Restaurant Research®

Concept Analysis & Benchmark Report

Applebee's 2024/2025

Executive Summary

Applebee's is the third largest player in the casual dining segment behind Olive Garden & Texas Roadhouse, with an emphasis on comfort food, adequate plate coverage and moderate prices that are well suited to its core middle-class target market. Its "Eatin' Good in the Neighborhood" Grill + Bar brand positioning is based upon: a comfortable, all-American atmosphere with great tasting food and a prominent bar area which provides energy for diners; familiar & craveable menu items which are broadly appealing; abundant value; decorating cues tied to individual neighborhoods; and appeal as a place to connect with family & friends. The chain is strengthened by 1H24 menu innovation which was 2x+ the segment average (with plans for monthly intros during 2H24) and its popular 2 for $25/$28/$32 platform (2 entrees with 2 side salads or 1 app to share) which provides abundant everyday value. While the brand is well positioned in terms of FSR value, current macro conditions and past menu price increases continue to pressure the brand's core middle-class demo. In conclusion, while Applebee's enjoys very strong brand equity and equally strong operational execution in our opinion, the chain must wait for an economic rebound before its customers can fully avail themselves of all that this iconic American sit-down has to offer.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt [(1)]/ EBITDA	EV/ EBITDA	Stock Performance		
					2023	TTM	Jul-24
Dine Brands Global, Inc.	DIN	Not Rated	7.01	10.40	-23.2%	-40.6%	
$1B+ Chains			5.49	15.52	21.1%	-9.2%	

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(1) Net Debt includes operating leases.

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