

MEDIA EDITION

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Despite an uneven recovery, Top 500 chain sales climbed beyond pre-pandemic levels in 2021

While overall sales rebounded past 2019 totals, turbulent operating conditions led to volatile performance results for the industry's largest chains

2021 Top 500 chain sales jump by 18%

Boosted by the reversal of pandemic-related operating restrictions combined with historically high levels of inflation, Top 500 chain sales volume hit a total of $361 billion in 2021, increasing by 18% on an annual basis.

The performance of the Top 500 chains managed to surpass its pre-pandemic benchmark, with 2021 sales improving by more than 8% relative to 2019.

Location counts stabilize following 2020 closures

After contracting by 2% in 2020, the overall location footprint of the Top 500 managed to expand in 2021, increasing by 0.6% to a total of 226,000 units.

The number of full-service chain locations remained essentially flat after shrinking by 4% in 2020, while limited-service chains achieved 0.6% growth in 2021. Unit development by players, like Jersey Mike's Subs and Domino's, offset closures of other Top 500 chains.

Most Top 500 chains fell short of pre-pandemic sales levels

Although cumulative 2021 sales volume for the Top 500 chains recovered past 2019 levels, more than half of all ranked chains still fell short of recapturing pre-pandemic sales totals.

Of the 260 chains that failed to rebound to 2019 sales levels, more than 70% closed at least one location over the last two years.

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HEADLINES AT-A-GLANCE

Top 500 chain sales jump by 18%

Location counts stabilize following 2020 closures

Most Top 500 chains fell short of pre-pandemic sales levels

Menu prices climb as inflation makes an impact

An incomplete recovery for full-service chains

Chicken concepts maintain momentum

Long-term growth trends endure through market turbulence

Competition sizzles among sandwich players

Dunkin' climbs to rank No. 6

Fast casual recovers as segment lines grow blurry

Menu prices climb as inflation makes an impact

Consumer prices for food away from home rose sharply in 2021, stemming from a multitude of larger foodservice industry issues, including increased labor costs, supply chain disruptions and intensified consumer demand.

Menu prices jumped 8.0% for limited-service meals in 2021, while full-service meals registered a 6.6% increase, according to the U.S. Bureau of Labor Statistics. High levels of menu inflation are forecasted to persist well into 2022.

An incomplete recovery for full-service chains

The end of indoor dining restrictions significantly improved results for full-service chains, as cumulative segment sales rose by nearly 33% in 2021 after plummeting by 28% the prior year.

Despite a sizeable rebound, the full-service segment's 2021 sales volume of $75 billion fell short of the $78 billion total observed in 2019. The number of full-service chain locations has fallen by 4% since 2019, a notable hindrance to the segment's ability to return to pre-pandemic sales levels.

Chicken concepts maintain momentum

Paced by the strong growth of heavy-hitters like Chick-fil-A, Raising Cane's Chicken Fingers and Wingstop, the chicken menu category achieved double-digit sales growth once again in 2021, as sales expanded by more than 13% on an annual basis. Chicken menu category sales have increased at an average rate of 12% since 2019.

Category growth has also benefited from the rapid expansion of several midsized chains like Slim Chickens, Chicken Salad Chick and Jollibee.

Long-term growth trends endure through market turbulence

Despite rapidly shifting market conditions over the last two years, overarching Top 500 performance averages continue to remain positive.

Top 500 sales volume has expanded at an average rate of 4.3% over the last three years and by 3.9% over the last five years. Since 2016, the cumulative unit footprint for the Top 500 chains has increased by more than 3,100 locations.

Competition sizzles among sandwich players

As sandwich behemoth Subway continues to downsize its location network, competition has intensified among other large category players.

Jersey Mike's Subs has increased its store count by more than 900 locations since 2016 and averaged nearly 22% annual sales growth during that period. Firehouse Subs has shown impressive growth as well, with sales expanding by 24% in 2021 to a total of more than $1 billion. The chain made headlines in 2021 following its acquisition by Restaurant Brands International, the parent company of Burger King, Tim Hortons and Popeyes.

Dunkin' climbs to rank No. 6

In the only ranking shift among the top 10 chains, Dunkin' supplanted Burger King to become the sixth-largest chain overall. The coffee chain's U.S. sales volume hit $10.4 billion in 2021, increasing by 19% on an annual basis.

Dunkin' finished 2021 with 9,244 total U.S. locations and has averaged 5.8% sales growth over the last three years.

Fast casual recovers as segment lines grow blurry

After declining by 6% in 2020, fast-casual chain performance rebounded strongly in 2021, with sales growing by 22% on annual basis and jumping past comparable 2019 levels. Drive-thru development and the enhancement of off-premise operations were critical factors behind fast casual's resurgence, with many of the segment's largest players embracing the traits of quick-service competitors.

Chipotle Mexican Grill, the industry's largest fast-casual chain, achieved 26% sales growth in 2021 after expanding its network of "Chipotlane" drive-thru locations. Chipotle boasted 355 total Chipotlanes at the end of 2021, up from 170 the year prior.

