverse weather conditions and other disasters;
- disruptions in our and our franchisees' ability to utilize computer systems to process transactions and manage our business;
- health concerns arising from outbreaks of viruses, including the impact of a pandemic spread of avian flu on our and our franchisees' supply of chicken;
- our and our franchisees' ability to obtain and maintain required licenses and permits or to comply with alcoholic beverage or food control regulations;
- our ability to maintain insurance that provides adequate levels of coverage against claims;
- our and our franchisees' ability to successfully operate in unfamiliar markets and markets where there may be limited or no market recognition of our brand, including the impact that our expansion into international markets has on our exposure to risk factors over which neither we nor our franchisees have control;
- the potential impact opening new restaurants in existing markets could have on sales at existing restaurants;
- the effectiveness of our advertising and marketing campaigns, which may not be successful;
- food safety issues, which may adversely impact our or our franchisees' business;
- changes in consumer preferences, including changes caused by diet and health concerns or government regulation;
- the continued service of our executive officers;
- our ability to successfully open new franchised Wingstop restaurants for which we have signed commitments;
- our stated sales to investment ratio and average unlevered cash-on-cash return may not be indicative of future results of any new franchised restaurant;

- our ability to protect our intellectual property;
- our ability to generate or raise capital on acceptable terms in the future, including our ability to incur additional debt and other restrictions under the terms of our existing senior secured credit facility;
- the JOBS Act allowing us to postpone the date by which we must comply with certain laws and regulations intended to protect investors and to reduce the amount of information we provide in our reports filed with the SEC until the end of our fiscal year 2017, at which time we expect to no longer qualify as an emerging growth company;
- the costs and time requirements as a result of operating as a public company, including our ability to maintain adequate internal control over financial reporting in order to comply with applicable reporting obligations;
- fluctuations in exchange rates on our revenue;
- future impairment charges; and
- the impact of anti-takeover provisions in our charter documents and under Delaware law, which could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

The above list of factors is not exhaustive. Some of these and other factors are discussed in more detail under "Risk Factors" in our annual report on Form 10-K. We assume no obligation to update or revise any forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Impact of Inflation. The primary inflationary factors affecting our and our franchisees' operations are food and beverage costs, labor costs, energy costs and the costs and materials used in the construction of new restaurants. Our restaurant operations are subject to federal and state minimum wage laws governing such matters as working conditions, overtime and tip credits. Significant numbers of our and our franchisees' restaurant personnel are paid at rates related to the federal and/or state minimum wage and, accordingly, increases in the minimum wage increase our and our franchisees' labor costs. To the extent permitted by competition and the economy, we have mitigated increased costs by increasing menu prices and may continue to do so if deemed necessary in future years. Substantial increases in costs and expenses could impact our operating results to the extent such increases cannot be passed through to our customers. Historically, inflation has not had a material effect on our results of operations. Severe increases in inflation, however, could affect the global and U.S. economies and could have an adverse impact on our business, financial condition and results of operations.

Commodity Price Risk. We are exposed to market risks from changes in commodity prices. Many of the food products purchased by us are affected by weather, production, availability and other factors outside our control. Although we attempt to minimize the effect of price volatility by negotiating fixed price contracts for the supply of key ingredients, there are no established fixed price markets for fresh bone-in chicken wings, so we are subject to prevailing market conditions. Bone-in chicken wings accounted for approximately 31.7% and 28.8% of our company-owned restaurant cost of sales during the thirty-nine weeks ended September 30, 2017 and September 24, 2016, respectively. A hypothetical 10% increase in the bone-in chicken wing costs would have increased costs of sales by approximately \$0.7 million during the thirty-nine weeks ended September 30, 2017. We do not engage in speculative financial transactions nor do we hold or issue financial instruments for trading purposes. In instances when we use fixed pricing arrangements with our suppliers, these arrangements cover our physical commodity needs, are not net-settled, and are accounted for as normal purchases.

Interest Rate Risk. We are subject to interest rate risk in connection with borrowings under our senior secured credit facility, which bears interest at variable rates. As of September 30, 2017, we had \$140.6 million outstanding under our credit facility. Derivative financial instruments, such as interest rate swap agreements and interest rate cap agreements, may be used for the purpose of managing fluctuating interest rate exposures that exist from our variable rate debt obligations that are expected to remain outstanding. Interest rate changes do not affect the market value of such debt, but could impact the amount of our interest payments, and accordingly, our future earnings and cash flows, assuming other factors are held constant. A hypothetical 1.0% percentage point increase or decrease in the interest rate associated with our credit facilities would have resulted in a \$1.4 million impact on interest expense on an annualized basis.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2017, pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no significant changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we may be involved in claims and legal actions that arise in the ordinary course of business. We do not believe that the ultimate resolution of any of these actions, individually or in the aggregate, will have a material adverse effect on our financial position, results of operations, liquidity or capital resources.

Item 1A. Risk Factors

A description of the risk factors associated with our business is contained in the "Risk Factors" section of our annual report on Form 10-K for the fiscal year ended December 31, 2016. We anticipate that we will qualify as a "large accelerated filer" as of the end of our fiscal year 2017, at which time we will cease to qualify as an emerging growth company under the JOBS act and for the various reporting requirement exemptions, including the requirements of Section 404 of the Sarbanes-Oxley Act.

