

EVOLVING QUICK SERVICE FOR THE FUTURE

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SPECIAL
ANNUAL
ISSUE

COVER STORY:

REAL GROWTH, REAL RESULTS

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CHIPOTLE SETS COURSE FOR GROWTH

/ BY DANNY KLEIN



CEO Scott Boatwright is steering the brand to more expansion, continued operational strength, and all the while keeping sight of what made the fast-casual pioneer a category disruptor in the first place.

CHIPOTLE / IMAGE EXPANDED BY QSR MAGAZINE

SCOTT BOATWRIGHT
JOINED CHIPOTLE IN
FEBRUARY 2018.



SCOTT BOATWRIGHT RECENTLY DUG OUT AN ARTICLE FROM THE *ROCKY MOUNTAIN NEWS*. IT WAS OCTOBER 22, 1993.

Chipotle was about three months and a week old. A reporter left the 850-square-foot restaurant, located on East Evans Avenue across from the University of Denver in a former Dolly Madison ice cream shop, with three observations: One, surprise at the quality of ingredients; two, the classic cooking techniques (founder Steve Ells, a Culinary Institute of America grad, was trying to mirror taquerias he visited in San Francisco's Mission District); and lastly, the price point.

When asked about Chipotle's prospects 32 years later, Boatwright feels the past is a good place to start. The brand could open as many as 345 restaurants in 2025, a year after it brought 304 to market. That gave it 3,726 total. But even as wide-ranging and large as Chipotle has scaled since July 13, 1993, it's still just about halfway to a North America goal of 7,000 locations. Boatwright adds the international opportunity, while uncharted, is "a pretty big number," too.

And of those 3,726 Chipotles, 1,068 included the order-ahead pickup asset "Chipotlane," an initiative that began testing in late 2018, making it one of the fastest-scaling projects in restaurant history. Eighty percent of development today, and into the future, will fall under this model.

The overall premise, however, is Chipotle has two threads to pull on—guarding those early, core principles, and then opening access as it expands, whether from a unit count perspective or technology, operations, and more.

"Growth in our purpose of cultivating a better world and expanding our belief around higher quality, great food doesn't have to be at the expense of an elitist pursuit," Boatwright says of what hasn't changed. "Meaning you don't have to go to a chef-driven restaurant and spend hundreds of dollars to have a high-quality, great-tasting meal

prepared with classic culinary techniques. We do that at a \$10 price point. And so, we continue to bring our way of eating and thinking around eating to communities across the country, and that's what gets me excited."

Anybody who's followed Boatwright's career wouldn't be stunned to hear him paint the future along these strokes. His CEO tenure at Chipotle technically started in November after shedding an August-placed interim tag following the departure of Brian Niccol to Starbucks.

Yet you can go back much further. Boatwright is one of the industry's many disciples of Russ Umphenour, who started his foodservice career in 1967 working an Arby's counter for \$1.50 per hour. He eventually founded RTM Restaurant Group,

a moniker for "Results Through Motivation," which ended up directing about 800 Arby's as an independent franchisee (Umphenour would also become CEO of then-called Focus Brands in 2008). Nelson Peltz's Triarc Companies, Inc. bought Arby's in 1993 and purchased RTM in 2005 to form Arby's Restaurant Group. Pelz acquired Wendy's for \$2.3 billion three years later before Arby's was divested to Roark Capital in July 2011—setting the eventual stage, some seven years later, for the creation of Inspire Brands.

It was during these RTM days under Umphenour, though, where Boatwright learned the value of goal setting. Umphenour often asked employees, "are you dreaming big enough?" You'd slide ambitions on the table like chips and see if you could tie hope to smart development. Goal setting, leadership development, and operational discipline, Boatwright says, were the hallmarks of RTM.

And at RTM is where, one day, he jotted down the aim of becoming CEO of a publicly traded Fortune 500 company. Boatwright thinks he might have been 25 years old.

"And so, the day came, and it was a bit surprising," he says. "None of us expected Brian to leave."

It took about a week to shake off the shock and start sorting through his nerves. Boatwright as chief operating officer was Niccol's tag-team partner in turning Chipotle into one of the stock market's shiniest cases. Niccol arrived at Chipotle from Taco Bell in February 2018 at the trail-end of the brand's 2015–2016 E. coli outbreak that erased about half of its market cap. Chipotle's stock popped 40 percent in Niccol's first year, making it one of the top 10 performers in the S&P 500. Sales nearly doubled during his tenure, profit lifted close to sevenfold, and shares soared 800 percent. To frame how dramatic this was, Chipotle's stock had dipped below \$300 in October 2017 for the first time since March 2013. Before it completed a 50-for-1 split last June—one of the biggest in market history—Chipotle was trading for \$3,128.08 per share.

Niccol managed the stock and the larger picture; Boatwright's focus was on running a great company, he says. "Deliver great team member experiences, great guest experiences, and drive the key KPIs for the organization," Boatwright explains.

Suddenly, the aperture changed exponentially. As CEO, Boatwright had to think about macro shadows. What's going on in the administration? How will it impact Chipotle? How is the consumer tracking and spending? "You start thinking more about gaining market share against competition," he adds. "You start thinking more about board management. You go from one boss to nine, who are your board of directors. You begin to think about the investment community at large and what's the messaging. How do you keep them, especially during a period of transition, feeling confident about strategy, confident about the leadership team, and feeling like they can continue to lean into your business as an investment opportunity? It's critically important."

Or, to phrase this plainly, Boatwright had to find balance between managing external pressures and leading an organization.



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A HISTORY IN OPERATIONS

So what did the investors have in Boatwright? Pre-RTM, he was introduced to quick service, as countless are, through a job at McDonald's at 15. He made it "probably" a year before ending up at a local steakhouse washing dishes after school in his hometown of St. Simons Island, Georgia, a saltmarsh-lined and sandy stretch off the state's coast, home to a lighthouse destroyed in the Civil War before being rebuilt in 1872.

Boatwright wasn't trying to make a career in hospitality. He wanted a job and some financial freedom for things like buying a car. Boatwright grew up, he says, in a humble family with strong morals, values, and work ethic. His father was ex-Air Force and a welder, while his mother waited tables. "I wouldn't change anything in the world for it," he says.

Hospitality hung around. Boatwright, in his early 20s, clocked time in hotels and then banquets as he moved over to Sea Island, Georgia, and ultimately became the assistant food and beverage director of a golf and tennis resort. Soon, a call from a recruiter came in asking about RTM.

Boatwright's dedication to operations and discipline were honed under Umphenour's guidance. The Arby's world he grew up in would include, at stages, industry mavens from GPS Hospitality CEO Tom Garrett to Shake Shack CEO Rob Lynch to Inspire Brands leader Paul Brown.

When Arby's was divested to Roark Capital, the brand had just emerged from The Great Recession. It was in trouble. Franchisees struggled with solvency, meeting bank debt covenants, and Boatwright and leadership worked quickly to support operators by bringing in third-party lenders to keep the brand afloat. Meanwhile, it was trying to revive Arby's and bring it forth from an old, stodgy, stale roast beef restaurant into something relevant. That's where the idea of creating a full-scale deli began, with whole-muscle meats, and an entire facility redesign. Lynch, Brown, and Boatwright were there as the "We Have the Meats" campaign hit TV and it marked, still to this day, the last time Arby's talked about roast beef as the sole brand definer. The chain went on a rip. EBITDA expanded roughly 6X in a five-year timeframe and Arby's posted 16 consecutive quarters of same-store sales growth as it morphed into a "fast-crafted" brand.

Then, Boatwright's phone buzzed, and it was Eells, CEO of Chipotle. The brand's culinary sourcing, preparation, and assembly line model disrupted an entire category—spawning, through a handful of characteristics—the segment that would become known as "fast casual."

But it had operational holes, as the E. coli crisis uncovered. Originally, Boatwright says, his conversation with Eells wasn't a job interview. There was no position. He was simply offering Eells advice on how Chipotle might address some hurdles; how it could tighten its system to support the brand's ethos at scale.

Over the next three months, however, "three or four" conversations culminated in an offer to join the brand. Boatwright says it was a tough decision because he was in great standing at Arby's and Roark and the company was already talking about buying other chains—Buffalo Wild Wings among them (the deal that ignited Inspire Brands). He had a close relationship with Brown.





Yet Boatwright couldn't shake a couple of feelings: For starters, he first walked into a Chipotle in 2005 in Dallas, Texas. He was hooked as a customer and Boatwright's personal affinity grew. The other part was this quick-service darling, already iconic in stature, had operational fissures Boatwright saw clearly. This was 2017. Chipotle closed the fiscal calendar with 2,408 locations.

So after 18 years with Arby's, at that point SVP of operations overseeing more than 1,700 units, he made "one of the toughest decisions of my career" and headed to Chipotle as COO.

"What I discovered," Boatwright says, "was a brand that had grown too quickly."

FUTURE-PROOFING AND FORWARD THINKING

The culture and people at Chipotle, Boatwright recalls, were "phenomenal." The organization was trying to grow for the right reasons. McDonald's took an initial stake in the brand in 1998, five years after its founding. It would help Chipotle lift from 14 to more than 500 locations in seven years.

McDonald's initially invested \$50 million and poured in about \$340 million total. At one point, The Golden Arches owned some 90 percent of Chipotle. The brand went public on January 26, 2006, at \$22 a share, opening at \$44, and debuting with a valuation of roughly \$700 million. That would grow to \$1.85 billion by the end of 2006. McDonald's sold a portion of its ownership during the IPO and exited completely by October.

Boatwright says, when he got there, Chipotle lacked the

sophistication necessary to run a business north of 2,000 locations. It didn't have systems, standards, and processes solidified throughout the years to create a repeatable, scalable business unit.

"And so that coupled with the fact the organization didn't have leadership development resources necessary to teach emerging leaders how to take on increasing levels of responsibility," Boatwright says. "We could clean that up in really short order to get the brand back on its front foot."

Chipotle in those days was famously an insular organization. It didn't hire many folks from the outside. Much of what was being taught was "tribal knowledge," Boatwright says, offering an example: When he first onboarded, he spent several weeks learning the business store-to-store. He asked a GM at one location how they made the guacamole. His response? "Here's how I do it."

There was no recipe card or standard operating procedure. "It was quite baffling to me," Boatwright says.

His RTM playbook kicked into gear. Boatwright put forward what he called "the top five accountabilities by position." This way, everybody understood the critical things they must do.

"And there's a difference between responsibility and accountability," Boatwright says. "I talked about this often."

Take labor. Field recruiters, district and general managers—they all have a responsibility to ensure a location is properly staffed. But only one person can be accountable, meaning they get paid based on their ability to accomplish a task. "So when three people are accountable, no one is accountable," Boatwright says. "It was important for me to put accountabilities in place by levels of hierarchy so everybody fully understood what they were being held accountable for. And then, we could incentivize against those five things and base performance on them."

"We truly tightened up how we showed up in every restaurant, every day," he continues.

Chipotle cleaned up operational systems and processes and put in tools and resources. It started "Cultivate University" and began hiring external talent to support future growth. Boatwright then retrained and "left no person behind," he says. He brought in every above-restaurant leader through "Cultivate University" in Denver for a week. It took Boatwright a full year to do so. "But that was a priority for me," he says.

"So putting a bright light on accountabilities, putting in the systems and standards and processes necessary to have a repeatable process, a teachable process, and then leadership development programming that really taught people how to show up as leaders in the organization," Boatwright says.

EVOLUTION FINDS A NEW HOME

Chipotle under Niccol moved HQ in 2018 to Newport Beach, California—a move Boatwright says was necessary to support a brand of this scope and reset corporate culture. It also opened the company to a robust SoCal talent pool.

Soon, the outward transformation began to take hold. Chipotle started to implement second digital makelines when

Boatwright joined. Originally, they were analog. They spit a receipt tape employees had to hang on a board in the back of restaurants. Pacing and sequencing was difficult. Chipotle created a solution to digitize the process in late 2017, early 2018 that fostered a first-of-its-kind system, Boatwright says. And, although, naturally, unknown at the time, it would provide the backbone for Chipotle's outperformance during COVID-19.

Boatwright calls the pandemic "one of the most challenging opportunities or impediments" he's faced. Chipotle had to meet customers where they were, which, for the first time, wasn't in dining rooms. The brand grew its digital business from 5 to 10 percent in 2018. It doubled again the following year—to 20 percent. COVID arrived, though, and it rocketed to 80 percent of system sales.

Boatwright says it was equally burdensome in 2020 to figure out how to make stores comfortable to work in. How could you maintain 6 feet of distance and wear masks in kitchens that are sub-optimal from a temperature standpoint in the most normal of times?

The leadership crisis playbook, he says, boiled down to communicating often and doing so to a level where somebody might accuse you of overcommunicating. There was no such thing. Management also had to be present, Boatwright adds. "So while most people were sitting at home working behind computer screens, my leadership team and I were out at restaurants supporting team members and helping them deliver that experience," he says.

"I think that sends a very clear message to your workforce—hey, I care about you. I'm working shoulder-to-shoulder with you. We're in this together. We're going to navigate this challenge together and we're going to be successful when we come out of the backside."

Alongside the digital makelines, which proved prophetic as much as serendipitous (these are littered across quick service today), Chipotle's pickup lane was starting to push the accelerator. Boatwright was working out of the Denver office years ago, before Niccol joined the company. Customers were headed to the downtown restaurant and ordering through Chipotle's digital channels. When they showed up, however, they didn't know where to go. Should they get in line? Wait? Cut and go to the register? Boatwright and his team had an idea to cut a hole in the wall, put a pickup sign over it, and then pass bags through the entry point. Sales in the channel leapt 50 percent overnight. That store still exists today.

What Boatwright noticed had larger implications. "I knew just creating access by removing friction for the consumer would create a step-change in the performance of the business, which it did," he says. "That's where the idea of what we call the mobile ordering pickup shelving unit came in."

Chipotle added these shelves throughout stores in a hurry so customers could order ahead and wayfind without disrupting the queue. The next iteration was a straight-lined one—could Chipotle offer the same solution for guests who didn't want to get out of their cars?

As the story goes, during an office brainstorm, somebody

asked "what about drive-thrus, but not your typical drive-thrus?"

The idea of Chipotle opening a drive-thru was like pouring oil into a water bottle. Historically, no quick-service feature in America signaled fast food more than the outside lane. It was everything Chipotle claimed not to be. Yet the landscape had changed. Consumer preference and technology evolved. There were ample brands, from Chick-fil-A to Taco Bell, redefining the experience to cater to a changing generation.

Still, Chipotle wasn't going to take the same bucket to the sandbox. A customer pulling up to a speaker and trying to customize a burrito was the stuff operational nightmares are made of.

And so, Chipotle looked at the opportunity through the lens of customers carrying "kiosks" in their pockets. It elected to require guests to order ahead and roll through and use the window as a pickup. The company reconfigured layouts so employees serving the window had to move just a few feet. It was tested in five restaurants and the reaction exploded. Early openings debuted with sales 20 percent higher and operated with 200 basis-points better restaurant-level margins. Additionally, they drove about 15 percent higher overall digital sales mix—a critical lever when you consider the rise of third-party delivery and the preference to surge carryout instead.