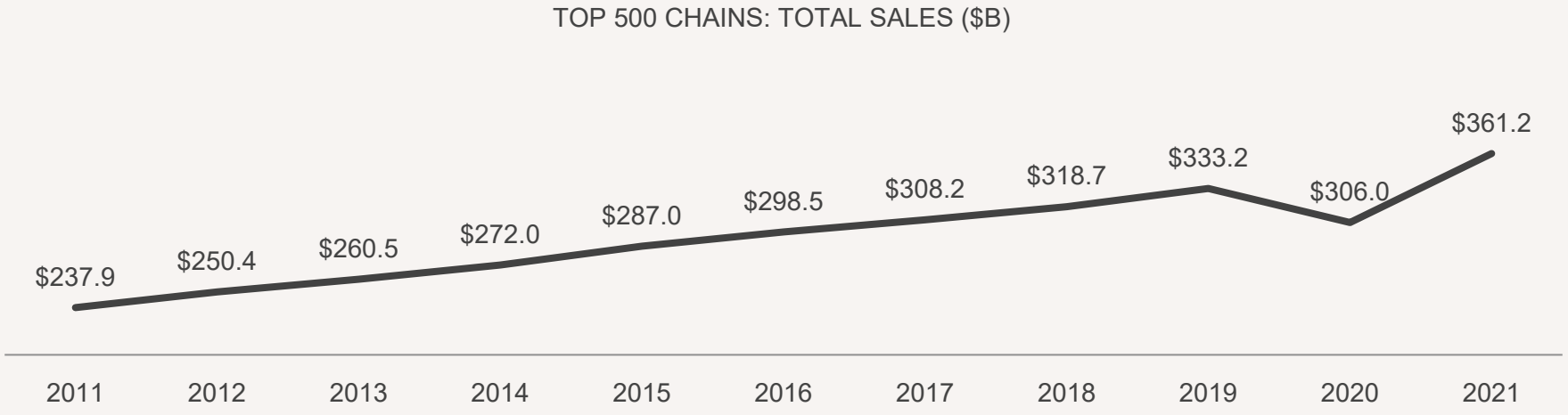
Fast-casual stalwart Panera Bread launched a "next-generation" store concept in 2021 featuring a double-lane drive-thru, while Portillo's and Jimmy John's both launched new drive-thru-only store formats during the year.

Primarily urban-based chains Shake Shack and Sweetgreen have also incorporated drive-thru store formats into 2022 development plans.

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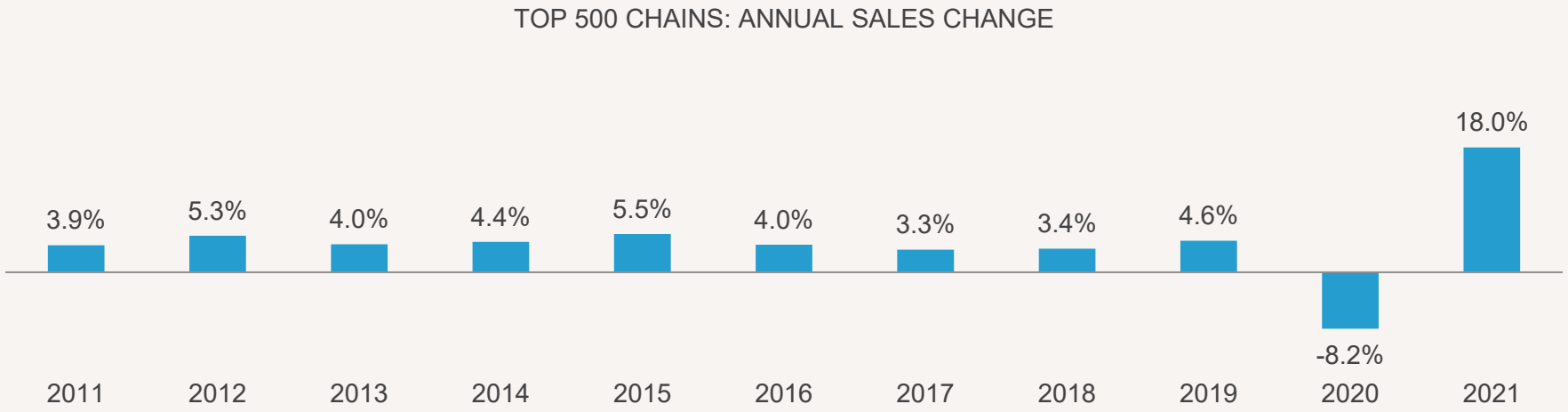
$361.2B

2021 Top 500 Chain Sales



18.0%

2021 Annual Sales Change

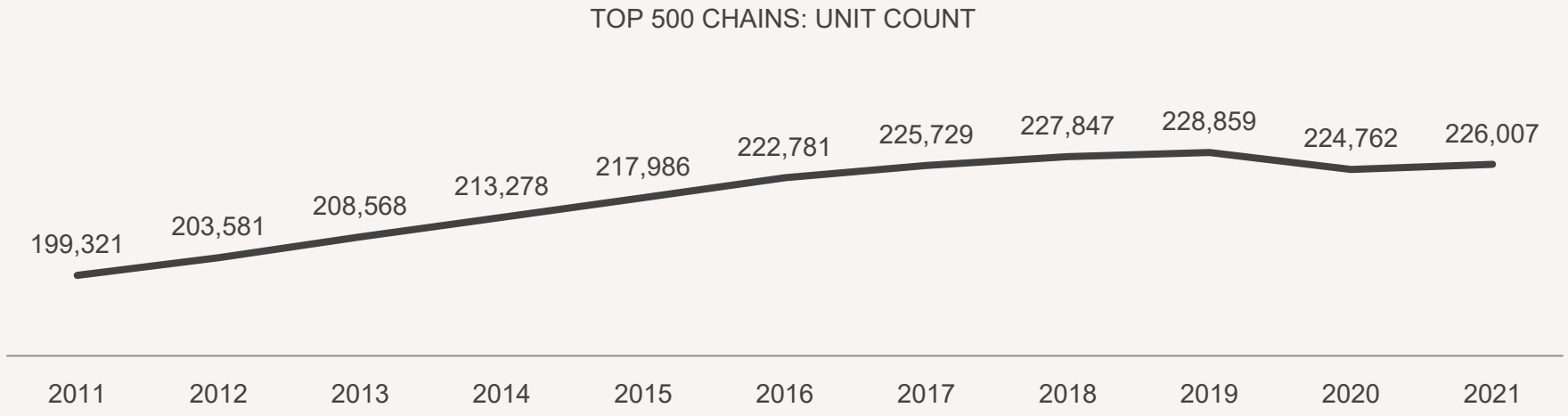


Note: Figures may differ from previously published reports due to ongoing changes in Top 500 chain composition and revisions to chain performance metrics

