Restaurant Research®

Concept Analysis & Benchmark Report

Wendy's 2026/2027

Executive Summary

Wendy's is the fourth largest player in $1B+ QSR sandwich segment (by domestic system sales) which has been struggling as evidenced by a -5.6% 2025 system comp decline that reflected the chain's challenge to reconcile a QSR+ burger positioning with an increasingly bifurcated consumer economy that requires either big discounts for lower-income consumers or "gourmet" (or at least faux gourmet) offerings for the higher-income demo. With McDonald's taking a hard 2026 pivot towards value while the better burger chains continue to make in-roads (particularly Chili's compelling 3-for-Me burger offerings), Wendy's has its work cut out for it. To be fair, management is executing very well as it enters a 2026 "rebuilding year" centered around a "Project Fresh" turnaround plan which includes 4 pillars: Brand Revitalization (menu innovation & culturally relevant marketing); System Optimization (leveraging insights from best run stores); Operational Excellence (digital & restaurant equipment); and Capital Allocation (investment focus shift away from development & towards driving AUV growth). While we like all of management's plans and this iconic chain's solid execution around this plan, we suggest that Wendy's stakeholders are required to exercise patience while we wait for 2 things: 1) the economic recovery of the lower-income demo; and 2) management's nascent turnaround plan to gain traction. Moreover, McDonald's hard pivot toward discounting is not going to make the wait easy and will likely require Wendy's to take a harder look at value over the near-term.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt (1)/ EBITDA	EV/ EBITDA	Stock Performance		
					2025	TTM	May-26
The Wendy's Company	WEN	B3	6.85	12.70	-48.9%	-32.9%	
$1B+ Chains			5.40	14.47	-12.3%	-12.2%	

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(1) Net Debt includes operating leases.

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