

## Restaurants Industry

Monthly restaurant spend data review  
through 2/25/24

## Industry Overview

We note these Bloomberg Second Measure sales growth rates are correlated with most companies' reported SSSG. The strength of the correlation with actual SSSG varies based on factors such as channel mix, unit growth rates, and geographical and customer skew.

**Resty median spend accelerates in February post-weather**

Bloomberg Second Measure credit and debit card data show y/y growth in restaurant median observed sales accelerating from 0.75% in January to 4.2% in February as headwinds from winter storms dissipated.

**QSR: Pizza decelerates, FFHR and WING accelerate**

Pizza companies DPZ and PZZA both saw m/m deceleration in y/y observed sales growth in February, from 5.2% in January to 2.8% February (DPZ) and from 0.11% to -5.2% (PZZA). We note that while PZZA reported a -1% SSSG decline in N. America for the first eight weeks of 1Q24, the company saw "some strength" in Feb [\[see our 4Q earnings review\]](#). In contrast, FFHR companies MCD and WEN both experienced m/m acceleration in observed sales, from 4.3% to 6.2%, and 1.9% to 4.0% respectively. After slowing modestly in January (+20.1%), WING's observed sales rebounded sharply in Feb (+32.5%).

**Portfolio QSR: JACK, RBI, YUM accelerate**

Portfolio companies JACK, RBI and YUM all saw m/m acceleration in y/y observed sales growth in February. JACK observed sales accelerated from 3.6% in January to 4.4% in February, QSR from 0.4% to 4.0%, and YUM from -0.4% to 1.9%.

**Coffee: SBUX relatively stable, BROS accelerates**

SBUX y/y observed sales decelerated slightly -- from 5.6% in January to 5.3% in February -- suggesting negative social media attention continues to weigh. BROS observed sales data accelerated from 30.4% to 37.8%

**Fast Casual: CMG, PTLO, SG accelerate m/m, SHAK decels**

CMG, PTLO and SG saw acceleration in y/y observed sales growth from January to February while SHAK's observed sales decelerated. CMG accelerated from 0.4% in January to 6.4% in February while PTLO ticked up from 15.5% to 16.1% and SG improved from 18.3% to 23.9%. SHAK growth slowed from 13.0% to 11.6%.

**FSR ex CAKE accelerates, CBRL less negative**

Second Measure data show a step-up in y/y observed sales growth across our full-service coverage with the exception of CAKE, whose growth slowed from 1.2% in January to 0.46% in February. CBRL saw a decline in February of -0.55%, an improvement from January's -4.6%. BLMN and DRI observed sales growth accelerated from -5.6% to 2.2% and 1.3% to 7.0% respectively. Observed sales growth also accelerated across EAT (from 2.3% to 7.6%), FWRG (6.6% to 9.3%) and TXRH (8.6% to 14.8%). TXRH reported a 6.8% SSSG increase for the first 7 weeks of 1Q, with weather estimated to be a 1ppt headwind to traffic.

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Timestamp: 05 March 2024 05:00AM EST

**05 March 2024**Equity  
United States  
Restaurants

**Sara Senatore**  
Research Analyst  
BofAS  
+1 646 743 2110  
[sara.senatore@bofa.com](mailto:sara.senatore@bofa.com)

**Jessica Owusu Afari**  
Research Analyst  
BofAS  
+1 646 617 9040  
[jessica.owusu-afari@bofa.com](mailto:jessica.owusu-afari@bofa.com)

**Katherine Griffin**  
Research Analyst  
BofAS  
+1 646 855 2849  
[katherine.griffin@bofa.com](mailto:katherine.griffin@bofa.com)