There have been no other material changes to our Risk Factors as previously reported.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Index to Exhibits

Exhibit No.	Description
3.1	<u>Amended and Restated Certificate of Incorporation of Wingstop Inc. filed as exhibit 3.1 to the Registration Statement of the Company on Form S-1/A (Registration No. 333-203891) on June 2, 2015 and incorporated herein by reference</u>
3.2	<u>Amended and Restated Bylaws of Wingstop Inc. filed as exhibit 3.2 to the Registration Statement of the Company on Form S-1/A (Registration No. 333-203891) on June 2, 2015 and incorporated herein by reference</u>
10.1*	<u>Executive Employment Agreement, effective as of August 2, 2017, among Wingstop Restaurants Inc. and Michael Skipworth</u>
10.2*	<u>Amendment Two to the Wingstop Inc. 2015 Omnibus Incentive Compensation Plan, effective as of August 3, 2017</u>
31.1*	<u>Certification of Principal Executive Officer under Section 302 of the Sarbanes–Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer under Section 302 of the Sarbanes–Oxley Act of 2002</u>
32.1**	<u>Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002</u>
32.2**	<u>Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002</u>
101 INS*	XBRL Instance Document
101 SCH*	XBRL Taxonomy Extension Schema Document
101 CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101 DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101 LAB*	XBRL Taxonomy Extension Label Linkbase Document
101 PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** Furnished, not filed.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Wingstop Inc.

(Registrant)

Date: November 3, 2017

By: /s/ Charles R. Morrison
Chairman and Chief Executive Officer

(Principal Executive Officer)

Date: November 3, 2017

By: /s/ Michael J. Skipworth
Chief Financial Officer

(Principal Financial and Accounting Officer)

EMPLOYMENT AGREEMENT

This employment agreement (this "Agreement"), effective as of August 2, 2017 (the "Effective Date"), is entered into by Wingstop Restaurants Inc., a Texas corporation (the "Company"), and Michael Skipworth, in his individual capacity ("Executive"), on the terms and conditions as follows:

§ 1. TERM OF EMPLOYMENT

Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive and Executive agrees to be employed by the Company for a term of five (5) years, starting on the Effective Date and ending on the 5th anniversary of such date. The employment term described in this § 1 is referred to in this Agreement as the "Term."

§ 2. POSITION AND DUTIES AND RESPONSIBILITIES

(a) Position. Executive shall be the Company's Senior Vice President and Chief Financial Officer.

(b) Duties and Responsibilities. During the Term, Executive shall serve as the Company's Senior Vice President and Chief Financial Officer and shall devote all of Executive's business time, skill and energies to promote the interests of the Company and to serve such positions with the Company as may be reasonably assigned by the Chief Executive Officer of the Company consistent with the title of Senior Vice President and Chief Financial Officer. Executive will also serve in such positions with Wingstop Inc. ("Parent") as may be reasonably assigned by the Chief Executive Officer of Parent. Executive shall undertake to perform all of Executive's duties and responsibilities for the Company, Parent and any current and/or future affiliates of the Company in good faith and on a full-time basis and shall at all times act in good faith in the course of Executive's employment under this Agreement in the best interests of the Company and its affiliates.

§ 3. COMPENSATION AND BENEFITS

(a) Base Salary. Executive's base salary shall be \$300,000 per year (the "Base Salary"), starting as of the Effective Date, which Base Salary is (i) payable in installments, in accordance with the Company's standard payroll practices and policies for senior executives, and (ii) subject to such withholding and other taxes as required by law or as otherwise permissible under such practices or policies.

(b) Employee Benefit Plans. Executive is eligible to participate in the employee benefit plans, programs and policies maintained by the Company in accordance with the terms and conditions of such plans, programs and policies as in effect from time to time.

(c) Bonus. Beginning in 2017, Executive will be eligible for an annual bonus (not to exceed 50% of Executive's Base Salary) (the "Annual Bonus") based on a combination (as determined by the Board in its discretion) of the Company's achievement for each year of (i) the Company's Free Cash Flow Budget, (ii) the Company's growth targets, and (iii) such other performance targets determined by the Compensation Committee of Wingstop Inc. "Free Cash Flow" means the Company's earnings before interest, taxes, depreciation, amortization, and capital expenditures. The Free Cash Flow Budget and growth targets for each fiscal year will be submitted by the Company's management to the Board of Directors of the Company (the "Board") and will be approved by the Board after discussion with management, subject to any changes determined

by the Board. The Company's performance against the annual Free Cash Flow Budget and growth targets, for purposes of determination of the Annual Bonus, will be based upon the Company's audited financial statements. Payment of the Annual Bonus will be subject to the terms of the Company's annual executive bonus plan.

(d) Paid Time Off Executive shall accrue up to 20 days of paid time off on a pro rata basis during each successive one-year period in the Term. Accrued paid time off shall be taken at such time or times in each such one-year period so as not to materially and adversely interfere with the business of the Company and in no event shall more than ten days of paid time off be taken consecutively without approval by the Chief Executive Officer. Executive shall have no right to carry over unused paid time off from any such one-year period to any other such one-year period or to receive any additional compensation in lieu of taking Executive's paid time off.

(e) Business Expenses. Executive shall be reimbursed for reasonable and appropriate business expenses incurred and appropriately documented in connection with the performance of Executive's duties and responsibilities under this Agreement in accordance with the Company's expense reimbursement policies and procedures for its senior executives.

(f) Compliance with Compensation and Equity Policies Executive agrees to comply with the Company's and Parent's stock ownership and equity retention policy and compensation recovery (or "clawback") policy, each as in effect from time to time, with respect to annual or long-term incentive or other compensation, as applicable, including the compensation provided pursuant to this Agreement. The terms of the Company's and Parent's stock ownership and equity retention policy and the compensation recovery policy, each as in effect from time to time, are hereby incorporated by reference into this Agreement.

§ 4. TERMINATION OF EMPLOYMENT AND SEVERANCE

(a) Right of Termination. The Company shall have the right to terminate Executive's employment at any time, and Executive shall have the right to resign at any time, subject to the obligations and conditions contained herein.

(b) Payments upon Termination. Upon termination of Executive's employment with the Company for any reason, the Company shall pay to Executive on his last day of employment with the Company all Base Salary earned by Executive through his last day of employment, and any earned and payable (but as of yet unpaid) Annual Bonus for the previous year.

(c) Severance.

