Restaurant Research®

Building Bridges between Franchisees, Franchisors & Financiers

Unit & Sales Growth – 2024

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.

Highlights

- *Systemwide sales* for the $1B+ Chains increased +7.5% in 2023 (+28% since 2019) compared to +10.6% (+43.2% since 2019) for the total restaurant industry.
- 2023 total restaurant *industry market share* for the $1B+ Chains continued to decline (-0.9% y/y to 33.0%), representing the lowest level in at least 21 years as smaller chains and independent restaurants gain market share post-covid.
- The annual gross *unit development growth rate* for the $1B+ Chains increased +2.8% over the last 2 years and continues to be pressured by: persistent construction cost inflation (RR's New Build Cost Index increased +6.3% in 2023 and is up +33% since 2019); and less favorable borrowing terms (tighter credit requirements & higher rates).
- The 2023 *total unit count* for the $1B+ Chains finally exceeded the 2019 level, with smaller chains and independent restaurants outperforming. Net unit growth for the $1B+ chains has not exceeded +1% since 2016.
- 2024 gross unit development growth is projected to remain unchanged at +2.8%.
- The 2023 *closure rate* for the $1B+ chains held steady at 2.0%, slightly below the 2.3% 10-year average. Closure rates have held-up despite persistent unit level margin pressure since 2014 (while the average store-level EBITDAR margin improved to 17.7% in 2023 from a 21-year low of 16.8% during 2022, it remains substantially below the 19.1% historical average).

Report Outline

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

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$1B+ Restaurant Chains Unit Development & Closure Rate Segment Summary

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024P	10 Yr. Avg. (2014-2023)
Gross Unit Development (Sorted by 2023 Growth High to Low)												
Fast Casual												
Coffee/Bakery												
Chicken												
Sub-Sandwich												
Pizza												
Sandwich												
Family												
Casual												
Total												
Total New Units												
Total Units $1B+ Chains												
Net Growth %												
Total U.S. Restaurant Units												
Total U.S. Restaurants												
Net Growth %												
Closure Rates (Sorted by 2023 Closures Low to High)												
Pizza												
Coffee/Bakery												
Sandwich												
Casual												
Family												
Chicken												
Fast Casual												
Sub-Sandwich												
Total												
Total Closed Units												

Report Outline

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U.S. System-wide Unit Summary 2014 - 2023 (Sorted by Total 2023 Units)

Includes All $1B+ Chains and Other Select Concepts

	2014	2015	2016	2017	2018	2019	2020	2021	2022	FYE 2023 Unit Summary				Net Unit Growth Rates	
										Total	Co. Units	Fran. Units	% Fran. Owned	23/'22	CAGR '14 - '23
McDonald's															
Taco Bell [1]															
Burger King															
Wendy's															
Dairy Queen [2]															
Sonic Drive-In															
Arby's															
Chick-fil-A															
Jack in the Box															
Hardee's															
Five Guys															
Carl's Jr.															
Whataburger															
Culver's															
Zaxby's															
Del Taco															
Checkers/ Rally's															
Sandwich															
Subway															
Jersey Mike's															
Jimmy John's															
Firehouse Subs															
Sub-Sandwich															
Starbucks [4]															
Dunkin Donuts [3]															
Dutch Bros Coffee															
Tim Horton's															
Krispy Kreme															
Coffee/Bakery															
Domino's															
Pizza Hut [2]															
Little Caesars															
Papa John's															
Pizza															
KFC [2]															
Popeyes															
Wingstop															
Bojangles'															
Church's															
Chicken															

Report Outline

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U.S. System-wide Unit Summary 2014 - 2023 (Sorted by Total 2023 Units)

Includes All $1B+ Chains and Other Select Concepts

	2014	2015	2016	2017	2018	2019	2020	2021	2022	FYE 2023 Unit Summary				Net Unit Growth Rates	
										Total	Co. Units	Fran. Units	% Fran. Owned	23/'22	CAGR '14 - '23
Applebee's															
Chili's Grill & Bar															
Buffalo Wild Wings															
Olive Garden															
Outback															
Texas Roadhouse															
Red Lobster															
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 **RR 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.