RBI: Restaurant Brands Intl

QSR: Quickservice restaurants

BROS: Dutch Bros

CAKE: Cheesecake Factory

CBRL: Cracker Barrel

CMG: Chipotle Mexican Grill

DPZ: Domino's Pizza

FFHR: fast food hamburger  
restaurant

FWRG: First Watch

JACK: Jack in the Box

LSR: limited-service restaurant

MCD: McDonald's

PLTO: Portillo's

PZZA: Papa Johns

SBUX: Starbucks

SG: Sweetgreen

SHAK: Shake Shack

SSSG: same store sales growth

TXRH: Texas Roadhouse

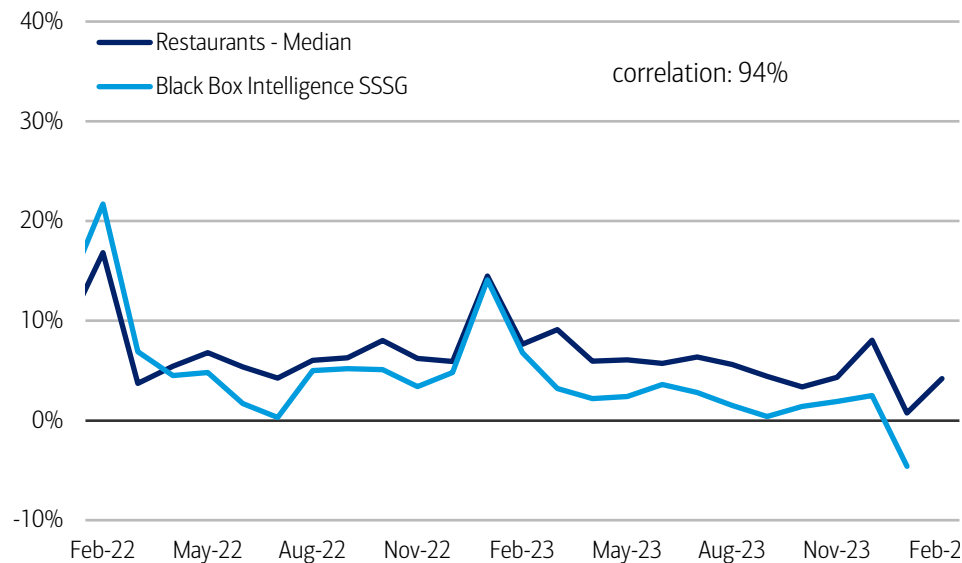
WEN: Wendy's

## Resty median spend accelerates in February post-weather

Bloomberg Second Measure credit and debit card data show y/y growth in restaurant median observed sales accelerating from 0.75% in January to 4.2% in February as headwinds from winter storms dissipated.

### Exhibit: Restaurant median observed sales data show acceleration, from 0.75% in January to 4.2% in February

Restaurants-Median: y/y growth according to Bloomberg Second Measure data (Monthly)



Source: Bloomberg Financial LP – ALTD <GO>

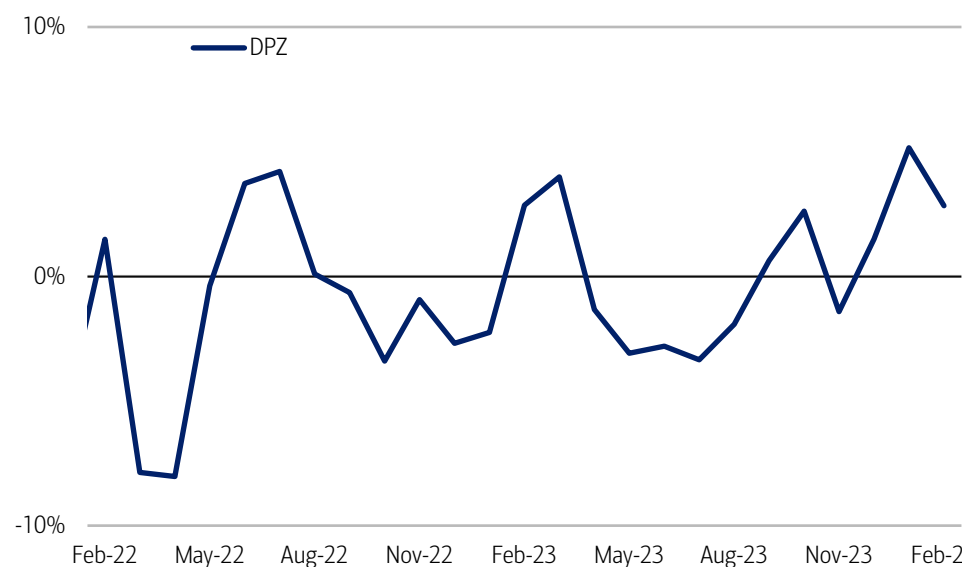
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## QSR: Pizza decelerates, FFHR and WING accelerate