(1) If the Company terminates Executive without Cause, then, upon Executive's Termination of Employment (as defined below), the Company shall (in lieu of any other severance benefits under any of the Company employee benefit plans, programs or policies) continue to pay Executive's Base Salary at the time of such termination for a period of twelve (12) months. Such severance will be payable in equal bi-monthly installments in accordance with the Company's normal payroll practices, subject to such withholding and other taxes as may be required or as otherwise permissible under the Company's practices or policies.

(2) The Company shall have no obligation to make any such severance payments if (i) Executive violates any of the provisions of § 5 of this Agreement, (ii) the Company chooses not to renew this Agreement either at the expiration of its initial term or at any point thereafter, or (iii) Executive does not execute and deliver (without revoking) to the Company

a general release in form and substance satisfactory to the Company of any and all claims he may have against the Company, its parent, and their affiliates, including former affiliates, (the "Release"), within twenty-one (21) days following Executive's Termination of Employment.

(3) Executive waives Executive's rights, if any, to have the payments provided for under this § 4(c) taken into account in computing any other benefits payable to, or on behalf of, Executive by the Company.

(4) Notwithstanding anything to the contrary in this Agreement, if a change of control of the Company occurs, neither the Company, Parent nor any acquirer of the Company or Parent will have any obligation to make severance payments under this Section as a result of such change of control unless Executive's employment is terminated without Cause simultaneously with such change of control.

(5) "Termination of Employment" means the date on which Executive's "separation from service" occurs within the meaning of § 409A of the Internal Revenue Code.

(6) The severance payments described in § 4(c)(1) shall commence within the sixty (60) day period following the Executive's Termination of Employment provided the Executive executes the Release and the Release becomes effective and irrevocable within such sixty (60) day period and provided, further, that if such sixty (60) day period begins in one calendar year and ends in a second calendar year, such payments shall be made or shall commence in the second calendar year.

(d) Termination by the Company for Cause or by Executive.

(1) The Company shall have the right to terminate Executive's employment at any time for Cause, and Executive shall have the right to resign at any time.

(2) If the Company terminates Executive's employment for Cause or Executive resigns, the Company's only obligation to Executive under this Agreement (except as provided under § 4(g)) shall be to pay upon Executive's Termination of Employment Executive's Base Salary under § 3(a) that he actually earned up to the date of Executive's Termination of Employment.

(e) Cause. "Cause" shall exist if Executive (i) is indicted for, or pleads guilty or nolo contendere to, a felony or, (ii) in the good faith determination of the Board, (a) engages in gross neglect or willful misconduct; (b) breaches Executive's duties to the Company or Parent; (c) otherwise breaches in any material respect any provision of this Agreement or any other agreement between Executive and the Company or Parent; (d) engages in any activity or behavior, including substance abuse, that is or could be harmful to the property, business, goodwill, or reputation of the Company or Parent; or (e) commits theft, larceny, embezzlement, fraud, any acts of dishonesty, illegality, moral turpitude, insubordination, or mismanagement; provided, however, that Executive may not be terminated for "Cause" under (ii)(c) above unless Executive fails to cure any such breach (if the Board determines that it is curable) to the good faith satisfaction of the Board within 10 days after notice of the breach; and provided further, that Executive shall only be entitled to one such opportunity to cure under this Agreement.

(f) Termination for Disability or Death.

(1) Disability. The Company may terminate the Term if Executive is unable substantially to perform Executive's duties and responsibilities hereunder to the full extent required by the Board by reason of a Permanent Disability, as defined below. Executive shall upon his Termination of Employment by reason of a Permanent Disability, be entitled to the following: (i) any amounts earned, accrued or owing but not yet paid, which amounts shall be paid within thirty (30) days following such Termination of Employment; and (ii) continued participation, in accordance with the terms of such plans, in those employee welfare benefit plans in which Executive was participating on the date of termination which, by their terms, permit a former employee to participate. In such event, the Company shall have no further liability or obligation to Executive for compensation under this Agreement. Executive agrees, in the event of a dispute under this § 4(f)(1), to submit to a physical examination by a licensed physician selected by the Board. For purposes of this Agreement, "Permanent Disability" has the same meaning as for purposes of the Company's permanent disability insurance policies which now or hereafter cover the permanent disability of Executive or, in absence of such policies, means the inability of Executive to work in a customary day-to-day capacity for six (6) consecutive months or for six (6) months within a twelve (12) month period, as determined by the Board.

(2) Death. The Term shall terminate in the event of Executive's death. In such event, Executive's estate shall be entitled upon Executive's death to (i) any amounts earned, accrued or owing but not yet paid, which amounts shall be paid within thirty (30) days following such Termination of Employment; and (ii) any other benefits to which Executive is entitled in accordance with the terms of the applicable plans and programs of the Company. The Company shall have no further liability or obligation under this Agreement to Executive's executors, legal representatives, administrators, heirs or assigns or any other person claiming under or through Executive.

(g) Benefits at Termination of Employment. Executive will have, upon termination of his employment, the right to receive any benefits payable under the Company's employee benefit plans, programs and policies that Executive otherwise has a nonforfeitable right to receive under the terms of such plans, programs and policies (other than severance benefits), independent of Executive's rights under this Agreement.

§ 5. SECTION 280G

Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates and former affiliates to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Code as it would, but for this Section 5 be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the

Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes. Any such reduction shall be made by the Company in its sole discretion consistent with the requirements of Code Section 409A.

§ 6. COVENANTS BY EXECUTIVE

(a) The Company's Property.

(1) Executive, upon the termination of Executive's employment for any reason or, if earlier, upon the Company request, shall promptly return all "Property" that had been entrusted or made available to Executive by the Company.

(2) The term "Property" means all records, files, memoranda, reports, price lists, customer lists, drawings, plans, sketches, keys, codes, computer hardware and software and other property of any kind or description prepared, used or possessed by Executive during Executive's employment by the Company (and any duplicates of any such property) together with any and all information, ideas, concepts, discoveries, and inventions and the like conceived, made, developed or acquired at any time by Executive individually or with others during Executive's employment that relate to the Company business, products or services.