By summer 2021, there were 250 Chipotlanes. Come November 2022, 500. The 1,000th opened last November, with the company saying it takes, on average, less than 30 seconds for customers to complete the process. While it's difficult to juxtapose given the difference in formats (speaker box or outside order taker versus pickup window), the average total time of quick-service brands in the most recent QSR Drive-Thru Report was 329.05 seconds.

Boatwright says the 80 percent growth figure—how much go-forward development will devote to the Chipotlane—isn't something that should confuse people. "We're building 8–10 percent new restaurant growth annually," he says. "But we know the best returns and the highest, best use of our capital is a Chipotlane restaurant. We have higher volumes, better cash flow. And so, we quickly pivoted to where if we're going to spend capital, we're going to go for a Chipotlane first."

WELCOME TO PROJECT SQUARE ONE

This brings up another point in Boatwright's career. His nearly two decades at Arby's were on the franchised side. Outside of some international agreements, Chipotle is a fully corporate-run, company-led operation. As a leader, he says, the significant difference is the buck stops at the top. When you make a decision, you make a decision. There's no process of putting an idea in front of a franchise board of system-elected officials, where you hope it passes. Or, if you have an investment idea you think will work, you go and convince franchisees to follow.

Here at Chipotle, decisions are made, and you live and die by them, Boatwright says. It's why the company's well-worn "stage-gate process" is so vital to ensure any innovation that reaches restaurants works operationally as well as with consumers and drives a return on investment. Menu tests and pilots tend to be

CHIPOTLE HOPES TO REACH 7,000 UNITS IN NORTH AMERICA.



DAVID SUMBERG

more deliberate at Chipotle. And its core holds.

But also, being company run enabled the brand to move quicker. Boatwright says COVID created a malaise that lingered 12–18 months. Chipotle wasn't immune. It had gotten stuck in a “new normal” of operating and thinking consumers wanted a sterile, transactional experience.

Boatwright says it plagued the brand for a period “until we finally threw some cold water in our face and said, ‘OK, enough is enough.’”

“Let’s give the consumer what they’ve come to expect at Chipotle, full stop,” Boatwright says, “and we’ll let the consumer decide how they want to vote with their wallet.”

The result was something Chipotle termed “Project Square One.” Boatwright explains he simply wasn’t proud of how restaurants were delivering. He’d visit stores, and whether it was culinary or food to the line, throughput, or hospitality, the brand didn’t feel like itself.

Down in Louisiana, Boatwright gathered all his regional leaders in one room, and asked for feedback. Their response: he asked them to do too much.

“Their words, not mine,” he says. “And they weren’t wrong.”

In 2022, Chipotle launched two LTOs, tested two, introduced a scheduling tool, new learning management system, and a digital resource—all things, Boatwright says, intended to make the operator and GM’s job easier. What the brand didn’t consider was how doing so would impact stores and clog day-



to-day tasks. “I saw fractures in how we were delivering the guest experience,” he says. “Some of it was self-inflicted.”

So the next year, Boatwright halted all new initiatives and told the organization it wasn’t going to do anything but “great food, great people.” And at the end of the calendar, if Chipotle accomplished nothing else, it was going to have exceptional culinary and employees. “That was the entire campaign,” he says. “What we needed to do in this organization was get back to square one.”

All Chipotle ended up achieving in



2023 was to boost revenue 14.3 percent to \$9.9 billion, drive same-store sales growth of 7.9 percent, and improve operating margin to 15.8 percent from 13.4 percent and restaurant-level operating margin 230 basis points to 26.2 percent. It did this while opening 271 restaurants,

including 238 with a Chipotlane.

The next year, much of the same. Revenue hiked 14.6 percent (\$11.3 billion), same-store sales grew another 7.4 percent on top of 2023, and operating margin climbed to 16.9 percent and store-level 26.7 percent.

Notably in these two calendars, traffic was responsible for 5 and 5.3 percent of the comp growth, respectively. Not many restaurant chains, period, stood above the line on transactions.

SETTLING IN, SURGING AHEAD

Boatwright is, give or take, a year into his CEO post at Chipotle. He says it’s been a crash course in time management and understanding that you might need to say “no” once in a while, which felt unnatural based on his open-door style of leadership.

It’s taken the better part of that time, Boatwright adds, to get comfortable. “If anyone tells you they’ve stepped into the role and are not nervous, or have some degree of reservation, or nights when they’re sleepless and wringing their hands and trying to figure out if they made the right decision or right call,

CHIPOTLE (3)

they're probably not being honest," he says. "But I feel like at this point, we're starting to hit our stride."

Boatwright has his executive team in place. He hired Jason Kidd, formerly global COO at Taco Bell, in May to fill his vacated spot. "We feel good about the changes we're making," he says, "how we're innovating, and what we're doing and how we're creating new ways to recharge the customer."

Boatwright still has a rolodex of mentors to lean on as well. He talks to Niccol weekly and Brown from time to time. And he's met other CEOs through a business council where he can plug into what's happening in the world and how it's affecting guest behavior.

That latter topic remains an ever-adjusting one in the face of tariffs, inflation, and who knows what else might be coming. Chipotle in Q1 saw its same-store sales turn negative at 0.4 percent—the first red result since 2020 (although worth noting this lapped a 7 percent gain in Q1 2024, giving Chipotle a two-year stack of 6.6 percent). The brand conducted a visitation study where it found concerns around the economy as the "overwhelming reason" guests were cutting visits. Consumer confidence in Q1 overall was as low as early 2020.

The chain began to feel that in February, and poor weather in Q1 didn't help, either. Even so, Chipotle's survey showed it ranked top three in a record 15 perceptual drivers of consumer visitation and led in areas like "good amount of food for your money" and "quality ingredients." Chipotle moved into second place around "cares a lot about the customer" and "customer care/satisfaction"—feedback the brand hasn't seen before. When it came to employees, turnover held steady at all-time lows, and staffing levels were at all-time highs. Chipotle was recently named the No. 1 company for high school graduates to start a career by The American Opportunity Index.

In other terms, Boatwright feels good about where Chipotle is headed as it works through consumer headwinds. He has 130,000 employees he's now accountable for—a reality he never loses sight of when making decisions for today and into the distance.


"How do we lean into the consumer more meaningfully? Meaning high quality, great culinary every day," Boatwright says. "Speed at which is unmatched in our industry and being more hospitable in our

restaurants, which are already paying dividends for us. Just being nicer to our guests as they come in. Better guest recovery. Cleaner dining rooms at peak. Cleaner restrooms. I think those things have worked for consumers."

Coming full circle, Boatwright isn't willing to concede anything that makes Chipotle the brand he fell for as a customer. If you walk into stores today, they look like farmer's markets, he says. There are bags of onions. Boxes of romaine lettuce. Fresh peppers. One fun fact—the brand spends five hours every day washing, rinsing, drying, and cutting lettuce. As long as Boatwright is CEO, that's never going to change.

He is, however, set on modernizing the back of the house to strip operational complexity. But the goal will be to deliver on par or even better culinary. So you see some changes of late like produce slicers to improve speed and culinary by ensuring consistent cut sizes for onions, bell peppers, and jalapeños, and the expansion of an equipment package that includes a dual-sided plancha, three-pan rice cooker, and high-capacity fryer. Chipotle is also testing the headline-dominating Autocado (cobot that cuts, peels, and cores avocados) and automated digital makeline. Both were piloted in restaurants but returned to Chipotle's innovation center for further enhancements. The Autocado in April was back in restaurants while the automated makeline planned a return to in-store testing this summer.

Boatwright says Chipotle can still get better at throughput—a lead focus of Project Square One around labor deployment on the lines—and work on improving prep times. "We can be faster. We're leaning into being better guest ambassadors. We still have more work to do there," he says. "We're better today than we were three months ago. We still have wood to chop."

"As long as I'm at the helm, we're never going to walk backward on our belief on ingredients, our belief around animal welfare, our belief around what's right for the environment. Full stop," Boatwright continues. "I'm sure you fast forward this thing 10, 20 years from now and somebody else is here, they're going to make different decisions, but I am unwilling to bend on any one ingredient." 

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/ BY QSR STAFF

EACH YEAR, THE QSR 50 PROVIDES A DATA-DRIVEN RANKING OF THE LARGEST QUICK-SERVICE RESTAURANT CHAINS IN THE U.S., OFFERING INSIGHT INTO THE STRATEGIES SHAPING THE FAST-FOOD INDUSTRY.

QSR

THE INDUSTRY'S LEADING REPORT:

The latest edition reveals a sector defined by resilience, innovation, and shifting consumer expectations. Brands responded to macroeconomic pressures with renewed focus on value, using meal deals, digital promotions, and loyalty programs to retain price-sensitive guests. At the same time, operators continued expanding footprints domestically and internationally, with some achieving record unit growth. Operational overhauls—ranging from staffing models and AI-driven kitchens to equipment upgrades and revamped layouts—reflected an industry striving to increase speed, consistency, and service quality.

Menu innovation played a pivotal role, not just in core categories like chicken and burgers, but also in beverages, sides, and offbeat limited-time offers. Meanwhile, chains continued to target super users, invest in digital tools, and fine-tune customer experiences through personalization and technology.

Despite ongoing challenges such as traffic declines, consumer pull-back, and rising costs, the QSR segment remained highly competitive.

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QSR 50/

The QSR 50 is an annual ranking of limited-service restaurant companies by U.S. system-wide sales.

QSR MAGAZINE COLLECTED INFORMATION DIRECTLY FROM RESTAURANT COMPANIES FROM MARCH TO MAY 2025.

RANK	COMPANY		2024 U.S. SYSTEMWIDE SALES (MILLIONS)	2024 AVERAGE SALES PER UNIT (THOUSANDS)	2024 FRANCHISE/ LICENSE UNITS	2024 COMPANY UNITS	2024 TOTAL UNITS	TOTAL CHANGE FROM 2023
01	MCDONALD'S	=	\$53,469	\$4,002	12,887	672	13,559	102
02	STARBUCKS*	=	\$30,400	\$1,800	6,777	10,158	16,935	589
03	CHICK-FIL-A*	=	\$22,746	\$7,500	3,054	55	3,109	145
04	TACO BELL	=	\$16,200	\$2,130	7,106	498	7,604	199
05	WENDY'S	=	\$12,554	\$2,098	5,552	381	5,933	-97
06	DUNKIN'	=	\$12,468	\$1,300	9,734	34	9,768	188
07	CHIPOTLE	▲	\$11,111	\$3,213	0	3,644	3,644	273
08	BURGER KING	▼	\$10,980	\$1,639	5,524	1,177	6,701	-77
09	SUBWAY*	▼	\$9,653	\$495	19,502	0	19,502	-631
10	DOMINO'S	=	\$9,500	\$1,354	6,722	292	7,014	160
11	PANDA EXPRESS	▲	\$6,199	\$2,592	175	2,330	2,505	85
12	PANERA	▼	\$5,819	\$2,626	1,105	1,101	2,206	35
13	POPEYES	▲	\$5,726	\$1,819	3,050	98	3,148	97
14	PIZZA HUT	▼	\$5,500	\$839	6,534	23	6,557	-36
15	SONIC DRIVE-IN	▼	\$5,384	\$1,500	3,144	317	3,461	-60
16	RAISING CANE'S	▲	\$4,960	\$6,560	22	806	828	101
17	DAIRY QUEEN	=	\$4,909	\$1,165	4,210	2	4,212	-42
18	KFC	▼	\$4,900	\$1,336	3,589	80	3,669	-122
19	WINGSTOP	▲	\$4,765	\$2,138	2,154	50	2,204	278
20	JACK IN THE BOX	▼	\$4,396	\$2,007	2,037	150	2,187	3
21	ARBY'S	▼	\$4,325	\$1,300	2,286	1,079	3,365	-48
22	WHATABURGER	▼	\$4,257	\$4,026	206	879	1,085	88
23	PAPA JOHN'S*	▼	\$3,808	\$1,157	2,752	539	3,291	71
24	JERSEY MIKE'S	▲	\$3,731	\$1,325	2,970	27	2,997	313
25	CULVER'S	▲	\$3,680	\$3,691	990	7	997	52

* Indicates a number estimated by QSR.

Chain operators were invited to share unit and systemwide sales figures. Publicly available brand data from securities filings, investor research, and franchise disclosures also informed estimates. Where specific chain information was not available, estimates were made based on growth rates seen in the industry overall and among similar chains.

RANK	COMPANY		2024 U.S. SYSTEMWIDE SALES (MILLIONS)	2024 AVERAGE SALES PER UNIT (THOUSANDS)	2024 FRANCHISE/ LICENSE UNITS
26	LITTLE CAESARS*	▼	\$3,500	\$900	3,705
27	ZAXBYS	▲	\$2,630	\$2,790	825
28	JIMMY JOHN'S	=	\$2,599	\$977	2,647
29	FIVE GUYS	▼	\$2,270	\$1,536	875
30	IN-N-OUT BURGER*	▲	\$2,175	\$5,240	0
31	BOJANGLES	=	\$1,881	\$2,351	559
32	HARDEE'S*	▼	\$1,830	\$1,146	1,393
33	DUTCH BROS	=	\$1,819	\$2,018	312
34	CARL'S JR.*	▼	\$1,520	\$1,430	1,014
35	CRUMBL*	★	\$1,435	\$1,355	1,058
36	TROPICAL SMOOTHIE CAFE	▼	\$1,420	\$1,005	1,514
37	SHAKE SHACK*	▼	\$1,351	\$3,900	44
38	QDOBA	▼	\$1,200	\$1,695	613
39	FIREHOUSE SUBS	▼	\$1,153	\$973	1,191
40	EL POLLO LOCO	▼	\$1,096	\$2,300	173
41	MARCO'S PIZZA	▼	\$1,051	\$932	1,117
42	McALISTER'S	▼	\$1,018	\$1,891	524
43	FREDDY'S	=	\$988	\$1,900	515
44	DEL TACO	▼	\$957	\$1,611	461
45	CAVA	▲	\$954	\$2,900	0
46	CHECKERS/ RALLY'S	▼	\$853	\$1,171	532
47	CHURCH'S CHICKEN	▼	\$847	\$1,097	602
48	KRISPY KRUNCHY CHICKEN	★	\$800	\$300	3,168
49	AUNTIE ANNE'S	▼	\$786	\$763	1,210
50	TIM HORTONS	▼	\$776	\$1,188	630

KEY: ■ SAME POSITION AS 2024 ▲ MOVES UP FROM 2024 ▼ MOVES DOWN FROM 2024 ★ NEW TO QSR 50 2025

	2024 RANKY UNITS	2024 RANKY UNITS	TOTAL RANKY UNITS FROM 2023
	580	4,285	69
	143	968	26
	42	2,689	45
	613	1,488	35
	415	415	15
	266	825	12
	204	1,597	-110
	670	982	151
	49	1,063	-5
	1	1,059	87
	1	1,515	143
	329	373	39
	164	777	30
	42	1,233	38
	325	498	3
	45	1,162	46
	36	560	21
	35	550	35
	133	594	2
	367	367	58
	229	761	-26
	159	761	-28
	0	3,168	325
	11	1,221	23
	23	653	22

01

McDONALD'S

Much of McDonald's 2024 was characterized by value. In June, the burger giant released its \$5 Meal Deal, featuring guests' choice of a McDou-
ble or McChicken, small fries, 4-piece Chicken McNuggets, and a small drink. The offer was only supposed to last a few weeks, but it's been so successful that McDonald's has kept it on the menu. It's become a cornerstone of the chain's McValue platform, a sophisticated area for customers to find the company's best value deals, including BOGO for \$1, in-app offers, and local promotions.