Report Outline

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2023 Actual/2024 Projected Domestic Unit Activity Detail

Concept	New Units - 2023 Total	New Units - 2023 Co.	New Units - 2023 Fran.	Closed Units - 2023 Total	Closed Units - 2023 Co.	Closed Units - 2023 Fran.	Fran. Transfers	Unit Count - 2023 Total	Unit Count - 2023 Co.	Unit Count - 2023 Fran.	Projected New - 2024 Total	Projected New - 2024 Co.	Projected New - 2024 Fran.
Arby's													
Burger King													
Carl's Jr.													
Checkers/ Rally's													
Chick-fil-A													
Culver's													
Dairy Queen (1)													
Del Taco													
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													

Report Outline

Source: SEC filings, company reports and Franchise Disclosure Documents

RR 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.

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2023 Actual/2024 Projected and 10-year Annual Average Domestic Unit Growth Detail

Concept	2023 Rates				2024 Projected	10-Year Average			
	Openings	Closings	Net Growth	Franchise Transfers	Openings	Openings	Closings	CAGR Net Growth	Franchise Transfers
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									
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 estimate**

Report Outline

Unit Development Trends

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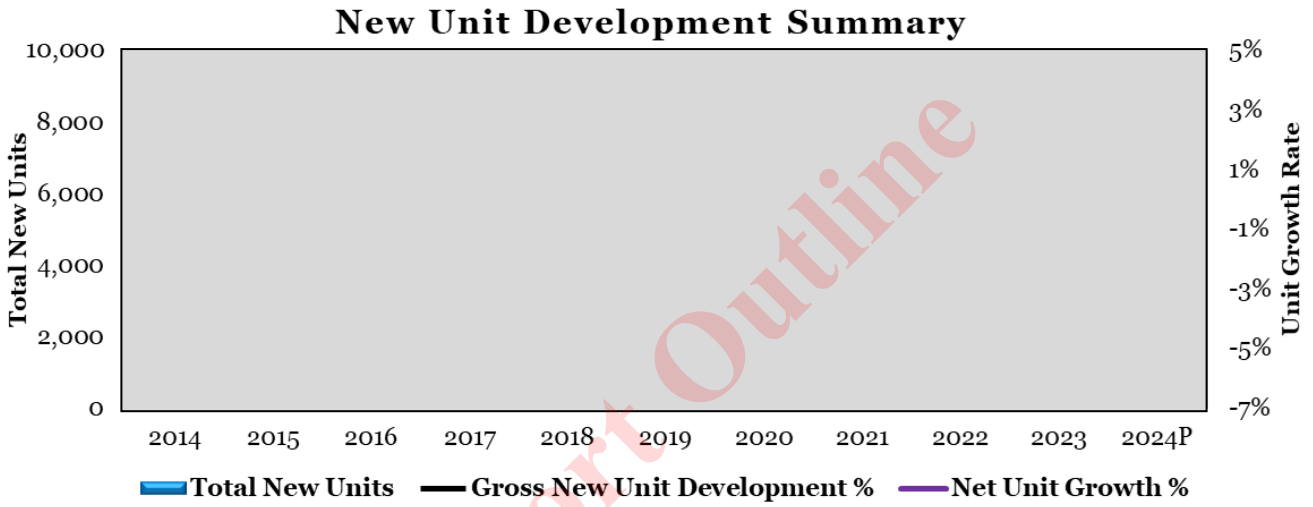



