

# Industry Data Report

## Unit & Sales Growth 2018

### Report Highlights

- 10-year history for 56 \$1B+ chains including: (1) total units; (2) company vs. franchisee ownership; (3) new units; (4) closures; (5) franchise transfers; (6) average units per franchisee by concept; (7) systemwide sales; and (8) system sales market share.

### Conclusions

- 2017 aggregate *systemwide sales* growth slowed and was below the 10-year historical average due to weak net unit growth and only a modest same store sales increase.
- Consistently low aggregate annual gross unit development rate (+3.7% average from 2008 – 2017) for the \$1B+ chains remains well below pre-recession levels (+5.6% average from 2003 – 2007).
- Actual 2017 new unit development fell short of initial year projections for the first time since 2007.
- Coffee/bakery and fast casual unit development continue to lead the industry.
- Closure rates spiked to the highest level since 2009 which reflects that the 2017 store-level EBITDAR average for the \$1B+ chains was at the lowest level since 2008.
- 2017 closures were notably pressured by sub-sandwich (4.4%) and casual segment (3.1%) weakness.
- The 2017 franchise transfer rate exceeded the development rate for the 6th year in a row, which reflects: a continued move towards franchisee consolidation (in search of scale based cost efficiencies); high construction costs; and the difficulty in securing acceptable sights.

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Data in spreadsheet form available at <a href="http://www.ChainRestaurantData.com" style="color: white;">http://www.ChainRestaurantData.com</a>	

### \$1B+ Restaurant Chains Unit Development & Closure Rate Segment Summary

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018P	10 Yr. Avg. (2008-2017)
<b>Total \$1B+ Chain Units</b>												
<b>Net Growth %</b>												
<b>Gross Unit Development (Sorted by 2018 Projected Growth High to Low)</b>												
<u><b>QSR</b></u>												
Coffee/Bakery												
Chicken												
Pizza												
Sandwich												
Sub-Sandwich												
<b>Total QSR</b>												
<b>Total QSR New Units</b>												
<u><b>FSR</b></u>												
Fast Casual												
Family												
Casual												
<b>Total FSR</b>												
<b>Total FSR New Units</b>												
<b>Grand Total</b>												
<b>Total New Units</b>												
<b>Closure Rates (Sorted by 2017 Closures Low to High)</b>												
<u><b>QSR</b></u>												
Coffee/Bakery												
Sandwich												
Chicken												
Pizza												
Sub-Sandwich												
<b>Total QSR</b>												
<b>Total QSR Closures</b>												
<u><b>FSR</b></u>												
Family												
Fast Casual												
Casual												
<b>Total FSR</b>												
<b>Total FSR Closures</b>												
<b>Grand Total</b>												
<b>Total Closed Units</b>												

**U.S. System-wide Unit Summary 2008 - 2017 (Sorted by Total 2017 Units)**  
**Includes All \$1B+ Chains and Other Select Concepts**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	FYE 2017 Unit Summary			Net Unit Growth Rates		
										Total	Company	Franchised	% Franchisee Owned	Annual Growth Rate '17/'16	Compound Annual Growth Rate '08 - '17
<b>QSR</b>															
McDonald's															
Burger King															
Taco Bell <sup>(1)</sup>															
Wendy's															
Dairy Queen <sup>(2)</sup>															
Sonic Drive-In															
Arby's															
Jack in the Box															
Chick-fil-A															
Hardee's															
Five Guys															
Carl's Jr.															
Zaxby's															
Checkers/ Rally's															
Whataburger															
Culver's															
<b>Sandwich</b>															
Subway															
Jimmy John's															
Jersey Mike's															
Firehouse Subs															
<b>Sub-Sandwich</b>															
Pizza Hut <sup>(2)</sup>															
Domino's															
Little Caesars <sup>(3)</sup>															
Papa John's															
<b>Pizza</b>															
KFC <sup>(2)</sup>															
Popeyes															
Wingstop															
Church's															
Bojangles'															
<b>Chicken</b>															
Starbucks <sup>(5)</sup>															
Dunkin Donuts <sup>(4)</sup>															
Tim Horton's															
Krispy Kreme <sup>(6)</sup>															
<b>Coffee/Bakery</b>															
<b>Total QSR</b>															

**U.S. System-wide Unit Summary 2008 - 2017 (Sorted by Total 2017 Units)**  
**Includes All \$1B+ Chains and Other Select Concepts**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	FYE 2017 Unit Summary				Net Unit Growth Rates	
										Total	Company	Franchised	% Franchisee Owned	Annual Growth Rate '17/'16	Compound Annual Growth Rate '08 - '17
<b>FSR</b>															
Applebee's															
Chili's Grill & Bar															
Buffalo Wild Wings															
Olive Garden															
Outback															
Red Lobster															
Ruby Tuesday															
Red Robin															
Texas Roadhouse															
LongHorn															
T.G.I. Friday's															
Cheesecake Factory															
<b>Casual</b>															
IHOP															
Denny's															
Cracker Barrel															
Bob Evans															
Golden Corral															
Perkins															
<b>Family</b>															
Chipotle															
Panera Bread															
Qdoba															
Moe's Southwest Grill															
Corner Bakery Café															
<b>Fast Casual</b>															
<b>Total FSR</b>															
<b>Grand Total</b>															

Source: SEC filings, company reports and Franchise Disclosure Documents

(1) KFC, Taco Bell, Pizza Hut and Subway excludes licensed units.

(2) Dairy Queen figures include DQ Treat, DQ Limited Brazier, DQ Grill & Chill direct-licensed outlets, DQ Brazier direct-licensed outlets, Texas DQ direct-licensed outlets, DQ Grill & Chill sub franchised territory operator outlets and DQ Brazier sub franchised territory operator outlets.

(3) Excludes non-traditional stores located in Kmart from 2001 - 2008. From 2009 forward, total unit count data includes non-traditional stores.

(4) Dunkin' Donuts figures include Baskin-Robbins combo units.

(5) Starbucks does not franchise, but has licensed units which are included under franchise stores. Store count includes Seattle's Best Coffee licensed locations in Borders Bookstores prior to FYE 2011 (475 of about 575 were closed during fiscal 2011).

(6) Krispy Kreme company store counts include consolidated franchisee units.