One of the most disruptive moments for McDonald's in 2024 came in the fourth quarter, when an E. coli outbreak was linked to slivered onions used in Quarter Pounder burgers. This public health issue marked a serious setback for the brand. The outbreak led to a 1.4 percent drop in U.S. same-store sales during Q4, the compa-

ny's first negative result in the U.S. since 2020. In response, McDonald's invested \$100 million into a recovery initiative aimed at restoring consumer confidence and driving store-level momentum.

Now, the chain has faced consumer pullback from lower-income consumers—no different from most QSRs. But it has several levers to pull in response, including innovation around chicken. In May, McDonald's brought chicken strips to the menu, and later this year, the brand will bring back its beloved Snack Wraps. Beverages are becoming important, too. The chain has used spinoff concept CosMC's to test crafted drinks so it didn't disrupt workflow at McDonald's restaurants. The company has learned enough to feel comfortable testing CosMC's beverages inside existing McDonald's stores in partnership with franchisees.

To scale innovation faster, McDonald's formed a new Restaurant Experience Team and category leaders for beef, chicken, and beverages. The organizational structure was created to help the brand compete against specialty chains like KFC and Popeyes for chicken and Dutch Bros and Swig for beverages.

Additionally, McDonald's is expanding in the U.S. at a pace it hasn't seen in a while. The chain grew by 102 restaurants in 2024 to get to 13,559. That's the most locations McDonald's has grown in a year since 2013, when it opened a net 121 restaurants.



McDONALD'S FORMED
A NEW RESTAURANT
EXPERIENCE TEAM AND
CATEGORY LEADERS
FOR BEEF, CHICKEN,
AND BEVERAGES.

ADRIAN LACROIX/SHUTTERSTOCK

THE THEME FOR STARBUCKS HAS BEEN TO SHIFT
FOCUS FROM BEVERAGE PRODUCTION TO
"CRAFT AND CONNECTION."



02

STARBUCKS

Despite all the tumult surrounding Starbucks, it opened an industry-best 589 stores in 2024 (net of 513 on the corporate side; 611 openings, 96 closures, and net 76 licensed). That's after 473 the year before. In fact, Starbucks has expanded its U.S. footprint by 1,491 locations from the start of 2021 to the end of 2024. Will that pace continue? The brand has hinted it might slow as it focuses on the plethora of in-store fixes underway with CEO Brian Niccol, the former Chipotle head who joined the company in September. Still, at 16,935 units, it's fast barreling toward challenging Subway as the largest restaurant chain in America (Subway ended 2024 with 19,502 locations).

As this tracks, the "Back to Starbucks" plan Niccol rolled out features a host of updates: in-store design refreshes to reclaim the "third place," baristas writing messages on cups again, and the return of the condiment bar. Starbucks is also focusing on adding labor instead of equipment to bolster hospitality. It's been a wide-ranging run under Niccol thus far to get Starbucks

on the front foot after multiple quarters of declining sales and traffic. The brand in Q2 saw its U.S. same-store sales slide 2 percent on a traffic drop of 4 percent (average ticket growth of 3 percent). But there were some green shoots. Starbucks recently expanded a 700-unit staffing and deployment pilot after seeing a sizable improvement in speed of service and transactions as average wait times fell by two minutes. This improvement came from investing in labor rather than Starbucks' "Siren" package, which has been put on the backburner in favor of employee-driven efforts. Seventy-five percent of those stores attained Niccol's targeted wait time of four minutes at peak.

Whether it's "right staffing" or working on a new order sequencing algorithm, the theme for Starbucks has been to shift focus from beverage production to "craft and connection." This includes a new "green apron service model" that combines and unifies service standards, changes to deployment, and streamlined routines. All the while, Starbucks looked to simplify and trim its menu by some 30 percent and open the company's innovation calendar to feature more relevant launches that drive demand. The larger messaging appears to be resonating—within Q2, internal data showed the percentage of consumers ranking Starbucks as their first choice as the highest it's been in two years.

03

CHICK-FIL-A

Chick-fil-A continued to generate unrivaled volumes at scale in 2024, even if the year wasn't quite as robust from a percentage growth standpoint as some past ones. However, alongside the larger industry challenges with consumer traffic, the brand had its own bar to compete against, which has seen drive-thru store AUVs rise from \$7.096 million in 2020 to \$9.227 million in 2024 (it was \$9.275 million in 2023). No other brand in the QSR 50 approached these figures, as was the case for Chick-fil-A's blended AUV (mall and non-trad spots factored in) of \$7.5 million. That led the pack once again.

Chick-fil-A also grew by 132 restaurants following expansion of 141 and 100 in the two years prior, respectively. It got to \$22.7 billion in systemwide sales, up from \$21.6 billion in 2023 and \$18.814 billion in 2022. If you go back to 2019, Chick-fil-A sat at \$12.2 billion.

Alongside the sales lift, Chick-fil-A made some international moves. The brand in January announced expansion into British Columbia (five to seven new stores by 2030), following news of a \$1 billion plan from March 2023 to explore growth in Europe and Asia. Those efforts took shape in September (U.K.) and October (Asia) of 2024 with announcements



to spend \$100 million and \$75 million, respectively, to fuel expansion in each. Chick-fil-A projects to debut a record eight locations across Ontario and Alberta in 2025, marking the most openings in the country since Chick-fil-A entered Canada in 2019. Chick-fil-A's Asia development will begin with Singapore in late 2025, the start of a 10-year, \$75 million investment.



TACO BELL REACHED
\$1 BILLION IN PROFIT
FOR THE FIRST TIME.



TACO BELL

04 TACO BELL

In 2024, Taco Bell posted strong financial results, achieving record profit and consistent same-store sales growth across all quarters. The chain reached \$1 billion in profit for the first time, with over 24 percent restaurant-level margins, and contributed 80 percent of Yum! Brands' U.S. profit.

To begin 2025—while other chains suffered from consumer pullback and weather issues—Taco Bell's U.S. same-store sales rose 9 percent in the first quarter, the chain's best performance in two years. International comps were up 3 percent.

Looking ahead, Taco Bell introduced an aggressive growth plan, "R.I.N.G. The Bell," aiming to raise AUV from \$2.2 million to \$3 million and profit to \$2 billion by 2030.

The strategy focuses on menu innovation, expanding dining occasions, enhancing digital sales, and elevating guest experience. Menu innovation in 2025 will double compared to 2024, and the brand plans to add eight new dining occasions in the coming years.

Digital sales, which grew from 5 percent in 2019 to 35 percent in 2024, are projected to surpass 60 percent by 2030, contributing \$225,000 in incremental AUV. Taco Bell's loyalty program has also proven successful; consumers who join go from 5.8 visits per year to 10.2, or a 76 percent increase.

The chain believes it can reach 10,000 restaurants in the U.S.—up from the 7,604 it ended with last year—fueled by nontraditional asset types. The domestic segment has opened more than 2,300 units in the past 10 years.

Taco Bell also launched a new beverage-forward prototype, the Live Más Café, in Chula Vista, California, looking to disrupt the specialty drink market. Created with franchisee Diversified Restaurant Group, the café offers unique drinks like the Caramel Cafe Churro Chiller and Mexican Mocha Iced Coffee alongside Taco Bell's core food menu. The café features self-order kiosks, digital boards, and indoor seating, operating from 7 a.m. to 3 a.m.

05 WENDY'S

Wendy's has launched a series of strategic initiatives to drive growth, enhance customer experience, and strengthen its operational foundation.

The chain wants to open 1,000 net new restaurants globally by 2028, with 300 in the U.S. and 700 internationally. This expansion includes the Global Next Gen restaurant design, featuring energy-efficient models and digital-first layouts. Approximately 80 percent of the brand's largest franchisees are engaged in new development plans. The company has also been actively recruiting new operators.

Within the same timeframe, Wendy's eyes \$17.5 billion to \$18 billion in global system sales (up from \$14.5 billion) and \$650 million to \$700 million in adjusted EBITDA (up from \$544 million). Beyond that, the chain is shooting for a long-term algorithm of 3 to 4 percent net unit growth, 5 to 6 percent system sales growth, and 7 to 8 percent adjusted EBITDA growth.

The key for Wendy's is growing with healthier locations. The chain uses market analysis tools to identify underperforming markets and replace them with high-potential restaurants. In November 2024, Wendy's told investors it planned to shutter 140 restaurants. Among the 97 net U.S. closures in 2024, 78 came in the fourth quarter.

Additionally, the chain is intensifying efforts to capture more visits from QSR super fans—customers who frequent fast food nearly 130 times per year. Currently, Wendy's secures about 20 of those visits, and wants to grow that share by using a new consumer model designed to better understand motivations and optimize menu and marketing strategies. Target growth audiences include families, multicultural customers (particularly Hispanics), and Gen Z, each contributing significantly to QSR traffic. A key strategy involves expanding the popular Frosty lineup with new Swirls and Fusions, complemented by upgraded packaging. Wendy's is also investing in its chicken platform with both core and limited-time items driven by cultural trends. Beverage innovation, especially craft lemonades and morning drinks like coffee and energy offerings, is central to boosting breakfast sales.



WENDY'S



06

DUNKIN'

Dunkin' had a successful year of growth in 2024. The snack chain earned \$12.47 billion in U.S. systemwide sales, making it the sixth-largest restaurant concept in the U.S. It finished the year with 9,768 units, an increase of 188 stores year-over-year.

The brand has spent the past year releasing unique promotions as it usually does, like the Brown Sugar Shakin' Espresso with singer Sabrina Carpenter and branded tracksuits ahead of the Super Bowl.

07

CHIPOTLE

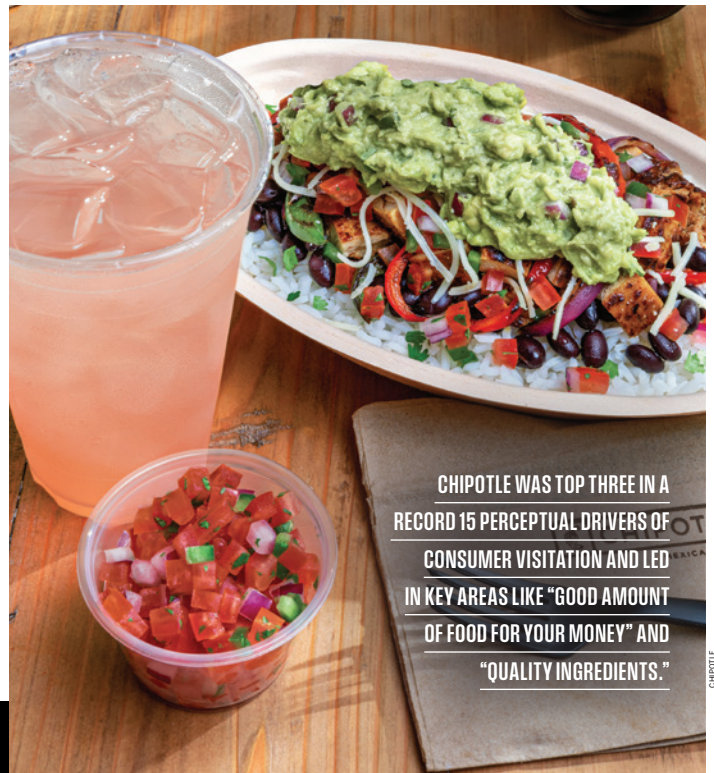
One of the big swings in this year's QSR 50 was Chipotle leaping Burger King to No. 8—the highest it's ever ranked on the list. And this isn't likely to abate. Chipotle, at 3,644 U.S. stores year-end 2024, has plans to roughly double that in North America to 7,000. It plans to open 315–345 stores in 2025, with 80 percent featuring the order-ahead "Chipotlane." As shared in our cover story, the brand is also settling under new leadership with former COO Scott Boatwright. Boatwright officially began his CEO tenure in November after serving as interim since August, following the departure of Brian Niccol to Starbucks.

Chipotle carried that continuity into industry-leading performance across 2024. Its same-store sales gained 7.4 percent on top of 2023's 7.9 percent (15.3 percent two-year view). That broke apart as higher transactions of 5.3 percent and a 2.1 percent rise in average check. Digital sales of \$3.9 billion represented 35 percent of mix. Average-unit volumes also closed at \$3.2 million—a figure Chipotle wants to push to \$4 million.

Like many QSRs, Chipotle faced challenging macro conditions to begin 2025, as comps dipped 0.4 percent and traffic 2.3 percent. However, even with headwinds at hand, Boatwright said a survey showed Chipotle was top three in a record 15 perceptual drivers of consumer visitation and led in key areas like "good amount of food for your money" and "quality ingredients." Its Chipotle Honey

Chicken had a higher mix than any other LTO and surpassed a two-market pilot test, driving incremental transactions. The brand said it would follow up with further investment in marketing spend, meaning more menu innovation, increased advertising in digital and social channels, and ensuring its loyalty program targets specific cohorts and group occasions.

The next unlock, Boatwright said, was back-of-house equipment. Produce slicers were slated to be in all stores by summer, which should improve speed and cooking by generating consistent cut sizes for onions, bell peppers, and jalapeños. Additionally, Chipotle plans to expand the launch of an equipment package that includes a dual-sided plancha, three-pan rice cooker, and high-capacity fryer. This package will be part of all new restaurants opening in Q4 and later; it will also be introduced at 100 existing locations over the next few months.



CHIPOTLE WAS TOP THREE IN A RECORD 15 PERCEPTUAL DRIVERS OF CONSUMER VISITATION AND LED IN KEY AREAS LIKE "GOOD AMOUNT OF FOOD FOR YOUR MONEY" AND "QUALITY INGREDIENTS."

08 BURGER KING

In all, Burger King has spent more than \$2 billion toward revamping itself. That breaks out to \$400 million from the “Reclaim the Flame” turnaround plan announced in September 2022, the \$1 billion acquisition of its largest franchisee Carrols Restaurant Group, a \$500 million remodel commitment for those Carrols stores, and an additional \$300 million co-investment in remodels to get the chain between 85–90 percent modern by 2028. Burger King will also see billions of dollars of accelerated investments from franchisees.

There are signs of improvement. In 2024, Burger King U.S. earned \$205,000 in average profitability per store, essentially flat compared to 2023. However, “A” operators achieved average profitability of more than \$275,000—35 percent higher than the system average.

One major initiative is remodeling restaurants. The burger giant expects to complete 400 remodels this year, including many in the Sizzle image, which has seen average sales lifts in the mid-teens. Chairman Patrick Doyle said renovated locations are approaching \$300,000 in average profitability.

