Restaurant Research®

Building Bridges between Franchisees, Franchisors & Financiers

Unit Economics - 2026

Report Highlights

- **RR's Industry Data Report on Unit Economics** provides: (1) FYE 2025 unit-level AUV along with COGs, labor, royalty, advertising, other operating and EBITDAR margin estimates for 50 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 unit-level 2025 EBITDAR % margin for the $1B+ Chains declined -0.1% to 18.4%, reflecting higher other operating costs (+0.3%) which were partly offset by a slight decline in COGs and labor.
- The 2025 EBITDAR margin remained -0.8% below the 19.1% historical average and -1.8% below the 20.1% historical peak in 2015.
- In any case, the average 2025 unit-level $ EBITDAR profit increased to a record $464k.
- 1Q26 store-level % margins for company stores owned by the public chains declined -0.9% to 17.5% due to higher COGs (+0.6%) and other operating expenses (+0.4%) slightly offset by lower labor costs (-0.1%).
- Macro headwinds which include higher gas prices (+18% y/y YTD 6/26), weaker consumer sentiment and a slight decline in real disposable income (-0.1% y/y YTD 5/26) continue to pressure lower-income families.
- However, chains with strong value propositions continue to outperform, as shown by Darden's 2Q26 comps of +9.5% at LongHorn and +2.4% at Olive Garden.
- Domino's also recently reported that while QSR traffic pressure reflects consumer demand for value amid a challenging macro environment, leading brands with strong value propositions, loyalty ecosystems, digital ordering and third-party delivery partnerships continue to gain market share.
- Franchisee leverage levels remain stable and healthy for both QSR & FSR.

Unit Economic AUV & EBITDAR Summary

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AUV	$1,952,023	$1,946,140	$1,976,037	$2,012,886	$1,827,200	$2,182,889	$2,309,044	$2,426,565	$2,474,347	$2,527,068
Y/Y % Change	*-0.3%*	*-0.3%*	*1.5%*	*1.9%*	*-9.2%*	*19.5%*	*5.8%*	*5.1%*	*2.0%*	*2.1%*
EBITDAR $	$386,315	$370,879	$377,377	$380,230	$336,611	$422,583	$399,336	$455,271	$456,517	$463,882
Y/Y % Change	*-1.9%*	*-4.0%*	*1.8%*	*0.8%*	*-11.5%*	*25.5%*	*-5.5%*	*14.0%*	*0.3%*	*1.6%*

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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 2021 - 2025) - $ Millions

	2021				2022				2023				2024				2025				Change in EBITDAR Since 2021	
Concept	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**AUV**	**COGS**	**Labor**	**EBITDAR**	**Margin**	**EBITDAR $**
Cheesecake Factory																						
BJ's Restaurants																						
Chili's Grill & Bar																						
Texas Roadhouse																						
Buffalo Wild Wings																						
Red Robin																						
Applebee's																						
Casual																						
Chipotle																						
Qdoba																						
Panera Bread																						
Fast Casual																						
Denny's																						
IHOP																						
Cracker Barrel																						
Family																						
Dutch Bros Coffee																						
7 Brew																						
Dunkin'																						
Coffee/Bakery																						
Wingstop																						
Bojangles'																						
Dave's Hot Chicken																						
Church's																						
Popeyes																						
KFC																						
Chicken (Bone-In)																						
Culver's																						
Taco Bell																						
Burger King																						
Zaxby's																						
Freddy's																						
Five Guys																						
Dairy Queen																						
Hardee's																						
McDonald's																						
Arby's																						
Jack in the Box																						
Checkers/ Rally's																						
Sonic Drive-In																						
Wendy's																						
Del Taco																						
Carl's Jr.																						
Sandwich																						
Jersey Mike's																						
Jimmy John's																						
Subway																						
Firehouse Subs																						
Sub-Sandwich																						
Little Caesars																						
Domino's																						
Papa John's																						
Pizza Hut																						
Pizza																						
Average																						