**2017 Actual/2018 Projected Domestic Unit Activity Detail**

Concept	New Units - 2017			Closed Units - 2017			Franchisee Transfers	Unit Count - 2017			Projected New Units - 2018		
	Total	Co.	Fran.	Total	Co.	Fran.		Total	Co.	Fran.	Total	Co.	Fran.
<b>QSR</b>													
Arby's													
Burger King													
Carl's Jr.													
Checkers/ Rally's													
Chick-fil-A													
Culver's													
Dairy Queen <sup>(1)</sup>													
Five Guys													
Hardee's													
Jack in the Box													
McDonald's													
Sonic Drive-In													
Taco Bell <sup>(2)</sup>													
Wendy's													
Whataburger													
Zaxby's													
<b>Sandwich</b>													
Firehouse Subs													
Jersey Mike's													
Jimmy John's													
Subway <sup>(2)</sup>													
<b>Sub-Sandwich</b>													
Domino's													
Little Caesars <sup>(3)</sup>													
Papa John's													
Pizza Hut <sup>(2)</sup>													
<b>Pizza</b>													
Bojangles'													
Church's													
KFC <sup>(2)</sup>													
Popeyes													
Wingstop													
<b>Chicken</b>													
Dunkin Donuts <sup>(4)</sup>													
Krispy Kreme <sup>(5)</sup>													
Starbucks <sup>(6)</sup>													
Tim Horton's													
<b>Coffee/Bakery</b>													
<b>Total QSR</b>													

**2017 Actual/2018 Projected Domestic Unit Activity Detail**

Concept	New Units - 2017			Closed Units - 2017			Franchisee Transfers	Unit Count - 2017			Projected New Units - 2018		
	Total	Co.	Fran.	Total	Co.	Fran.		Total	Co.	Fran.	Total	Co.	Fran.
<b>FSR</b>													
Applebee's													
Buffalo Wild Wings													
Cheesecake Factory													
Chili's Grill & Bar													
LongHorn													
Olive Garden													
Outback													
Red Lobster													
Red Robin													
Ruby Tuesday													
T.G.I. Friday's													
Texas Roadhouse													
<b>Casual</b>													
Bob Evans													
Cracker Barrel													
Denny's													
Golden Corral													
IHOP													
Perkins													
<b>Family</b>													
Chipotle													
Corner Bakery Café													
Moe's Southwest Grill													
Panera Bread													
Qdoba													
<b>Fast Casual</b>													
<b>Total FSR</b>													
<b>Grand Total</b>													

Source: SEC filings, company reports and Franchise Disclosure Documents

(1) Dairy Queen figures include DQ Treat, DQ Limited Brazier, DQ Grill & Chill direct-licensed outlets, DQ Brazier direct-licensed outlets, Texas DQ direct-licensed outlets, DQ Grill & Chill sub franchised territory operator outlets and DQ Brazier sub franchised territory operator outlets. Notably, the majority of DQ openings and closings include conversions to/from other DQ concepts.

(2) KFC, Taco Bell, Pizza Hut and Subway excludes licensed units.

(3) Includes non-traditional stores located in Kmart.

(4) Dunkin Donuts figures include Baskin-Robbins combo units.

(5) Krispy Kreme company store counts include consolidated franchisee units.

(6) Starbucks does not franchise, but has licensed units which are included under franchise stores.

**2017 Actual/2018 Projected and 10-year Annual Average Domestic Unit Growth Detail**

Concept	2017 Rates				2018 Projected		10-Year Average		
	Openings	Closings	Net Growth	Franchise Transfers	Openings	Openings	Closings	CAGR Net Growth	Franchise Transfers
<b>QSR</b>									
Arby's									
Burger King									
Carl's Jr.									
Checkers/ Rally's									
Chick-fil-A									
Culver's									
Dairy Queen									
Five Guys									
Hardee's									
Jack in the Box									
McDonald's									
Sonic Drive-In									
Taco Bell									
Wendy's									
Whataburger									
Zaxby's									
<b>Sandwich</b>									
Firehouse Subs									
Jersey Mike's									
Jimmy John's									
Subway									
<b>Sub-Sandwich</b>									
Domino's									
Little Caesars									
Papa John's									
Pizza Hut									
<b>Pizza</b>									
Bojangles'									
Church's									
KFC									
Popeyes									
Wingstop									
<b>Chicken</b>									
Dunkin Donuts									
Krispy Kreme									
Starbucks									
Tim Horton's									
<b>Coffee/Bakery</b>									
<b>Total QSR</b>									

**2017 Actual/2018 Projected and 10-year Annual Average Domestic Unit Growth Detail**

Concept	2017 Rates				2018 Projected	10-Year Average			
	Openings	Closings	Net Growth	Franchise Transfers	Openings	Openings	Closings	CAGR Net Growth	Franchise Transfers
<b>FSR</b>									
Applebee's									
Buffalo Wild Wings									
Cheesecake Factory									
Chili's Grill & Bar									
LongHorn									
Olive Garden									
Outback									
Red Lobster									
Red Robin									
Ruby Tuesday									
T.G.I. Friday's									
Texas Roadhouse									
<b>Casual</b>									
Bob Evans									
Cracker Barrel									
Denny's									
Golden Corral									
IHOP									
Perkins									
<b>Family</b>									
Chipotle									
Corner Bakery Café									
Moe's Southwest Grill									
Panera Bread									
Qdoba									
<b>Fast Casual</b>									
<b>Total FSR</b>									
<b>Grand Total</b>									

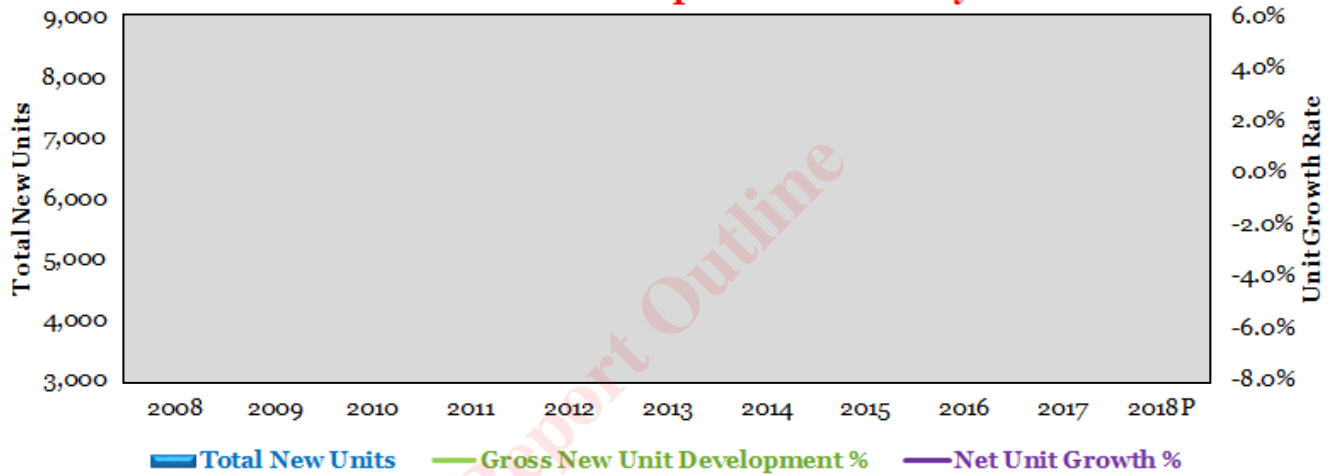
Source: SEC filings, company reports and Franchise Disclosure Documents



