



Unit & Sales Growth – 2023

Report Outline

- 10-year history for 58 \$1B+ chains including: (1) total units; (2) new units; (3) closures; (4) systemwide sales; and (5) system sales market share.

Summary

- Systemwide sales for the \$1B+ Chains increased +7.6% in 2022 (+19% 3-year stacked basis) compared to +14.5% (+29.5% 3-year stacked basis) for the total restaurant industry.
- 2022 total restaurant industry market share for the \$1B+ Chains declined sharply (-2.2% to 33.9%), representing the lowest level in at least 20 years as smaller chains and independent restaurants recaptured lost market share post-covid.
- Notably, the 2022 total unit count for \$1B+ chains has yet to rebound to 2019 levels.

Highlights

- While +2.8% 2022 gross unit development for the \$1B+ Chains slightly outpaced 2021 and represents a continued improvement from the +2.1% 2020 low, it was pressured by unprecedented construction cost inflation (RR’s New Build Cost Index increased +14.2% in 2022) and longer project completion times.
- Gross unit development is projected to grow +2.8% in 2023, although actual results could also be pressured by a continuation of elevated building material costs (RR Index +10.0% YTD 5/23) and less favorable borrowing terms (tighter credit requirements & higher rates).
- Although 2022 closure rates for the \$1B+ Chains continued to improve from 2020’s elevated level, they have been generally trending higher since 2013, reflecting persistent unit level margin pressure (the average 2022 store-level EBITDAR margin fell to an all-time low of ~16.7% from ~19.1% in 2021).
- Going forward development could benefit from improving store level profit prospects, reflecting higher menu prices taken over the last 2 years, easing commodity prices and ongoing efforts to cull weaker stores/operators.

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Data in spreadsheet form available at <http://www.ChainRestaurantData.com>

U.S. System-wide Unit Summary 2013 - 2022 (Sorted by Total 2022 Units)
Includes All \$1B+ Chains and Other Select Concepts

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	FYE 2022 Unit Summary			Net Unit Growth Rates		
											Total	Co. Units	Fran. Units	% Fran. Owned	22/'21	CAGR '13 - '22
Applebee's																
Chili's Grill & Bar																
Buffalo Wild Wings																
Olive Garden																
Outback																
Red Lobster																
Texas Roadhouse																
LongHorn																
Red Robin																
T.G.I. Friday's																
BJ's Restaurants																
Cheesecake Factory																
Casual																
Chipotle																
Panera Bread																
Qdoba																
Moe's Southwest Grill																
Corner Bakery Café																
Fast Casual																
IHOP																
Denny's																
Cracker Barrel																
Bob Evans																
Golden Corral																
Perkins																
Family																
Total																

Source: SEC filings, company reports and Franchise Disclosure Documents

RR 2022 Estimate

(1) KFC, Taco Bell, Pizza Hut and Subway excludes licensed units.

(2) Dairy Queen figures include DQ Treat, DQ Limited Brazier, DQ Grill & Chill direct-licensed outlets, DQ Brazier direct-licensed outlets, Texas DQ direct-licensed outlets, DQ Grill & Chill sub franchised territory operator outlets and DQ Brazier sub franchised territory operator outlets.

(3) Dunkin' Donuts figures include Baskin-Robbins combo units.

(4) Starbucks does not franchise, but has licensed units which are included under franchise stores.