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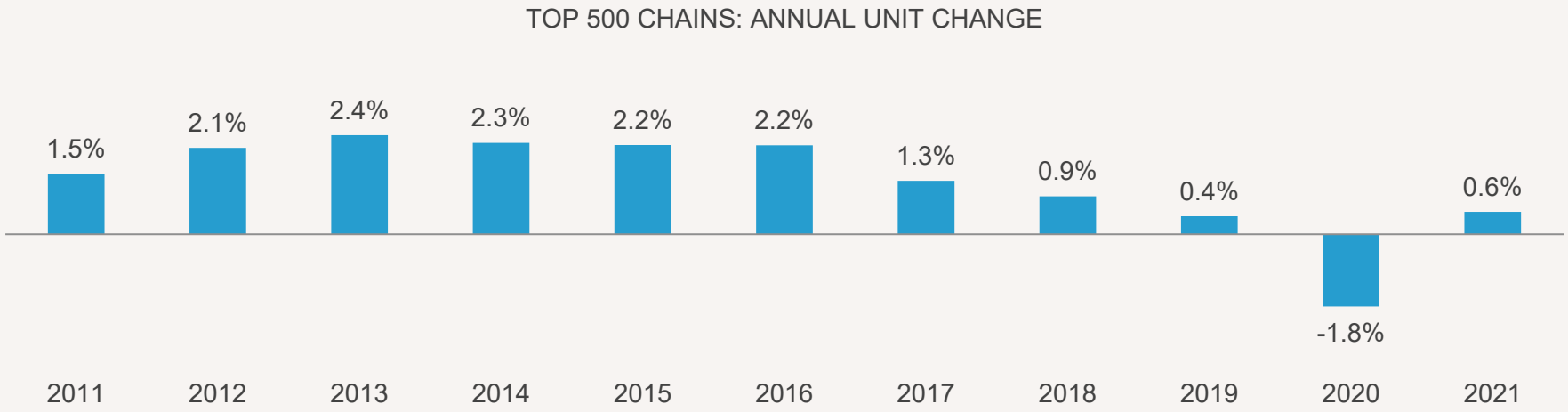
226,007

2021 Top 500 Chain Units



0.6%

2021 Annual Unit Change



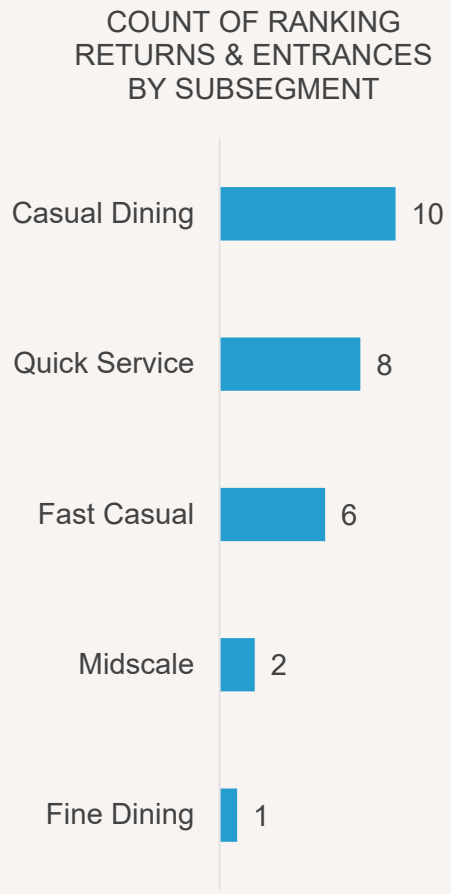
Note: Figures may differ from previously published reports due to ongoing changes in Top 500 chain composition and revisions to chain performance metrics

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A turbulent operating environment led to a slew of chains moving into the Top 500 ranking

A total of 27 chains entered the 2022 Top 500 ranking that were not featured in last year's report.

In addition to rapidly expanding new entrants like Dave's Hot Chicken and Hawaiian Bros Island Grill, several full-service chains re-entered the Top 500 after dropping out in 2020 due to pandemic-related sales declines.



Notable New Top 500 Entrants	Menu Positioning
Dave's Hot Chicken	Hot chicken sandwiches and tenders
Hawaiian Bros Island Grill	Hawaiian plate lunches
Hook & Reel	Cajun seafood
Bb.q Chicken	Korean fried chicken
WNB Factory	Wings and craft burgers
Playa Bowls	Bowls, smoothies and juices
Condado Tacos	Tacos, nachos and bowls
Cheba Hut	Toasted subs
Angry Crab Shack	Cajun seafood
Velvet Taco	Creative tacos with premium ingredients
Black Rock Coffee Bar	Coffee, tea and chillers
Eggs Up Grill	Breakfast and brunch classics
Blue Sushi Sake Grill	Premium sushi and adult beverages
Just Salad	Salads, wraps and bowls
Duck Donuts	Donuts, coffee and breakfast sandwiches

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Dutch Bros. Coffee and Tropical Smoothie Cafe ascend as rankings reshuffle

Among the top 100 chains, Dutch Bros. Coffee and Tropical Smoothie Cafe have notched the largest ranking jumps since 2019, climbing a net total of 30 and 28 positions, respectively.

First Watch registered the largest jump among full-service chains, rising 17 spots since 2019 to land at spot No. 67 in this year's ranking.