Report Outline

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RR's 2025 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)
Buffalo Wild Wings								
Cheesecake Factory								
Chili's Grill & Bar								
BJ's Restaurants								
Applebee's								
Red Robin								
Texas Roadhouse								
Casual								
Moe's Southwest Grill								
Chipotle								
Qdoba								
Panera Bread								
Fast Casual								
IHOP								
Denny's								
Golden Corral								
Cracker Barrel								
Family								
Starbucks								
Dutch Bros Coffee								
Dunkin'								
7 Brew								
Tim Horton's								
Coffee/Bakery								
Dave's Hot Chicken								
Bojangles'								
Popeyes								
Church's								
Wingstop								
KFC								
Chicken (Bone-In)								
Taco Bell								
Five Guys								
Culver's								
Zaxby's								
McDonald's								
Burger King								
Dairy Queen								
Jack in the Box								
Arby's								
Freddy's								
Wendy's								
Sonic Drive-In								
Hardee's								
Carl's Jr.								
Del Taco								
Checkers/ Rally's								
Sandwich								
Jersey Mike's								
Jimmy John's								
Firehouse Subs								
Subway								
Sub-Sandwich								
Domino's								
Little Caesars								
Papa John's								
Pizza Hut								
Pizza								
Average								

Report Outline

Blue Shaded Cells Represent an 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.

2025 Sales Overview

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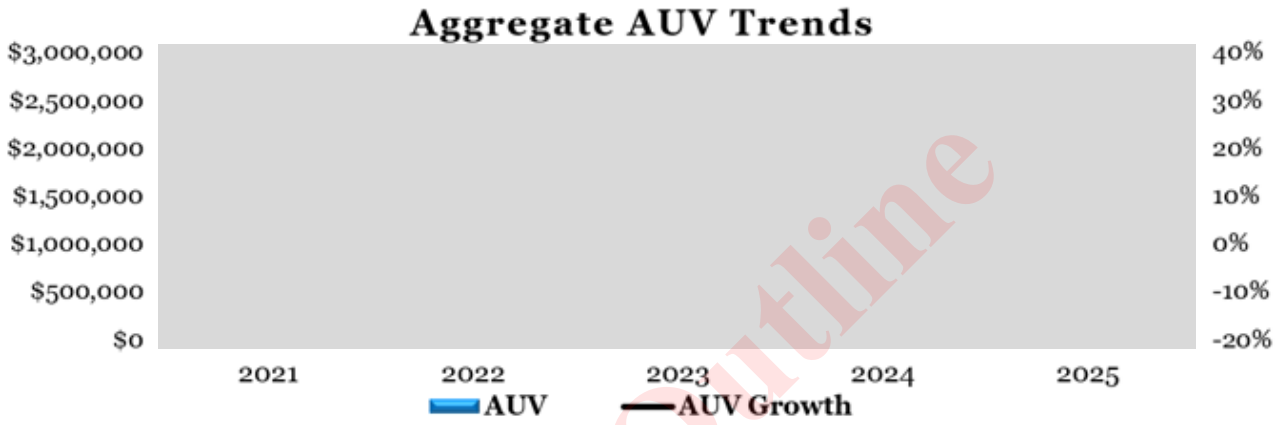