Report Outline

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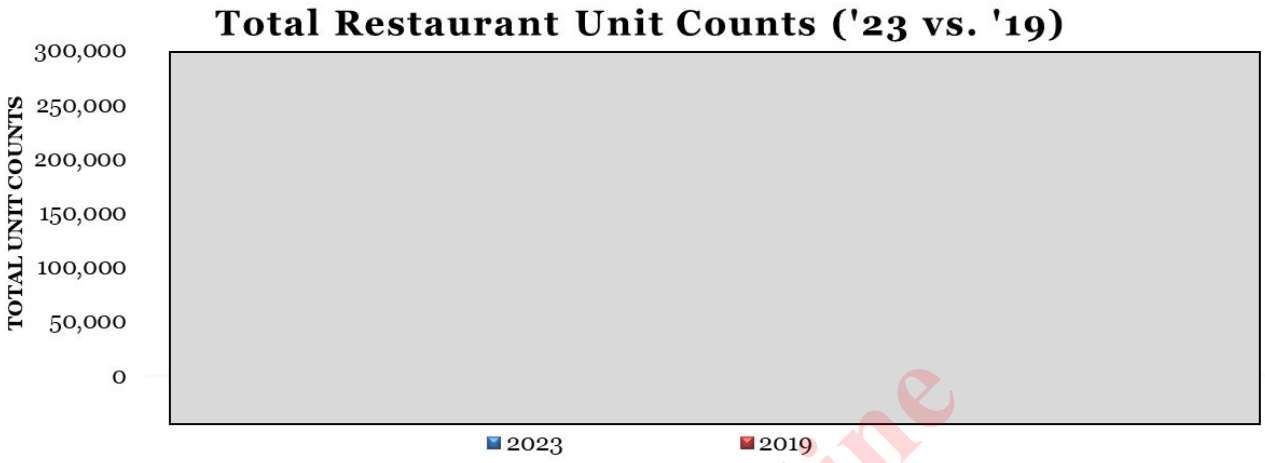