To help test further remodeling strategies, Burger King opened a new 40,000-square-foot Royal Innovation Center in Miami, near its headquarters. The building features a life-sized Sizzle prototype where employees can simulate operations and test different layouts.



IN 2024, BURGER KING U.S. EARNED \$205,000 IN AVERAGE PROFITABILITY PER STORE.

Burger King has also stated repeatedly that it wants to sell its corporate locations to smaller, more capable operators, and that could be existing ones, new entrants into the system, or internal employees looking to step up. The brand’s new preference is for operators to have no more than 50 units; the chain currently has 300 franchisees, but that is expected to move to roughly 400–500 in the next few years.

Meanwhile, the chain is also closing dozens of underperforming locations. In 2024, Burger King finished with 6,701 U.S. restaurants, a drop of 77 units compared to 2023.

SUBWAY FINISHED THE YEAR WITH 19,502 DOMESTIC UNITS, MARKING THE FIRST TIME THE BRAND HAS BEEN BELOW 20,000 IN ABOUT 20 YEARS.



Declines in U.S. unit count continue to be the major story around Subway. In 2024, the sandwich chain lost a net of 631 restaurants. The company finished the year with 19,502 domestic units, marking the first time the brand has been below 20,000 in about 20 years. It reached a peak of more than 27,000 stores in 2015. The declines began in 2016 and have persisted. Since then, Subway has lost a net of approximately 7,600 stores, including over 1,000 in 2018, 2020, and 2021.

But changes are underway. By the end of 2024, over 20,000 restaurants worldwide—including nearly two-thirds of its U.S. footprint—had been remodeled or built under the brand’s “Fresh Forward” design.

In November 2024, the brand announced its Fresh Forward 2.0 design, geared toward amplifying Subway’s brand personality and adding vibrant décor elements, such as bold wall graphics, localized messages and signage, elevated lighting, and warmer wood tones. It also accelerates the company’s digital journey with self-service kiosks, order ready screens, and kitchen display systems, features that were still in the testing phase as of late 2024.

Roark Capital announced in April 2024 that it finalized its acquisition of Subway. A few months later, CEO John Chidsey announced his retirement after serving in his role for five years. Carrie Walsh, president of Europe, Middle East, and Africa (EMEA), is serving as interim chief executive while the sandwich giant searches for a permanent replacement.

The brand has looked to boost sales through value deals like the \$6.99 Footlong and through unique menu innovation, such as the Oreo Footlong Cookie and the Doritos Footlong Nachos. To help with marketing, Subway brought on PepsiCo veteran Greg Lyons to serve as global CMO. He’s responsible for marketing, culinary, digital platforms, data and insights, and other business transformation teams.

10 DOMINO'S



The macroeconomic environment is tough, but Domino's—the country's largest pizza chain—continues to grab market share.

One of the biggest reasons is its new commitment around third-party delivery. Domino's first entered the foray in 2023 with an Uber Eats partnership. In April, the brand announced another partnership with DoorDash, the country's largest third-party aggregator. Domino's believes the third-party channel could be a \$1 billion sales opportunity. Customers can order off of these third-party platforms, but orders are still fulfilled by uniformed Domino's delivery drivers.

Value has played a big role in the chain's success as well. Earlier this year, the brand released a deal in which guests could get any crust, with any toppings, for \$9.99 when they ordered online. Domino's also frequently deploys "boost weeks" where all menu-priced items are half off.

The chain has also fueled menu innovation. After much anticipation, Domino's released Parmesan Stuffed Crust in early March. CEO Russell Weiner called it "arguably the biggest new menu item in our history." The product has been met with favorable customer satisfaction scores, and a high mix of orders has included a stuffed crust pizza.

All of the ventures are part of Domino's overall "Hungry for More" strategy covering food, operational excellence, value, and franchisee profitability. But the chain has experienced some growing pains. It announced during its Q1 earnings call that it laid off corporate staff to create a "faster, more efficient structure." Domino's expects some savings from the layoffs, but it's planning to reinvest most of it back into the business.

The brand finished 2024 with 7,014 locations, up 160 year-over-year. It expects to reach 7,700 U.S. restaurants by 2028 and 8,500 in the long term. At the same time, Domino's wants to put more money in the hands of franchisees. The chain forecasts 8 percent annual operating income growth in the next few years.

11

PANDA EXPRESS

Panda Express has been one of the steadiest growth chains in quick service and appears to be ramping up. The chain added a net 85 stores in 2024 to get to 2,505. Going back to 2007, there were 1,052 restaurants—a figure that doubled at 2,104 at year-end 2018. Since then, Panda Express has grown to 2,263, 2,334, 2,353, and 2,413 restaurants before this latest push. But according to its recent FDD, Panda Express projects 123 new company-owned outlets in fiscal 2025 alongside 14 new franchised stores. That would represent one of its largest growth runs in recent memory.

Panda Express' average-unit volumes of \$2.592 million ticked up year-over-year from \$2.551 million. As it expands, the 1983-founded and family-owned brand continues to introduce menu innovation, with recent tests including Chili Crisp Chicken and Firecracker Steak and Shrimp.



THE CHAIN IS MOVING FORWARD WITH A REVAMPED MENU—THE LARGEST OVERHAUL IN COMPANY HISTORY. THE CHANGES CENTER AROUND THE CORE OFFERINGS—SOUP, SALADS, SANDWICHES, AND MAC AND CHEESE.





ADOBESTOCK/CHAD ROBERTSON

13 POPEYES

Popeyes' primary initiative, the "Easy to Love" strategy, involves increased media investment, a unified restaurant image, simplified processes, better technology, new kitchen equipment, and a new production line. The company revealed in February that 85 percent of restaurants committed to amending their franchise agreement to align with the revitalization strategy.

As part of the deal, franchisees agreed to test higher national advertising rates over three years, beginning in April. Advertising rates will start with a step up from 4.5 percent to 5 percent in year one and up to 5.5 percent by year three, subject to certain profitability thresholds being met. The amendment also establishes a remodel schedule that will lead to most of the system featuring a modern image by 2030. In terms of back-of-house operations, Popeyes



POPEYES

wants all of its U.S. locations to have cloud-based POS systems, digital drop charts, sticky label printers, order-ready boards, kiosks, and upgraded equipment by the end of 2026.

The chain has found that remodeled restaurants that receive an A-grade generate 30 percent higher profitability than the system average, proving to the brand what it's capable of. Also, similar to Burger King, the brand will be more intentional about prioritizing top operators. The company owns nearly 100 restaurants "to make the example for the entire system," RBI CEO Josh Kobza said in May.

Popeyes is the second-largest chicken chain in the U.S. in terms of sales, trailing only Chick-fil-A. It earned more than \$5.7 billion in domestic systemwide sales in 2024 and finished with 3,148 restaurants, up 97 from a year ago.



PANERA IMAGE EXPANDED BY QSR MAGAZINE

Panera is looking for stability after a few leadership shakeups in the past several years. In March, the sandwich chain announced that former Panera Brands CFO Paul Carbone was named CEO, replacing Jose Alberto Dueñas. Though not formally announced, Carbone is reportedly working on a multi-year plan to get the brand back on track. He is Panera's third CEO in two years.

Then in May, former RBI CEO Jose Cil was named chairman of Panera Brands, which also comprises Caribou Coffee and Einstein Bros Bagels. He is the fourth board chair in two years.

Since the formation of Panera Brands, there have been talks of going public, but there has not been a recent update on what the company plans to do. At one point, Panera Brands reportedly explored selling off its Caribou Coffee and Einstein Bros. divisions, with Bank of America overseeing the process.

The chain is moving forward with a revamped menu—the largest overhaul in company history. The changes, which hit stores in April 2024, center around the fast casual's core offerings—soup, salads, sandwiches, and mac and cheese. The latest menu is not only easier to navigate, but also showcases items with bigger portions of proteins and lower price points.

Panera Bread also launched its new brand campaign, "It Just Meals Good," in collaboration with 72andSunny New York. This initiative marks a strategic shift in the fast casual's messaging, focusing on how its diverse menu suits every emotional moment—from reconnecting with friends to enjoying solo time. The campaign highlights that Panera's offerings, such as soups and salads, are ideal for a wide range of everyday occasions.



14 PIZZA HUT

Pizza Hut has had a tough time with sales and unit growth. In 2024, U.S. same-store sales dropped 3 percent. Comps then fell 5 percent in Q1 as the entire industry faced consumer pullback and unfavorable weather conditions. Domestic sales were soft in January but improved in February and March, with the final weeks of the quarter showing steady gains in both revenue and transactions. Meanwhile, the brand's store count fell by a net of 36 in 2024, putting it at 6,557 restaurants systemwide. It still remains the second-largest pizza chain in the U.S.—for unit count and systemwide sales—trailing only Domino's.

One good piece of news is franchisees are showing a willingness to invest. Flynn Group, the world's largest franchise operator, announced in March that it acquired 45 Pizza Hut restaurants across Alabama, Georgia, and Tennessee. This put the company's Pizza Hut portfolio at 1,027 U.S. stores, in addition to the nearly 300 it operates in Australia. Flynn Group entered the system in 2021 when it purchased almost 950 stores out of bankruptcy from NPC International.

The chain is also benefiting from Yum! Brand's new proprietary tech stack, Byte by Yum! Pizza Hut U.S. uses the platform's kitchen system to improve delivery times, reduce wait times in the restaurant, and provide guests with real-time updates of their order location.

In terms of marketing, Pizza Hut introduced Pizza Charcuterie for Pi Day, partnering with NFL legend Rob Gronkowski to promote the offer. A month later, the brand released Pizza Caviar for a limited time at a single location in New York City.



15 SONIC DRIVE-IN

Sonic retracted by 60 stores in 2024, following a decline of 25 in 2023 and six the prior year. The

calendar before, it lifted by 26 and was riding a two-year same-store sales bump of 25.8 percent coming through the pandemic—a time when its car-side experience was an asset fit many brands chased to replicate. Since then, the brand has settled back into more normal conditions. One thing that will always endure? Menu innovation. The brand began 2025 with a host of value deals, from a \$1.99 quarter-pound double cheeseburger on Mondays to 99-cent corn dogs on Wednesdays to a \$1.99 menu upgrade that added a grilled cheese burger, among other options. Sonic brought back the Strawberry Shortcake Snowball Slush Float in January, launched a loungewear collection for Valentine's season, and debuted a Unicorn Dreams Slush in May that featured four straws, including two that changed color, a neon green, glow-in-the-dark option, and one in "Frost Blue Glitter." Sonic also debuted two dipping sauces—Jalapeño Ranch and Asian-Style Sweet Chili.

16 RAISING CANE'S

Big things are ahead for Raising Cane's.

The chain is expanding its Dallas Restaurant Support Office (DRSO) in Plano, Texas, reinforcing its long-term growth strategy.

Originally launched in 2009 with a 24,000-square-foot office and 53 jobs, the DRSO now spans 120,000 square feet and supports approximately 480 crewmembers.

The company, which has grown to over 800 restaurants across more than 40 states and internationally, hopes to reach 1,600 restaurants and \$10 billion in sales by 2030. To support this ambition, Raising Cane's purchased a 400,000-square-foot campus. The brand plans to remodel the campus over the next year and relocate its team by 2026.

Raising Cane's also proved it's not afraid to get creative with its marketing plans. In April, the company launched a nationwide campaign featuring pop culture icon Flavor Flav, who declared it "Cane's O' Clock." The campaign kicked off on April 23 with Flav starring in ads across TV, billboards, and in-store signage. A limited run of custom Raising Cane's x Flavor Flav clock necklaces, designed by jeweler Rock N Stonez, were made available online, each hand-bedazzled and signed by Flav. Net proceeds supported the Women's Sports Foundation.

In 2024, Raising Cane's finished with 828 U.S. locations, up 101 stores year-over-year. Approximately 97 percent of those restaurants are company-owned. The chain also posted an AUV of \$6.56 million, and its U.S. systemwide sales nearly reached \$5 billion, which is the third-highest among chicken chains in the country behind Chick-fil-A and Popeyes.





DAIRY QUEEN WANTS
FRANCHISEES TO REACH
\$10 BILLION, OR MORE
THAN 4,500 BLIZZARDS
SOLD PER MINUTE.



17

DAIRY QUEEN

The story at Dairy Queen in recent years has been a global one. Its U.S. footprint declined by 42 stores in 2024, year-over-year, as average-unit volumes came in at \$1.165 million, an increase from 2023's \$1.123 million. But in May, the company told *The Minnesota Star Tribune* it collected \$6.4 billion in sales around the world (the U.S. total was \$4.909 billion). And by 2030, it wants franchisees to reach \$10 billion, or more than 4,500 Blizzards sold per minute.

According to the article, management shared its "10 by 30" goal internally roughly a year prior. CEO Troy Bader, who became CEO in 2018, hadn't discussed it publicly until the Berkshire Hathaway annual meeting in May (the company has owned Dairy Queen since 1998). Bader added Dairy Queen had a "positive" first quarter following a year of growth and would lean deeper into value while growing its global reach to hit that \$10 billion mark. Additionally, it would become "more unified and much more consistent" as it grew.

The brand said about a third of Americans went to Dairy Queen at least once last year. On average, they visited three times throughout the year. It has an 11 percent share of the country's chicken strip market and food sales mix about half of revenue at DQ Grill & Chill locations.

18

KFC

KFC announced some major changes in recent months, including the news that headquarters would be moving out of Louisville this year. The company is moving to Plano, Texas, which already serves as home to Pizza Hut Global and KFC Global. Over the next few months, around 100 corporate roles are set to move to Texas, with an additional 90 remote positions relocating within the next 18 months. Yum! Brands CEO David Gibbs said the move positions the company for sustainable growth and strengthens collaboration by

bringing more teams together. Despite the shift, Yum! and the KFC Foundation plan to retain corporate offices in Louisville. Additionally, KFC will maintain a strong presence in the city by opening a flagship restaurant.

Also, the chain announced in March that Catherine Tan-Gillespie was appointed president of KFC U.S. She previously served as the brand's CMO and chief development officer. Tan-Gillespie brings nearly a decade of experience with KFC, having joined in 2015 as CMO for the South Pacific region before becoming Global CMO and later president and general manager of KFC Canada. There, she helped transform the business through restaurant upgrades, digital enhancements, value-driven offerings, and award-winning marketing.

KFC also made waves with its new chicken tender spinoff concept, Saucy. Launched in December 2024, it features 11 sauces—paying homage to KFC's "11 herbs and spices"—available individually or as a flight of four, paired with hand-breaded, made-to-order chicken tenders. The location includes kiosk ordering, a mobile order pickup station, and a drive-thru lane. Sales are more than double the U.S. system average, giving the store a spot among the top 15 locations in KFC's domestic system. Now, the company is planning a phased expansion to at least 20 more stores, with a focus on targeting sites that create marketing synergies through geographic proximity.

KFC finished 2024 with 3,669 U.S. locations, a net loss of 122. That's the biggest drop among all chicken chains in the QSR 50. The brand also earned \$4.9 billion in systemwide sales.