Pizza companies DPZ and PZZA both saw m/m deceleration in y/y observed sales growth in February, from 5.2% in January to 2.8% February (DPZ) and from 0.11% to -5.2% (PZZA). We note that while PZZA reported a -1% SSSG decline in N. America for the first eight weeks of 1Q24, the company saw “some strength” in February (see our 4Q earnings review: [Restaurants Industry: 2/29 4Q Earnings Recap: PZZA, SG 01 March 2024](#)). In contrast, FFHR companies MCD and WEN both experienced m/m acceleration in observed sales, from 4.3% to 6.2%, and 1.9% to 4.0% respectively. After slowing modestly in January (+20.1%), WING’s observed sales rebounded sharply in February (+32.5%).

### Exhibit 1: DPZ observed sales data show m/m deceleration, from 5.2% in January to 2.8% in February

DPZ: y/y growth according to Bloomberg Second Measure data (Monthly)

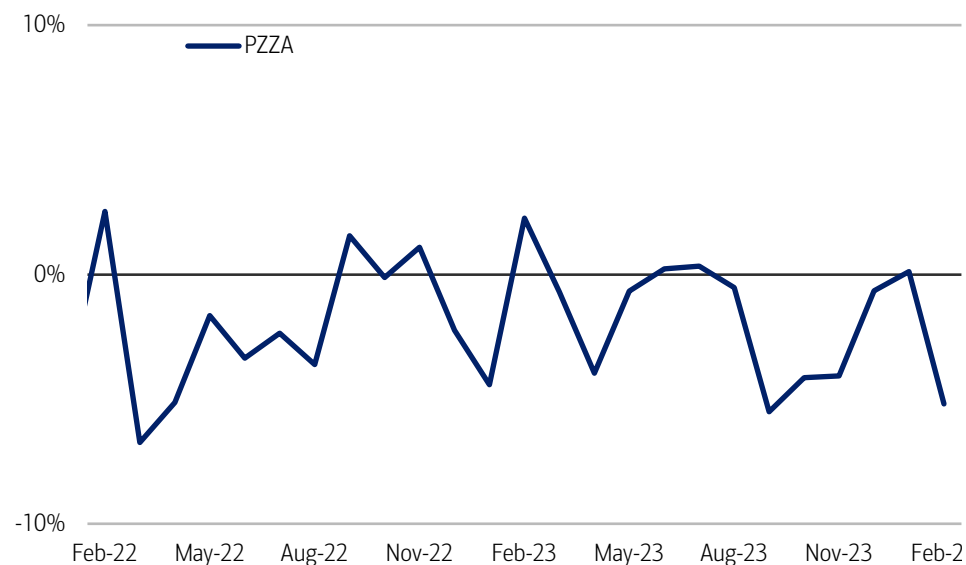


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 2: PZZA observed sales data show m/m deceleration, from 0.12% in January to -5.2% in February

PZZA: y/y growth according to Bloomberg Second Measure data (Monthly)