NOTABLE TOP CHAIN RANKING IMPROVEMENTS

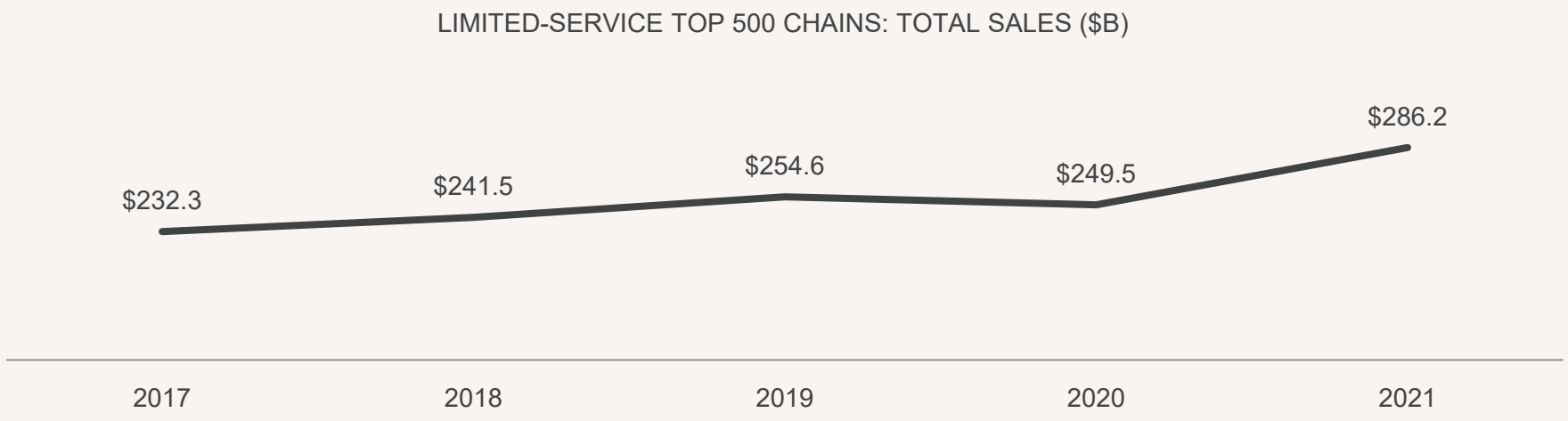
Chain Name	2021 Sales Rank	2019 Sales Rank	Movement
Wendy's	5	7	+2 Spots
Dunkin'	6	8	+2 Spots
Sonic Drive-In	11	13	+2 Spots
Popeyes	15	20	+5 Spots
Dairy Queen	17	21	+4 Spots
Culver's	30	38	+8 Spots
Raising Cane's Chicken Fingers	33	42	+9 Spots
Jersey Mike's Subs	39	47	+8 Spots
Firehouse Subs	50	58	+8 Spots
Tropical Smoothie Cafe	52	80	+28 Spots
Dutch Bros. Coffee	55	85	+30 Spots
Marco's Pizza	56	71	+15 Spots
Freddy's Frozen Custard & Steakburgers	66	86	+20 Spots
First Watch	67	84	+17 Spots
Smoothie King	76	96	+20 Spots