**KFC ANNOUNCED IN MARCH THAT CATHERINE TAN-GILLESPIE
WAS APPOINTED PRESIDENT OF KFC U.S.**



19 WINGSTOP

Consumers have been pulling back, but not at Wingstop. In 2024, sales grew to approximately \$4.8 billion and same-store sales lifted 20 percent. The fast casual also opened a net of 278 restaurants.

However, Wingstop—despite operating over 2,000 restaurants—sees significant brand awareness potential. CEO Michael Skipworth calls it “the biggest brand no one has heard of,” citing a 20 percent awareness gap compared to peers.

The chain is taking the next step in its digital evolution by launching a loyalty program, with a pilot planned for Q4 2025 and a full rollout in 2026. Skipworth emphasized the program’s personalized, insight-driven design—built to foster one-to-one engagement rather than traditional transaction-based models. This move leverages years of investment in data infrastructure and digital tools, including a CRM platform and the MyWingstop ordering system, powered by a database of over 50 million users.

Earlier in 2025, Wingstop introduced its AI-driven Smart Kitchen platform, already in 400 restaurants and slated for full rollout by year-end. This system has significantly improved speed, accuracy, and product consistency, while enhancing both guest and employee experience. During high-pressure times like the Super Bowl, Smart Kitchen restaurants saw peak waits of just 16 minutes.

With a 72 percent digital mix and \$2.1 million AUV, Wingstop posted record guest acquisition and unit growth in Q1. Leadership



believes the current economic environment mirrors past temporary downturns, and it remains confident in continued growth for 2025.

Additionally, after two years of product development, the chain launched a reimagined tender. The goal was to exceed customer expectations with a tender that performs well across Wingstop’s 12 signature flavors. Hot Honey and dry rubs emerged as early fan favorites. Customers ordering the tenders are behaving in the same way as the Chicken Sandwich, meaning it’s an individual occasion and the guest is returning to explore the rest of the menu.



20 JACK IN THE BOX

Jack in the Box has a new CEO and a sharpened turnaround strategy. Former CFO Lance Tucker took the reins earlier this year, replacing Darin Harris, who led the company through a post-pandemic recovery, the acquisition of Del Taco, and a return to new-unit growth after decades of stagnation.

Under Harris, Jack began aggressively franchising—signing its first new operators in more than a decade and expanding with existing franchisees. That momentum continued with efforts to make the opportunity more appealing: closing

underperforming units, acquiring challenged markets for redevelopment, focusing on margin improvements, and rolling out a new CRAVED design for future stores. The company had signed 101 development agreements for 464 future restaurants by the end of 2024. With 30 openings and slightly fewer closures, it narrowly achieved positive unit growth last year.

Tucker will continue the franchising-led growth strategy, with company stores supporting new market entry. But the brand is also facing pressure, with comps declining across both Jack and Del Taco amid a soft consumer climate.

In response, the company announced its “JACK on Track” plan this spring, which includes closing 150–200 units, selling Del Taco, and paying down \$300 million in debt over the next 12–18 months. Jack acquired Del Taco for \$585 million in 2022, but challenges emerged quickly—particularly rising inflation and California’s fast-food wage law. Tucker said the brand can succeed, just not under Jack’s ownership. The Jack in the Box closures—mostly aging locations—will occur across the system through 2025 and beyond. The company expects to return to positive net unit growth once the program is complete.



ARBY'S ©1

21

ARBY'S

Arby's in 2024 fell by 48 stores, which marked a drop from 2023 (retraction of two) and 2022 (growth of six). Outside of development trends, the brand has enjoyed its hallmark run of offbeat promotions of late, from an outfit made of napkins to an exclusive golf collection launched with college athlete Happy Gilmore. The chain also brought back potato cakes in February and introduced a Surf & Turf deal. Additionally, Arby's returned its limited-edition game dice and ignited a partnership with Anthony Anderson and Cedric The Entertainer's AC Barbecue on two new sandwiches. Arby's began 2024 with a "New Year, Same You" menu that gave iconic items tongue-in-cheek "healthier" names so customers could enjoy their "cheat days" stress-free. The satire on New Year's Resolutions ran in five Arby's stores in Cleveland, Las Vegas, Miami, Chicago, and Atlanta.

22

WHATABURGER

Whataburger is celebrating its 75th anniversary this year with more growth. The legacy chain opened in North Carolina, its 17th state, in May. That marks the seventh state the brand has entered since 2019; the others are Colorado, Nevada, South Carolina, Missouri, Kansas, and Tennessee. The chain opened nearly 100 locations in 2024, most of which were corporately owned. The goal is to open around the same amount in 2025.

The chain is now led by CEO Debbie Stroud, who began her tenure at the beginning of 2025. Joining Whataburger in 2023, she brought over 30 years of industry experience, including leadership roles at Starbucks and McDonald's. Stroud replaced Ed Nelson, who retired at the end of 2024, concluding a 20-year career with the company. Nelson joined in 2004 as controller, became CFO in 2008, president in 2019, and CEO in 2020. During his leadership, Whataburger expanded into 16 new states and opened over 250 new locations.



WHATABURGER

To celebrate its 75th anniversary, Whataburger launched an immersive art gallery during SXSW in downtown Austin, showcasing fan-made creations like acrylic nails, paintings, crocheted meals, and more. The Whataburger Museum of Art (WMOA) began as an Instagram project in 2021 after the pandemic delayed physical gallery plans. Now, in partnership with agencies and SXSW, the brand debuted a live exhibit to honor fan creativity.

Whataburger earned \$4.257 billion in U.S. systemwide sales last year. It also ended the year with almost 1,100 locations.

23 PAPA JOHNS



PAPA JOHNS

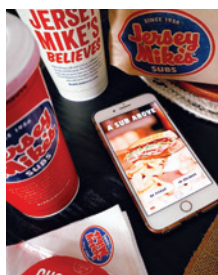
Papa John's is undergoing a multi-faceted turnaround under CEO Todd Penegor, who joined in August 2024. After mystery shopping 1,000 of its stores and 4,000 competitors, the company found strengths in its carryout and digital experiences but identified delivery as a weak spot. To address this, Papa John's partnered with Google Cloud, forming an internal innovation team, PJX, to harness AI and machine learning for improvements across operations, marketing, and customer experience.

A former Wendy's CEO, Penegor brings experience with Google Cloud from his previous role, working alongside new chief digital officer Kevin

Vasconi. Early efforts are focused on hyper-personalization, AI-powered loyalty enhancements, predictive marketing, voice ordering, and intelligent driver dispatching. Tech stack upgrades include a shift to a cloud-based POS and AI-driven automation.

Papa John's is also emphasizing value, product simplification, and quality, slowing oven speeds to improve pizza texture and enable future innovation. Marketing efforts like the "Meet the Makers" campaign and targeted promotions aim to restore brand equity and boost value perception.

Despite a 3 percent Q1 decline in same-store sales, loyalty engagement and order volume are improving. With 6,019 global units and plans for new store openings and refranchising, Papa John's is striving to reclaim its leadership in pizza through tech, quality, and storytelling.



24 JERSEY MIKE'S

After yet another stellar growth year, Jersey Mike's heads into the future with some fresh changes. In April, about five months after the sandwich chain announced plans to sell a majority share to Blackstone for a reported \$8 billion, Charlie Morrison was

named CEO—the first time there's been a change at the top for Jersey Mike's in some five decades. Morrison previously served as Wingstop's chairman and CEO from 2012–2022, when the brand grew from fewer than 500 locations to more than 2,000. Morrison took the reins from Peter Cancro, who led Jersey Mike's since 1975, when he bought the shop he worked at with a loan from his youth football coach. Cancro will remain chairman and a significant shareholder.

Jersey Mike's net growth of 313 in 2024 followed expansion of 288 and 296 restaurants, respectively, in the prior two years. Leading up to 2023, Jersey Mike's scaled by 1,055 units over a five-year period. Going back to 2016, the brand had 1,187 restaurants on average-unit volumes of \$825,000. It exited 2024 with 2,989 stores (the number is well over 3,000 today) and AUVs of \$1.339 million. Jersey Mike's is on pace to more than triple in size by the end of 2026 compared to 2016. Cancro shared previously that a 7,500–10,000-unit vision was within sight, and 85 percent of growth was coming from franchisees. "In Charlie, we have found the ideal next CEO for Jersey Mike's, and I look forward to him propelling our business even further," Cancro said in April. "Having led Wingstop through a monumental period of growth and a successful IPO, he knows what it takes to lead a first-of-its-kind, category-defining brand, and I am confident he will bring that same energy and vision to Jersey Mike's."

25 CULVER'S

Culver's had a change at the top in April when Julie Fussner became its first female CEO in brand history. She joined the company as VP of marketing in 2017, arriving with nearly two decades of sales and marketing experience in food CPG, including Kraft Foods. She became the fifth CEO for Culver's—Enrique "Rick" Silva, who retired in February; Joe Koss, who retired in 2020; Phil Keiser, who passed away in 2016; and Craig Culver, who stepped down as CEO in 2015. As for what she's taking the reins of, Culver's simply keeps growing. It opened 50 stores in 2019 and then proceeded to open the exact same figure in pandemic-strapped 2020. The next year? Fifty-five. And it opened 55 the following calendar as well. In 2023, Culver's grew by a net of 52 locations and estimated it would open 51 in 2024. That number ended up at 52, bringing Culver's to the doorstep of the 1,000-unit club at 997 restaurants as 2025 arrived. That milestone location ended up opening in New Haven, Indiana, 40 years after the first Culver's in Sauk City, Wisconsin. Culver's has lifted by 314 restaurants since 2019.



QSR 50 BY SEGMENTS

RANK	COMPANY		RANK IN THE QSR 50	2024 AVERAGE SALES PER UNIT (THOUSANDS)	2024 FRANCHISE/ LICENSE UNITS
BURGER			2024 U.S.		
01	MCDONALD'S	■	01	\$4,002	2,887
02	WENDY'S	■	05	\$2,098	5,552
03	BURGER KING	■	08	\$1,639	5,524
04	SONIC DRIVE-IN	■	15	\$1,500	3,144
05	DAIRY QUEEN	■	17	\$1,165	4,210
06	JACK IN THE BOX	■	20	\$2,007	2,037
07	WHATABURGER	■	22	\$4,026	206
08	CULVER'S	■	25	\$3,691	990
09	FIVE GUYS	■	29	\$1,536	875
10	IN-N-OUT BURGER*	▲	30	\$5,240	0
11	HARDEE'S*	▼	32	\$1,146	1,393
12	CARL'S JR.*	▼	34	\$1,430	1,014
13	SHAKE SHACK*	■	37	\$3,900	44
14	FREDDY'S	■	43	\$1,900	515
15	CHECKERS/ RALLY'S	■	46	\$1,171	532
CHICKEN			2024 U.S.		
01	CHICK-FIL-A*	■	03	\$7,500	3,054
02	POPEYES	■	13	\$1,819	3,050
03	RAISING CANE'S	▲	16	\$6,560	22
04	KFC	▼	18	\$1,336	3,589
05	WINGSTOP	■	19	\$2,138	2,154
06	ZAXBYS	■	27	\$2,790	825
07	BOJANGLES	■	31	\$2,351	559
08	EL POLLO LOCO	■	40	\$2,300	173
09	CHURCH'S CHICKEN	■	47	\$1,097	602
10	KRISPY KRUNCHY CHICKEN	★	48	\$300	3,168

* Indicates a number estimated by QSR.

	2024 COMPANY UNITS	2024 TOTAL UNITS	TOTAL CHANGE IN UNITS FROM 2023	
SYSTEMWIDE SALES (MILLIONS)				
	672	13,559	102	\$53,469
	381	5,933	-97	\$12,554
	1,177	6,701	-77	\$10,980
	317	3,461	-60	\$5,384
	2	4,212	-42	\$4,909
	150	2,187	3	\$4,396
	879	1,085	88	\$4,257
	7	997	52	\$3,680
	613	1,488	35	\$2,270
	415	415	15	\$2,175
	204	1,597	-110	\$1,830
	49	1,063	-5	\$1,520
	329	373	39	\$1,351
	35	550	35	\$988
	229	761	-26	\$853
SYSTEMWIDE SALES (MILLIONS)				
	55	3,109	145	\$22,746
	98	3,148	97	\$5,726
	806	828	101	\$4,960
	80	3,669	-122	\$4,900
	50	2,204	278	\$4,765
	143	968	26	\$2,630
	266	825	12	\$1,881
	325	498	3	\$1,096
	159	761	-28	\$847
	0	3,168	325	\$800

RANK	COMPANY		RANK IN THE QSR 50	2024 AVERAGE SALES PER UNIT (THOUSANDS)	2024 FRANCHISE/ LICENSE UNITS	2024 COMPANY UNITS	2024 TOTAL UNITS	TOTAL CHANGE IN UNITS FROM 2023	
SNACK			2024 U.S. SYSTEMWIDE SALES (MILLIONS)						
01	STARBUCKS*	■	02	\$1,800	6,777	10,158	16,935	589	\$30,400
02	DUNKIN'	■	06	\$1,300	9,734	34	9,768	188	\$12,468
03	DUTCH BROS	■	33	\$2,018	312	670	982	151	\$1,819
04	CRUMBL*	★	35	\$1,355	1,058	1	1,059	87	\$1,435
05	TROPICAL SMOOTHIE CAFE	🛡️	36	\$1,005	1,514	1	1,515	143	\$1,420
06	AUNTIE ANNE'S	🛡️	49	\$763	1,210	11	1,221	23	\$786
07	TIM HORTONS	🛡️	50	\$1,188	630	23	653	22	\$776
GLOBAL			2024 U.S. SYSTEMWIDE SALES (MILLIONS)						
01	TACO BELL	■	04	\$2,130	7,106	498	7,604	199	\$16,200
02	CHIPOTLE	■	07	\$3,213	0	3,644	3,644	273	\$11,111
03	PANDA EXPRESS	■	11	\$2,592	175	2,330	2,505	85	\$6,199
04	QDOBA	■	38	\$1,695	613	164	777	30	\$1,200
05	DEL TACO	■	44	\$1,611	461	133	594	2	\$957
06	CAVA	🚩	45	\$2,900	0	367	367	58	\$954
SANDWICH			2024 U.S. SYSTEMWIDE SALES (MILLIONS)						
01	SUBWAY*	■	09	\$495	19,502	0	19,502	-631	\$9,653
02	PANERA	■	12	\$2,626	1,105	1,101	2,206	35	\$5,819
03	ARBY'S	■	21	\$1,300	2,286	1,079	3,365	-48	\$4,325
04	JERSEY MIKE'S	■	24	\$1,325	2,970	27	2,997	313	\$3,731
05	JIMMY JOHN'S	■	28	\$977	2,647	42	2,689	45	\$2,599
06	FIREHOUSE SUBS	■	39	\$973	1,191	42	1,233	38	\$1,153
07	McALISTER'S	■	42	\$1,891	524	36	560	21	\$1,018
PIZZA			2024 U.S. SYSTEMWIDE SALES (MILLIONS)						
01	DOMINO'S	■	10	\$1,354	6,722	292	7,014	160	\$9,500
02	PIZZA HUT	■	14	\$839	6,534	23	6,557	-36	\$5,500
03	PAPA JOHNS*	■	23	\$1,157	2,752	539	3,291	71	\$3,808
04	LITTLE CAESARS*	■	26	\$900	3,705	580	4,285	69	\$3,500
05	MARCO'S PIZZA	■	41	\$932	1,117	45	1,162	46	\$1,051

Chain operators were invited to share unit and systemwide sales figures. Publicly available brand data from securities filings, investor research, and franchise disclosures also informed estimates. Where specific chain information was not available, estimates were made based on growth rates seen in the industry overall and among similar chains.