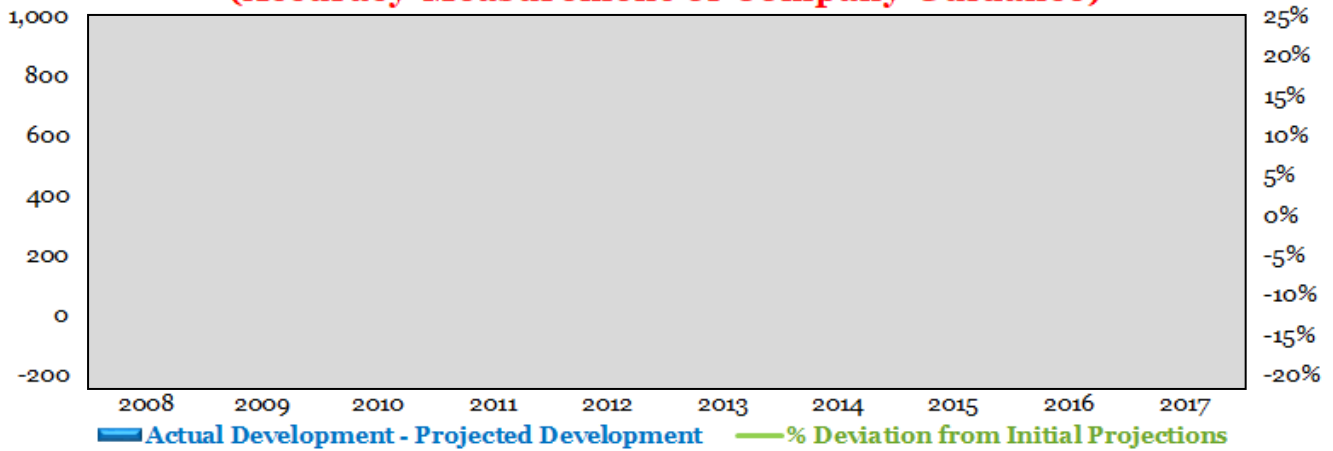
## Unit Development Trend Analysis

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### New Unit Development Summary