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LIMITED-SERVICE SEGMENT SUMMARY | FIVE-YEAR SALES TRENDING

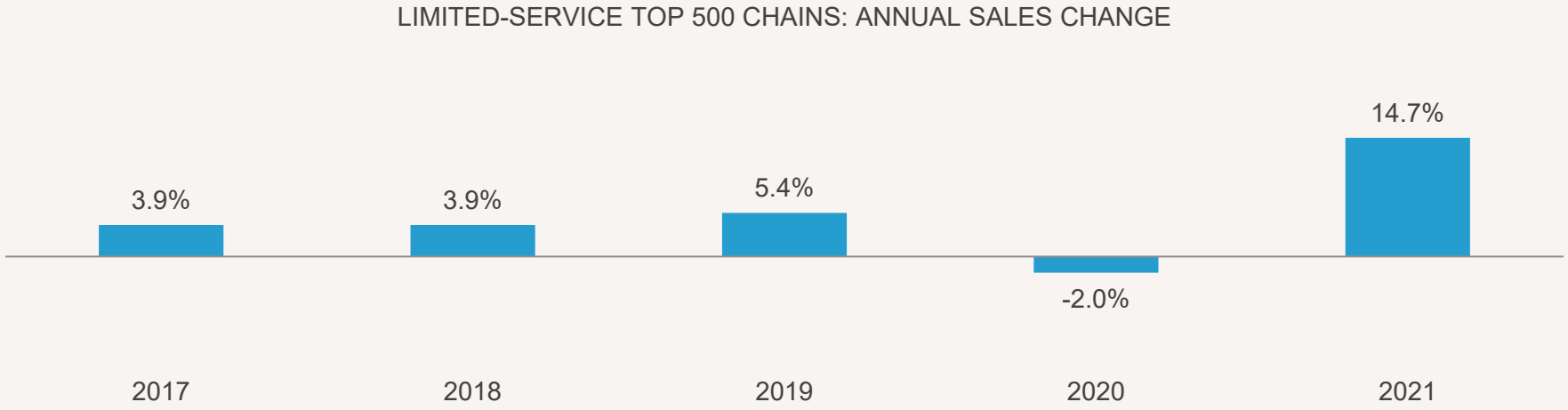
$286.2B

2021 Limited-Service Top 500 Chain Sales



14.7%

2021 Annual Sales Change

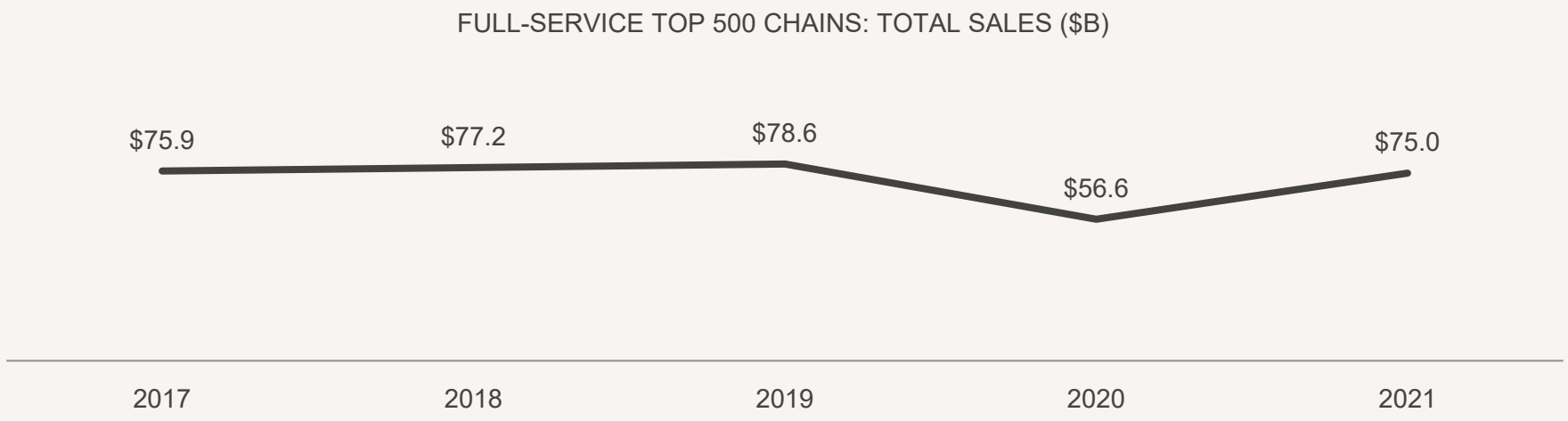


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FULL-SERVICE SEGMENT SUMMARY | FIVE-YEAR SALES TRENDING

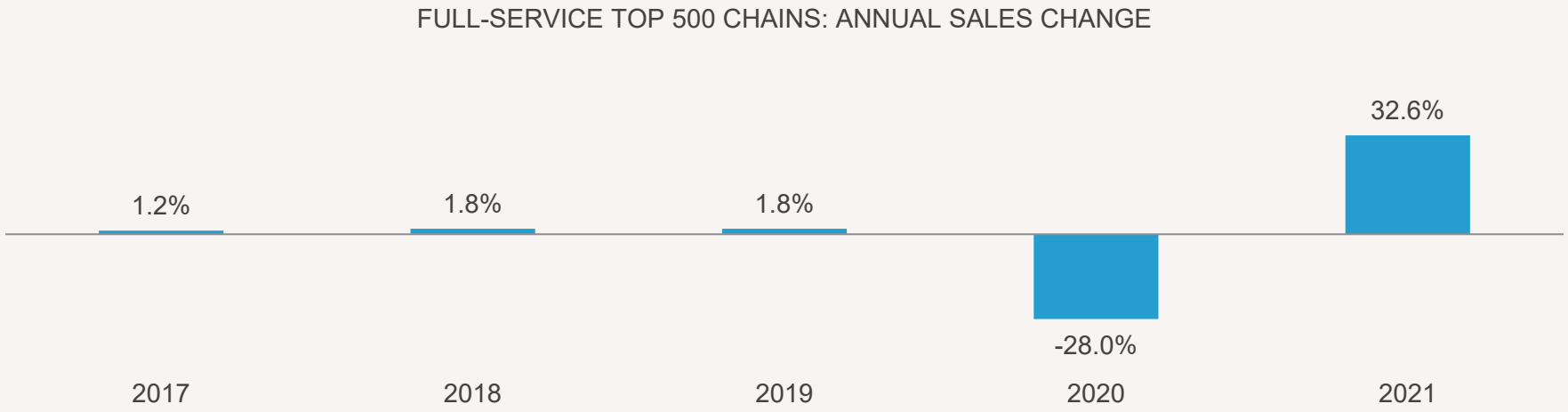
$75.0B

2021 Full-Service Top 500 Chain Sales



32.6%

2021 Annual Sales Change



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Coffee cafe chains rebounded strongly in 2021 as category sales jumped by more than 25%

Propelled by the performance of Starbucks and Dunkin' as well as rapidly expanding players Dutch Bros. Coffee and Scooter's Coffee, total 2021 sales jumped past 2019 levels for the Coffee Cafe category.

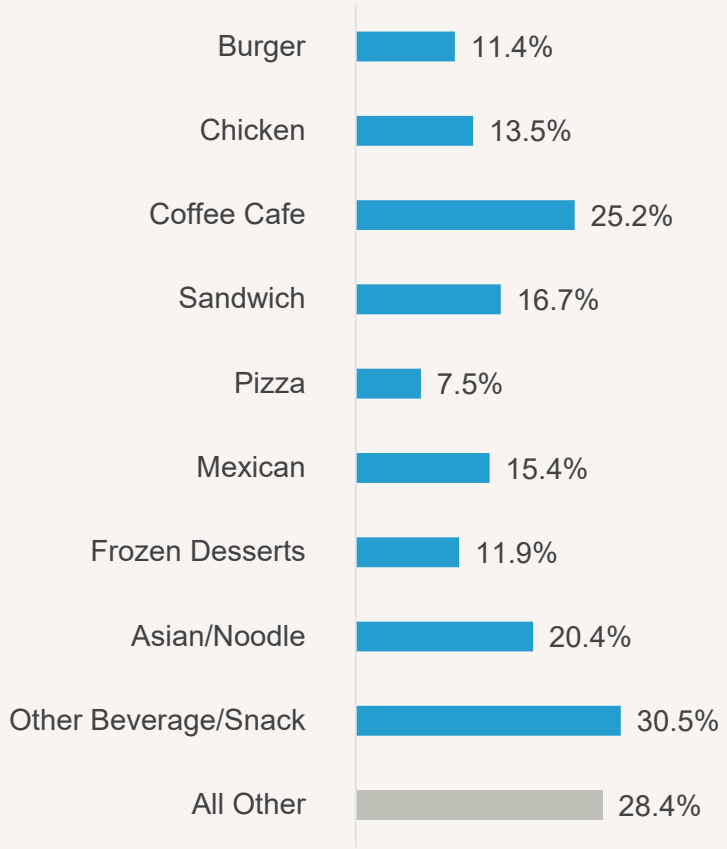
Burger, the largest limited-service menu category by a wide margin, registered more than 11% sales growth in 2021. Burger, Pizza, Chicken and Frozen Desserts were the only menu categories to achieve positive sales growth in 2020.

