Restaurant Research®

Concept Analysis & Benchmark Report

Burger King 2024/2025

Executive Summary

Burger King is the 3rd largest burger chain (by U.S. system sales) built upon its iconic Home of the Whopper brand equity which emphasizes flame grilling (over an open flame as opposed to griddling) and customization options ("You Rule" & "Have it Your Way" messaging). The chain's very well-funded modernization program covers every area of marketing, operations and facilities while management also simplifies the menu around its strategic Whopper & chicken core. BK's value proposition is generally solid, offering tiered price points which provides multiple reasons for price sensitive customers to frequent. BK further benefits from culling the weakest stores that have weighed down a very old system. Despite all these accomplishments, the chain must continue to grapple with the fact that its core customers are low-income consumers who are struggling to keep their heads above water and this vulnerability is amplified by a big push into value by its competitors. In conclusion, while Burger King's long-term positioning benefits from management's success in overhauling and modernizing an iconic brand, the system must wait for an economic rebound to fully realize the fruits of these efforts although it has made good progress on unit-level profitability so far.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt [(1)]/ EBITDA	EV/ EBITDA	Stock Performance		
					2023	TTM	Jul-24
Restaurant Brands International Inc.	QSR	S&P BB	5.80	17.00	20.8%	-8.6%	
$1B+ Chains			5.49	15.52	21.1%	-9.2%	

Table of Contents

Table of Contents

	Page		Page		Page
Strengths & Challenges	2	Operations	11	Closings	20
RR Dashboard	3	Tech & Equipment	12	Remodeling	21
System Statistics	4	Sales & Market Share	13 - 14	Franchise Summary	22
Marketing Strategy	5	Unit Economic Summary	15	Menu Exhibit	23
Marketing Spend	6	Unit Economic Trends	16	State Unit Map	24
Menu Strategy	7	New Build Costs	17	State Unit Detail	25
Menu Trends	8	New Build vs. Buy Analysis	18	Photos	26
New Products & Promotions	9 - 10	Development	19	RR Overview	27

(1) Net Debt includes operating leases.

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