Restaurant Research

Building Bridges between Franchisees, Franchisors & Financiers

Unit Economics - 2025

Report Highlights

- **RR's Industry Data Report on Unit Economics** provides: (1) FYE 2024 unit-level AUV along with COGs, labor, royalty, advertising, other operating and EBITDAR margin estimates for 44 chains; (2) a 5-year history of unit economic performance; (3) an analysis of food and labor cost drivers; (4) leverage ratio ranges from RR's annual lender survey; (5) franchisee G&A & rent data; and (6) an overview of minimum wage trends.

Conclusions

- The average 2024 EBITDAR % margin for the $1B+ Chains decreased -0.2% to 18.3%, reflecting higher other operating costs (+0.4%) and labor costs (+0.2%) which were partially offset by lower COGs (-0.4%). As a result, the 2024 EBITDAR margin remained -0.9% below the 19.2% historical average and -1.8% below the 20.1% historical peak in 2015.
- In any case, the average 2024 unit-level $ EBITDAR profit increased +0.8% to a record $453k.
- 1Q25 store-level % margins for company stores owned by the $1B+ public chains declined -0.2% to 18.2% due to higher COGs (+0.1%) & labor (+0.1%). While 1Q25 comps were pressured by initial consumer concerns about tariffs (weak consumer sentiment) & inclement weather, 2Q results appear poised to rebound consistent with a healthy labor market, improving consumer sentiment & stabilizing inflation (lower gas prices).
- Franchisee leverage levels decreased for both QSR & FSR and remain healthy overall.

Unit Economic AUV & EBITDAR Summary

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AUV	$1,965,690	$1,961,286	$1,957,262	$1,988,109	$2,024,977	$1,831,432	$2,190,409	$2,320,682	$2,428,545	$2,471,773
Y/Y % Change	*3.1%*	*-0.2%*	*-0.2%*	*1.6%*	*1.9%*	*-9.6%*	*19.6%*	*5.9%*	*4.6%*	*1.8%*
EBITDAR $	$395,435	$388,148	$372,998	$380,392	$383,592	$338,607	$425,711	$398,498	$449,778	$453,430
Y/Y % Change	*6.5%*	*-1.8%*	*-3.9%*	*2.0%*	*0.8%*	*-11.7%*	*25.7%*	*-6.4%*	*12.9%*	*0.8%*

Report Outline

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

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RR Unit Economic Summary (Ranked by Change in EBITDAR 2019 - 2024) - $ Millions

	2019				2020				2021				2022				2023				2024				Change in EBITDAR Since 2019	
Concept	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**Margin**	**EBITDAR $**
Dutch Bros Coffee																										
Dunkin'																										
7 Brew																										
Coffee/Bakery																										
Chipotle																										
Qdoba																										
Panera Bread																										
Fast Casual																										
Wingstop																										
Bojangles'																										
Church's																										
Popeyes																										
KFC																										
Chicken																										
Culver's																										
Zaxby's																										
McDonald's																										
Taco Bell																										
Dairy Queen																										
Jack in the Box																										
Five Guys																										
Checkers/ Rally's																										
Wendy's																										
Hardee's																										
Burger King																										
Carl's Jr.																										
Sonic Drive-In																										
Arby's																										
Del Taco																										
Sandwich																										
Texas Roadhouse																										
Cheesecake Factory																										
Chili's Grill & Bar																										
Buffalo Wild Wings																										
Applebee's																										
BJ's Restaurants																										
Red Robin																										
Casual																										
Jersey Mike's																										
Jimmy John's																										
Firehouse Subs																										
Subway																										
Sub-Sandwich																										
Little Caesars																										
Domino's																										
Pizza Hut																										
Papa John's																										
Pizza																										
Denny's																										
IHOP																										
Cracker Barrel																										
Family																										
Average																										

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RR's 2024 Franchisee Unit Economics - Sorted by EBITDAR Margin [1]