LIMITED-SERVICE TOP 500 CHAINS

2021 MENU CATEGORY SALES ($B)



2021 ANNUAL SALES CHANGE



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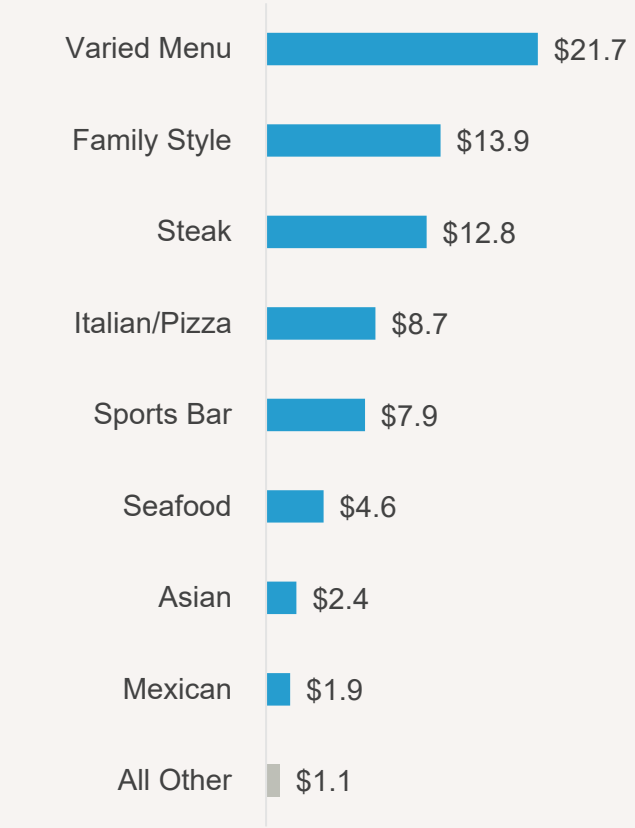
Full-service Steak chains recapture sales momentum

The Steak menu category charted the quickest recovery among full-service chains, as total sales volume hit $12.8 billion in 2021, exceeding the category's $12.3 billion mark observed in 2019.

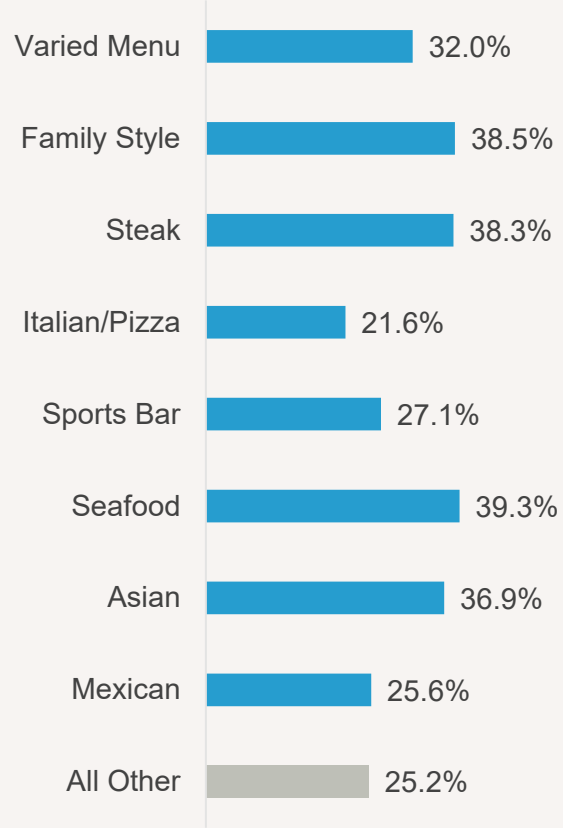
The two largest full-service categories, Varied Menu and Family Style, fell short of pre-pandemic sales levels by $1.3 billion and $1.1 billion, respectively.

FULL-SERVICE TOP 500 CHAINS

2021 MENU CATEGORY SALES ($B)



2021 ANNUAL SALES CHANGE

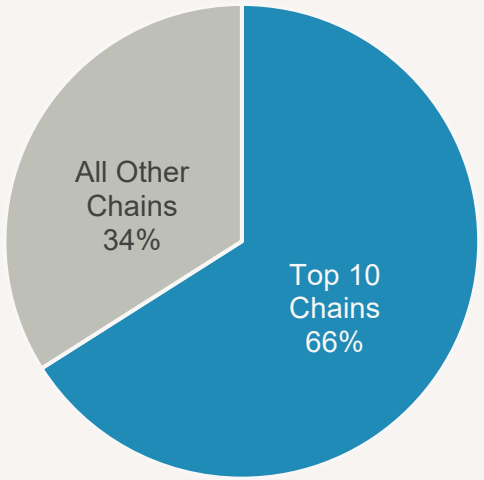


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TOP 10 QUICK-SERVICE CHAINS (RANKED BY 2021 U.S. SALES)

Chain Name	2021 U.S. Sales ($M)	Change	2021 U.S. Units	Change
McDonald's	$45,960.5	13.4%	13,438	-1.8%
Starbucks	$24,556.4	28.5%	15,450	0.7%
Chick-fil-A	$15,757.6	15.0%	2,730	5.1%
Taco Bell	$12,615.0	11.7%	7,002	3.0%
Wendy's	$11,110.7	8.6%	5,938	1.0%
Dunkin'	$10,415.8	18.9%	9,244	1.8%
Burger King	$10,033.0	3.9%	7,105	0.3%
Subway	$9,397.3	13.0%	21,016	-5.3%
Domino's	$8,641.4	4.3%	6,560	3.2%
Sonic Drive-In	$5,835.4	2.7%	3,552	0.7%

QUICK SERVICE SEGMENT SALES SHARE

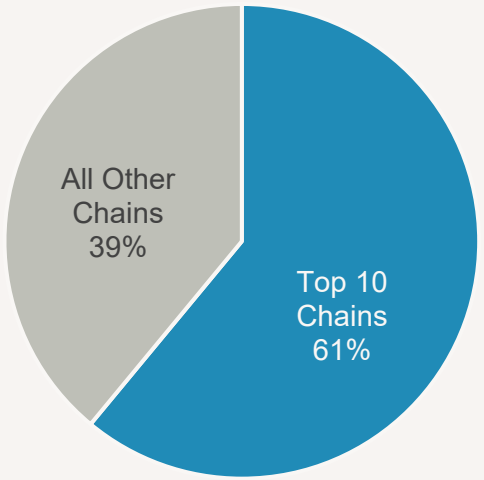


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TOP 10 FAST-CASUAL CHAINS (RANKED BY 2021 U.S. SALES)