26

LITTLE CAESARS

Little Caesars marked its 65th anniversary last year by continuing to widen its footprint. The company has been back in expansion mode recently following several years of plotting aggressive franchise growth.

After shuddering around 100 locations between 2019 and 2022, it returned to new unit growth in 2023, adding 44 locations.



That momentum carried into 2024, with nearly 70 net new openings and a year-end total of 4,285 locations, most of which are franchised. Alongside those new openings, Little Caesars continued building its growth pipeline by signing multiple multi-unit franchise agreements across the country.

The company also continued its years-long effort to modernize its traditionally carryout-focused model. In 2024, it partnered with Deliverect to streamline and expand third-party delivery operations, aiming to improve efficiency and strengthen its digital infrastructure. Little Caesars also has diversified its asset portfolio by accelerating drive-thru development and rolling out its modular POD units—prefabricated restaurants that can be deployed in about half the time of a standard build.

These moves have helped the brand expand in nontraditional settings as well, such as college campuses, casinos, airports, hospitals, amusement parks, and zoos—part of an ongoing effort to meet consumers where they are and offer more flexible dining options. Supporting that strategy, Little Caesars introduced Crazy Puffs last year, a line of bite-sized handheld pizza pockets designed with on-the-go consumers in mind. The company said the new item aligns well with the needs of travelers, students, and guests in high-traffic venues.



ZAXBYS IS MAKING SURE ITS DRIVE-THRU LANES ARE AS EFFICIENT AS POSSIBLE. THE BRAND PARTNERED WITH BERRY AI TO UPGRADE ITS DRIVE-THRU OPERATIONS USING ADVANCED CAMERA TIMER TECHNOLOGY.

28

JIMMY JOHN'S



Inspire's sandwich brand had an eventful 2024, stateside and overseas. In the U.S., it launched the Picklewich (a sandwich inside two pickle slices), introduced toasted options, brought new cookie flavors to the menu, such as Pumpkin White Chocolate, and brought back Kickin' Ranch. On the growth side, Jimmy John's added 45 locations in the U.S. to reach 2,689. And it was busy outside the country as well. To start the year, Jimmy John's announced its international debut with franchise agreements in Canada and Latin America. Just over a year later, customers were ordering Jimmy John's in stores across El Salvador, Canada, South Korea, and more recently, the United Arab Emirates.

The latter marked the fifth global market for the company, which it landed with four Dubai locations in a single day. These new restaurants are operated by franchisee Galadari Food & Beverage Division, an experienced restaurant operator with more than 1,000 Baskin-Robbins and Dunkin' locations across the Middle East and Australia.



27

ZAXBYS

Zaxbys, primarily based in the Southeast, is on its way to becoming a national chain.

In April, the chicken chain opened its first Las Vegas location. Spanning 2,600 square feet, the new Zaxbys has 50 seats for dine-in guests and a drive-thru. The location's Modern Farmhouse design features prominent branding with signature colors, logo, and sauce medallions, as well as a cohesive brand story showcased

through vibrant elements and sauce-inspired art. According to a news release, the latest market is "part of Zaxbys larger growth ambition on a national and regional level to modernize and elevate the brand with the help of its franchisee partners."

As it grows, Zaxbys is also making sure its drive-thru lanes are as efficient as possible. The brand partnered with Berry AI to upgrade its drive-thru operations using advanced camera timer technology. The AI-powered system replaces traditional loop timers, offering more accurate insights into metrics like speed of service and line abandonment—all while preserving guest privacy by collecting only anonymous operational data.

In terms of menu news, Zaxbys announced in May that handcrafted milkshakes would be on the menu permanently. The milkshakes—with vanilla, chocolate, and strawberry—are handspun and topped with real whipped cream, sprinkles, and a maraschino cherry.



29 FIVE GUYS

The burger brand has pieced together some solid growth in recent years, lifting by a net of 35 U.S. stores in 2024 after expanding by 67 the year prior. Five Guys recently announced plans to open its first U.K. (and overall European) airport store at Heathrow as well. There are more than 170 Five Guys across the U.K., which it entered in 2013 in London's Covent Garden.

30

IN-N-OUT BURGER

The classic burger chain remained steady in 2024, expanding by 15 net stores. It made some menu news more recently in May by announcing it removed artificial coloring from its Strawberry Shakes and Signature Pink Lemonade. The company also noted it would transition to an upgraded ketchup made with real sugar instead of high-fructose corn syrup.

In-N-Out topped the overall Customer Loyalty Index in Market Force Information's 2025 Quick-Service Restaurant Industry Study. It's taking those yearly, consistent figures to California, Colorado, Arizona, and Washington, with 2025 development plans. In-N-Out is also projecting to reach New Mexico by 2027, and, in February, announced it was relocating HQ back to Baldwin Park in Los Angeles County to "bring its West Coast headquarters team back together under one roof." It had been operating out of Irvine, which is slated to close in 2029. That news arrived as In-N-Out prepares to debut a 100,000-square-foot eastern territory office near Nashville, Tennessee, sometime next year reportedly. The first Tennessee locations were targeted to open in 2026 as well. The map today includes the aforementioned states as well as Utah, Nevada, Oregon, and Idaho.



31

BOJANGLES

A few years ago, Bojangles unveiled a refreshed growth strategy that included, among other things, a boneless-focus menu and streamlined store design. In new markets, the company followed a shift in consumer preferences that's been unfolding for a while and started leaning into its signature chicken sandwich and revamped tenders instead of its traditional bone-in chicken. On the design front, it introduced a new prototype featuring a dual-lane drive-thru with digital menu boards, plus back-of-house enhancements like an ergonomic kitchen layout, daypart-specific holding zones and induction cooktops.

The intention wasn't to reinvent the brand's Southern roots, but rather to evolve it for growth beyond its North Carolina stronghold. That strategy began unfolding last year. Bojangles shuttered 19 corporate locations and opened 31 franchised stores for a net gain of 12 units, with most of the growth coming from Southern states like Alabama, Georgia, and Tennessee.

Now, Bojangles is pushing even further away from the Tar Heel State. The first half of 2025 saw new stores come online in places like Texas, Nevada, Ohio, and New Jersey. Additional openings are slated for the back half of the year in the Southeast and beyond, including more locations in Texas and the brand's first-ever store in Colorado.

Another key storyline at Bojangles is its embrace of consumer-facing technology. Last year, the company ramped up its investment in voice AI at the drive-thru with a system called Bo-Linda, which uses natural language processing and voice recognition to take orders. After a successful pilot with tech provider Hi Auto, the company signed a deal to roll out the technology across hundreds of locations nationwide. A few months later, it named GRUBBRR as its official self-order kiosk provider following another promising pilot.


PHOTO: BOJANGLES RESTAURANTS HOLDINGS, INC. / BOJANGLES

32

HARDEE'S

CKE Restaurants' largest brand (Carl's Jr. being the other) has shed 155 restaurants in the past two years. In March, it shifted under the direction of Joe Guith, the former CEO of Church's Chicken, who assumed the same role. At Church's, he helped the brand expand to more than 1,500 locations and previously held leadership roles at GoTo Foods, McAlister's Deli, Cinnabon, and The Coca-Cola Company. Hardee's will search for stability under Guith—its fourth CEO in five years. The company has also had six CFOs and four CMOs since 2017. Hardee's average-unit volume of \$1.146 million in 2024 was below 2023's \$1.160 million and well under some of its burger competitors (McDonald's was above \$4 million and Wendy's nearly \$2.1 million; Burger King was \$1.639 million).



BOJANGLES INTRODUCED A NEW PROTOTYPE
FEATURING A DUAL-LANE DRIVE-THRU
WITH DIGITAL MENU BOARDS,
PLUS BACK-OF-HOUSE ENHANCEMENTS
LIKE AN ERGONOMIC KITCHEN LAYOUT,
DAYPART-SPECIFIC HOLDING ZONES
AND INDUCTION COOKTOPS.

BOJANGLES

33 DUTCH BROS



In 2024, Dutch Bros opened 151 new shops. It aims to meet or exceed that pace this year, including debuts in five new states: Louisiana, Georgia, South Carolina, Indiana, and Ohio. That momentum is key to reaching the company's target of more than 2,000 locations by 2029. It took Dutch Bros over 30 years to reach 1,000 units, but the brand now believes it can double that footprint in just four. Hitting the goal would require an average of more than 200 openings annually from 2025 to 2029.

But growth isn't only about store count. Dutch Bros is also leaning into digital engagement and food to unlock long-term opportunity. The brand introduced mobile ordering for the first time in 2024, scaling the feature to 96 percent of all locations and 99 percent of company-run shops by year's end. More than 5.4 million rewards members placed mobile orders last year, with the channel mixing at 8 percent—and significantly more in some markets. A few key learnings have emerged from that success, including that mobile orders are most common during the morning rush and in newer regions, with increased usage tied to higher visit frequency.

The brand is also experimenting with food. A limited breakfast menu test launched in 2024 and is helping Dutch Bros gauge the right mix, operational fit, and supply chain readiness. The pilot is expected to grow in 2025, with a longer-term view toward expanding morning traffic, which currently accounts for a third of daily sales.

The mobile ordering and food initiatives build on the company's three foundational transaction-building strategies: continuous product innovation, stepped-up advertising in new and legacy markets, and a more precise rewards program. On the rewards front, 71 percent of transactions came from loyalty members last year, with Dutch Bros rolling out new segmentation efforts to make offers more targeted and relevant.



34 CARL'S JR.

Carl's Jr. dipped by five stores in 2024 as it now charts ahead under Guith's leadership, like sister brand Hardee's.

Either way, the classic brand continues to push value and in May unveiled a Build Your Own Bag deal intended to boost late-night business. For \$5.99, it included a 4-piece Chicken Stars and choice of a Single Cali Classic Burger or Spicy Chicken Sandwich, as well as fries or onion rings on the side. The deal, which ran from May through early July, was available from 8 p.m. to close. Other innovations of late included a Snack Stash Menu platform and "Ghost" Burger made with a third-pound of charbroiled Angus beef, ghost pepper cheese, "soul-scorching" sauce, applewood-smoked bacon, fresh tomato, onion, and lettuce on a toasted bun. Carl's Jr. also opened its first U.K. restaurant with Boparan Restaurant Group in April. The chain expects to spread nationally in the U.K. and Republic of Ireland. Today, it's in more than 35 countries and boasts north of 1,100 international locations.

35 CRUMBL

Crumbl, founded in 2017 by cousins Jason McGowan and Sawyer Hemsley, is no longer completely family owned. Bloomberg reported early this spring that TSG Consumer Partners agreed to take a minority stake in the 1,100-unit dessert chain.

The cookie giant—the largest of its kind in North America—finished 2024 with 1,059 stores after opening a net of 87. This follows net openings of 281, 363, and 184 stores in the prior three years, respectively. Crumbl also shuttered 19 units in the past two years after not closing any in its first six years of business. In 2024, 858 locations reported average sales of \$1.35 million. This represents a roughly 17 percent increase from the previous year when 571 units reported \$1.16 million. Average net profit was \$251,706, or 105 percent growth from \$122,955 during the prior year.

The company is well-known for its pink boxes and rotating flavors that drop every Sunday. It's become a social media sensation, with more than 10 million followers on TikTok, 1.4 million on Twitter, and 6.2 million on Instagram.



36 TROPICAL SMOOTHIE CAFE

Tropical Smoothie Cafe entered a new chapter in 2024 with a change in ownership and leadership—but not direction. After more than a decade of steady growth, the brand isn't looking to overhaul its playbook. Instead, it aims to keep building on a long-running upswing.

Last summer, the better-for-you chain was acquired by private equity firm Blackstone in a deal reportedly valued at nearly \$2 billion. A few months later, former CEO of Hardee's and Carl's Jr. Max Wetzel stepped in to lead the company, succeeding longtime chief executive Charles Watson.

Wetzel joined as Tropical Smoothie Cafe wrapped another strong year. The brand hit 13 consecutive years of positive same-store sales and crossed 1,500 total units in 2024. It opened 161 new cafes—over 70 percent from existing

franchisees—and signed nearly 250 new franchise agreements.

Alongside unit growth, product innovation remained a key focus. While smoothies still account for about 60 percent of its business, the company sees opportunity to expand its food offerings, which already include wraps, flatbreads, and salads. One major push in that direction was the introduction of the Tropic Bowl lineup, launched in early 2024 with national marketing support and the brand's first-ever celebrity spokesperson, "Saturday Night Live" cast member Chloe Fineman. Since that launch, Tropical Smoothie Cafe has steadily expanded the bowl offerings and views them as a central part of its menu growth strategy, particularly as more guests seek out healthy and convenient meal options.

WHILE SMOOTHIES STILL ACCOUNT FOR ABOUT 60 PERCENT OF ITS BUSINESS, TROPICAL SMOOTHIE CAFE SEES OPPORTUNITY TO EXPAND ITS FOOD OFFERINGS, WHICH ALREADY INCLUDE WRAPS, FLATBREADS, AND SALADS.



37

SHAKE SHACK

Shake Shack was in transition mode this time a year ago as CEO Randy Garutti retired after taking the fast casual from a hot dog cart to a 500-unit brand. In stepped Rob Lynch, the former CEO of Papa John's who also previously served as president of Arby's. Since, many of Lynch's directives for Shake Shack have come into focus and begun to take root. The company in January unveiled a long-term view to get to 1,500 corporate restaurants over the next several years, starting with a 2025 calendar that promises 45–50 company-run Shake Shacks—the largest class in 21 years of history (alongside 35–40 licensed stores as well).

SHAKE SHACK SERVED UP UNIT-LEVEL MARGIN EXPANSION OF 120 BASIS POINTS DESPITE A VOLATILE MARKET.