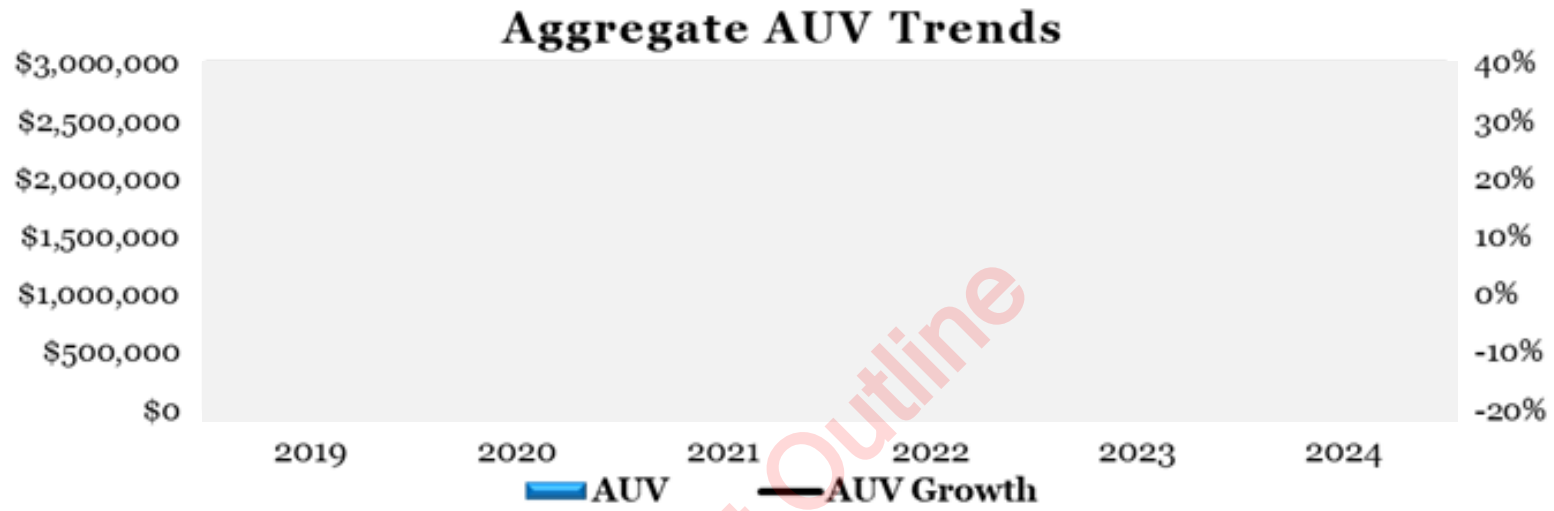
Concept	As of Date	AUV	Food & Paper	Labor & Benefits	Royalty	Advertising	Other Operating	EBITDAR (Pre G&A)
Starbucks	*Sep-24*							
Tim Horton's	*Dec-24*							
Dutch Bros Coffee	*Dec-24*							
7 Brew	*Dec-24*							
Dunkin'	*Dec-24*							
Coffee/Bakery	***5***							
Moe's Southwest Grill	*Dec-24*							
Chipotle	*Dec-24*							
Qdoba	*Dec-24*							
Panera Bread	*Dec-24*							
Fast Casual	***4***							
Five Guys	*Dec-24*							
Taco Bell	*Dec-24*							
Culver's	*Dec-24*							
Dairy Queen	*Dec-24*							
McDonald's	*Dec-24*							
Zaxby's	*Dec-24*							
Burger King	*Dec-24*							
Jack in the Box	*Sep-24*							
Carl's Jr.	*Dec-24*							
Wendy's	*Dec-24*							
Hardee's	*Dec-24*							
Arby's	*Dec-24*							
Del Taco	*Sep-24*							
Checkers/ Rally's	*Dec-24*							
Sonic Drive-In	*Dec-24*							
Sandwich	***15***							
Wingstop	*Dec-24*							
Popeyes	*Dec-24*							
Bojangles'	*Dec-24*							
Church's	*Dec-24*							
KFC	*Dec-24*							
Chicken	***5***							
Jersey Mike's	*Dec-24*							
Jimmy John's	*Dec-24*							
Firehouse Subs	*Dec-24*							
Subway	*Dec-24*							
Sub-Sandwich	***4***							
Buffalo Wild Wings	*Dec-24*							
Cheesecake Factory	*Dec-24*							
Applebee's	*Dec-24*							
Chili's Grill & Bar	*Jun-24*							
BJ's Restaurants	*Dec-24*							
Texas Roadhouse	*Dec-24*							
Red Robin	*Dec-24*							
Casual	***7***							
Domino's	*Dec-24*							
Little Caesars	*Dec-24*							
Pizza Hut	*Dec-24*							
Papa John's	*Dec-24*							
Pizza	***4***							
IHOP	*Dec-24*							
Denny's	*Dec-24*							
Golden Corral	*Dec-24*							
Cracker Barrel	*Jul-24*							
Family	***4***							
Average	**48**							