Chain Name	2021 U.S. Sales ($M)	Change	2021 U.S. Units	Change
Chipotle Mexican Grill	$7,457.2	26.0%	2,926	7.4%
Panera Bread	$5,725.2	14.5%	2,121	1.9%
Panda Express	$4,578.0	19.9%	2,316	2.3%
Raising Cane's Chicken Fingers	$2,377.0	38.0%	567	11.4%
Jimmy John's	$2,301.1	19.5%	2,657	-1.8%
Zaxby's	$2,234.0	10.5%	910	0.2%
Jersey Mike's Subs	$2,203.0	38.1%	2,100	13.3%
Wingstop	$2,165.0	20.0%	1,534	12.9%
Five Guys	$2,092.8	22.3%	1,390	0.6%
Firehouse Subs	$1,044.0	24.3%	1,164	1.0%

FAST-CASUAL SEGMENT SALES SHARE

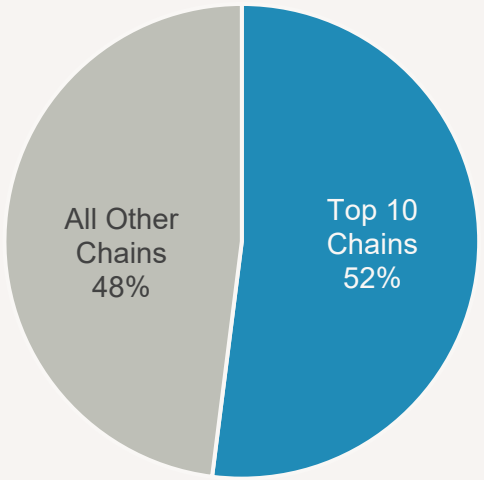


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TOP 10 CASUAL-DINING CHAINS (RANKED BY 2021 U.S. SALES)

Chain Name	2021 U.S. Sales ($M)	Change	2021 U.S. Units	Change
Olive Garden	$4,181.7	18.0%	876	0.9%
Applebee's	$4,167.7	34.4%	1,578	-1.3%
Buffalo Wild Wings	$3,718.0	17.5%	1,212	3.6%
Texas Roadhouse	$3,716.6	42.1%	596	4.2%
Chili's Grill & Bar	$3,575.7	22.0%	1,234	0.2%
Outback Steakhouse	$2,620.9	25.6%	694	-1.7%
Red Lobster	$2,303.3	31.2%	670	-0.7%
The Cheesecake Factory	$2,293.2	44.7%	207	0.5%
LongHorn Steakhouse	$2,208.6	35.0%	551	2.4%
Red Robin	$1,402.8	33.7%	531	-2.7%

CASUAL-DINING SEGMENT SALES SHARE

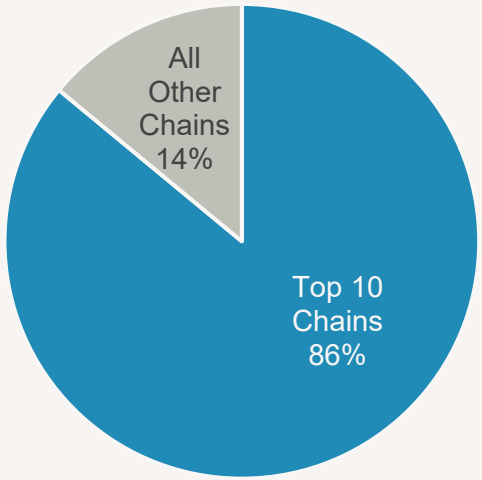


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TOP 10 MIDSCALE CHAINS (RANKED BY 2021 U.S. SALES)

Chain Name	2021 U.S. Sales ($M)	Change	2021 U.S. Units	Change
IHOP	$2,997.0	40.0%	1,657	-0.8%
Denny's	$2,462.4	41.2%	1,487	-1.1%
Cracker Barrel	$2,418.1	36.6%	664	0.2%
Waffle House	$1,278.9	39.5%	1,950	-0.3%
First Watch	$750.7	76.1%	435	6.4%
Bob Evans	$749.5	28.4%	440	0.0%
Perkins Restaurant & Bakery	$495.9	35.5%	290	0.0%
Black Bear Diner	$350.0	55.4%	144	0.7%
Village Inn	$224.3	36.0%	129	-5.8%
Huddle House	$219.4	19.2%	305	-2.6%

MIDSCALE SEGMENT SALES SHARE

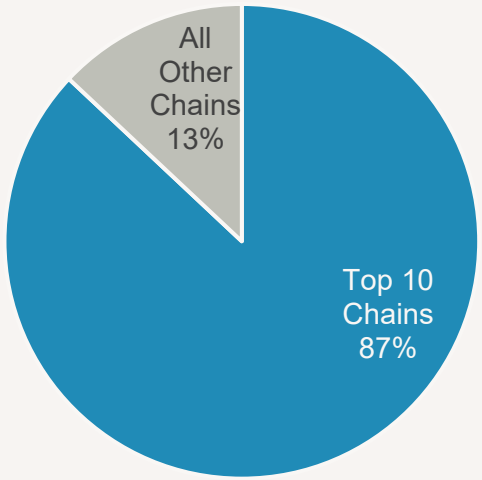


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TOP 10 FINE-DINING CHAINS (RANKED BY 2021 U.S. SALES)

Chain Name	2021 U.S. Sales ($M)	Change	2021 U.S. Units	Change
Ruth's Chris Steak House	$636.1	60.0%	129	3.2%
The Capital Grille	$456.6	36.0%	63	5.0%
Fleming's Prime Steakhouse & Wine Bar	$332.6	58.7%	64	1.6%
Ocean Prime	$204.0	112.5%	17	6.3%
STK	$199.8	122.2%	14	7.7%
Morton's The Steakhouse	$192.1	47.0%	55	-5.2%
Mastro's Restaurants	$190.7	52.0%	19	5.6%
Del Frisco's Double Eagle Steak House	$158.4	54.5%	16	0.0%
Eddie V's Prime Seafood	$156.5	50.2%	26	13.0%
Nobu	$129.6	58.0%	19	5.6%

FINE-DINING SEGMENT SALES SHARE



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Report Methodology & Notes

Chain performance metrics are compiled using a variety of sources, including operator surveys, investor filings and franchise disclosure documentation. Sales figures are representative of the standard calendar year to ensure accurate performance comparisons.

