Restaurant Research®

Concept Analysis & Benchmark Report

Subway 2026/2027

Executive Summary

Subway's new management team (under Roark Capital's ownership) is working hard to restore the chain's former glory as the leading better-for-you sub-sandwich chain. Fortunately, new leadership has a lot to work with given Subway's strong brand equity as the largest sub-sandwich chain with a 53% share of its segment's domestic system-wide sales and a dominant marketing budget. Subway's primary challenge is to solve its value equation in a way that makes customers happy while also supporting franchisee margins. This is a tall order given Subway's middle positioning in a sub-sandwich segment which has expanded upward over the last 10+ years with the fast growth of higher-end competitors. Either Subway must convince consumers that its products are as good as Jersey Mike's (for instance) or it must sell its products for less. Sales must be turned around if operators are expected to invest in upgrades, including a needed remodel. Fortunately, the recent intro of its Value Menu and Meal of the Day promotion are a step in the right direction as is its updated menu strategy which emphasizes health/protein to go with digital strength (aligning with industry trends), offering franchisees reason for optimism. Further, the system stands to benefit from the past culling of underperforming stores and more thoughtful development strategies going forward. In conclusion, Subway stakeholders must wait patiently to better assess the new management team's nascent initiatives which seem appropriate, but must be proven.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt [(1)]/ EBITDA	EV/ EBITDA	Stock Performance		
					2025	TTM	Apr-26
Roark Capital	Private	Not Rated	N/a	N/a	N/a	N/a	
$1B+ Chains			5.40	14.47	-12.3%	-10.0%	

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(1) Net Debt includes operating leases.

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