RR Estimate

(1) RR's unit economic figures represent estimated franchisee results derived from surveys and FDD's. Texas Roadhouse, Chipotle and Cracker Barrel company results have been adjusted to include a royalty fee for comparability purposes.
(2) Dairy Queen unit economic estimates represent Grill & Chill format.

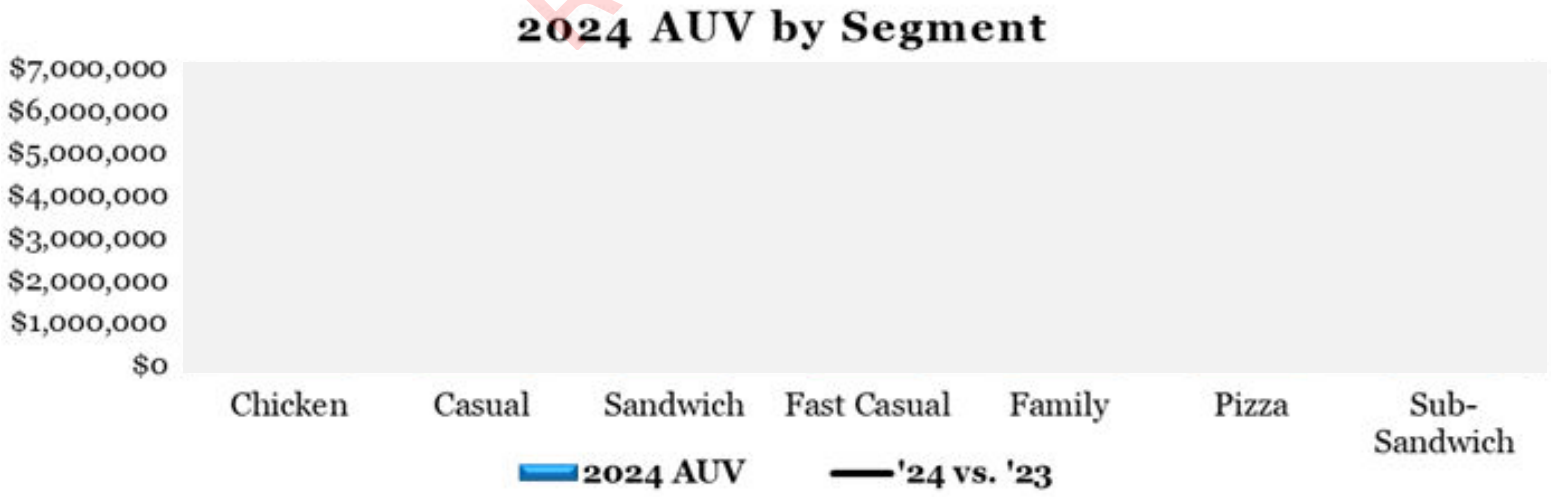
2024 Sales Overview

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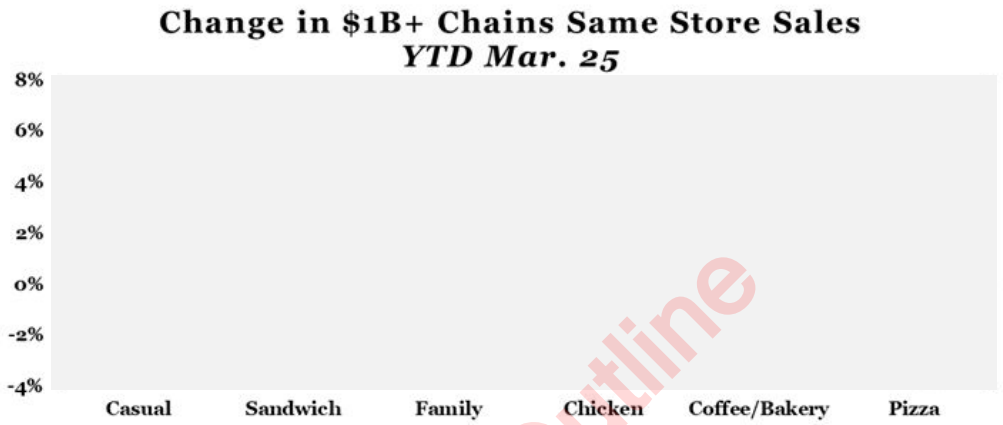
Report Outline



Note:

2025 Sales Outlook