(b) Trade Secrets.

(1) Executive agrees that Executive will hold in a fiduciary capacity for the benefit of the Company and will not directly or indirectly use or disclose, other than when required to do so in good faith to perform Executive's duties and responsibilities, any "Trade Secret" that Executive may have acquired during the term of Executive's employment by the Company for so long as such information remains a Trade Secret, unless Executive is required to do so by a lawful order of a court of competent jurisdiction, any governmental authority, or agency, or any recognized subpoena; provided, however, that before making any disclosure of a Trade Secret pursuant to a such an order or subpoena, Executive will provide notice of such order or subpoena to the Company to permit the Company to challenge such order or subpoena if the Company, in its sole discretion and at its expense, desires to challenge such order or subpoena or to seek a protective order preventing further disclosure of the Trade Secret.

(2) The term "Trade Secret" means information, without regard to form, including technical or non-technical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers that (i) derives economic value, actual or potential, from not being generally known to, and not being generally readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and (ii) is the subject of reasonable efforts by the Company to maintain its secrecy.

(3) Executive acknowledges and agrees that the Company will prosecute any non-confidential disclosure or misappropriation of the Company's Trade Secrets to full extent allowed by federal, state, and common law. Executive further acknowledges and agrees that Executive has received and understands the following notice concerning immunity from liability for confidential disclosure of a trade secret to the government or in

a court filing. Pursuant to the Defend Trade Secrets Act, 18 U.S.C. § 1833, an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

(4) This § 6(b) and § 6(c) are intended to provide rights to the Company that are in addition to, not in lieu of, those rights the Company has under the common law or applicable statutes for the protection of trade secrets and Confidential Information

(c) Confidential Information.

(1) Executive while employed by the Company and during the five (5) year period after termination of such employment shall hold in a fiduciary capacity for the benefit of the Company and shall not directly or indirectly use or disclose, other than when required to do so in good faith to perform Executive's duties and responsibilities, any "Confidential Information" that Executive may have acquired (whether or not developed or compiled by Executive and whether or not Executive is authorized to have access to such information) during the term of, and in the course of, or as a result of Executive's employment by the Company unless Executive is required to do so by a lawful order of a court of competent jurisdiction, any governmental authority, or agency, or any recognized subpoena; provided, however, that before making any disclosure of a Confidential Information pursuant to a such an order or subpoena, Executive will provide notice of such order or subpoena to the Company to permit the Company to challenge such order or subpoena if the Company, in its sole discretion and at its expense, desires to challenge such order or subpoena or to seek a protective order preventing further disclosure of the Confidential Information.

(2) The term "Confidential Information" means any secret, confidential or proprietary information possessed by the Company relating to its businesses, including customer lists, details of client or consultant contracts, the terms and conditions of this Agreement, current and anticipated customer requirements, pricing policies, price lists, market studies, business plans, licensing strategies, advertising campaigns, operational methods, marketing plans or strategies, product development techniques or flaws, computer software programs (including object code and source code), data and documentation, data base technologies, systems, structures and architectures, inventions and ideas, past, current and planned research and development, compilations, devices, methods, techniques, processes, financial information and data, employee compensation information, business acquisition plans and new personnel acquisition plans, which are not otherwise included in the definition of a Trade Secret under this Agreement, that has not become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Company.

(d) Protected Rights. Nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law and regulation, Executive does not need the prior authorization of the Company to make any such reports or disclosures, and Executive is not required to notify the Company that he or she has made such reports or disclosures; and (iii) the Agreement does not limit Executive's right to receive an award for providing information relating to a possible securities law violation to the Securities and Exchange Commission. Further, notwithstanding the foregoing, Executive will not be held criminally or civilly liable under any federal, state or local trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (B) solely for the purpose of reporting or investigating a suspected violation or law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(e) Ownership of Work Product.

(1) Executive acknowledges and agrees that Executive will be employed by the Company in a position that could provide the opportunity for conceiving and/or reducing to practice developments, discoveries, methods, processes, designs, inventions, ideas, or improvements (hereinafter collectively called "Work Product"). Accordingly, Executive agrees to promptly report and disclose to the Company in writing all Work Product conceived, made, implemented, or reduced to practice by Executive, whether alone or acting with others, during Executive's employment by the Company. Executive acknowledges and agrees that all Work Product is the sole and exclusive property of the Company. Executive agrees to assign, and hereby automatically assigns, without further consideration, to the Company any and all rights, title, and interest in and to all Work Product; provided, however, that this § 6(d)(1) shall not apply to any Work Product for which no equipment, supplies, facilities, or trade secret information of the Company was used and that was developed entirely on Executive's own time, unless the Work Product (i) relates directly or indirectly to the Company's business or its actual or demonstrably anticipated research or development, or (ii) results from any work performed by Executive for the Company. The Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyright registrations, trademark registrations, patents and any other protection available to the Work Product.

(2) Executive agrees to perform, upon the reasonable request of the Company, such further acts as may be reasonably necessary or desirable to transfer, perfect, and defend the Company's ownership of the Work Product, including (i) executing, acknowledging and delivering any requested affidavits and documents of assignment and conveyance, (ii) assisting in the preparation, prosecution, procurement, maintenance and enforcement of all copyrights and/or patents with respect to the Work Product in any countries, (iii) providing testimony in connection with any proceeding affecting the right, title or interest of the Company in any Work Product, and (iv) performing any other acts deemed necessary or desirable to carry out the purposes of this Agreement. The Company shall reimburse all

reasonable out-of-pocket expenses incurred by Executive at the Company's request in connection with the foregoing.

(f) Non-Competition; Non-Solicitation.