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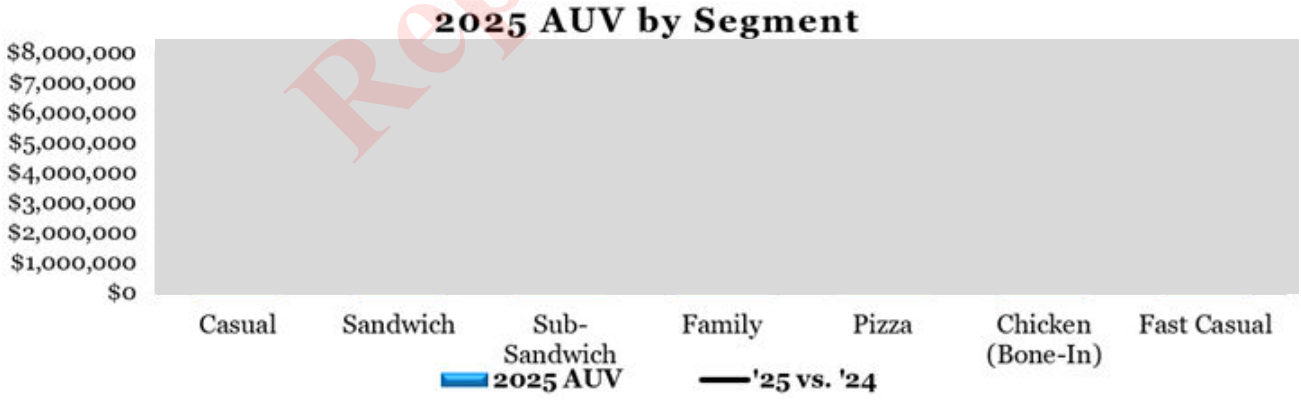

Note: Casual segment AUV was $4.8MM when excluding Cheesecake Factory's $12.4MM average.

Report Outline

2026 Sales Outlook

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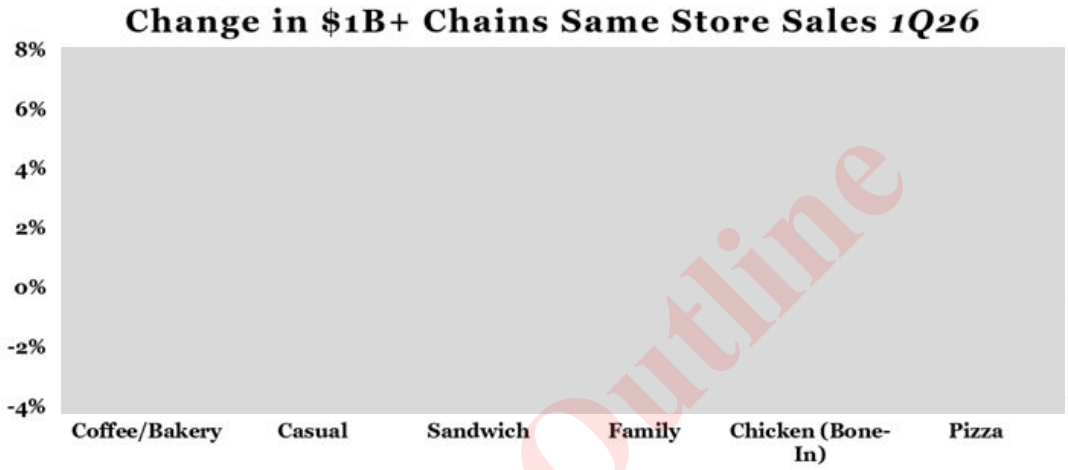

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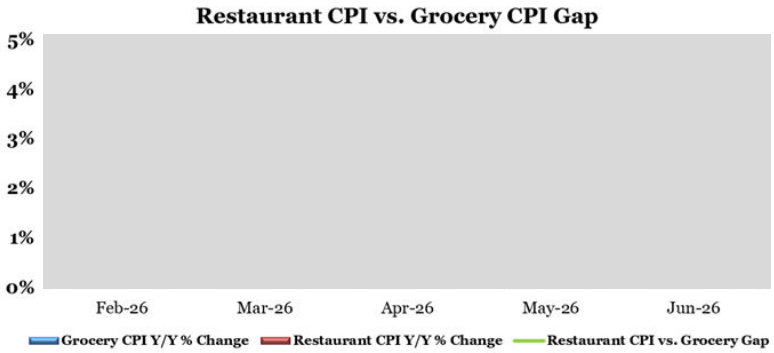
Report Outline





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Restaurants & Consumer Same Store Sales Dashboard