2022 Actual/2023 Projected Domestic Unit Activity Detail

Concept	New Units - 2022			Closed Units - 2022			Fran. Transfers	Unit Count - 2022			Projected New - 2023		
	Total	Co.	Fran.	Total	Co.	Fran.		Total	Co.	Fran.	Total	Co.	Fran.
Arby's													
Burger King													
Carl's Jr.													
Checkers/ Rally's													
Chick-fil-A													
Culver's													
Dairy Queen ⁽¹⁾													
Five Guys													
Hardee's													
Jack in the Box													
McDonald's													
Sonic Drive-In													
Taco Bell ⁽²⁾													
Wendy's													
Whataburger													
Zaxby's													
Sandwich													
Firehouse Subs													
Jersey Mike's													
Jimmy John's													
Subway ⁽²⁾													
Sub-Sandwich													
Dunkin Donuts ⁽³⁾													
Dutch Bros Coffee													
Krispy Kreme													
Starbucks ⁽⁴⁾													
Tim Horton's													
Coffee/Bakery													
Domino's													
Little Caesars													
Papa John's													
Pizza Hut ⁽²⁾													
Pizza													
Bojangles'													
Church's													
KFC ⁽²⁾													
Popeyes													
Wingstop													
Chicken													
Applebee's													
BJ's Restaurants													
Buffalo Wild Wings													
Cheesecake Factory													
Chili's Grill & Bar													
LongHorn													
Olive Garden													
Outback													
Red Lobster													
Red Robin													
T.G.I. Friday's													
Texas Roadhouse													
Casual													
Chipotle													
Corner Bakery Café													
Moe's Southwest Grill													
Panera Bread													
Qdoba													
Fast Casual													
Bob Evans													
Cracker Barrel													
Denny's													
Golden Corral													
IHOP													
Perkins													
Family													
Total													

Source: SEC filings, company reports and Franchise Disclosure Documents

RR 2022 Estimate

(1) The majority of DQ openings and closings include conversions to/from other DQ concepts.

(2) KFC, Taco Bell, Pizza Hut and Subway excludes licensed units.

(3) Dunkin Donuts figures include Baskin-Robbins combo units.

(4) Starbucks does not franchise, but has licensed units which are included under franchise stores.



2022 Actual/2023 Projected and 10-year Annual Average Domestic Unit Growth Detail

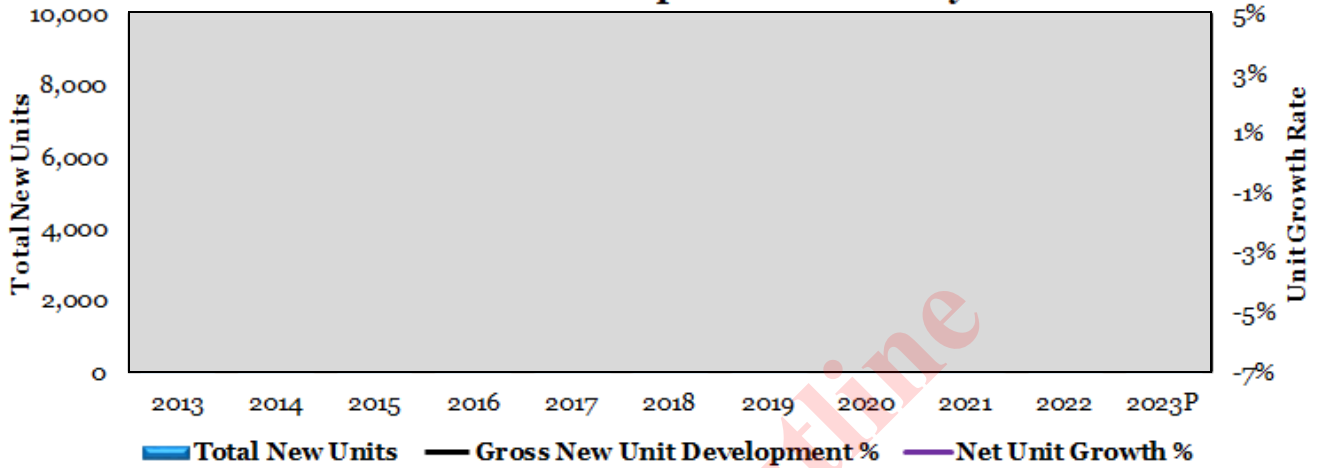
Concept	2022 Rates			Franchise Transfers	2023 Projected		10-Year Average		Franchise Transfers
	Openings	Closings	Net Growth		Openings	Openings Closings	CAGR Net Growth		
Arby's									
Burger King									
Carl's Jr.									
Checkers/ Rally's									
Chick-fil-A									
Culver's									
Dairy Queen									
Five Guys									
Hardee's									
Jack in the Box									
McDonald's									
Sonic Drive-In									
Taco Bell									
Wendy's									
Whataburger									
Zaxby's									
Sandwich									
Firehouse Subs									
Jersey Mike's									
Jimmy John's									
Subway									
Sub-Sandwich									
Dunkin'									
Dutch Bros Coffee									
Krispy Kreme									
Starbucks									
Tim Horton's									
Coffee/Bakery									
Domino's									
Little Caesars									
Papa John's									
Pizza Hut									
Pizza									
Bojangles'									
Church's									
KFC									
Popeyes									
Wingstop									
Chicken									
Applebee's									
BJ's Restaurants									
Buffalo Wild Wings									
Cheesecake Factory									
Chili's Grill & Bar									
LongHorn									
Olive Garden									
Outback									
Red Lobster									
Red Robin									
T.G.I. Friday's									
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Chipotle									
Corner Bakery Café									
Moe's Southwest Grill									
Panera Bread									
Qdoba									
Fast Casual									
Bob Evans									
Cracker Barrel									
Denny's									
Golden Corral									
IHOP									
Perkins									
Family									
Total									