TROPICAL SMOOTHIE CAFE

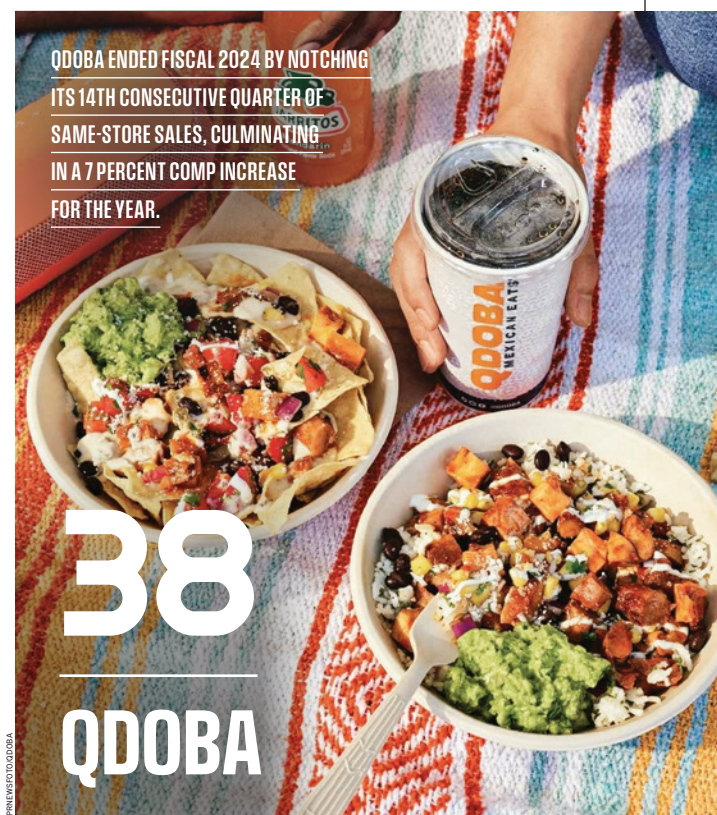


SHAKE SHACK

Shake Shack will do so, Lynch told investors in Q1, after spending six months revamping its operations, rethinking menu innovation, and taking a look at drive-thru and how it can lower overall build costs and time to market to fuel expansion. Some of that ops work showed in the quarter as Shake Shack served up unit-level margin expansion of 120 basis points despite a volatile market. Restaurant-level profit margin was 20.7 percent of sales, the best result since 2019. The brand launched a combo for the first time and saw enough of a case study to go “all-in” on linking the offering with digital menu boards across all 40 of its drive-thrus (as of May). Having drive-thrus equipped with both digital and combos resulted in significant improvements in order time, speed of service, accuracy, and guest satisfaction, the company said.

Lynch also dialed into value and balancing Shake Shack’s premium and approachable items. He wants to hold price on some of the staples that compare to other quick-service peers (like the Shack Burger) yet lean into loftier offerings only Shake Shack would try, such as a “Dubai Chocolate Pistachio Shake” LTO that arrived at \$8.49—the highest ticketed shake its tried—and drew crowds around stores. “There are a lot of guests out there who really value our premium innovation and our premium items,” Lynch said in Q1. “So that’s how we’re going to continue to drive our traffic despite this challenging competitive traffic environment that we’re competing in.”

QDOBA ENDED FISCAL 2024 BY NOTCHING ITS 14TH CONSECUTIVE QUARTER OF SAME-STORE SALES, CULMINATING IN A 7 PERCENT COMP INCREASE FOR THE YEAR.



38
QDOBA

PINK WISIO TO QDOBA

QDOBA is pairing sales growth with brand investments aimed at expanding reach and modernizing operations. The fast casual ended fiscal 2024 by notching its 14th consecutive quarter of same-store sales, culminating in a 7 percent comp increase for the year on top of 6.3 percent growth in 2023. It also signed 22 new franchise agreements last year and continued pushing into new markets.

The company spent nearly \$30 million last year to remodel 80 restaurants and upgrade kitchen capacity and technology across its corporate footprint, and it is continuing those efforts this year. It inked several multi-unit deals to grow in states like North and South Carolina, New York, Pennsylvania, and New Hampshire, along with key markets like Portland, Oregon; Washington, D.C.; Houston, Texas; Reno, Nevada; and Chicago. Internationally, QDOBA continued its partnership with the Army & Air Force Exchange Service, opening its first locations in Asia with restaurants on military bases in Japan and South Korea.

On the consumer front, the brand drove traffic with limited-time items like Brisket Birria, Loaded Tortilla Soup, Habanero Lime Steak, and Mexican Street Corn. To further support growth, it also introduced a \$100,000 cash incentive for select new-unit openings. That momentum carried into 2025, as QDOBA kicked off the year by signing several new development agreements and pushing its total franchise commitments to over 450 future locations.

39

FIREHOUSE SUBS

After several years of laying important foundational groundwork—including development team investments, moving away from its legacy area developer arrangements, and introducing targeted development incentive programs—Firehouse Subs is seeing the results.

The brand opened 80 new restaurants across the U.S. and Canada last year, more than doubling from 3 percent unit growth in 2023 to over 6 percent in 2024. Josh Kobza, CEO of parent company RBI, told investors at the start of the year that the brand's development pipeline for 2025 is even stronger.

Growth is picking up on the international front, too. Australia's largest multi-brand franchisor plans to open 165 restaurants in 10 years, with the first planned to open later this year. Firehouse also plans to open more than 500 restaurants in Brazil in the next decade. The first will come online this year and will mark the brand's debut in South America. This spring, the brand inked a deal to significantly grow its footprint in Mexico over the next 10 years, too.

Firehouse Subs continues to lean into its digital strengths, with digital sales mixing at around 45 percent in North America—the highest among RBI's brands. The chain is pushing further in that direction by replacing traditional cashier stations with kiosks and using digital-only offers to drive traffic.

Still, Firehouse felt the impact of broader category pressures last year. U.S. same-store sales declined 1.1 percent, and



average four-wall EBITDA dipped to \$90,000 from \$110,000 in 2023. Kobza pointed to subcategory softness over the summer and fall as a key factor.

Some of those headwinds were softened by new menu items and the return of a longtime fan favorite: the Hot Sauce Bar. A Firehouse staple since the early days, it was removed during the pandemic and brought back last fall following sustained guest demand. The refreshed station features 13 sauces, each labeled on a 1-to-10 heat scale for easy customization.



In March 2024, Liz Williams took the helm as CEO of El Pollo Loco and launched a three-year transformation plan focused on revitalizing every part of the business—from menu and operations to restaurant design and leadership. At the center of the effort is a clear mission: to reignite customer excitement and modernize the brand without losing sight of its fire-grilled roots.

Over the past year, El Pollo Loco relaunched its brand standards, rolled out a new labor deployment system in company-run units, and invested in updated cooking equipment and kiosks. It also began remodeling its restaurants, with 52 locations refreshed in 2024 and plans for 60 to 80 more in 2025. These efforts contributed to improved cost control, with contribution margins climbing 190 basis points year-over-year to 17.4 percent. The company ended 2024 with 498 total locations—173 company-owned and 325 franchised.

In early 2025, El Pollo Loco debuted its first new bone-in flavor in years with Mango Habanero chicken, signaling a return to menu innovation. That momentum carried into May, when it rolled out a full-scale brand refresh. The updated identity includes a new visual design, an overhauled restaurant prototype, and in-store enhancements such as expanded kiosk use for digital ordering. More than 200 restaurants now offer kiosk options alongside traditional cashier service. The brand also deepened its executive bench with key leadership hires, including a new chief development officer and chief people officer.

Together, these moves are part of El Pollo Loco's effort to modernize the brand, streamline operations, and reconnect with both loyal and lapsed customers. The company is betting that a sharper identity, refreshed leadership, and clearer marketing voice can help it stay competitive in a fast-moving category while setting the stage for long-term growth.

41 MARCO'S PIZZA



PHOTO BY JIMMY K. PIZZANO

Marco's Pizza closed out 2024 with 70 new store openings and 85 franchises awarded, pushing the brand past the 1,200-unit milestone. Roughly 65 percent of those new deals came from existing operators, reflecting confidence in the system and continued traction with multi-unit growth. The brand is now targeting expansion in key U.S. markets—including the Midwest, East Coast, and Sun Belt—as well as internationally, with a 50-unit development agreement underway in Mexico City.

The company also continued to lean into menu innovation in 2024. The Fiery Flavors Menu brought a new level of heat to the brand, centered around a proprietary spicy cheese blend. Other highlights included the Triple Pep Magnifico and the Margherita Pizza, both of which reinforced Marco's push toward bolder, more premium flavor profiles designed to differentiate the brand in a crowded category. On the tech front, Marco's advanced its proprietary, cloud-based platform designed to streamline franchisee operations and improve the guest experience. More than 770 features and enhancements have been added since launch, with continued upgrades planned for 2025—especially around data analytics and digital engagement.

Marco's also has strengthened its leadership team with key appointments, including Ben Halliwell as SVP of Digital Marketing, Kathleen Kennedy as Director of Culinary Innovation, and John Meyers' promotion to COO. These moves support 2023 CMO hire Denise Lauer and were accompanied by new leaders elevated in supply chain and legal.

Looking ahead, the brand plans to put additional energy behind nontraditional development. That includes ghost kitchens and flexible formats designed for dense urban areas or high-traffic venues. These models are intended to support faster expansion and allow the brand to reach new customer segments.

42

McALISTER'S

McALISTER'S CLOSED OUT THE
YEAR WITH \$1.02 BILLION
IN SYSTEMWIDE SALES.



PHOTO BY JIMMY K. PIZZANO

McAlister's became the first brand in the GoTo Foods portfolio to cross the \$1 billion sales mark in 2023—a milestone it repeated in 2024 despite a tougher economic climate. The brand closed out the year with \$1.02 billion in systemwide sales and added 21 net new locations, bringing its total footprint to 560 restaurants.

Now firmly established as a key growth driver for GoTo Foods, McAlister's attributes its momentum to several factors: flexible real estate strategies, a disciplined focus on unit-level economics, a strong catering business, and a predominantly franchise-led model—with more than 90 percent of locations being franchise-operated.

McAlister's is also doubling down on guest engagement, particularly through its revamped loyalty strategy. The brand leads GoTo's portfolio in the share of extremely high-frequency guests—those

who visit 20 or more times per year—and this group alone accounts for over a third of loyalty transactions. There's also a dedicated subset of customers who visit more than 100 times annually.

To build on that base, McAlister's rethought how staff interact with loyalty members in-store. Team members are now trained to recognize loyalty customers immediately and take simple but intentional actions—offering perks, adding personalized notes, or even tossing in a free cookie—to create more meaningful experiences. The system uses visual cues, like different table numbers and color-coded order screens, to distinguish loyalty guests from non-members, enabling targeted conversations and offers. Rolled out systemwide in 2024, the program has boosted guest satisfaction and driven noticeable improvements in value perception.



43

FREDDY'S

You can't have a conversation around consistency in the category without Freddy's. The brand's 2024 net expansion of 35 followed 59 additions in 2023. Named QSR magazine's "Transformational

Brand of 2024," Freddy's earned the title not for any major revamp of its business or messaging, but rather for how it's continued to support steady success with ongoing innovation. This includes a host of kitchen technology, from its Accutemp's XLR8 devices that can press down six patties at a time to customized KDS to the most vivid representation of all—a 23,000-square-foot Training & Innovation Center the brand opened last June, complete with a mock drive-thru, test kitchen, and space to keep the growth story flowing. Freddy's believes there's clear sight to 800-plus restaurants by the end of 2026 and 3,000-plus long term. Former VP of brand marketing Erin Walter was named CMO in February.



Jack in the Box is preparing to sell Del Taco as part of its broader "JACK on Track" turnaround strategy. CEO Lance Tucker confirmed significant buyer interest and suggested the sale is likely.

Del Taco has faced headwinds, with Q2 same-store sales falling 3.6 percent, largely due to reduced customer traffic. Restaurant margins dropped to 12.8 percent, impacted by sales declines and inflation. Despite this, the chain gained traction from a menu optimization initiative and is investing in digital enhancements like kiosks and mobile ordering, now accounting for over 18 percent of sales. A refreshed marketing approach and new menu items are expected later this year.

Since Jack acquired Del Taco in 2022, the brand has shifted toward a more franchise-heavy model, operating 117 corporate stores out of 591 total as of Q2 2025.



Very few national brands saw the kind of success CAVA achieved in 2024. The chain delivered four consecutive quarters of free cash flow in its first full year as a public company. Revenue was up 35 percent for fiscal 2024, with AUVs jumping to \$2.9 million from \$2.6 million. Same-store sales grew 2.3 percent in Q1 before accelerating to 14.4 percent, 18 percent, and 21.2 percent in the next three quarters. Traffic gains followed a similar trajectory, bringing the year to a close with 13.4 percent comp growth and an 8.7 percent traffic increase.

Value has remained a key factor. While the brand has seen strong loyalty from guests, it has also taken a measured approach to pricing. From the end of 2019 to the end of 2024, CAVA raised prices by about 15 percent in aggregate. The Consumer Price Index rose 23 percent over the same period, meaning the brand underpriced inflation by roughly 8 points.

CAVA netted just under 60 new restaurants in 2024 and ended the year with 367 units, a nearly 19 percent increase year-over-year. The brand's entry into Chicago marked its first move into the Midwest and brought its footprint to 25 states and Washington, D.C. Now, the company is targeting 1,000 units by 2032.

CEO Brett Schulman wants to make sure CAVA strengthens its connections with guests in both digital and physical spaces as it scales. Many new locations include elements of the brand's Project Soul design, such as warmer palettes, softer seating, and more greenery. Schulman told QSR earlier this year that investments in the dining room are helping CAVA capture guests who are trading down from casual dining. At the same time, an ongoing focus on store models that cater to digital channels and off-premises occasions is helping attract those who are trading up from traditional fast food. The brand's updated loyalty program, launched in October, is another part of the strategy to strengthen guest relationships. Just a few months into 2025, CAVA had already seen a 230-basis-point increase in loyalty sales.

Internally, the multi-year Connected Kitchen program is reshaping operations and the employee experience. A new labor and deployment model is driving early productivity gains, and a kitchen display system is improving digital order accuracy and reducing customer complaints. The project also includes generative AI video technology that monitors ingredient depletion and alerts teams in real time.

Those initiatives are progressing as the chain continues to outperform the broader quick-service industry. CAVA kicked off fiscal 2025 with 10.8 percent comps growth, 7.5 percent traffic growth, and trailing 12-month revenue surpassing \$1 billion for the first time.



46 CHECKERS/ RALLY'S

Checkers and Rally's is entering a new era of leadership and design as it looks to refresh its growth strategy. Frances Allen stepped down as CEO last spring after four years at the helm, during which she spearheaded initiatives like the Restaurant of the Future remodel, introduced menu innovations, and pushed forward technologies such as voice AI in the drive-thru. Her successor, Chris Tebben, brings experience from brands like Starbucks and P.F. Chang's.

This spring, the brand unveiled a streamlined prototype that cuts its footprint nearly in half—from 1,008 to 570 square feet—by offering a single drive-thru option and reworking kitchen layouts for space and efficiency. The redesign aims to reduce buildout costs, accelerate service, and give franchisees more flexibility in competitive real estate markets. The prototype rollout is being supported by a new creative platform, "This Eats Different," which includes a refreshed logo, updated branding, and a value-driven \$4 Meal Deal campaign.

The company currently is targeting growth in select markets, including Wisconsin, New Jersey, Pennsylvania, California, Las Vegas, Florida, and South Carolina, with a focus on driving unit economics and creating more accessible development opportunities.

47 CHURCH'S CHICKEN

Church's entered 2025 with new leadership at the top, as former COO Roland Gonzalez stepped into the CEO role in February. He succeeded Joe Guith, who led the brand since 2022 and helped lay the groundwork for its current transformation.