Restaurants	4Q24	3Q25	4Q25	1Q26	2Q26E
Burger King					
Cava					
Chipotle					
Domino's					
Dutch Bros					
El Pollo Loco					
Firehouse Subs					
Jack in the Box					
KFC					
McDonald's					
Papa John's					
Pizza Hut					
Popeyes					
Starbucks					
Sweetgreen					
Taco Bell					
Wendy's					
Wingstop					
QSR					
Applebee's					
BJ's Restaurants					
Bonefish Grill					
Carrabba's					
Chili's					
Cracker Barrel					
Fleming's Prime					
IHOP					
LongHorn					
Maggiano's					
Olive Garden					
Outback					
Red Robin					
Shake Shack					
Texas Roadhouse					
Cheesecake Factory					
FSR					

Consumer	4Q24	3Q25	4Q25	1Q26	2Q26E
Target					
Walmart					
General Merchandisers					
Costco					
BJ's Wholesale Club					
Sam's Club					
Club					
Albertsons					
Grocery Outlet					
Sprouts Farmers Market					
Kroger					
Grocery					
Dollar General					
Dollar Tree					
Casey's (Inside Sales)					
Arko (Merchandise)					
Home Depot					
Lowe's					
Home Improvement					
Advance Auto Parts					
AutoZone					
O'Reilly Automotive					
Auto Parts					
Burlington Stores					
Lululemon					
Ross Stores					
The Gap					
The TJX Companies					
Apparel					
Best Buy					
Electronics					
Planet Fitness					
Fitness					

Segment Results Represent the Median
2Q26 Actual

Report Outline

Source: Bureau of Labor Statistics

2025 COGs Overview

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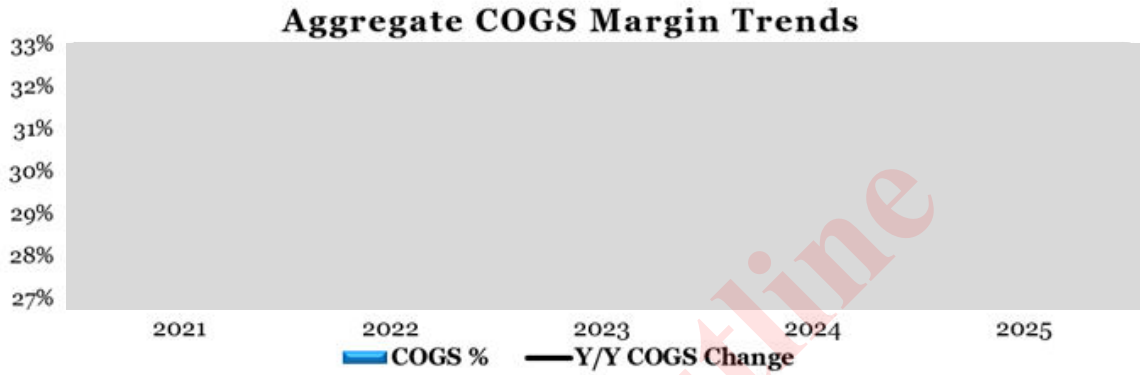

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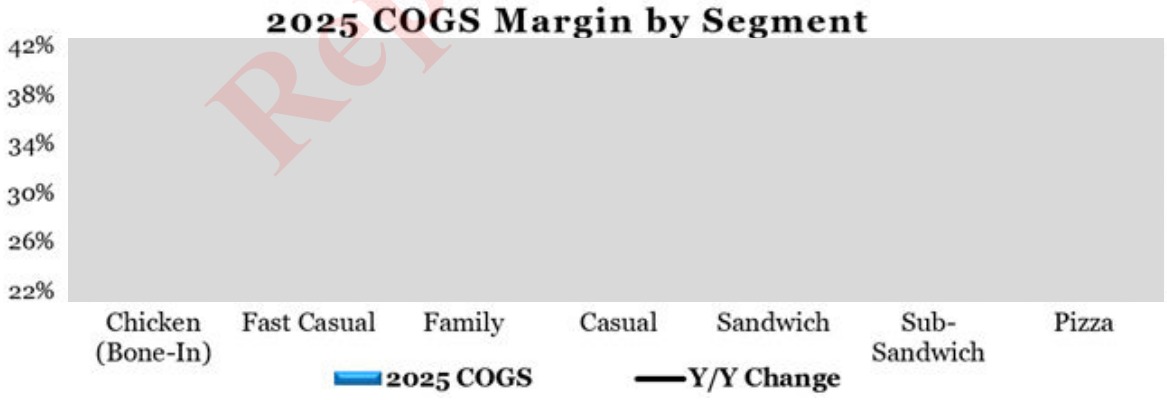