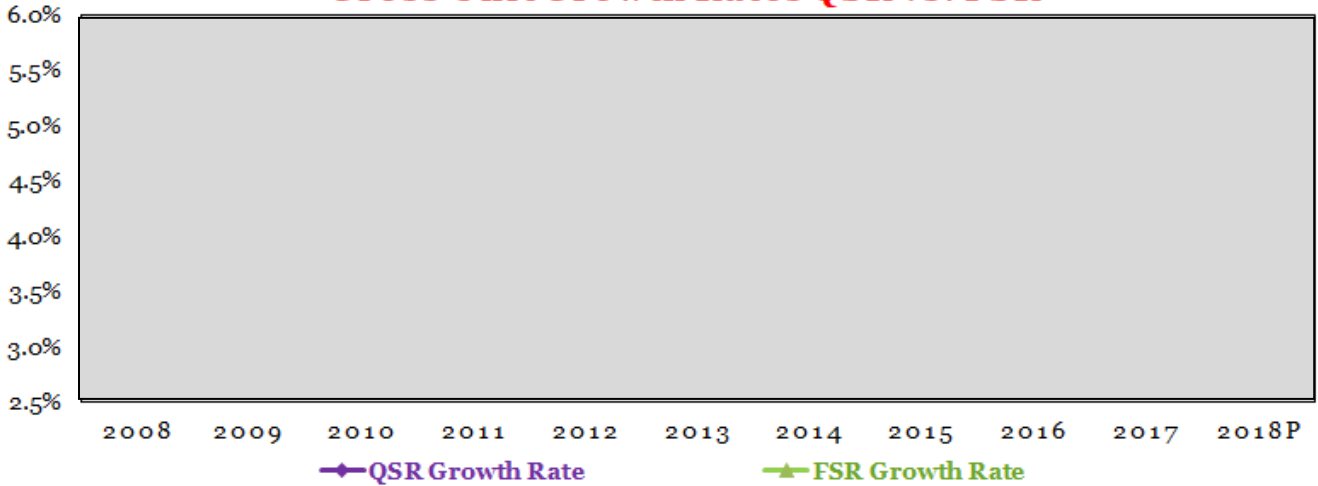


### Actual vs. Projected Aggregate Unit Development (Accuracy Measurement of Company Guidance)

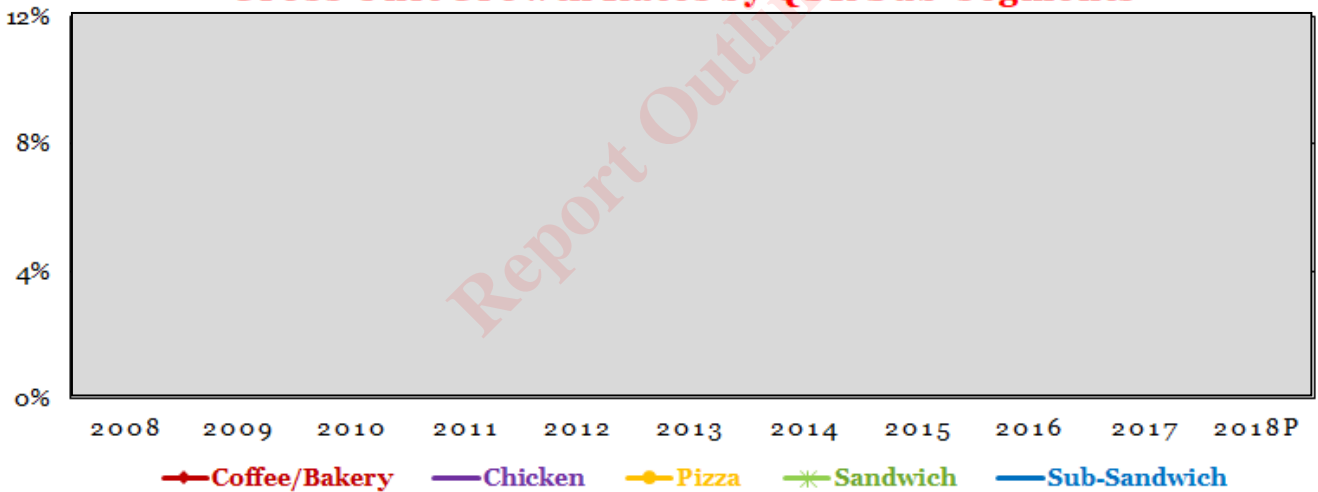




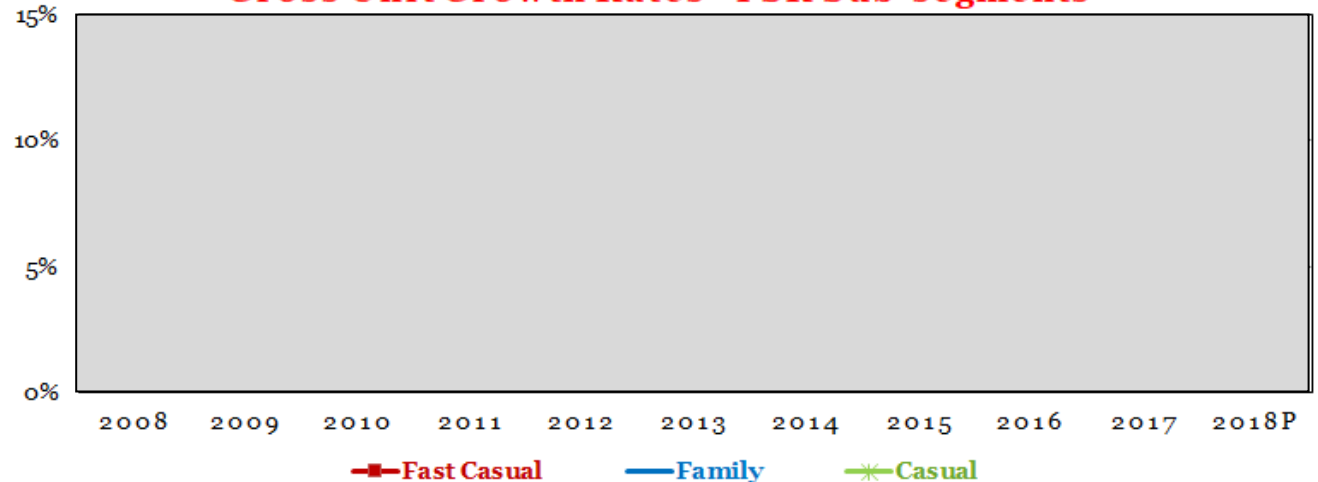
**Gross Unit Growth Rates QSR vs. FSR**



**Gross Unit Growth Rates by QSR Sub-segments**

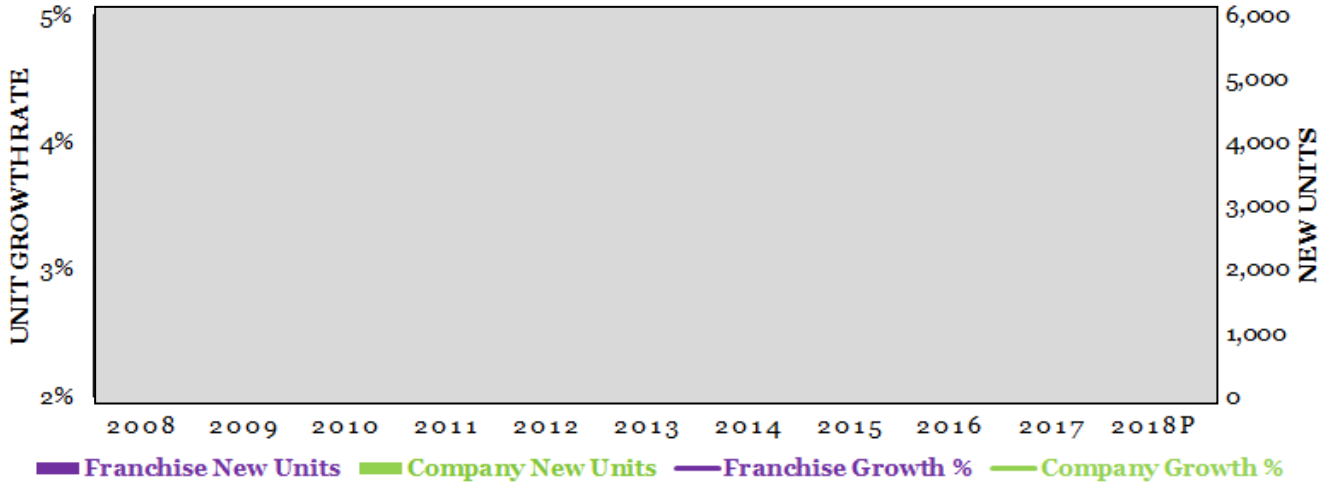


**Gross Unit Growth Rates - FSR Sub-segments**





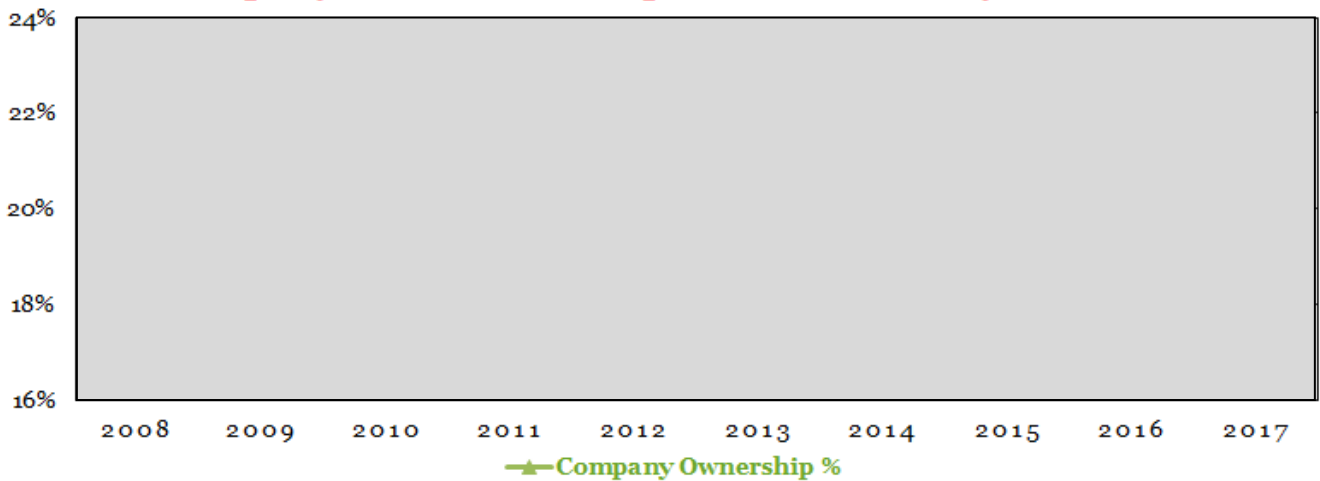