The brand has sharpened its focus on service enhancements and providing value to guests in recent years—two pillars that remain central under Gonzalez. The chain has long leaned into low prices as a core part of its identity, a positioning that's gained renewed traction thanks to popular items like the Two-Piece Feast. On the operations front, it has worked to raise in-store standards, streamline procedures, and simplify execution. One example: Church's redesigned its spicy chicken last year, switching from a batter dip to a glaze. The change cut costs, removed a menu SKU, and improved guest satisfaction scores in one move.

The chain's domestic footprint has contracted for the better part of a decade. Between the start of 2021 and the end of 2024, there were around 140 U.S. closures. But at the same time, Church's has been reinvesting in existing restaurants through its Blaze remodel initiative, which includes both front- and back-of-house upgrades. Per-



48 KRISPY KRUNCHY CHICKEN



KRISPY KRUNCHY CHICKEN
ACCELERATED ITS NATIONAL
FOOTPRINT IN 2024, OPENING
605 NEW STORES—SURPASSING
ITS PREVIOUS RECORD OF NEARLY
500 OPENINGS IN 2023.



formance at these stores has been strong, and newer prototypes are prioritizing speed, flexibility, and development-friendly footprints.

Digital has also been a focus. The brand relaunched its app, rolled out its Real Rewards loyalty program, and began testing voice AI at the drive-thru last year. It also brought back its original chicken recipe—an effort to attract new customers while reconnecting with loyal fans.

Looking ahead, Gonzalez is aiming to accelerate expansion and reach \$2 billion in system-wide sales. While international growth will continue to lead the charge, the gap between U.S. and global development is expected to narrow. With AUVs up nearly \$250,000 in recent years and loyalty enrollment nearing one million, Gonzalez told QSR the chain is now building from a stronger foundation.

Krispy Krunchy Chicken has become one of the fastest-growing hot food concepts in the convenience store space, now operating in more than 3,200 locations nationwide. In 2024, newly appointed CEO Jim Norberg introduced a fresh strategy focused on driving same-store sales, streamlining operations, and improving operator profitability. That approach centers on expanding delivery, tapping into new markets, optimizing the menu, and making it easier for store partners to succeed.

With that framework in place, the brand accelerated its national footprint in 2024, opening 605 new stores—surpassing its previous record of nearly 500 openings in 2023. That pace isn't expected to slow, with Krispy Krunchy Chicken projecting it will break the record again by the end of 2025.

To support that momentum, the company has emphasized stronger collaboration across operations, supply chain, sales, and marketing. That includes improved training methods, new menu platforms, and a focus on scalable execution. Third-party delivery was a major focus in 2024, with the company consolidating its partnerships under one menu management tool through Olo. By year's end, nearly 500 stores had signed on, reducing tech complexity and cutting commission fees for many operators.

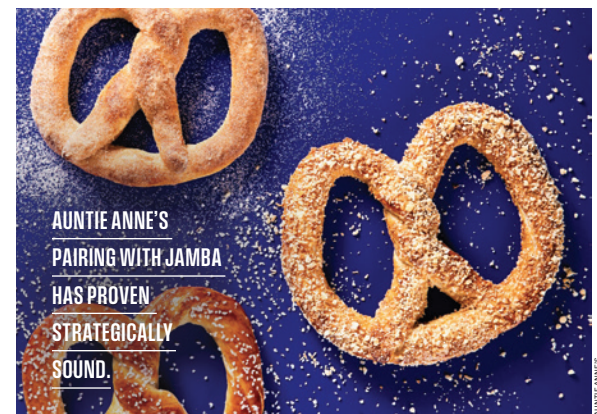
Menu innovation also played a key role last year. Krispy Krunchy introduced a revamped Cajun Chicken Sandwich and leaned into value with the launch of a \$4 Meal deal—both aimed at building excitement and meeting rising cost concerns. That consumer energy helped land the brand on Yelp's "Fastest-Growing Brands" list, reflecting a surge in social media mentions and online search activity.

49 AUNTIE ANNE'S

Auntie Anne's has been steadily expanding beyond its mall-based roots, most notably through co-branded locations with fellow GoTo Foods concepts. The shift gained momentum in 2021 with the opening of its first drive-thru store alongside Jamba in Wiley, Texas. By mid-2024, that milestone had grown into a broader strategy, with 20 Auntie Anne's and Jamba co-branded locations opened—roughly half equipped with drive-thrus.

The pairing with Jamba has proven strategically sound. Jamba draws in morning traffic, while Auntie Anne's typically sees stronger performance in the afternoon and evening, creating a complementary all-day offering. The co-branding model also allows franchisees to make more efficient use of labor and real estate, while attracting a wider customer base.

GoTo Foods has leaned further into this strategy across its entire portfolio. In 2024, the company signed 353 co-brand deals across 173 locations in 24 states, involving Auntie Anne's, Cinnabon, Jamba, and Carvel. Notably, nearly half of those locations are in streetside settings—an intentional move to make the brands more accessible and less dependent on traditional mall traffic.



Auntie Anne's is also exploring new ways to grow digital engagement. The brand is building up its loyalty program and using machine learning to generate personalized offers tailored to customer behavior—part of a larger push to strengthen convenience and retention.

Freed from mall limitations, Auntie Anne's has also expanded its food lineup. Co-branded stores, especially those with a beverage partner like Jamba, create new opportunities for meal replacement. That has led to more substantial items like Pepperoni Bites and Mini Pretzel Dogs, alongside new sweet innovations such as the Topped Nuggets platform, launched this spring, which layers pretzel nuggets with indulgent toppings.

THE CONTENDERS/

From legacy chains to rising upstarts, here's a look at 50 brands ready to break through in the coming years.

ALL INFORMATION IN THIS CHART, EXCEPT FOR WHERE * IS INDICATED, WAS SUBMITTED DIRECTLY TO QSR MAGAZINE. THE LIST WAS RANKED BY TOTAL SYSTEMWIDE SALES FROM THE POOL OF SUBMISSIONS.

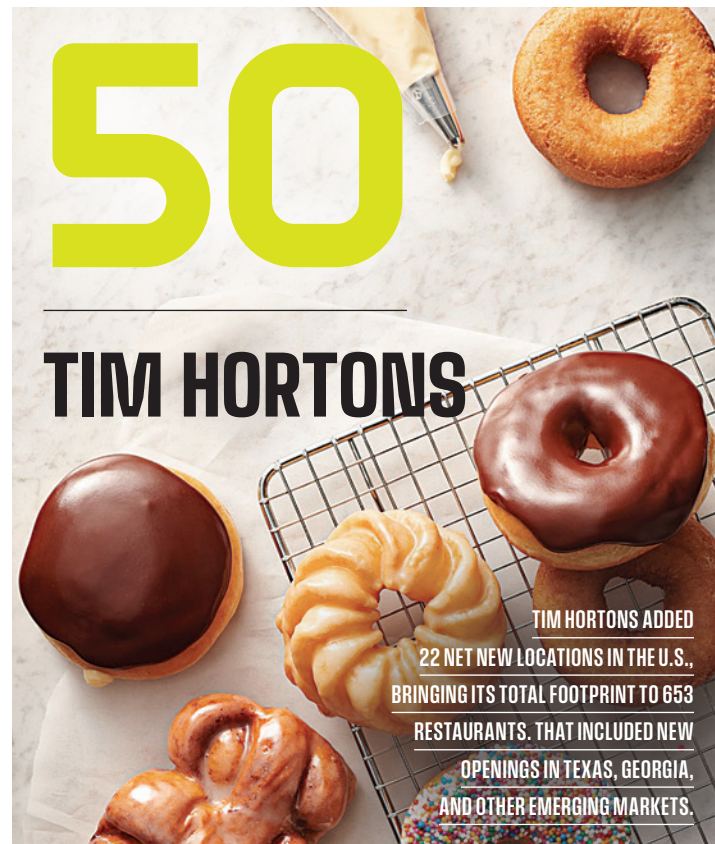
RANK	COMPANY		SEGMENT	2024 U.S. SYSTEMWIDE SALES (MILLIONS)	2024 AVERAGE SALES PER UNIT (THOUSANDS)	2024 FRANCHISE/ LICENSE UNITS	2024 COMPANY UNITS	2024 TOTAL UNITS	TOTAL CHANGE IN UNITS FROM 2023
01	SMOOTHIE KING	🔴	SNACK	\$766	\$660	1,149	52	1,201	49
02	MOE'S SOUTHWEST GRILL	🔴	GLOBAL	\$721	\$1,235	591	5	596	-16
03	HABIT BURGER & GRILL	■	BURGER	\$713	\$1,891	61	316	377	11
04	PORTILLO'S	🟢	SANDWICH	\$711	\$8,700	0	94	94	10
05	BASKIN-ROBBINS	🔴	SNACK	\$705	\$322	2,245	0	2,245	-16
06	SWEETGREEN	■	GLOBAL	\$677	\$2,924	0	246	246	25
07	POTBELLY	🟢	SANDWICH	\$560	\$1,306	96	346	442	18
08	CAPTAIN D'S	■	SEAFOOD	\$548	\$1,036	237	293	530	4
09	7 BREW	🟢	SNACK	\$502	\$2,040	297	24	321	141
10	JAMBA	■	SNACK	\$484	\$689	726	1	727	7
11	SLIM CHICKENS	🟢	CHICKEN	\$461	\$3,800	197	10	207	24
12	HUNGRY HOWIE'S	🔴	PIZZA	\$436	\$857	476	33	509	-8
13	ROUND TABLE PIZZA	★	PIZZA	\$416	\$1,040	90	1	391	-11
14	TACO JOHN'S	★	GLOBAL	\$415	\$1,882	333	7	340	-24
15	CHICKEN SALAD CHICK	★	CHICKEN	\$398	\$1,500	210	79	289	34
16	SCHLOTZSKY'S	🔴	SANDWICH	\$344	\$1,126	280	28	308	-9
17	POLLO CAMPERO	★	CHICKEN	\$334	\$3,200	17	103	120	29
18	JOLLIBEE	★	GLOBAL	\$333	\$4,441	0	75	75	5
19	SHIPLEY DO-NUTS	★	SNACK	\$330	\$910	355	1	366	17
20	PLAYA BOWLS	★	SNACK	\$296	\$1,279	261	29	290	74
21	KRYSTAL	★	BURGER	\$294	\$1,055	156	123	279	0
22	CINNABON	🔴	SNACK	\$285	\$682	1,006	28	1,034	53
23	FAZOLI'S	🔴	GLOBAL	\$266	\$1,321	139	57	196	-11
24	PENN STATION	🔴	SANDWICH	\$262	\$817	321	1	322	-1
25	SBARRO	🔴	PIZZA	\$256	\$719	224	151	375	1

RANK	COMPANY		SEGMENT
26	FARMER BOYS	🔴	BURGER
27	CITY BARBEQUE	★	SANDWICH
28	LEE'S FAMOUS RECIPE CHICKEN	🔴	CHICKEN
29	LA MADELEINE	★	SANDWICH
30	YOGURTLAND	🔴	SNACK
31	GREAT AMERICAN COOKIES	🔴	SNACK
32	JOHNNY ROCKETS	★	BURGER
33	CLEAN EATZ	★	SANDWICH
34	SALATA SALAD KITCHEN	★	SALAD
35	PANCHEROS	🔴	GLOBAL
36	BUBBAKOO'S BURRITOS	🔴	GLOBAL
37	DOG HAUS	★	SANDWICH
38	PJ'S COFFEE	★	SNACK
39	URBAN PLATES	★	GLOBAL
40	MOOYAH	🔴	BURGER
41	THE GREAT GREEK MEDITERRANEAN GRILL	🔴	GLOBAL
42	POKEWORKS	★	GLOBAL
43	HOT HEAD BURRITOS	★	GLOBAL
44	ANGRY CHICKZ	🔴	CHICKEN
45	BEANS & BREWS COFFEE HOUSE	★	SNACK
46	SURCHEROS	★	GLOBAL
47	ORIGINAL CHOPSHOP	★	SNACK
48	TACODELI	★	GLOBAL
49	ZAZA CUBAN COMFORT	★	GLOBAL
50	SMALLS SLIDERS	🔴	BURGER

* Indicates a number estimated by QSR. Chain operators were invited to share unit and systemwide sales figures. Publicly available brand data from securities filings, investor research, and franchise disclosures also informed estimates. Where specific chain information was not available, estimates were made based on growth rates seen in the industry overall and among similar chains.

KEY: ■ SAME POSITION AS 2024 ▲ MOVES UP FROM 2024 ▼ MOVES DOWN FROM 2024 ★ NEW TO QSR 50

	2024 U.S. SYSTEMWIDE SALES (MILLIONS)	2024 AVERAGE SALES PER UNIT (THOUSANDS)	2024 FRANCHISE/ LICENSE UNITS	2024 COMPANY UNITS	2024 TOTAL UNITS	TOTAL CHANGE IN UNITS FROM 2023
	\$241	\$2,378	71	31	102	2
	\$233	\$2,875	0	75	75	7
	\$230	\$1,817	93	33	126	3
	\$196	\$2,500	60	29	89	1
	\$176	\$875	195	7	202	1
	\$159	\$408	397	0	397	-5
	\$134	\$1,562	113	2	115	2
	\$125	\$1,010	110	0	110	19
	\$117	\$1,200	96	6	102	8
	\$116	\$1,611	50	26	76	2
	\$105	\$1,043	118	12	130	14
	\$88	\$1,861	59	0	59	2
	\$84	\$1,009	174	13	187	15
	\$84	\$4,185	0	20	20	1
	\$73	\$1,008	71	3	74	-1
	\$73	\$1,630	56	8	64	13
	\$62	\$1,013	61	6	67	0
	\$59	\$721	72	11	83	4
	\$56	\$2,102	1	27	28	4
	\$52	\$963	54	28	82	9
	\$50	\$1,730	18	17	35	9
	\$48	\$2,200	0	27	27	4
	\$45	\$3,500	1	13	14	2
	\$39	\$3,545	5	6	11	2
	\$33	\$2,300	19	2	21	10



Tim Hortons entered the U.S. 40 years ago, establishing itself in markets where Canadians could make cross-border coffee runs. And while it's added more than 600 locations since then, the brand hasn't captured market share at the level it has in

Canada, where there's roughly one store per 10,000 residents.

The brand started making a stronger push to grow in international markets after it was acquired by RBI a decade ago. Since then, it's been implementing some changes to the U.S. business, adding more cold beverages and savory breakfast offerings and introducing new streamlined prototypes that come with lower CapEx and better paybacks for operators.

The chain initially focused on border states like Michigan, Ohio, and New York, where it still has the highest concentration of units. It continues to build development pipelines in those legacy markets. But increasingly, it's shifting focus to high-growth areas—particularly in the South—where Canadians and transplants from the Northeast and Midwest are migrating, bringing brand familiarity with them.

Last year, Tim Hortons added 22 net new locations in the U.S., bringing its total footprint to 653 restaurants. That included new openings in Texas, Georgia, and other emerging markets—areas the brand has increasingly prioritized and plans to expand in further. To build density more quickly and effectively, Tim Hortons has shifted from relying on smaller, local franchisees to partnering with larger, more experienced multi-unit operators.