(1) While employed by the Company and for two (2) years following termination of Executive's employment for any reason, Executive will not, whether as an employee, consultant, advisor, independent contractor, or in any other capacity, provide management or executive services, similar to those that Executive provided to the Company or its affiliates at any time during the last twenty-four (24) months (or such shorter period if less than twenty-four (24) months) of Executive's employment with the Company, to or on behalf of any Competing Business in the Territory regardless of where Executive is physically located. For purposes of this Agreement, the term "Territory" means the United States, and the term "Competing Business" means any business that (i) owns, operates, develops or franchises a restaurant (whether dine-in, take-out, home delivery or otherwise) or related business which derives 20% or more of its gross revenues from the sale of any combination of chicken wings or boneless chicken wings, and (ii) operates in any state in which the Company has a franchised location or is operating a company store (or has an executed development agreement or franchise agreement) as of the last date of Executive's employment. Executive acknowledges and agrees that the Territory identified in this § 6(f)(1) is the geographic area in or as to which he is expected to perform services or have responsibilities for the Company and its affiliates by being actively engaged as a member of the Company's management team as Senior Vice President and Chief Financial Officer during his employment with the Company.

(2) The foregoing restrictions shall not be construed to prohibit the ownership by Executive of less than one percent (1%) of any class of securities of any company which is a Competing Business or having a class of securities registered pursuant to the Securities Exchange Act of 1934, as amended, provided that such ownership represents a passive investment and that neither Executive nor any group of persons including Executive in any way, either directly or indirectly, manages or exercises control of any such company, guarantees any of its financial obligations, consults with, advises, or otherwise takes any part in its business, other than exercising Executive's rights as a shareholder, or seeks to do any of the foregoing.

(3) While employed by the Company and for two (2) years following termination of Executive's employment for any reason, Executive shall not, on his own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, directly or indirectly solicit or attempt to solicit, with a view to or for the purpose of competing with the Company or its affiliates in any Competing Business, any customers or franchisees of the Company or its affiliates with whom Executive had or made contact in the course of Executive's employment by the Company.

(4) While employed by the Company and for two (2) years following termination of Executive's employment for any reason, Executive will not, directly or indirectly, (i) solicit or attempt to solicit any potential franchisee to enter into a franchise agreement with any other person, firm or entity of a type generally similar to or competitive with the franchise

arrangements of the Company, or (ii) encourage any franchisee to terminate its franchise relationship with the Company.

(5) While employed by the Company and for two (2) years following termination of Executive's employment for any reason, Executive shall not, on his own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, directly or indirectly, hire, or solicit or attempt to solicit any officer or employee of the Company or its affiliates with whom Executive had contact in the course of Executive's employment with the Company to terminate or reduce his or her employment or business relationship with the Company or its affiliates and shall not assist any other person or entity in such a solicitation.

(6) In return for your obligations and undertakings pursuant to this Agreement, including the obligations set forth in § 6, the Company promises to provide you with certain of its trade secrets and/or confidential information, and to provide you with specialized instruction and training, to the extent such instruction, training, confidential information and/or trade secrets are necessary for you to perform your duties for the Company. You agree that these promises, in addition to your employment or continued employment with the Company, and the other promises contained herein are sufficient consideration for your entering into this Agreement.

(g) Non-Disparagement. Executive will not make any statement, written or verbal, to any person or entity, including in any forum or media, or take any action, in disparagement of the Company, the Board, or any of their respective current, former or future affiliates, or any current, former or future shareholders, partners, managers, members, officers, directors, employees, franchisors or franchisees of any of the foregoing (each, a "Company Party"), including negative references to or about any Company Party's services, policies, practices, documents, methods of doing business, strategies, objectives, shareholders, partners, managers, members, officers, directors, or employees, or take any other action that may disparage any Company Party to the general public and/or any Company Party's officers, directors, employees, clients, franchisees, potential franchisees, suppliers, investors, potential investors, business partners or potential business partners.

(h) Cooperation. At Company's reasonable expense, executive will cooperate with all reasonable requests by the Company (or any affiliate of the Company) for assistance in connection with any matters involving the Company (or any affiliate of the Company), including by providing truthful testimony in person in any legal proceedings without having to be subpoenaed.

(i) Reasonable and Continuing Obligations. Executive agrees that Executive's obligations under this § 6 are obligations that will continue beyond the date Executive's employment with the Company terminates, regardless of the reason for such termination, and that such obligations are reasonable and necessary to protect the Company's legitimate business interests. In addition, the Company shall have the right to take such other action as the Company deems necessary or appropriate to compel compliance with the provisions of this § 6, including seeking injunctive relief.

(j) Remedy for Breach. Executive agrees that the remedies at law of the Company for any actual or threatened breach by Executive of the covenants in this § 6 would be inadequate and that the Company shall be entitled to specific performance of the covenants in this § 6, including entry of an ex parte, temporary restraining order in state or federal court, preliminary and permanent

injunctive relief against activities in violation of this § 6, or both, or other appropriate judicial remedy, writ or order, in addition to any damages and legal expenses that the Company may be legally entitled to recover. Executive acknowledges and agrees that the covenants in this § 6 shall be construed as agreements independent of any other provision of this or any other agreement between the Company and Executive, and that the existence of any claim or cause of action by Executive against the Company, whether predicated upon this Agreement or any other agreement, shall not constitute a defense to the enforcement by the Company of such covenants.

§ 7. SECTION 409A MATTERS

(a) Notwithstanding any other provision in this Agreement to the contrary, if and to the extent that Code Section 409A is deemed to apply to any benefit under this Agreement, it is the general intention of the Company that such benefits shall, to the extent practicable, comply with, or be exempt from, Code Section 409A, and this Agreement shall, to the extent practicable, be construed in accordance therewith. Deferrals of benefits distributable pursuant to this Agreement that are otherwise exempt from Code Section 409A in a manner that would cause Code Section 409A to apply shall not be permitted unless such deferrals are in compliance with or otherwise exempt from Code Section 409A.