### Company vs. Franchise Gross New Unit Development



### 2017 Corporate Refranchising Activity

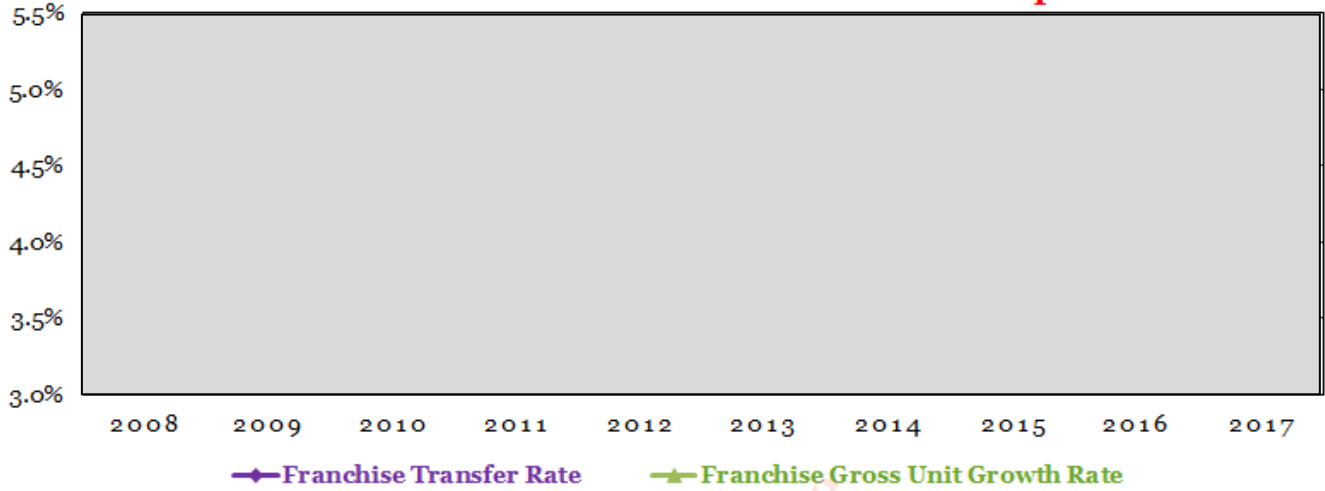
Chain	Units Sold to Franchisees	Company Units FYE 2017	Company Units % of System

### Company Store Ownership as a % of Total System Units

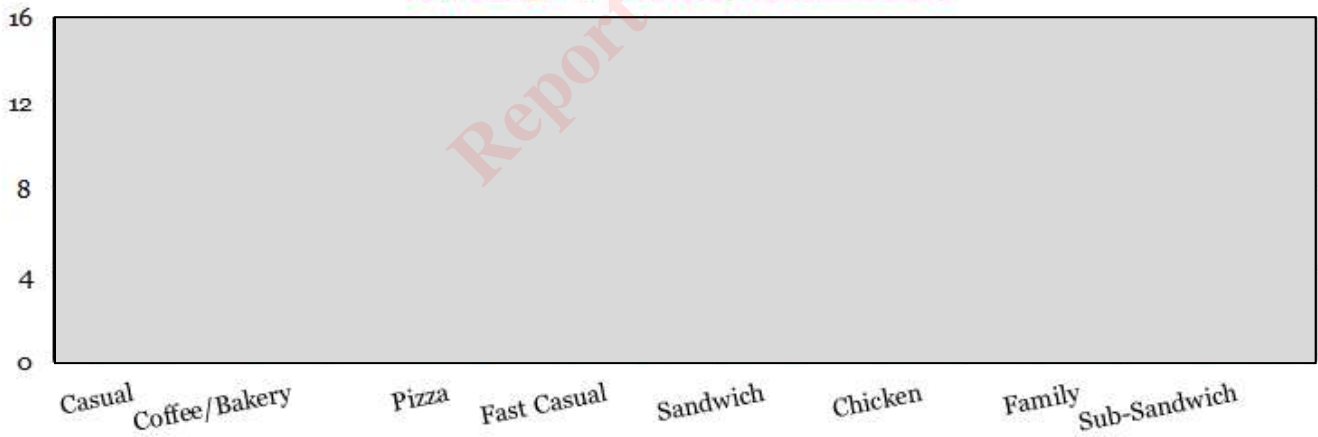




**Franchise Transfers vs. Franchise Development**



**Average # Units/Franchisee**



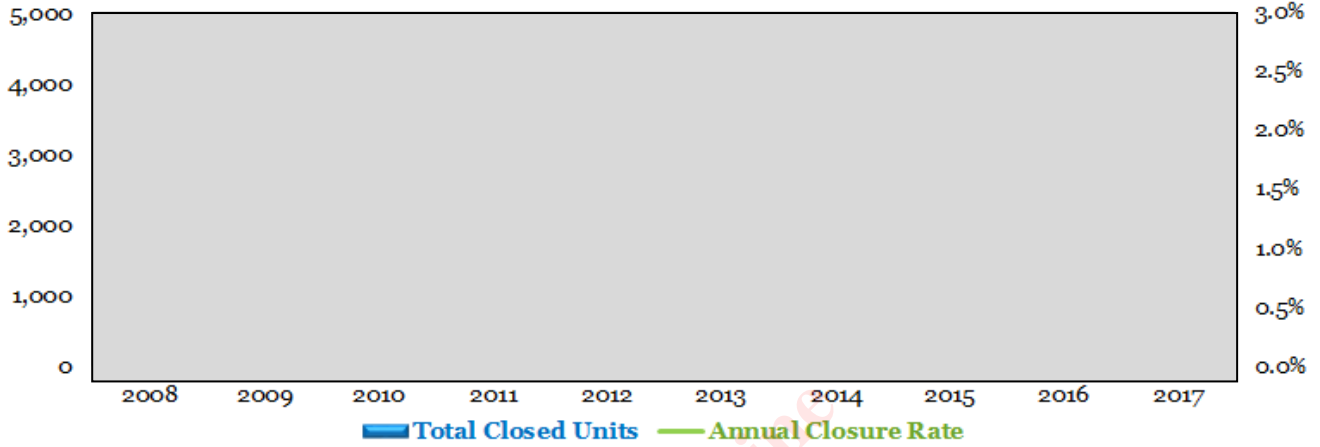
**Franchisee Composition (Sorted by Avg. Units/Franchisee)**

