Restaurant Research®

Concept Analysis & Benchmark Report

Jersey Mike's 2023/2024

Executive Summary

Started by the Jersey Shore, Jersey Mike's East Coast style authentic brand positioning is based upon: freshly sliced cold subs made with private labeled meats & cheeses that are piled high on in-store baked bread; freshly grilled hot sub cheesesteaks; and signature Mike's Way sandwich topping option which features a drizzled zing of "The Juice". The chain's "Sub Above" hospitality experience is based upon operational excellence, consistency and energized customer interaction designed to create a friendly, homey environment. "America's sandwiches" target consumers seeking fast, fresh & convenient options primarily at lunch but also at dinner and the goal is to establish local neighborhood sandwich shops which "make a difference" with extensive cause marketing and community involvement campaigns. An impressive digital mix is linked to its MyMike's loyalty program which generates a key source of customer data. "It's A Jersey Mike's Thing" TV ad series, featuring Danny DeVito, effectively uses humor to highlight its core equities around the practice of freshly slicing its cold subs and freshly grilling its hot subs. Long-term sales tailwind include: a compelling service/quality positioning; a brand commitment to give back to its customers & to its communities; and effective digital marketing/loyalty efforts. The chain's AUV is at an all-time high and significant labor margin outperformance reflects sales leverage and a very efficient operating model. The system continues to work towards developing a national footprint, a process which benefits from a substantial increase in marketing spend (helping new development markets), an attractive sales-to-investment ratio and manageable closure rates. Sales headwinds include: a lack of price value during a challenging economic environment; Subway's strong recovery; and easing menu price increases consistent with moderating inflation. In conclusion, Jersey Mike's is well positioned to continue its outperformance by executing around the solid fundamentals of serving customers with quality, convenient products while also serving communities with a culture of "giving to give".

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Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt/ EBITDA	EV/ EBITDA	Stock Performance		
					2022	TTM	Nov-23
Jersey Mike's Franchise Systems Inc.	Private	Not Rated	N/a	N/a	N/a	N/a	
$1B+ Chains			5.55	14.16	-18.7%	-4.8%	

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