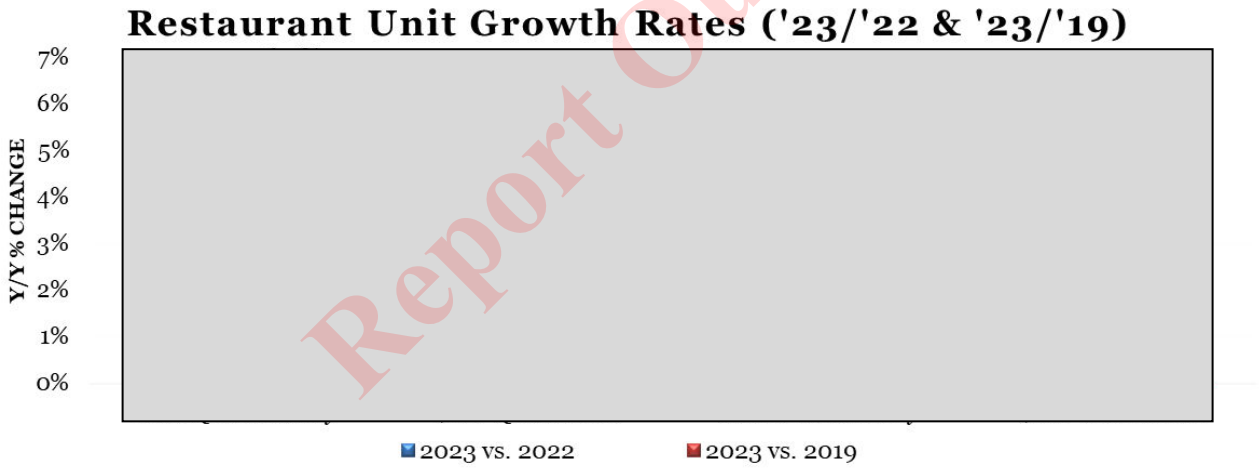

Report Outline

Closure Rates Trends

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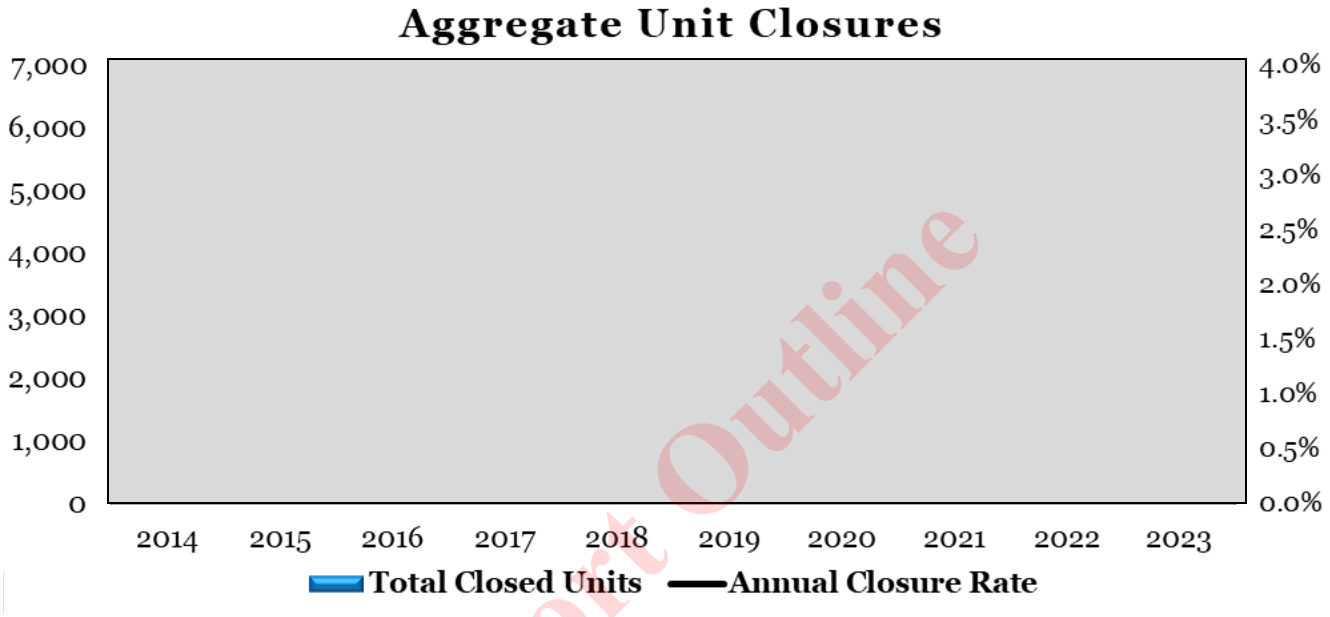

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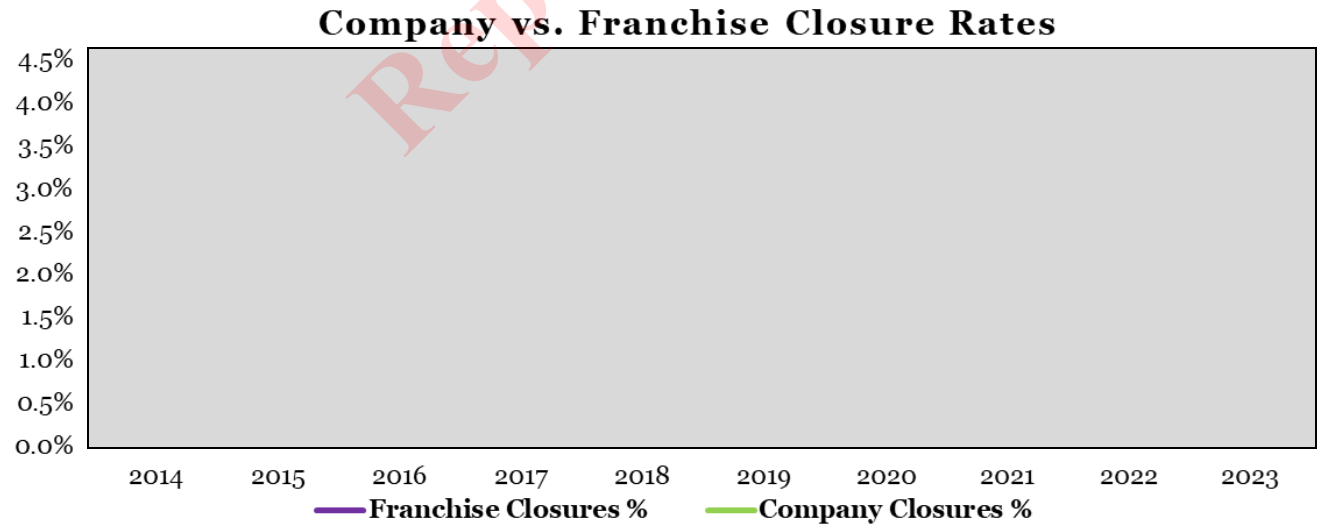