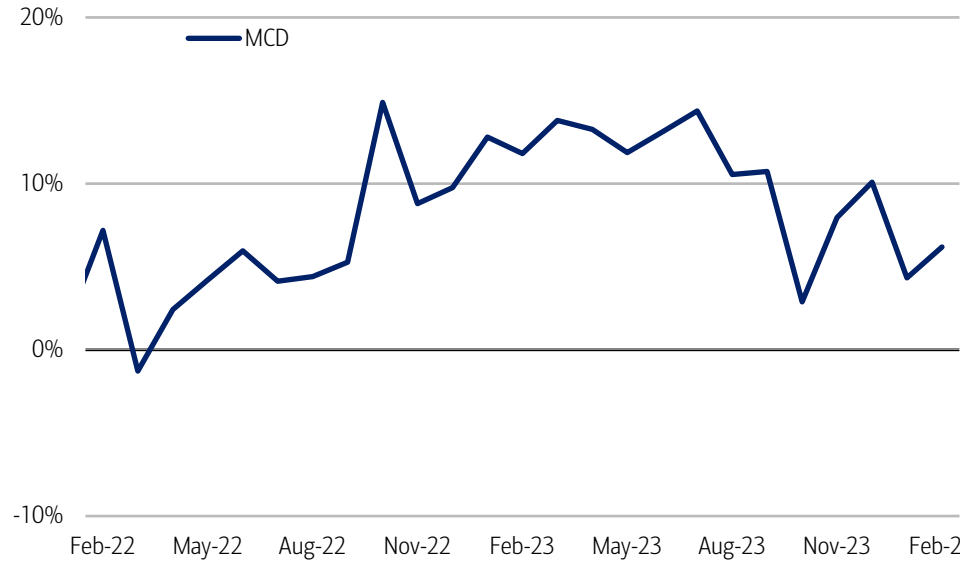


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### Exhibit 3: MCD observed sales data show m/m acceleration, from 4.3% in January to 6.2% in February

MCD: y/y growth according to Bloomberg Second Measure data (Monthly)

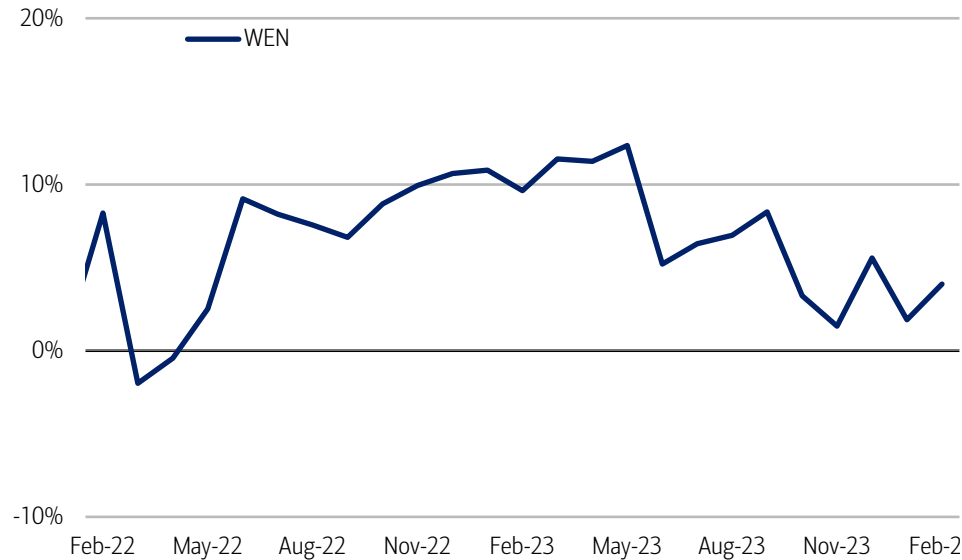


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### Exhibit 4: WEN observed sales data show m/m acceleration, from 1.9% in January to 4.0% in February

WEN: y/y growth according to Bloomberg Second Measure data (Monthly)

