Restaurant Research®

Concept Analysis & Benchmark Report

Papa John's 2024/2025

Executive Summary

Papa Johns' brand positioning emphasizes: long standing "Better Ingredients. Better Pizza. Papa Johns" messaging; menu innovation which drives reach into new demos and diminishes the need for discounting; digital strength; and effective marketing. The chain's goal is to translate quality, menu innovation, menu extensions and digital order strength into increased: frequency; trial (from a younger & higher income demo); and check (add-on sales). Value benefits from its Papa Pairings platform (minimum of 2 items for $6.99 each) and lower price point, non-pizza individual portion products (Papadia & Bowls) which provide good lunch and add-on options. An impressive 85% digital mix is supported by 32MM+ loyalty members who drive 50% of total sales. The brand's new "Better Get You Some" marketing campaign is driving an increase in purchase intent. While the chain's goal is to maintain an affordable option for a typical family of 4, its average check has increased +24% since 2019 and exceeds the segment average by +10%. Also, it is notable that its 2024 new product intros have slowed from a healthy 2023 pace. Management's FY24 comp guidance was lowered to flat to negative low-single digits (from positive low-single digits) and sales headwinds include: increased customer check management with less beverage & side attachments; and overall weakness in the consumer environment. In conclusion, while Papa Johns is executing around a solid strategy, its upscale positioning may have to wait for an economic recovery before it regains traction.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt (1)/ EBITDA	EV/ EBITDA	Stock Performance		
					2023	TTM	Jun-24
Papa John's International, Inc.	PZZA	Ba3	4.84	13.50	-7.4%	-36.4%	
$1B+ Chains			5.49	15.52	21.1%	-5.4%	

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(1) Net Debt includes operating leases.

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