Chain	% System Units Franchised	Franchise Unit Count FYE 2017	Total # Franchisees	10 Largest Franchisees as % Total	Average # Units/ Franchisee
<b>QSR Chains</b>					
Dunkin Donuts					
Tim Horton's					
Krispy Kreme					
<b>Coffee/Bakery</b>					
Pizza Hut					
Domino's					
Little Caesars					
Papa John's					
<b>Pizza</b>					
Jack in the Box					
Hardee's					
Taco Bell					
Wendy's					
Carl's Jr.					
Burger King					
Sonic Drive-In					
Arby's					
Five Guys					
McDonald's					
Whataburger					
Checkers/ Rally's					
Zaxby's					
Dairy Queen					
Culver's					
<b>Sandwich</b>					
Popeyes					
KFC					
Bojangles'					
Church's					
Wingstop					
<b>Chicken</b>					
Jimmy John's					
Subway					
Jersey Mike's					
Firehouse Subs					
<b>Sub-Sandwich</b>					
<b>FSR Chains</b>					
Applebee's					
Outback					
Chili's Grill & Bar					
T.G.I. Friday's					
Buffalo Wild Wings					
Red Robin					
Texas Roadhouse					
Ruby Tuesday					
<b>Casual</b>					
Panera Bread					
Moe's Southwest Grill					
Qdoba					
Corner Bakery Café					
<b>Fast Casual</b>					
Denny's					
IHOP					
Perkins					
Golden Corral					
<b>Family</b>					
<b>Total</b>					