Source: SEC filings, company reports and Franchise Disclosure Documents

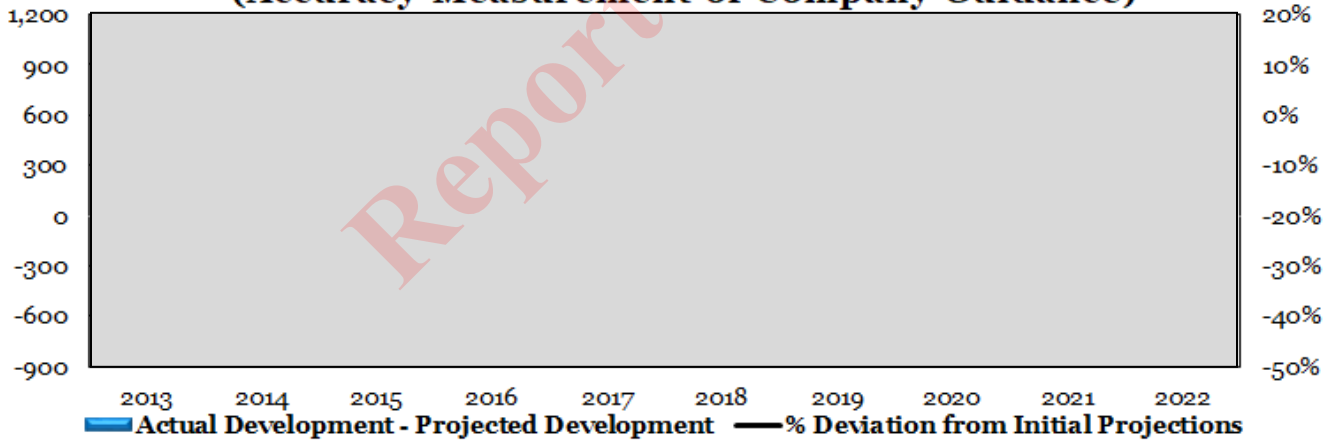
RR 2022 estimate

Unit Development Trends

New Unit Development Summary

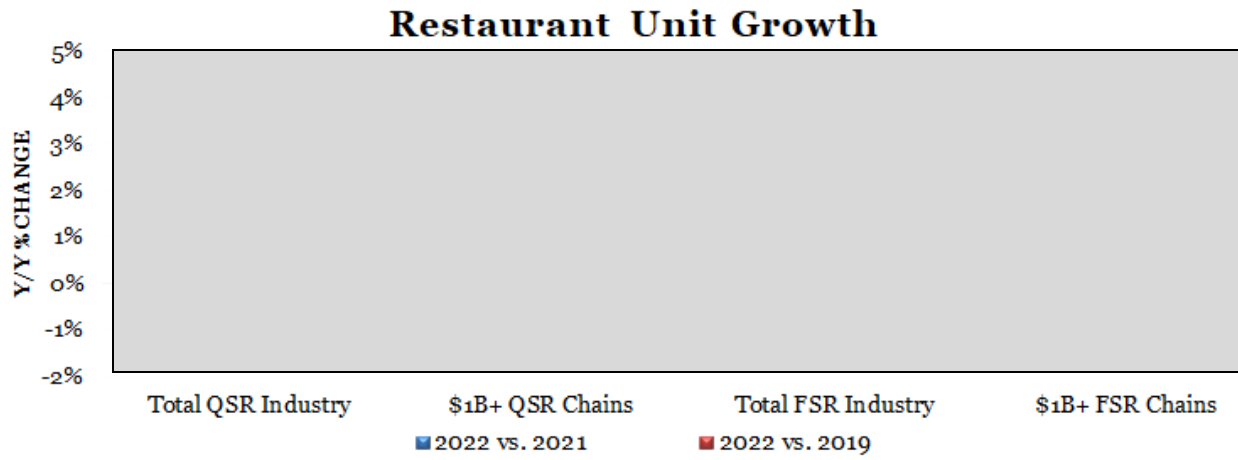


**Actual vs. Projected Aggregate Unit Development
(Accuracy Measurement of Company Guidance)**





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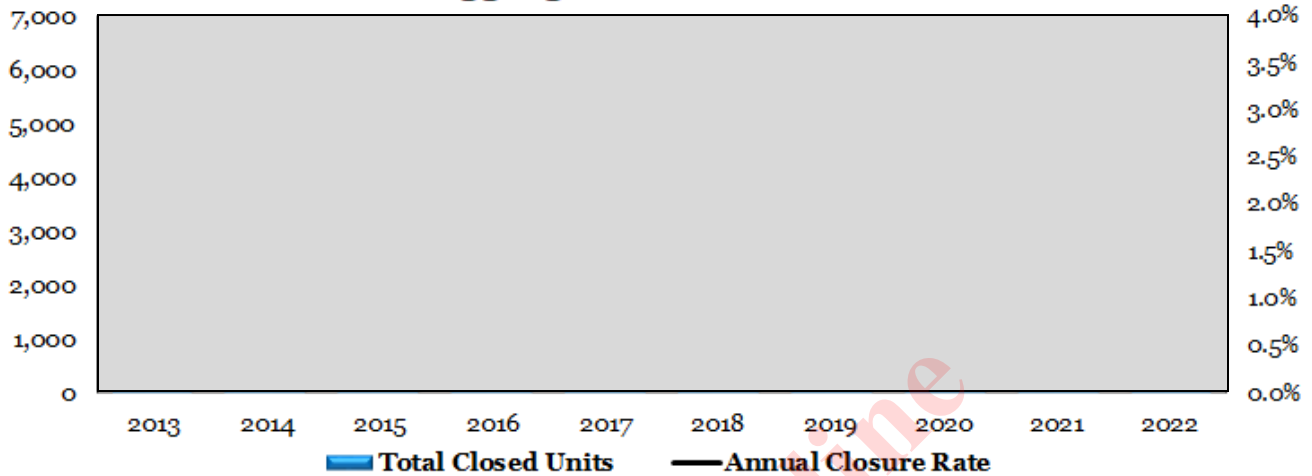
Report Outline



Closure Rates Trends

-
-

Aggregate Unit Closures



-

Company vs. Franchise Closure Rates



\$1B+ Restaurant Chains Systemwide Sales Growth & Market Share Summary (\$ Billions)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	3 Yr. Stack 2022 vs. 2019	10 Yr. CAGR (2013-2022)
Systemwide Sales Growth (Sorted by 3-Yr. Stack)												
Fast Casual												
Coffee/Bakery												
Chicken												
Sandwich												
Pizza												
Sub-Sandwich												
Casual												
Family												
\$1B+ Chains Sales												
Y/Y % Change												
U.S. Restaurant Industry												
Y/Y % Change												
Systemwide Market Share as a % of Total (Sorted by 2022 Change)											Change 2022 vs. 2021	10 Yr. Change (2022 vs. 2013)
Coffee/Bakery												
Casual												
Fast Casual												
Family												
Sub-Sandwich												
Chicken												
Pizza												
Sandwich												
\$1B+ Chains												
\$1B+ Chains Share of Total												
U.S. Restaurant Industry												

U.S. System-wide Sales Summary 2013 - 2022 (\$'000s)
Includes All \$1B+ Chains and Other Select Concepts