When necessary, sales estimates may be assigned to chains using a propriety benchmarking process.

Location counts represent the number of units open at year end and are verified using online store directories and locators.

Historical data is often revised and may not be comparable to previous editions of the *Top 500 Chain Restaurant Report* or other associated deliverables.

Summarized figures and averages may not necessarily add due to rounding.

Total restaurant industry performance figures are sourced from the Technomic *U.S. Foodservice Industry Wallchart*.

Segment Definitions

Limited-Service Restaurants (LSR): Establishments where patrons generally order or select items and pay before eating, with check averages generally between $3 and $12. Food and drink may be consumed on-premise, taken out or delivered to customers' locations. This segment consists of quick-service operations, fast-casual restaurants and cafeterias/buffets

- **Quick-Service Restaurants (QSR):** Traditional fast-food restaurants, generally with check averages under $10
- **Fast-Casual Restaurants (FC):** Establishments with a limited-service or self-service format, with check averages generally above $10. Food is prepared to order and made with fresh (or perceived-as-fresh) ingredients. Restaurants offer innovative food suited to sophisticated tastes and upscale or highly developed interior design. Alcohol may be served

Full-Service Restaurants (FSR): Establishments with a relatively broad menu along with table and/or booth service and a waitstaff. These establishments offer meals and snacks for immediate consumption primarily on-premise; some may also offer takeout service. This segment is composed of midscale, casual-dining and fine-dining restaurants

- **Midscale Restaurants (MSR):** Full service; moderate check averages (generally under $15). Many do not sell alcohol, but if they do, it is limited to beer and/or wine. Breakfast orientation often defines this segment
- **Casual-Dining Restaurants (CDR):** Full service; check average generally $15-$50, excluding the purchase of alcohol, which is served. A full bar is characteristic of this segment
- **Fine Dining (FD):** Full service; check average generally above $50, excluding alcohol purchases, with an emphasis on dinner. Establishments usually offer an extensive alcohol program. Also known as white-tablecloth restaurants

Menu Category Definitions

All Other (Limited Service): The limited-service All Other menu category includes buffets, barbecue, chili/soup, salad, seafood, hot dog and other specialty or global concepts

All Other (Full Service): The full-service All Other menu category includes barbecue chains as well as other specialty or global concepts

Asian: Full-service concepts such as Chinese, Thai, Vietnamese, Japanese, Korean, etc., including those that specialize in specific items or in specific preparation methods such as stir-fry or sushi

Asian/Noodle: Limited-service, generally fast-casual, concepts emphasizing made-for-you assembly of Asian noodle dishes, global noodle and pasta dishes or Asian dishes often served on rice

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Menu Category Definitions

Burger: Primarily limited-service restaurants that focus on serving hamburgers, french fries and soft drinks, although many also menu other bun-style sandwiches as well as breakfast items. Restaurants are open for lunch and dinner, and many are open for breakfast and late-night segments. Highest-volume operations are quick service, but higher-end limited-service “better burger” concepts are proliferating, and some full-service restaurants also specialize in burgers

Chicken: Primarily limited-service restaurants that menu chicken by the piece, in sandwiches and in large-quantity orders, such as buckets. Sides are also stressed. The traditional preparation technique is frying but grilling and roasting are increasingly used. Typically, units are open for lunch and dinner, and some also offer breakfast

Coffee Cafe: Limited-service restaurants with a menu focused on coffee—both hot and iced—including specialty items such as barista-prepared espresso-based beverages. Concepts generally also menu teas, other beverages such as juices, pastries, snacks and breakfast items. Prepackaged meals and snacks prepared in a commissary may be offered for immediate consumption or on-site reheating and immediate consumption

Family Style: Also known as midscale restaurants. A subsegment of full service. Restaurants feature broad menus with many options for all dayparts, including a strong breakfast focus and late-night or even 24-hour service. There is limited or no alcohol service, and check averages are under $15

Frozen Dessert: Limited-service restaurants specializing in ice cream, frozen yogurt and/or other frozen desserts and treats

Italian/Pizza: Full-service restaurants with menus built around Italian-inspired dishes such as pasta and pizza

Mexican: Full- or limited-service restaurants that serve Mexican-style dishes such as tacos and burritos for lunch and dinner. Full-service Mexican concepts typically emphasize adult beverages

Other Beverage/Snack: Limited-service restaurants specializing in doughnuts, cookies, pretzels or other snack items. Also includes beverage focused concepts featuring smoothies, juices and teas

Pizza: Limited-service restaurants that specialize in pizzas along with pastas and sandwiches that have Italian and American roots. Units are typically open for lunch and dinner. Note: Technomic classifies full-service restaurants specializing in pizza within the full-service Italian cluster

Sandwich: Limited-service restaurants specializing in sandwiches other than burgers, such as hot dogs, pitas and wraps. Sandwiches may be hot or cold and may be made from a variety of cheeses, meats and other toppings. Many of these restaurants are open for breakfast, lunch and dinner

Seafood: Full-service and limited-service restaurants that specialize in fish and shellfish but also offer nonseafood items. FSRs may feature fresh, seasonal fish and seafood

Sports Bar: A subset of casual-dining restaurants that features a strong alcohol focus and a casual environment with numerous TVs tuned in to sporting events. Sports Bars typically offer burger- or wing-centric menus and often run promotions and menu specials based on seasonal sporting events

Steak: Full-service restaurants that specialize in signature steaks but also typically menu poultry and seafood entrees. Many focus on premium meats and high service levels. Most steak restaurants are open for lunch and dinner, with an emphasis on the dinner daypart

Varied Menu: Full-service restaurants featuring a broad-based menu of items inspired by a variety of cuisines, often in Americanized formats, along with established American fare such as hamburgers and sandwiches. Most are open for lunch and dinner

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