(b) Notwithstanding any other provision of this Agreement, no payments shall be made and no benefits shall be provided under this Agreement as a result of Executive's termination of employment unless Executive has a "separation from service" within the meaning of Code Section 409A in connection with such termination of employment, and Executive and the Company acknowledge and agree that a "separation from service" may come before, after or coincide with any such termination of employment and that the payments otherwise to be made at a termination of employment and that the benefits otherwise to be provided at a termination of employment shall only be made or provided at the time of the related "separation from service". Furthermore, Executive and the Company acknowledge and agree that all or any part of any payment to be made or benefit to be provided to Executive during the six (6) month and one (1) day period which starts on the date Executive has a "separation from service" (other than by reason of Executive's death) shall be delayed and then paid (in a lump sum without interest) or provided (without interest) on the first business day which comes six (6) months and one (1) day after the date of Executive's "separation from service" if the Company acting in good faith determines that Executive is a "specified employee" within in the meaning of Code Section 409A.

(c) With respect to items eligible for reimbursement under the terms of this Agreement, (i) the amount of such expenses eligible for reimbursement in any taxable year shall not affect the expenses eligible for reimbursement in another taxable year, (ii) no such reimbursement may be exchanged or liquidated for another payment or benefit, and (iii) any reimbursements of such expenses shall be made as soon as practicable under the circumstances but in any event no later than the end of the calendar year following the calendar in which the related expenses were incurred.

(d) The Company and Executive intend that each installment of payments and benefits provided under this Agreement shall be treated as a separate identified payment for purposes of Code Section 409A.

(e) In the event that Code Section 409A requires that any special terms, provision or conditions be included in this Agreement, then such terms provisions and conditions shall, to the extent practicable, be deemed to be made a part of this Agreement, and terms used in this Agreement shall be construed in accordance with Code Section 409A if and to the extent required.

Executive acknowledges and agrees that nothing in this Agreement shall be construed as a covenant by the Company that no payment will be made or benefit will be provided under this Agreement which will be subject to taxation under Code Section 409A or as a guarantee or indemnity by the Company for the tax consequences to the payments and benefits called for under this Agreement including any tax consequences under Code Section 409A. Executive further agrees that Executive shall be the only person responsible for paying all taxes due with respect to such payments and benefits.

§ 8 MISCELLANEOUS

(a) Notices. All Notices and all other communications which are required to be given under this Agreement must be in writing and shall be deemed to have been duly given when (i) personally delivered, (ii) mailed by United States registered or certified mail postage prepaid, (iii) sent via a nationally recognized overnight courier service, (iv) sent via facsimile to the recipient, or (v) sent via e-mail to the recipient, in each case as follows:

If to the Company: Darryl R. Marsch
Sr. Vice President, General Counsel & Secretary
Wingstop Restaurants Inc.
5501 LBJ Freeway
Fifth Floor
Dallas, Texas 75240

If to Executive: Michael Skipworth
Wingstop Restaurants Inc.
5501 LBJ Freeway
Fifth Floor
Dallas, Texas 75240

or such other address or addresses as either party hereto shall have designated by notice in writing to the other party hereto.

(b) No Waiver. Except for any notice required to be given under this Agreement, no failure by either the Company or Executive at any time to give notice of any breach by the other of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of any provisions or conditions of this Agreement.

(c) Applicable Law. This Agreement shall be governed by the laws of the State of Delaware (except to the extent that its choice of law provisions would call for the application of the law of another jurisdiction).

(d) Other Agreements. This Agreement replaces and merges any and all previous agreements and understandings regarding all the terms and conditions of Executive's employment relationship with the Company and this Agreement constitutes the entire agreement of the Company

and Executive with respect to such terms and conditions. Executive acknowledges that Executive is not obligated under any contract or other agreement that would conflict with Executive's obligations under this Agreement and Executive's ability to perform Executive's duties and responsibilities under this Agreement upon commencement of and during the Term.

(e) Amendment. No amendment to this Agreement shall be effective unless it is both: (i) agreed to and signed by Executive and the Company, and (ii) reviewed and approved by the Board.

(f) Invalidity. If any part of this Agreement is held to be invalid or otherwise unenforceable, the remaining part shall be unaffected and shall continue in full force and effect, and the invalid or otherwise unenforceable part shall be deemed not to be part of this Agreement. If any tribunal construes any provision or portion of this Agreement to be unenforceable because of the scope or duration of such provision, it is the intention of the parties that the court reduce or reform the scope or duration to its greatest enforceable level.

(g) Arbitration. The Company and Executive shall have the right to obtain from a court an injunction or other equitable relief arising out of the Executive's breach of the provisions of § 6 of this Agreement. However, any other controversy or claim arising out of or relating to this Agreement, any alleged breach of this Agreement, or Executive's employment by the Company or the termination of such employment, including any claim as to arbitrability or any claims for any alleged discrimination, harassment, or retaliation in violation of any federal, state or local law, shall be settled by binding arbitration in Dallas, Texas in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes and any judgment upon any award, which may include an award of damages, may be entered in the state or federal court having jurisdiction over such award.

(h) Costs of Enforcement. In the event of a dispute or action to enforce the terms of this Agreement, all reasonable costs and expenses incurred in connection therewith, including all reasonable attorneys' fees, shall be paid as determined by the arbitrator.

(i) No Challenge. Notwithstanding any provision of this Agreement to the contrary, Executive covenants and agrees that Executive will not (i) file any claim, lawsuit, demand for arbitration, or other proceeding challenging the validity or enforceability of any provision of this Agreement, or (ii) raise, as a defense, the validity or enforceability of any provision of this Agreement, in any claim, lawsuit, arbitration or other proceeding. Should Executive violate any aspect of this § 8(i), Executive agrees (A) that, in the case of a breach of clause (i) of the preceding sentence, such claim, lawsuit, demand for arbitration, or other proceeding shall be summarily withdrawn and/or dismissed; (B) that Executive will pay all costs and damages incurred by the Company and its Affiliates in responding to or as a result of such claim, lawsuit, demand for arbitration, or other proceeding (including reasonable attorneys' fees), or such defense, as the case may be; (C) that Executive will immediately forfeit any right to receive any severance payments under § 4(c) of this Agreement; and (d) that Executive will immediately repay any such payments or distributions that were received by Executive under §4(c) after the Termination Date.