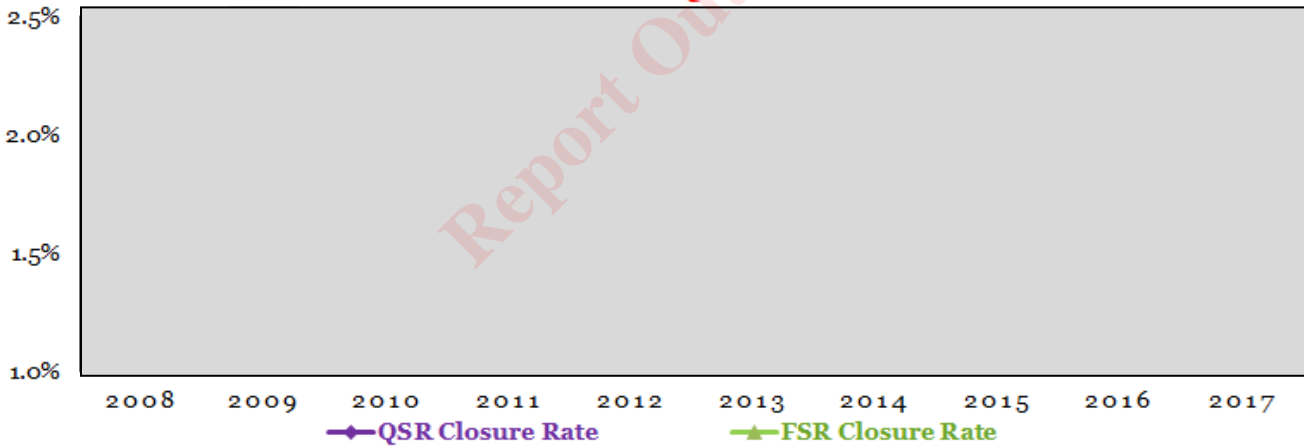
## Closure Rates Trend Analysis



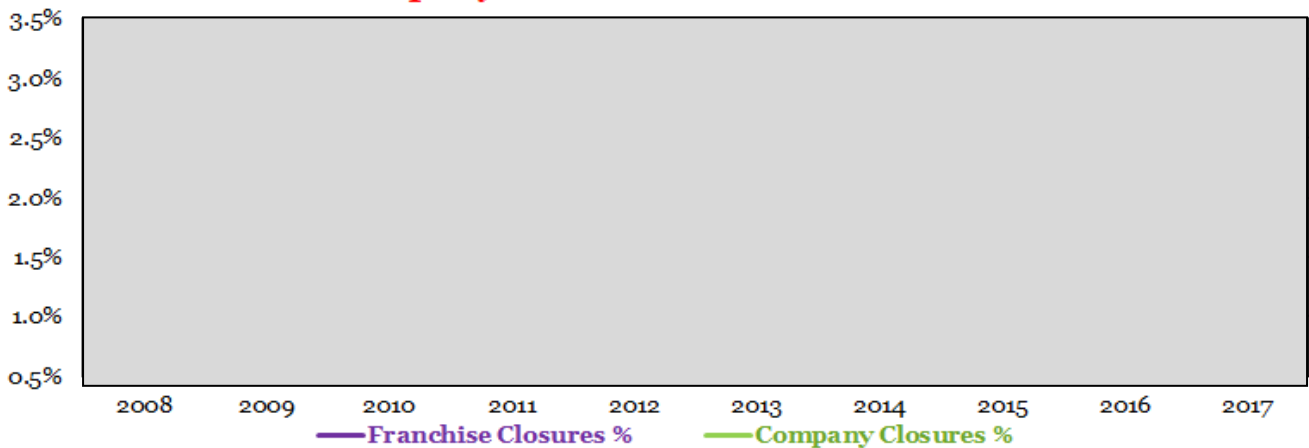
### Aggregate Unit Closures



### Closure Rates QSR vs. FSR



### Company vs. Franchise Closure Rates



**\$1B+ Restaurant Chains Systemwide Sales Growth & Market Share Segment Summary**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Yr. CAGR (2008-2017)
<b>Systemwide Sales Growth (Sorted by 2017)</b>											
<u>QSR</u>											
Coffee/Bakery											
Sandwich											
Pizza											
Chicken											
Sub-Sandwich											
<b>Total QSR</b>											
<b>Total QSR Sales</b>											
<u>FSR</u>											
Family											
Fast Casual											
Casual											
<b>Total FSR</b>											
<b>Total FSR Sales</b>											
<b>Grand Total</b>											
<b>Total Sales</b>											
<b>Systemwide Market Share as a % of Total (Sorted by 2017 Change)</b>											
											Change 2017 vs. 2016
											10 Yr. Change (2017 vs. 2008)
<u>QSR</u>											
Coffee/Bakery											
Sandwich											
Pizza											
Chicken											
Sub-Sandwich											
<b>Total QSR</b>											
<u>FSR</u>											
Family											
Fast Casual											
Casual											
<b>Total FSR</b>											
<b>Total QSR</b>											
<b>Total FSR</b>											

**U.S. System-wide Sales Summary 2008 - 2017 (\$'000s)**  
*Includes All \$1B+ Chains and Other Select Concepts*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Annual Growth Rates		Segment Market Share		
												FYE '17/ FYE '16	Compound Growth '08 - '17	2017	Change '17/'16	Change '17/'08
<b>QSR</b>																
McDonald's																
Taco Bell																
Burger King																
Wendy's																
Chick-fil-A																
Sonic Drive-In																
Arby's																
Dairy Queen																
Jack in the Box																
Whataburger																
Hardee's																
Zaxby's																
Carl's Jr.																
Five Guys																
Culver's																
Checkers/ Rally's																
<b>Hamburger/varied</b>																
Subway																
Jimmy John's																
Jersey Mike's																
Firehouse Subs																
<b>Sandwich</b>																
Pizza Hut																
Domino's																
Little Caesars																
Papa John's																
<b>Pizza</b>																
KFC																
Popeyes																
Bojangles'																
Wingstop																
Church's																
<b>Chicken</b>																
Starbucks																
Dunkin Donuts																
Krispy Kreme																
Tim Horton's																
<b>Coffee/Bakery</b>																
<b>Total QSR <sup>(1)</sup></b>																



**U.S. System-wide Sales Summary 2008 - 2017 (\$'000s)**  
**Includes All \$1B+ Chains and Other Select Concepts**

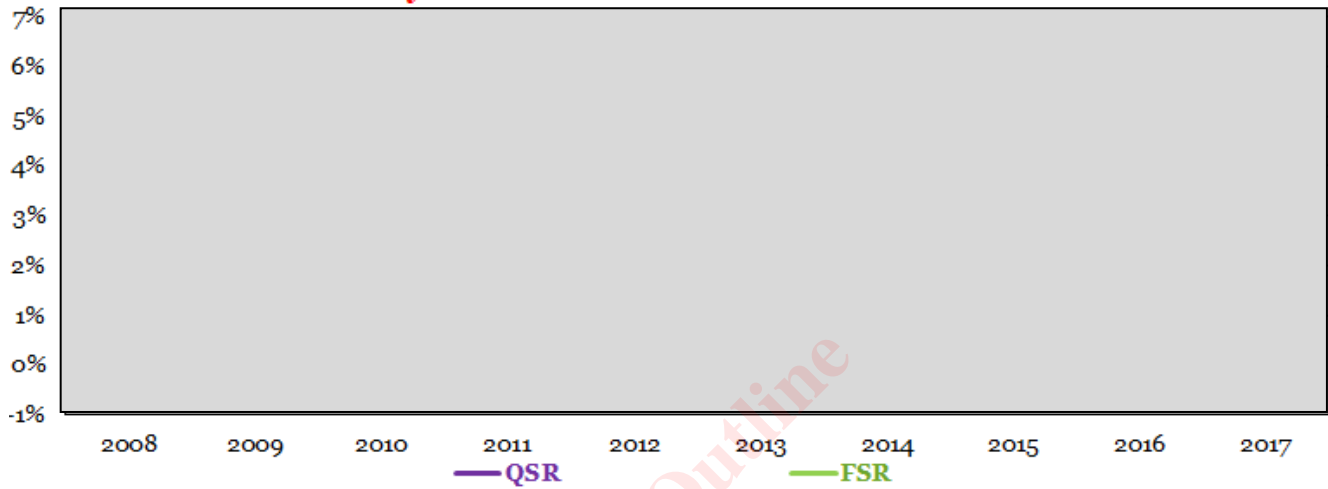
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Annual Growth Rates		Segment Market Share		
												FYE '17/ FYE '16	Compound Growth '08 - '17	2017	Change '17/'16	Change '17/'08
<b>FSR</b>																
Applebee's																
Olive Garden																
Buffalo Wild Wings																
Chili's Grill & Bar																
Outback																
Red Lobster																
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Ruby Tuesday																
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IHOP																
Denny's																
Cracker Barrel																
Golden Corral																
Bob Evans																
Perkins																
<b>Family</b>																
Panera Bread																
Chipotle																
Qdoba																
Moe's Southwest Grill																
Corner Bakery Café																
<b>Fast Casual</b>																
<b>Total FSR (1)</b>																
<b>Grand Total</b>																

Source: Restaurant Research estimates and public filings.  
 (1) Total QSR and sit-down market share as a percent of total sales.

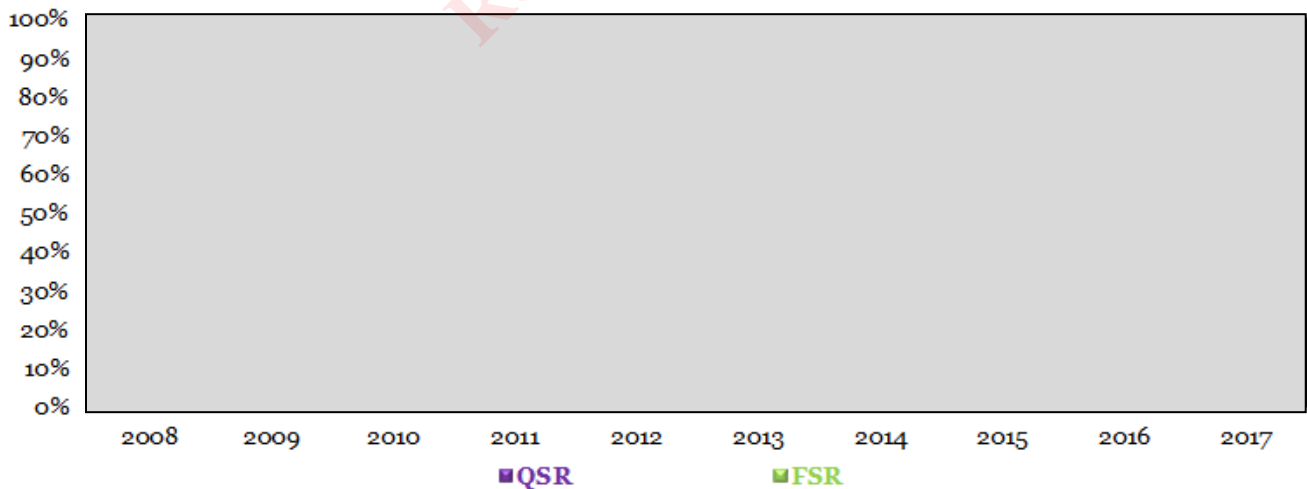
## Systemwide Sales & Market Share Trend Analysis