Report Outline

2026 COGS Outlook

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Company	COGS Margin 1Q25	1Q26	Change	FY26 Food Inflation Outlook
Wingstop				
First Watch				
Cava				
El Pollo Loco				
Cheesecake				
Bloomin ' Brands				
Portillo's				
BJ's Restaurants				
Chipotle				
Darden				
Wendy's				
Red Robin				
Shake Shack				
Brinker				
Domino's				
Dutch Bros				
Texas Roadhouse				
Kura Sushi				
Jack in the Box				
Sweetgreen				
Cracker Barrel				
Average				

(*) YTD March

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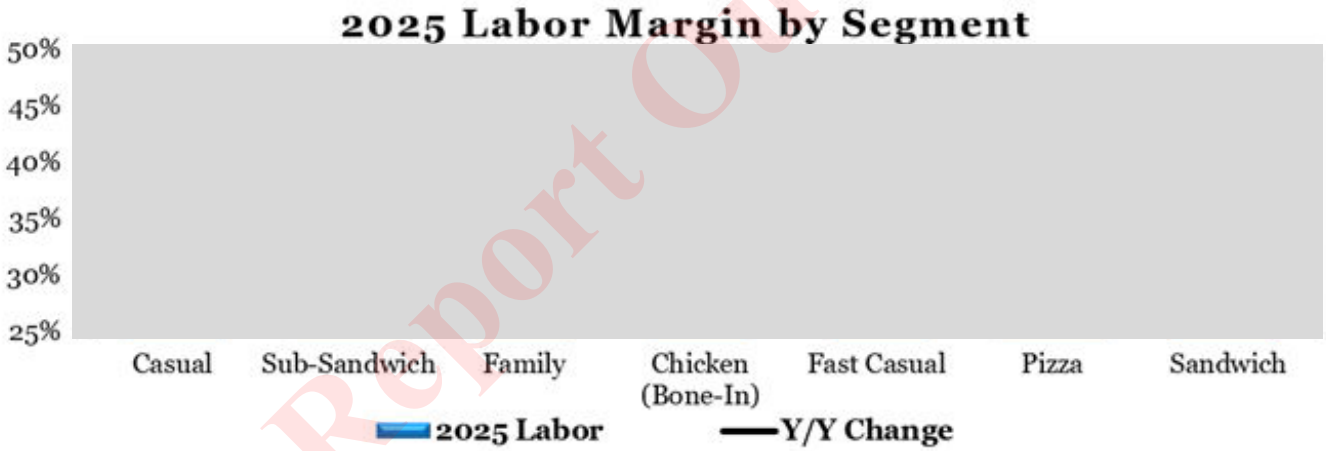
2025 Labor Overview







Report Outline

2026 Labor Outlook

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Company	Labor Margin 1Q25	1Q26	Change	FY26 Wage Inflation Outlook
Kura Sushi				
El Pollo Loco				
Shake Shack				
Red Robin				
First Watch				
Brinker				
Texas Roadhouse				
Darden				
Cheesecake				
Cava				
Wingstop				
Bloomin ' Brands				
BJ's Restaurants				
Portillo's				
Cracker Barrel				
Chipotle				
Dutch Bros				
Wendy's				
Domino's				
Jack in the Box				
Sweetgreen				
Average				