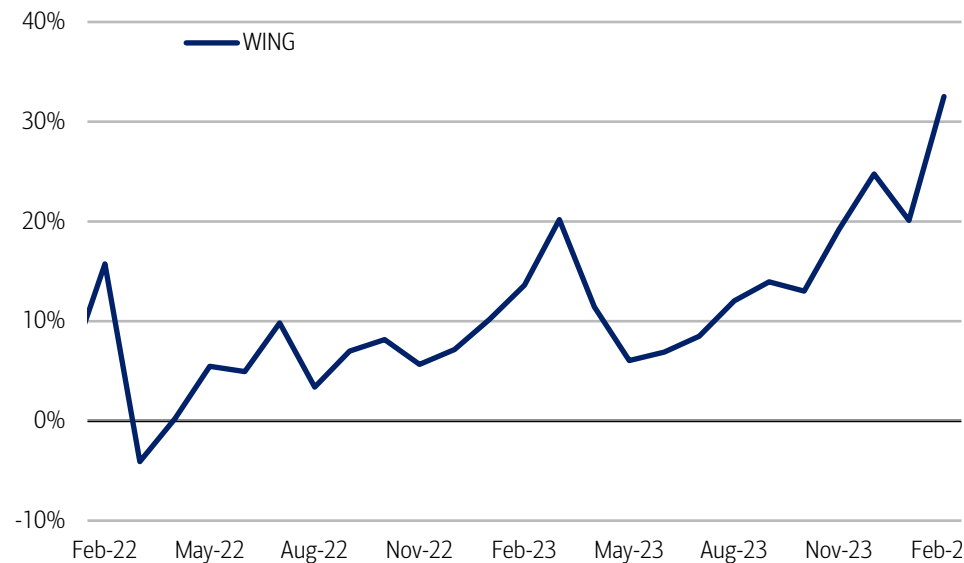


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 5: WING observed sales data show m/m acceleration, from 20.1% in January to 32.5% in February

WING: y/y growth according to Bloomberg Second Measure data (Monthly)



Source: Bloomberg Financial LP – ALTD <GO>

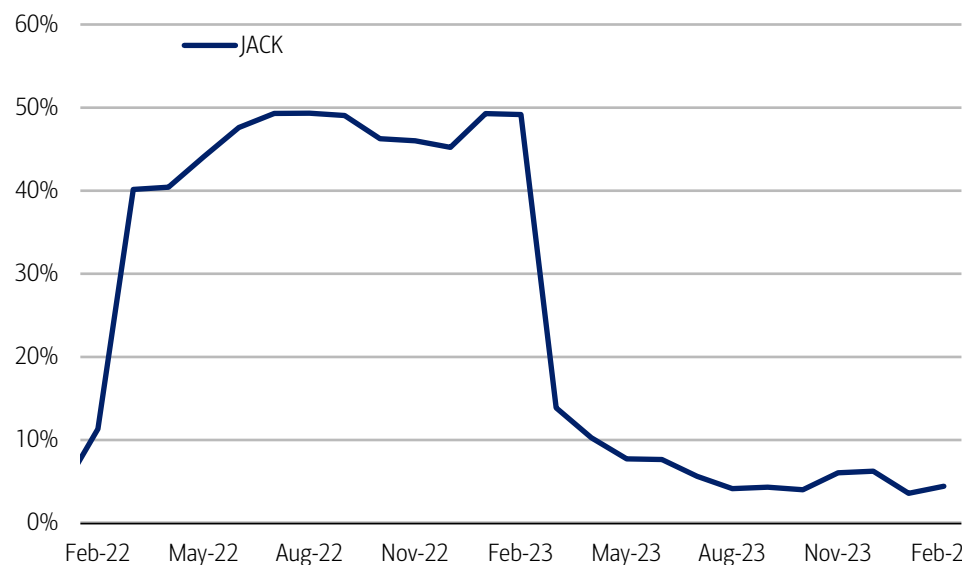
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### Portfolio QSR: JACK, RBI, YUM accelerate

Portfolio companies JACK, RBI and YUM all saw m/m acceleration in y/y observed sales growth in February. JACK observed sales accelerated from 3.6% in January to 4.4% in February, QSR from 0.4% to 4.0%, and YUM from -0.4% to 1.9%.

### Exhibit 6: JACK observed sales data show m/m acceleration, from 3.6% in January to 4.4% in February

JACK: y/y growth according to Bloomberg Second Measure data (Monthly)



