Restaurant Research®

Concept Analysis & Benchmark Report

Little Caesars 2023/2024

Executive Summary

Little Caesars, the 3rd largest player in the $1B+ pizza chain segment, enjoys simple, effective brand positioning around: low price points; a HOT-N-READY access model which means no waiting for an in-store pick-up of certain menu items kept in inventory; a Reserve-N-Ready system which allows customers to customize & pay for app/website orders before retrieving them from the store's Pizza Portal with a QR code which opens a door; and a DoorDash delivery option. The chain's menu strategy is to drive a higher frequency of lower ticket menu items and its value distinction is expressed by the lowest every day, a la carte price points. Its $6.79 HOT-N-READY classic large compares favorably to Domino's $7.99 large pizza carryout special and chose any 2 for $6.99 each carryout/delivery. Nearly all of the brand's marketed products include price points to emphasize affordability. A predominant carry-out service model provides a significant labor cost advantage relative to its national delivery competitor, helping to facilitate low price points in a price sensitive market. Humorous, quirky TV ads emphasize compelling price points & convenience and end with a tiny cartoon Caesar character reciting its famous "Pizza! Pizza!" tagline. Sales strength reflects the chain's strong value equation, NFL partnership, strong marketing presence and delivery inroads. This has translated into record unit level EBITDAR dollar profits and a system high unit level EBITDA valuation multiple which exceeds the segment average. In conclusion, Little Caesars is currently well positioned in the very competitive, price sensitive pizza segment as a low-cost provider that is supported by effective marketing and convenient access choices.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt/ EBITDA	EV/ EBITDA	Stock Performance		
					2022	TTM	Sep-23
Little Caesar Enterprises, Inc.	Private	Not Rated	N/a	N/a	N/a	N/a	
$1B+ Chains			5.55	14.16	-18.7%	10.5%	

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