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Annual Growth Rates		Segment Market Share		
											FYE '22/ FYE '21	Compound Growth '13 - '22	2022	Change '22/'21	Change '22/'13
McDonald's															
Chick-fil-A															
Taco Bell															
Wendy's															
Burger King															
Sonic Drive-In															
Arby's															
Dairy Queen															
Jack in the Box															
Whataburger															
Culver's															
Zaxby's															
Five Guys															
Hardee's															
Carl's Jr.															
Checkers/ Rally's															
Del Taco															
Sandwich															
Subway															
Jersey Mike's															
Jimmy John's															
Firehouse Subs															
Sub-Sandwich															
Starbucks															
Dunkin'															
Krispy Kreme															
Dutch Bros Coffee															
Tim Horton's															
Coffee/Bakery															
Domino's															
Pizza Hut															
Little Caesars															
Papa John's															
Pizza															
Popeyes															
KFC															
Wingstop															
Bojangles'															
Church's															
Chicken															

Report Outline

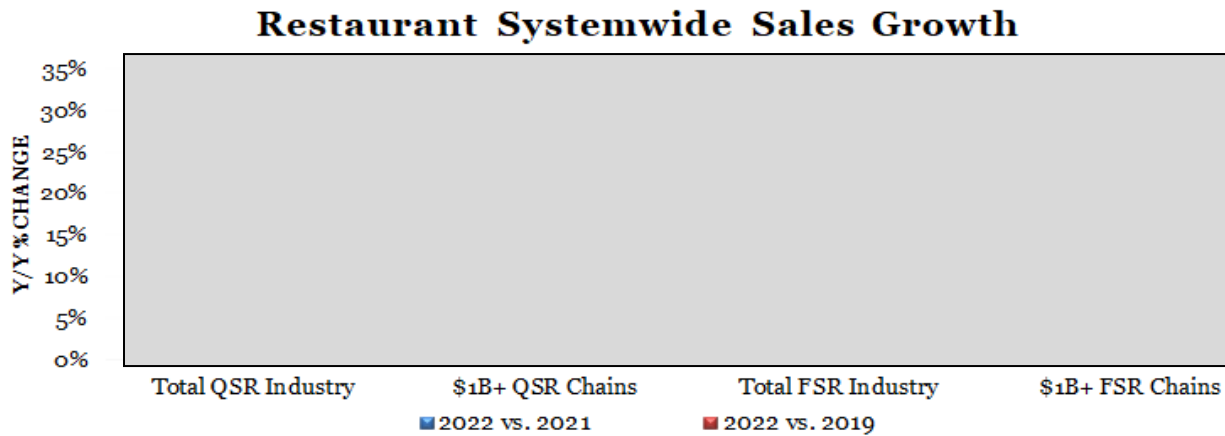
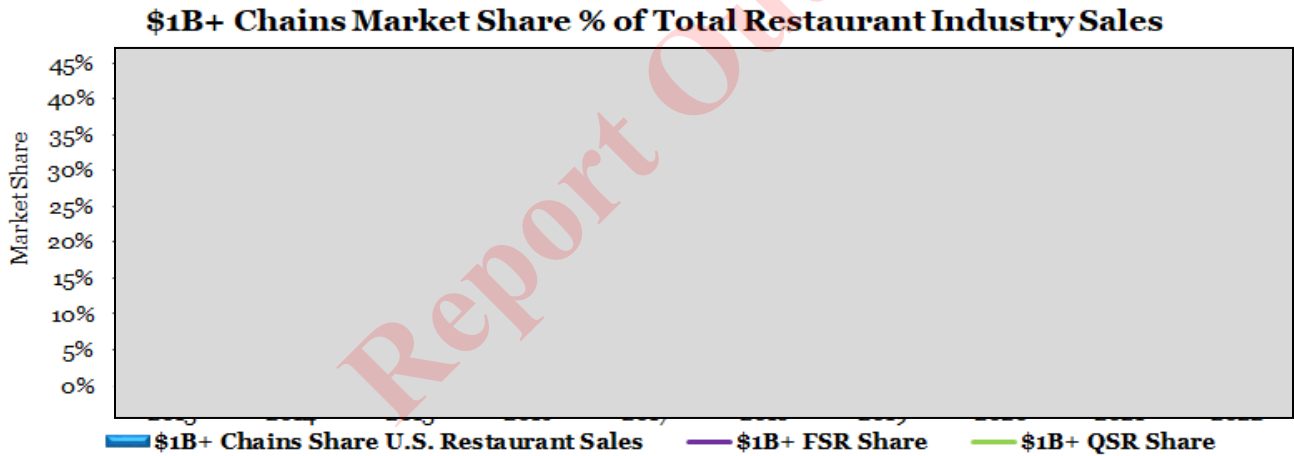
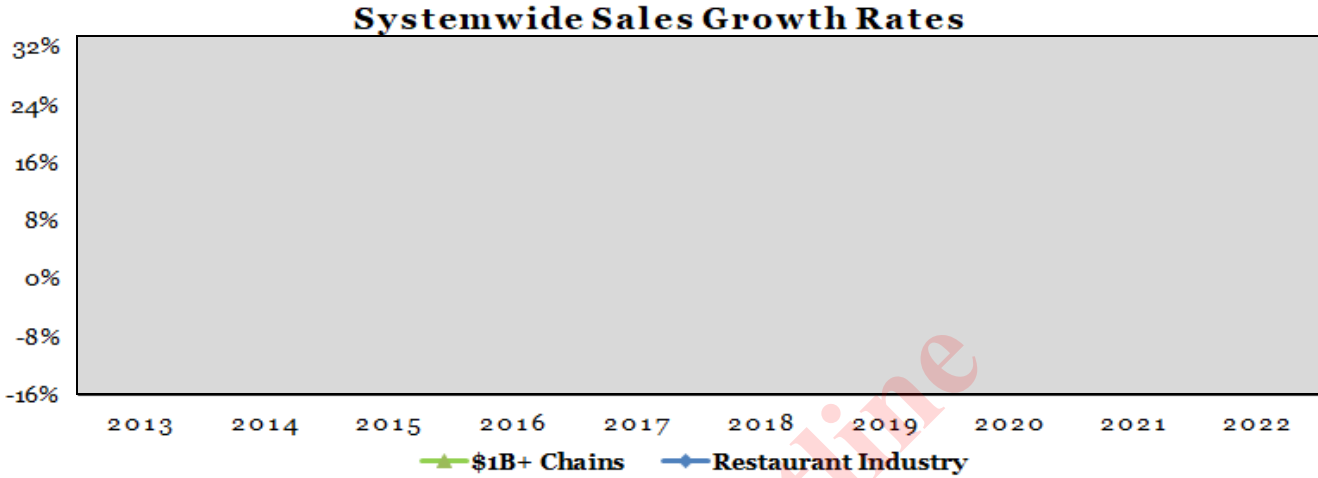
U.S. System-wide Sales Summary 2013 - 2022 (\$'000s)
Includes All \$1B+ Chains and Other Select Concepts