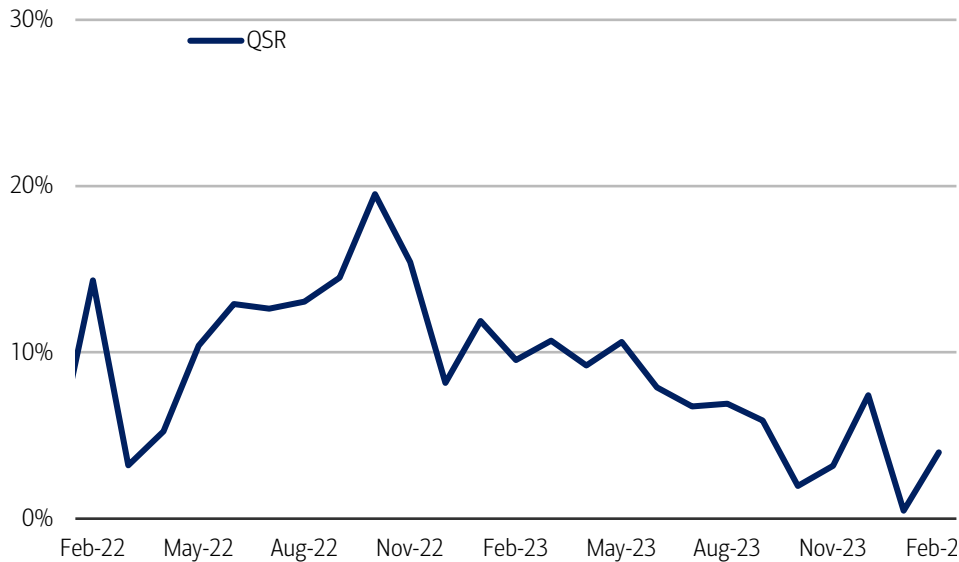
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**Exhibit 7: QSR observed sales data show m/m acceleration, from to 0.4% in January to 4.0%**

QSR: y/y growth according to Bloomberg Second Measure data (Monthly)

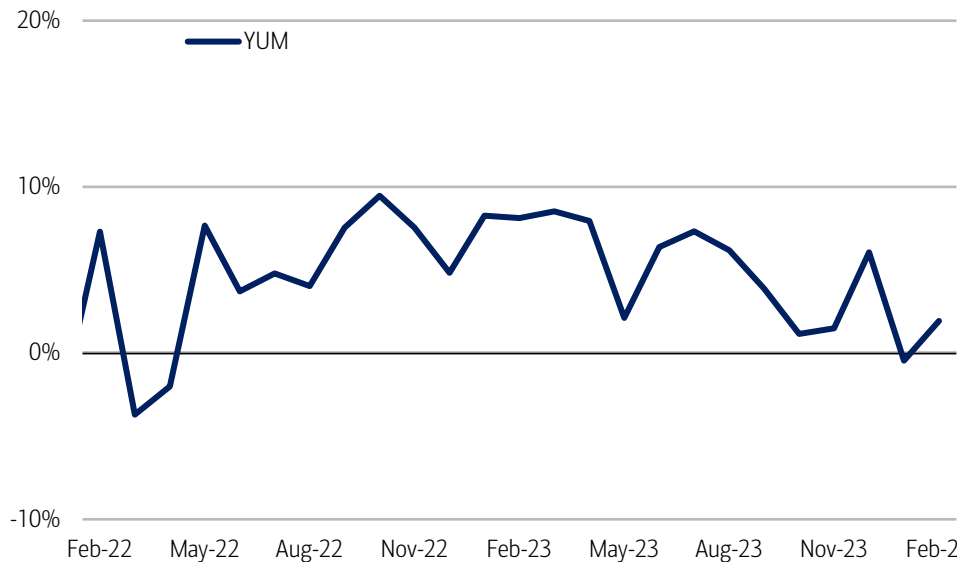


Source: Bloomberg Financial LP – ALTD &lt;GO&gt;

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**Exhibit 8: YUM observed sales data show m/m acceleration, from -0.4% in January to 1.9% in February**

YUM: y/y growth according to Bloomberg Second Measure data (Monthly)



Source: Bloomberg Financial LP – ALTD &lt;GO&gt;