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$1B+ Restaurant Chains Systemwide Sales Growth & Market Share Summary ($'000)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	4 Yr. Stack 2023 vs. 2019	10 Yr. CAGR (2014-2023)
Systemwide Sales Growth (Sorted by 4-Yr. Stack)												
Chicken												
Fast Casual												
Coffee/Bakery												
Sandwich												
Sub-Sandwich												
Pizza												
Casual												
Family												
$1B+ Chains Sales Y/Y % Change												
U.S. Restaurant Industry Y/Y % Change												

	Change 2023 vs. 2022	10 Yr. Change (2023 vs. 2014)
Systemwide Market Share as a % of Total (Sorted by 2023 Change)		
Coffee/Bakery		
Fast Casual		
Family		
Casual		
Sub-Sandwich		
Chicken		
Pizza		
Sandwich		
$1B+ Chains		
$1B+ Chains Share of Total U.S. Restaurant Industry		

Report Outline

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U.S. System-wide Sales Summary 2014 - 2023 ($'000s)

Includes All $1B+ Chains and Other Select Concepts

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Annual Growth Rates FYE '23/ FYE '22	Annual Growth Rates Compound Growth '14 - '23	Segment Market Share 2023	Segment Market Share Change '23/'22	Segment Market Share Change '23/'14
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

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U.S. System-wide Sales Summary 2014 - 2023 ($'000s)

Includes All $1B+ Chains and Other Select Concepts

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Annual Growth Rates FYE '23/ FYE '22	Annual Growth Rates Compound Growth '14 - '23	Segment Market Share 2023	Segment Market Share Change '23/'22	Segment Market Share Change '23/'14
Olive Garden															
Applebee's															
Texas Roadhouse															
Buffalo Wild Wings															
Chili's Grill & Bar															
Outback															
Cheesecake Factory															
LongHorn															
Red Lobster															
Red Robin															
BJ's Restaurants															
T.G.I. Friday's															
Casual															
Chipotle															
Panera Bread															
Qdoba															
Moe's Southwest Grill															
Corner Bakery Café															
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 2023 Estimate

Report Outline

Systemwide Sales & Market Share Trends

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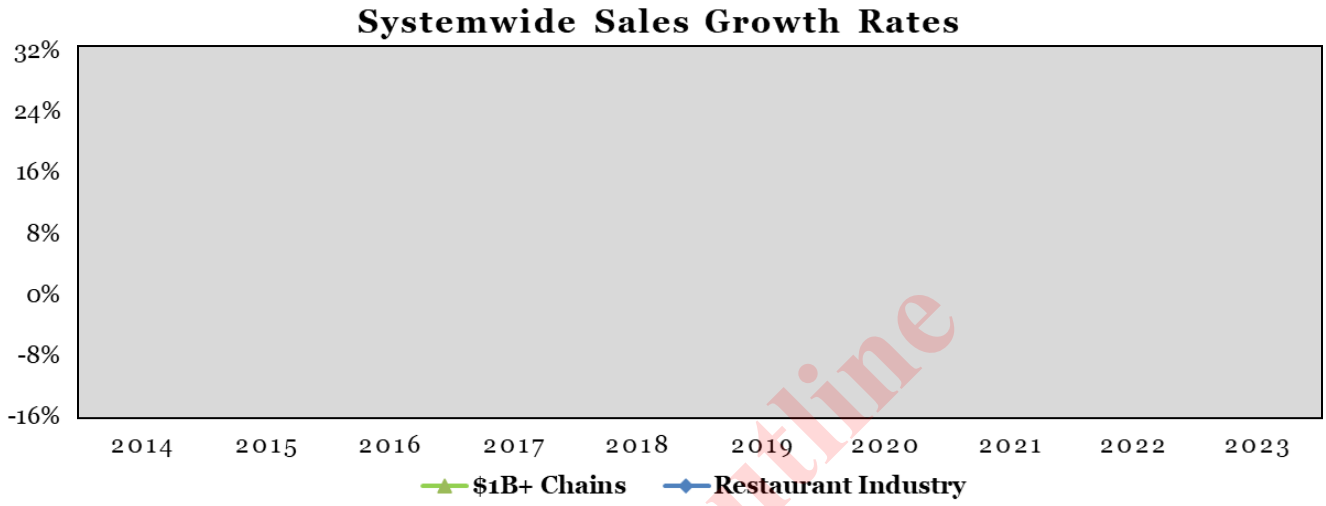