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Annual Growth Rates		Segment Market Share		
											FYE '22/ FYE '21	Compound Growth '13 - '22	2022	Change '22/'21	Change '22/'13
Olive Garden															
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Fast Casual															
IHOP															
Denny's															
Cracker Barrel															
Golden Corral															
Bob Evans															
Perkins															
Family															
\$1B+ QSR Total															
\$1B+ FSR Total															
\$1B+ Chains Total															
U.S. Restaurant Industry															

RR 2022 Estimate



Systemwide Sales & Market Share Trends





Restaurant Research Coverage

Concept Reports	Industry Data Reports
Applebee's Arby's Burger King Carl's Jr. Chili's Grill & Bar Church's Denny's Domino's Hardee's IHOP Jack in the Box KFC McDonald's Panera Bread Papa John's Pizza Hut Popeyes Sonic Drive-In Subway Taco Bell Wendy's	Restaurant Lending & 2nd Half Unit Valuations Ad Spending Menus & Promotions Unit Growth & Sales Analysis Unit Economics 1st Half Unit Valuations & Lending Update New Build Costs & Franchise Fees Remodeling
	Databases & Special Reports
	RR Databook (Annual Data Summary 50+ Chains) RR LTO Overview (Monthly Promotions 50+ Chains) FDD Library (40+ Chains) Concept Updates (Quarterly 20+ Public Chains) Same Store Sales Database (Quarterly 25+ Chains) New Store ROI Model SBA Lending Database
	www.ChainRestaurantData.com

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