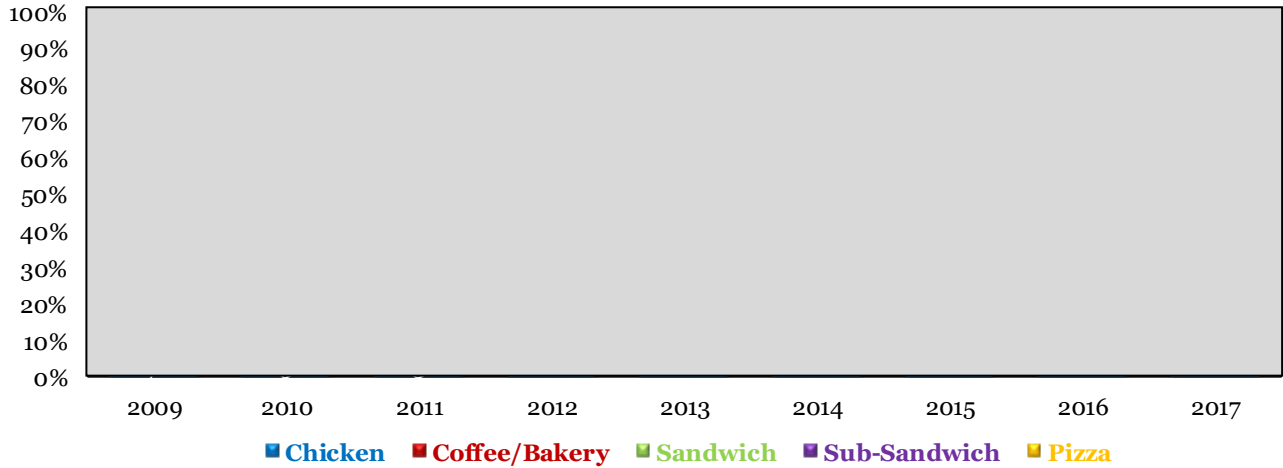
### Systemwide Sales Growth Rates



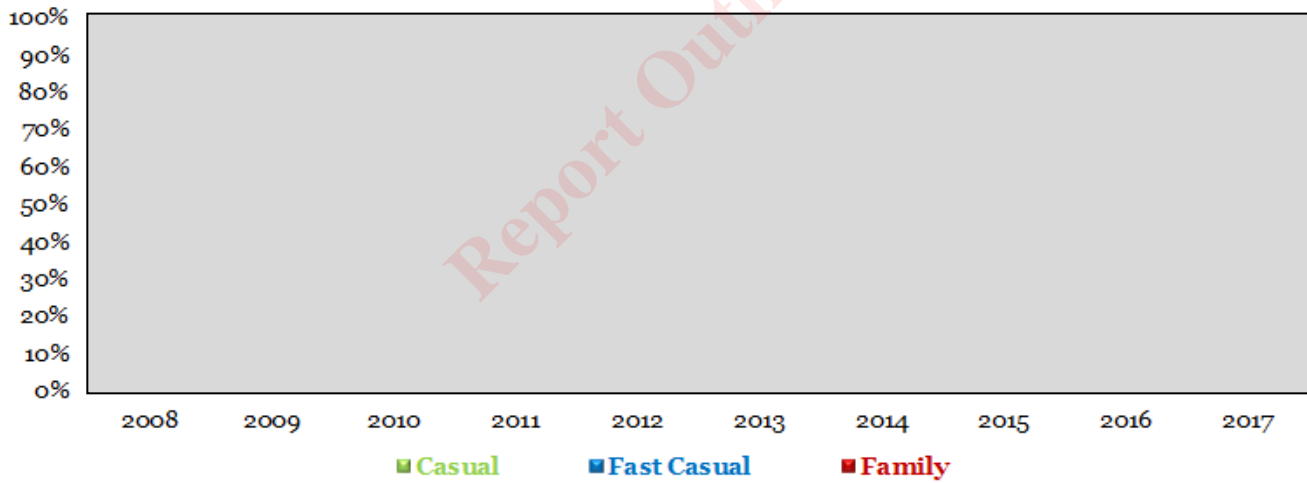
### QSR vs. FSR System Sales Market Share



**System Sales Market Share of QSR Segments**



**System Sales Market Share of FSR Segments**



## All Inclusive Subscription Package

*Value-Added Data & Insight for \$1B+ Chains*

### Concept Benchmarking Reports

Applebee's	Arby's	Burger King	Carl's Jr.
Chili's Grill & Bar	Church's	Denny's	Domino's
Hardee's	IHOP	Jack in the Box	KFC
McDonald's	Panera Bread	Papa John's	Pizza Hut
Popeyes	Sonic Drive-In	Subway	Taco Bell
TGI Friday's	Wendy's	Quarterly Concept Updates*	

### Industry Benchmarking (49 Chains)

Store Level	Systemwide	Finance
New Unit Investment Report	Quarterly Same Store Sales Database*	Unit Level Valuations
Remodeling Report	Annual RR Databook*	Report
Unit Economics Report	Unit & Sales Growth Analysis Report	Franchise Finance
Operations Matrix Report	Menu & Promotions Report	Report
Marketing Spend Report	Annual State Unit Databook*	
	Commodities Database*	

\* Only available as part of subscription.

### FDD/UFOC library for 37 Chains

Visit [www.chainrestaurantdata.com](http://www.chainrestaurantdata.com) or contact us at  
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