(*) YTD March

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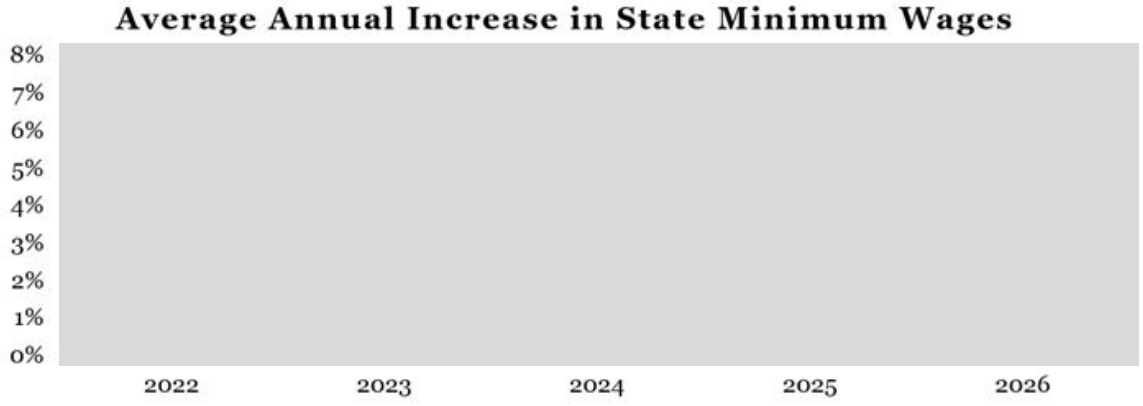

EBITDAR Overview

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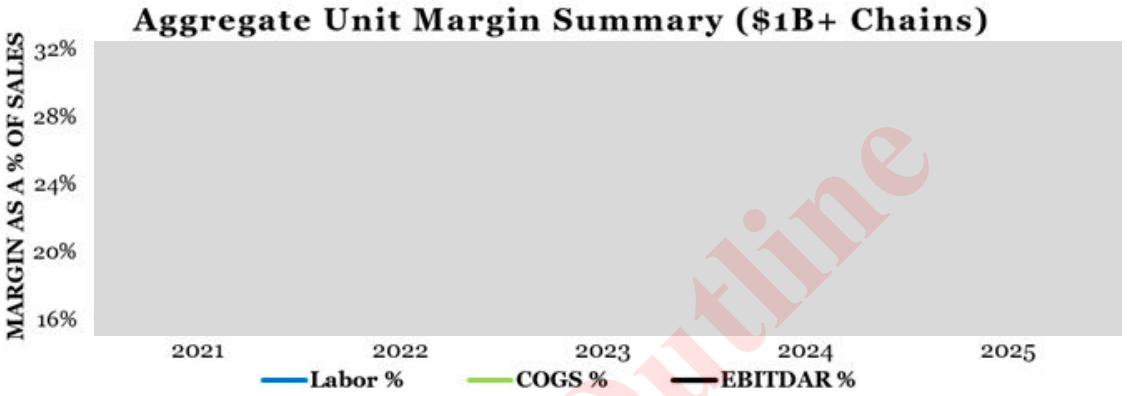