(j) Assignment. This Agreement may not be assigned by Executive. This Agreement may be assigned by the Company, without Executive's consent, to (1) any Affiliate of the Company, or (2) any other successor in interest to the Company's business and assets (whether by merger, sale

of assets, contribution of assets or otherwise). This Agreement shall be binding on and inure to the benefit of the Company and its successors and assigns.

(k) Indemnification. The Company will provide indemnification no less favorable than that set forth in the Company's bylaws as in effect on the Effective Date. The Company agrees to use its best efforts to maintain, or continue to maintain, a directors' and officers' liability insurance policy or agreement covering Executive to the extent the Company provides such coverage for its other executive officers and such policy or agreement is available on commercially reasonable terms.

(l) No Third Party Beneficiaries. Except as otherwise expressly provided for herein, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied will give or be construed to give to any person, other than the parties hereto and such permitted assigns, any permitted assigns, any legal or equitable rights hereunder.

(m) Controlling Document. Except with respect to the Stock Plan or the Company's annual incentive plans, if any provision of any agreement, plan program, policy, arrangement or other written document between or relating to the Company and Executive conflicts with any provision of this Agreement, the provision of this Agreement shall control and prevail. The provision of the Stock Plan and the annual incentive plans shall control over this Agreement.

(n) No Limitation of Rights. Nothing in this Agreement shall limit or prejudice any rights of the Company under any other laws.

(o) Counterparts. This Agreement may be signed in any number of counterparts, including via facsimile transmission, each of which will be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(p) Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

(q) Severability. If any provision of this Agreement or the application of any such provision to any person or circumstance is held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision hereof. If any provision of this Agreement is finally determined to be invalid, ineffective or unenforceable, the determination will apply only in the jurisdiction in which such final adjudication is made, and such provisions will be deemed severed from this Agreement for purposes of such jurisdiction only, but in every other provision of this Agreement will remain in full force and effect, and there will be substituted for any such provision held invalid, ineffective or unenforceable, a provision of similar import reflecting the original intent of the parties to the extent permitted under applicable law.

(r) Certain Interpretive Matters.

(1) Unless the context otherwise requires, (A) all references to sections are to sections of this Agreement, (B) each term defined in this Agreement has the meaning assigned to it, (C) words in the singular include the plural and vice versa, and (D) the terms "herein," "hereof," "hereby," "hereunder" and words of similar import shall mean references to this

Agreement as a whole and not to any individual section or portion hereof. All references to \$ or dollar amounts will be to lawful currency of the United States.

(2) No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or his or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

(3) As used in this Agreement, the word "including" means "including, without limitation" in each instance.

(s) Full Understanding Executive represents and agrees that Executive fully understands Executive's right to discuss all aspects of this Agreement with Executive's private attorney, and that to the extent, if any, that Executive desired, Executive utilized this right. Executive further represents and agrees that: (i) Executive has carefully read and fully understands all of the provisions of this Agreement; (ii) Executive is competent to execute this Agreement; (iii) Executive's agreement to execute this Agreement has not been obtained by any duress, and Executive freely and voluntarily enters into it; (iv) Executive is not subject to any covenants, agreements or restrictions arising out of Executive's prior employment (other than with the Company) that would be breached or violated by Executive's execution of this Agreement or performance of duties hereunder; and (v) Executive has read this document in its entirety and fully understands the meaning, intent and consequences of this document. Executive agrees and acknowledges that the obligations owed to Executive under this Agreement are solely the obligations of the Company and that none of the Company's stockholders, directors or lenders will have any obligation or liabilities in respect of this Agreement and the subject matter hereof.

(t) Waiver and Release. Executive acknowledges and agrees that the Company may at any time require, as a condition to receipt of benefits payable under this Agreement, including but not limited to the payment of termination benefits pursuant to Section 4 herein, that Executive (or a representative of his estate) execute a waiver and release discharging the Company and its subsidiaries, and their respective Affiliates, and its and their officers, directors, managers, employees, agents and representatives and the heirs, predecessors, successors and assigns of all of the foregoing, from any and all claims, actions, causes of action or other liability, whether known or unknown, contingent or fixed, arising out of or in any way related to Executive's employment, or the ending of Executive's employment with the Company or the benefits thereunder, including, without limitation, any claims under this Agreement or other related instruments. The waiver and release shall be in a form acceptable to the Company and shall be executed prior to the expiration of the time period provided for payment of such benefits (including those provided under Section 4 herein).

(u) Certain Tax Matters. The Company has made no warranties or representations to Executive with respect to the tax consequences (including but not limited to income tax consequences) contemplated by this Agreement and/or any benefits to be provided pursuant thereto. Executive acknowledges that there may be adverse tax consequences related to the transactions contemplated hereby and that Executive should consult with his own attorney, accountant and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof.

Executive also acknowledges that the Company has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for Executive.

(v) Deductions and Withholdings. All amounts payable or that become payable under this Agreement will be subject to any deductions and withholdings previously authorized by Executive or required by law. Executive will be responsible for any and all taxes resulting from the benefits provided hereunder.

* * * * *

IN WITNESS WHEREOF, the Company and Executive have executed this Agreement in multiple originals to be effective on the Effective Date.

WINGSTOP RESTAURANTS INC.

By: /s/ Charles R. Morrison
Name: Charles R. Morrison
Title: Chief Executive Officer

Date: August 25, 2017

EXECUTIVE

/s/ Michael Skipworth
Michael Skipworth

Date: August 25, 2017

[Signature Page to Agreement]

AMENDMENT TWO

to the

WINGSTOP INC.