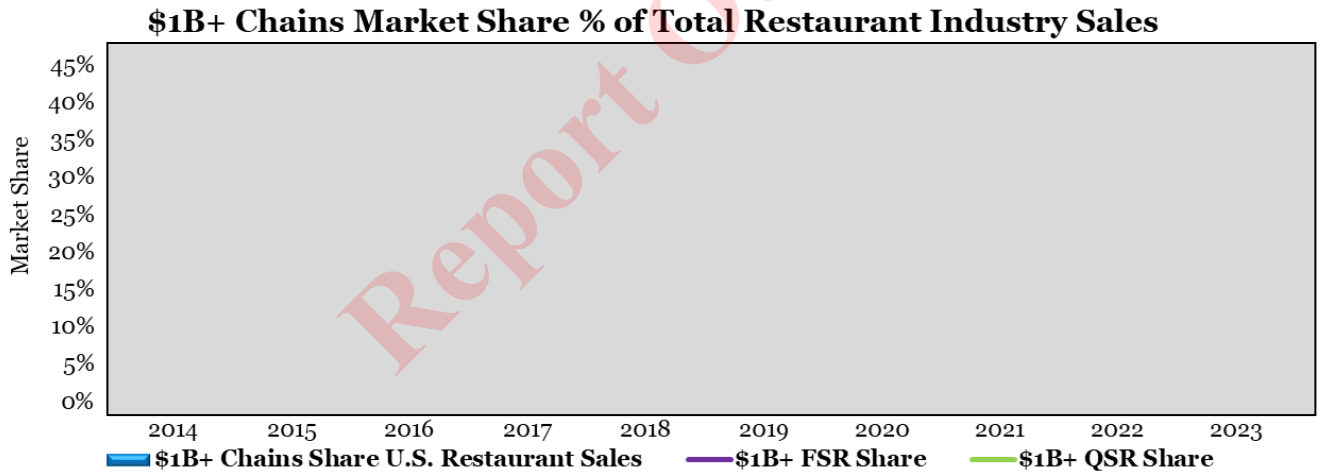

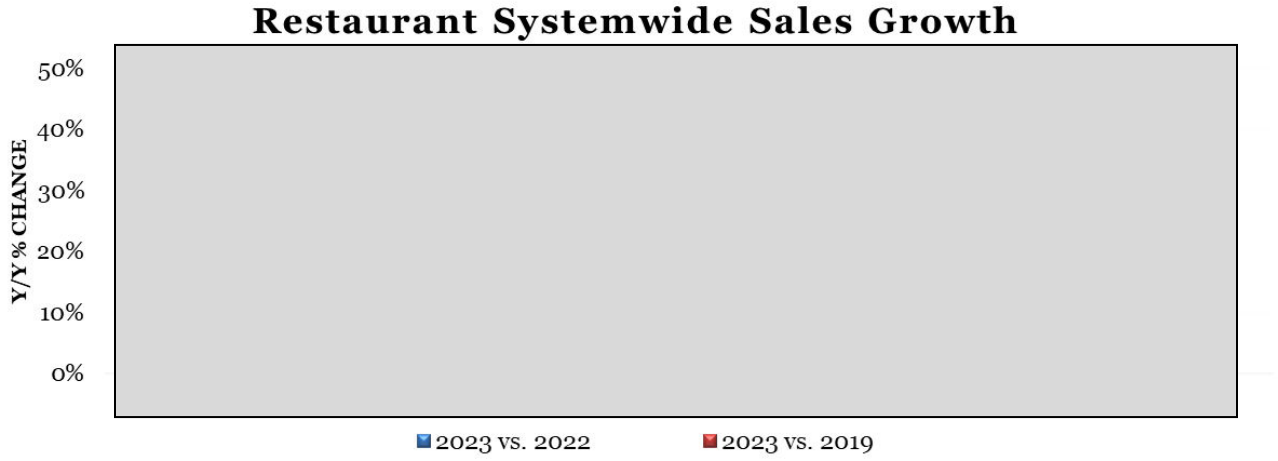

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Restaurant Research Coverage

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

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