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Report Outline

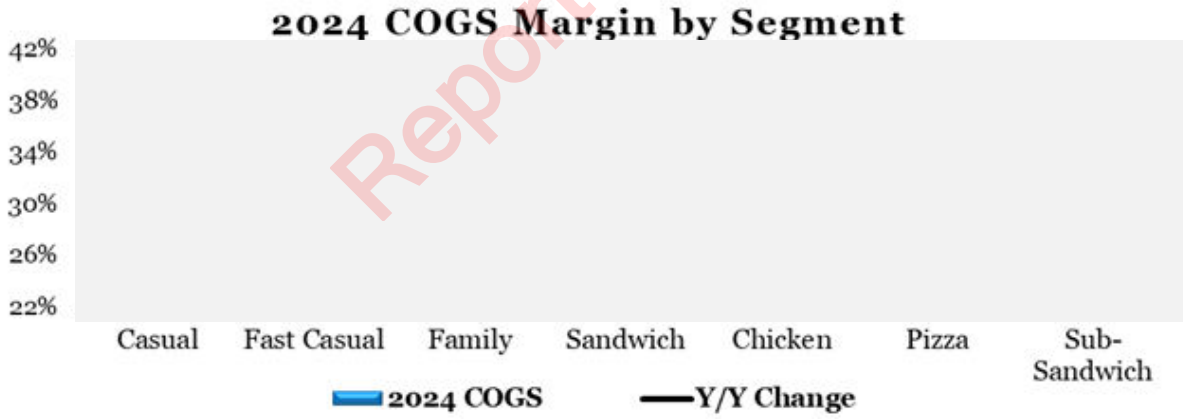




Source: Bureau of Labor Statistics

2024 COGs Overview





Report Outline

2025 COGS Outlook

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Company	COGS Margin 1Q24	1Q25	Change	FYE 2025 Outlook
Red Robin				
Cheesecake Factory				
Jack in the Box				
Darden				
Dutch Bros				
BJ's Restaurants				
Brinker				
Bloomin				
Texas Roadhouse				
Chipotle				
Domino's				
Denny's				
Wingstop				
Average				