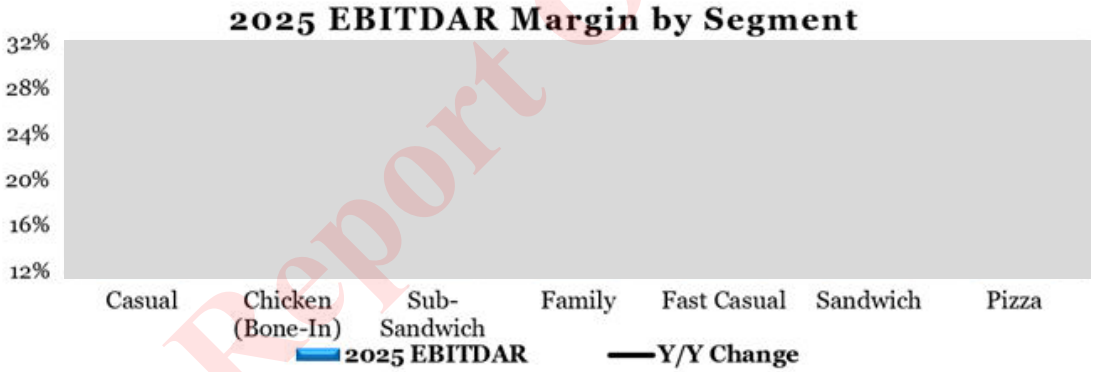

Report Outline

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Store-Level Operating Margin							
Company	1Q25	1Q26	Change	Company	1Q25	1Q26	Change
El Pollo Loco				Texas Roadhouse			
First Watch				Brinker			
Kura Sushi				Jack in the Box			
Wingstop				Portillo's			
Red Robin				Dutch Bros			
Shake Shack				Chipotle			
Bloomin ' Brands				Wendy's			
Cava				Domino's			
Cheesecake				Cracker Barrel			
BJ's Restaurants				Sweetgreen			
Darden							
Average							

(*) YTD March

Franchisee Leverage Ratios from Lender Survey

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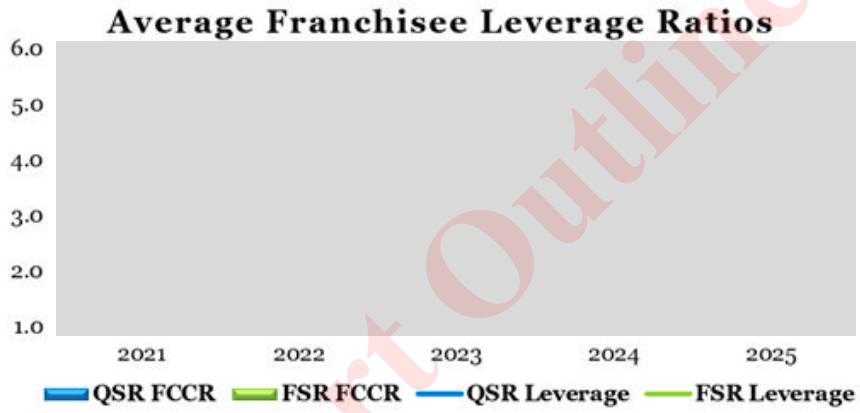

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Franchisee Leverage Summary

Concept	Borrowers in Sample	Adjusted Leverage [1]			FCCR [2]		
		Low	High	Avg. [3]	Low	High	Avg. [3]
7 Brew							
Arby's							
Burger King							
Culver's							
Denny's							
Domino's							
Dunkin'							
Five Guys							
Jack in the Box							
Jersey Mike's							
McDonald's							
Pizza Hut							
Popeyes							
Taco Bell							
Wendy's							
Wingstop							
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 (2022 – 2026)

Change in Minimum Wage by State (2022 - 2026)

State	2022/ 2021	2023/ 2022	2024/ 2023	2025/ 2024	2026/ 2025	July 2026	% Change Since 2022
NE							
HI							
DE							
WY							
FL							
MI							
AK							
MO							
RI							
IL							
NJ							
WA							
NY							
CT							
CO							
MD							
SD							
ME							
AZ							
OH							
MT							
VA							
OR							

Change in Minimum Wage by State (2022 - 2026)

State	2022/ 2021	2023/ 2022	2024/ 2023	2025/ 2024	2026/ 2025	July 2026	% Change Since 2022
VT							
NV							
DC							
CA							
MN							
MA							
NM							
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 2026	Tipped Credit '26	Minimum Cash Wage '26	State	Min. Wage July 2026	Tipped Credit '26	Minimum Cash Wage '26
WA				MD			
CA				ID			
OR				NH			
HI				NM			
AK				PA			
AZ				AR			
CO				WV			
NV				WI			
MN				DE			
FL				IN			
MT				KS			
NY				KY			
DC				NC			
IL				NE			
ME				OK			
MO				TX			
VT				UT			
MA				VA			
CT				WY			
NJ				GA			
SD				AL			
OH				LA			
MI				MS			
ND				SC			
IA				TN			
RI				**51**			

The maximum Federal Tip Wage Credit is $5.12.

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