The Cheesecake Factory Inc (CAKE)

Uptrend Remain Intact



TradingView

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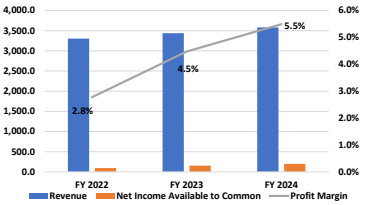
The Cheesecake Factory Inc

Company profile
The Cheesecake Factory runs and licenses restaurants in U.S. and Canada, operates bakeries, and manages multiple dining brands.

Technical Data	
Price	63.91
R1	70.00
R2	71.00
S1	62.00
S2	61.00

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

Technical Outlook

In upward trajectory. CAKE has rallied +30% YTD. However, with the RSI approaching the 50 level, we expect price consolidation around the shorter EMA lines and the near support zone of USD61–62, provided volume remains steady, before resuming its upward trajectory toward the resistance area of USD70–71. A break below USD61 or the medium-term EMAs would invalidate the setup.

Trading Catalysts

Q2 earnings recap. CAKE's revenue grew 5.7% YoY to USD955.8m, beating Wall Street's estimate of USD947.3m (4.8% YoY) by one percentage point. Top-line growth also accelerated significantly, improving by 170bps YoY compared to the 4.0% growth rate in Q1.

Growth levers set to outpace its peers. We like CAKE for its i) diverse restaurant portfolio, ranging from its flagship Cheesecake brand to Fox Restaurant Group, ii) substantial AUV (average unit volume) of ~USD12m, among the highest in the industry, iii) strategic reliance on delivery platforms such as Uber, and iv) strategic cost management.

Valuations appear undemanding. While the stock has rallied ~30% YTD, valuations remain undemanding as CAKE's P/E multiples are still relatively lower compared to peers such as Domino's, Dine Brands, and Chipotle and etc. Notably, its current and forward P/E are trading at a discount of ~23–33%.

Peer Comparison

Company	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
The Cheesecake Factory	**CAKE**	**63.9**	**3.2**	**15.6**	**16.1**	**46.6**	**4.4**	**Positive bias**	**Up**
Domino's Pizza	DPZ	463.2	15.7	26.6	25.3	NM	12.4	Negative bias	Up
Dine Brands Global	DIN	22.6	0.4	5.4	4.6	NM	7.8	Negative bias	Down
Chipotle Mexican Grill	CMG	42.9	57.5	37.6	32.8	42.6	13.6	Oversold	Down
Texas Roadhouse	TXRH	185.1	12.3	28.4	26.6	33.6	8.1	Negative bias	Up
McDonald's Corp	MCD	300.1	214.6	25.6	24.0	NM	31.7	Positive bias	Up
Avg ex-The Cheesecake Factory			**24.5**	**23.2**	**20.9**	**42.6**	**11.2**		

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