(*) YTD March

Report Outline

2024 Labor Overview





Report Outline



2025 Labor Outlook

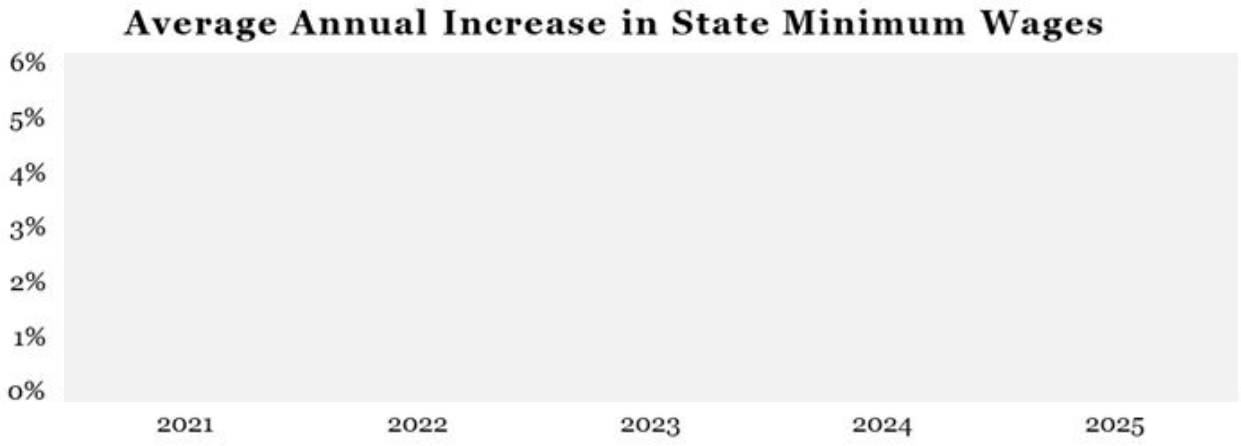
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Company	Labor Margin 1Q24	1Q25	Change	FYE 2025 Outlook
Red Robin				
Brinker				
BJ's Restaurants				
Cheesecake Factory				
Domino's				
Denny's				
Darden				
Wingstop				
Chipotle				
Dutch Bros				
Texas Roadhouse				
Bloomin				
Jack in the Box				
Average				

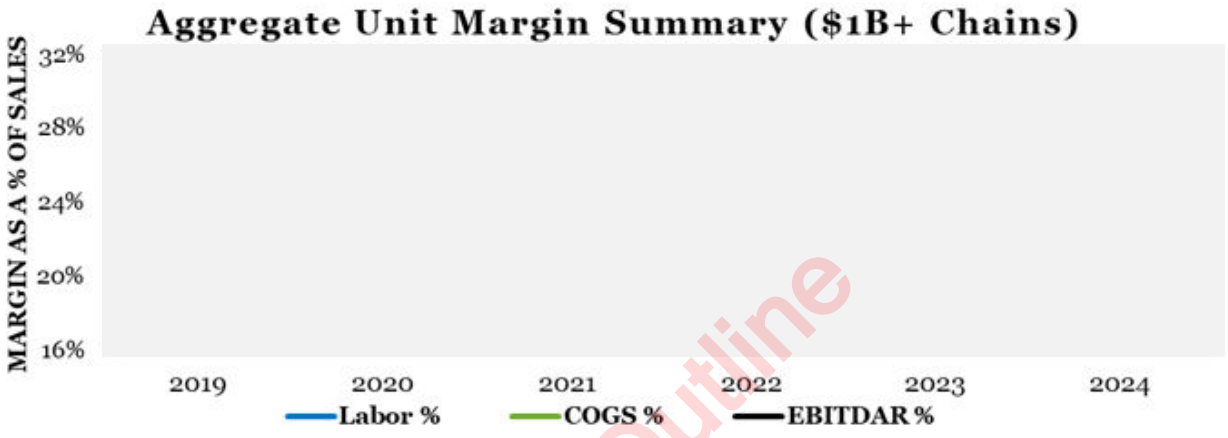
(*) YTD March

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EBITDAR Overview





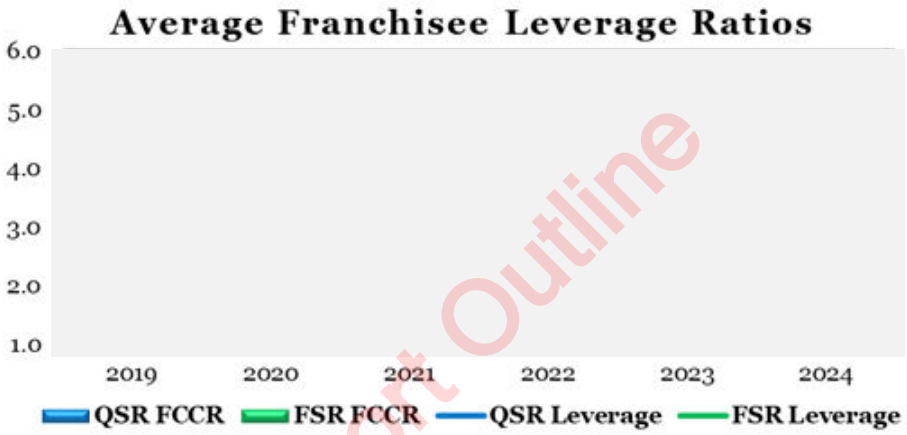
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Store-Level Operating Margin							
Company	1Q24	1Q25	Change	Company	1Q24	1Q25	Change
Brinker				Texas Roadhouse			
Red Robin				Chipotle			
BJ's Restaurants				Wingstop			
Cheesecake				Domino's			
Darden				Bloomin ' Brands			
Dutch Bros				Denny's			
Wendy's				Jack in the Box			
Average							