2015 OMNIBUS INCENTIVE COMPENSATION PLAN

WHEREAS, Wingstop Inc. (the "Company") adopted the Wingstop Inc. 2015 Omnibus Incentive Compensation Plan (the "Plan") effective June 11, 2015; and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors (the "Board") has determined that it is in the best interests of the Company and its shareholders (i) to add an annual award limit with respect to awards to non-employee directors, and (ii) to amend the Plan with respect to the treatment of equity awards upon the occurrence of a Change in Control.

NOW THEREFORE, the Plan is hereby amended as follows:

1. Section 2.8, Change in Control, is hereby amended by deleting the reference to "any Roark Capital Entity" appearing in subsection (a).
2. Section 2.49, Roark Capital Entity, is hereby amended by deleting the existing provision and substituting "Reserved" therefore.
3. Section 4.3, Award Limits, is hereby amended by adding a new subsection (e) as follows:

"(e) Awards granted to Nonemployee Directors: The maximum aggregate amount value of equity-based Awards granted to any Nonemployee Director during any Fiscal Year shall not exceed \$400,000, with fair value determined under applicable accounting standards as of the date of grant ("Director Award Limit"); provided that the Director Award Limit shall be increased to \$600,000 (i) for any Nonemployee Director who serves as Chairman of the Board and (ii) for any Nonemployee Director for the year in which the Nonemployee Director is first appointed or elected to the Board. For the avoidance of doubt, the annual award limit set forth in this Section 4.3(e) shall solely apply to Awards granted under this Plan and shall not apply to Shares or Share equivalents granted to a Nonemployee Director in lieu of all or any portion of such Nonemployee Director's cash-based director fees."

4. Section 15.1, Change in Control, is hereby amended by deleting the existing provision and substituting the following therefore:

"15.1 Change in Control.

(a) The occurrence of a Change in Control will not itself result in the cancellation, acceleration of exercisability or vesting, lapse of any Period of Restriction or settlement or other payment with respect to any outstanding Award to the extent that the Board or the Committee determines in its discretion, prior to such Change in Control, that such outstanding Award shall be honored or assumed, or new rights substituted therefor (such honored, assumed or substituted Award being hereinafter referred to as an "Alternative Award") by the New Employer, provided that any Alternative Award must: (i) be based on securities that are traded on an established United States securities market, or which will be so traded within sixty (60) days following the Change in Control; (ii) provide the Participant (or each Participant in a class of Participants) with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including an identical or better exercise or vesting schedule and identical or better timing and methods of payment; (iii) have substantially equivalent economic value to such Award immediately prior to the Change in Control, as determined by the Board or the Committee (as such was constituted prior to the Change in Control) in its discretion; and (iv) not subject the Participant to the assessment of additional taxes or interest under Section 409A of the Code. In the event that an Alternative Award is provided to a Participant, and the Participant's employment is terminated by the New Employer without Cause or by the Participant for Good Reason within two (2) years following the Change in Control, then any conditions on a Participant's rights under, or any restrictions on transfer or exercisability applicable to, such Alternative Award shall be waived or shall lapse in full, and such Alternative Award shall become fully vested and exercisable, as the case may be.

(b) In the event Section 15.1(a) does not apply:

(i) all outstanding Awards shall become fully vested, nonforfeitable and, to the extent applicable, exercisable immediately prior to the Change in Control;

(ii) the Board or the Committee (as constituted prior the Change in Control) shall provide that in connection with the Change in Control (A) each outstanding Option and Stock Appreciation Right shall be cancelled in exchange for an amount equal to the excess, if any, of the Fair Market Value of the Common Stock on the date of the Change in Control over the Option Price or Grant Price applicable to such Option or Stock Appreciation Right, (B) each Share of Restricted Stock, each Restricted Stock Unit and each other Award denominated in Shares shall be cancelled in exchange for an amount equal to the Change in Control Price multiplied by the number of Shares covered by such Award, (C) each Award not denominated in Shares shall be cancelled in exchange for the full amount of such Award, and (D) any Award the payment or settlement of which was deferred under Section 20.6 or otherwise shall be cancelled in exchange for the full amount of such deferred Award;

(iii) the performance goals applicable to any outstanding Awards of Performance Shares, Performance Units, Cash-Based Awards and other Awards shall be deemed to have been attained at the target level (unless actual performance exceeds the target, in which case actual performance shall be used) for the entire applicable Performance Period then outstanding; and

(iv) the Board or the Committee (as constituted prior the Change in Control) may, in addition to the consequences otherwise set forth in this Section 15.1, make adjustments and / or settlements of outstanding Awards as it deems appropriate and consistent with the Plan's purposes.

(c) Payment of any amounts in accordance with this Section 15.1 shall be made in cash or, if determined by the Board or the Committee (as constituted prior to the Change in Control), in securities of the New Employer that are traded on an established United States securities market, or which will be so traded within sixty (60) days following the Change in Control, having an aggregate fair market value (as determined by such Board or Committee) equal to such amount or in a combination of such securities and cash. All amounts payable hereunder shall be payable in full, as soon as reasonably practicable, but in no event later than ten (10) business days, following the Change in Control.”

3. This Amendment shall be effective as of August 3, 2017. Except as amended herein, the terms of the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Amendment to the Wingstop Inc. 2015 Omnibus Incentive Compensation Plan effective on the date set forth above.

WINGSTOP INC.

By: /s/ Darryl R. Marsch

Darryl R. Marsch
Sr. VP, General Counsel & Secretary

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles R. Morrison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wingstop Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2017

By: /s/ Charles R. Morrison
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Skipworth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wingstop Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2017

By: /s/ Michael J. Skipworth
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Wingstop Inc. (the "Company") on Form 10-Q for the period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles R. Morrison, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2017

By: /s/ Charles R. Morrison

Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Wingstop Inc. (the "Company") on Form 10-Q for the period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Skipworth, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2017

By: /s/ Michael J. Skipworth

Chief Financial Officer

(Principal Financial and Accounting Officer)