(*) YTD March

Franchisee Leverage Ratios from Lender Survey

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Report Outline

Franchisee Leverage Summary

Concept	Borrowers in Sample	Adjusted Leverage [1]			FCCR [2]		
		Low	High	Avg. [3]	Low	High	Avg. [3]
Arby's							
Burger King							
Culver's							
Domino's							
Dunkin'							
Jersey Mike's							
KFC							
McDonald's							
Panera Bread							
Pizza Hut							
Popeyes							
Taco Bell							
Wendy's							
Wingstop							
Zaxby's							
Total/Average							

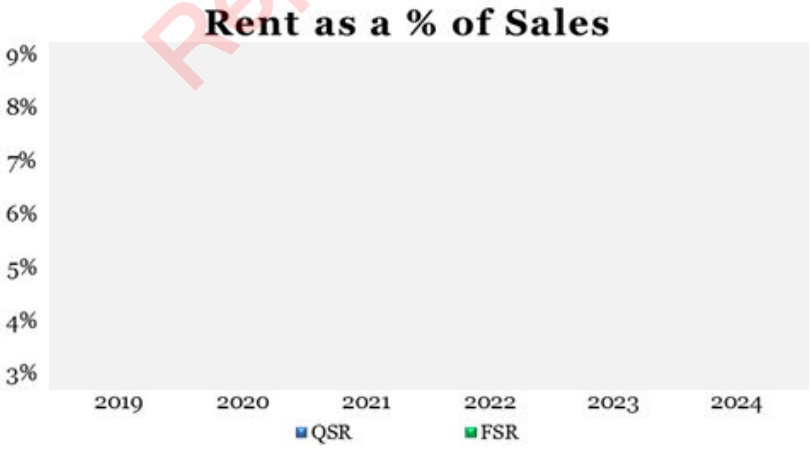
(1) Lease Adjusted Leverage Ratio = (Debt + Rent * 8)/EBITDAR).
(2) FCCR Ratio = EBITDAR/(Rent + Principal + Interest).
(3) Weighted average based on # of borrowers.

Franchisee G&A and Rent Benchmark Data

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Report Outline

Appendix - Minimum Wage & Tip Credits by State

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Report Outline

Change in Minimum Wage by State (2021 – 2025)

State	2021/ 2020	2022/ 2021	2023/ 2022	2024/ 2023	2025/ 2024	July 2025	% Change Since 2021
DE							
FL							
NE							
VA							
WY							
HI							
IL							
CT							
MO							
RI							
MI							
NJ							
MD							
NY							
NV							
WA							
SD							
OH							
AZ							
ME							
MT							
CO							
VT							

State	2021/ 2020	2022/ 2021	2023/ 2022	2024/ 2023	2025/ 2024	July 2025	% Change Since 2021
CA							
OR							
AK							
DC							
NM							
MA							
MN							
AR							
GA							
WV							
IA							
ID							
IN							
KS							
KY							
NC							
ND							
NH							
OK							
PA							
TX							
UT							
WI							
Avg.							

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Tipped Wages by State

Ranked by Highest Minimum Cash Wage

State	Min. Wage July 2025	Tipped Credit '25	Minimum Cash Wage '25	State	Min. Wage July 2025	Tipped Credit '25	Minimum Cash Wage '25
WA							
CA							
OR							
HI							
NV							
AK							
CO							
AZ							
MN							
MT							
NY							
DC							
FL							
IL							
ME							
VT							
MO							
MA							
CT							
SD							
NJ							
OH							
ND							
IA							
MI							
RI							

Report Outline

The maximum Federal Tip Wage Credit is $5.12.

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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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