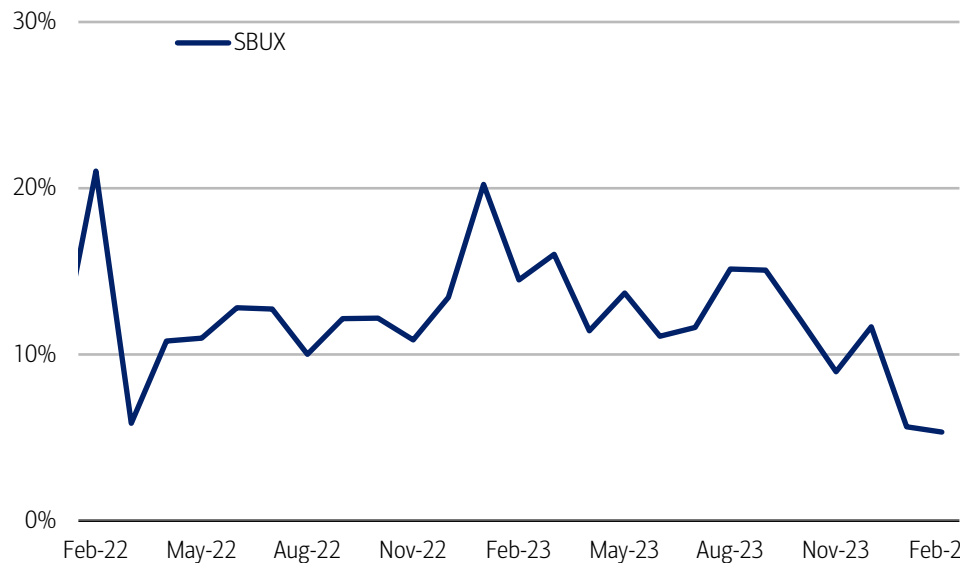
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**Coffee: SBUX relatively stable, BROS accelerates**

SBUX y/y observed sales decelerated slightly -- from 5.6% in January to 5.3% in February — suggesting negative social media attention continues to weigh. BROS observed sales data accelerated from 30.4% to 37.8%

### Exhibit 9: SBUX observed sales data show m/m deceleration, from 5.6% in January to 5.3% in February

SBUX: y/y growth according to Bloomberg Second Measure data (Monthly)

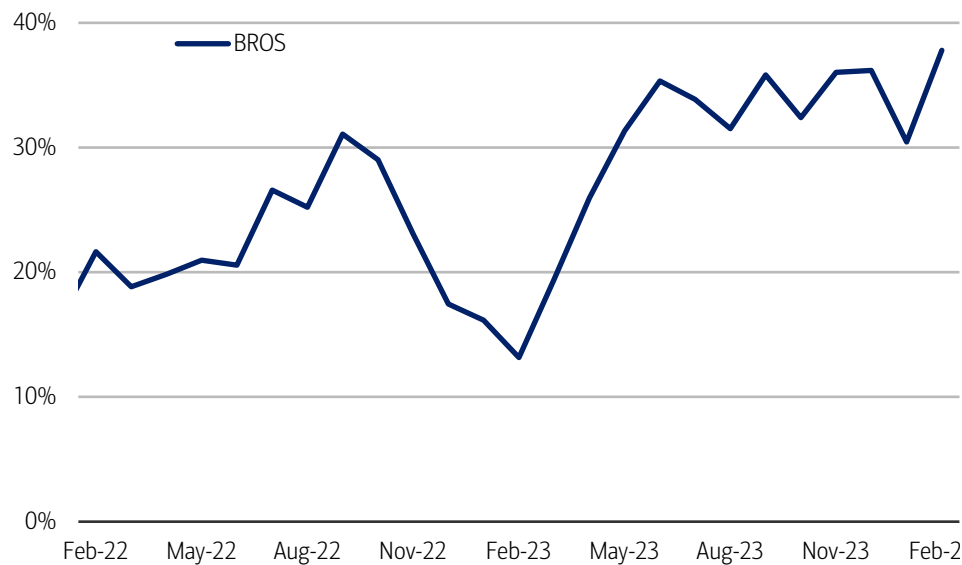


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 10: BROS observed sales data show m/m acceleration, from 30.4% in January to 37.8% in February

BROS: y/y growth according to Bloomberg Second Measure data (Monthly)



Source: Bloomberg Financial LP – ALTD <GO>

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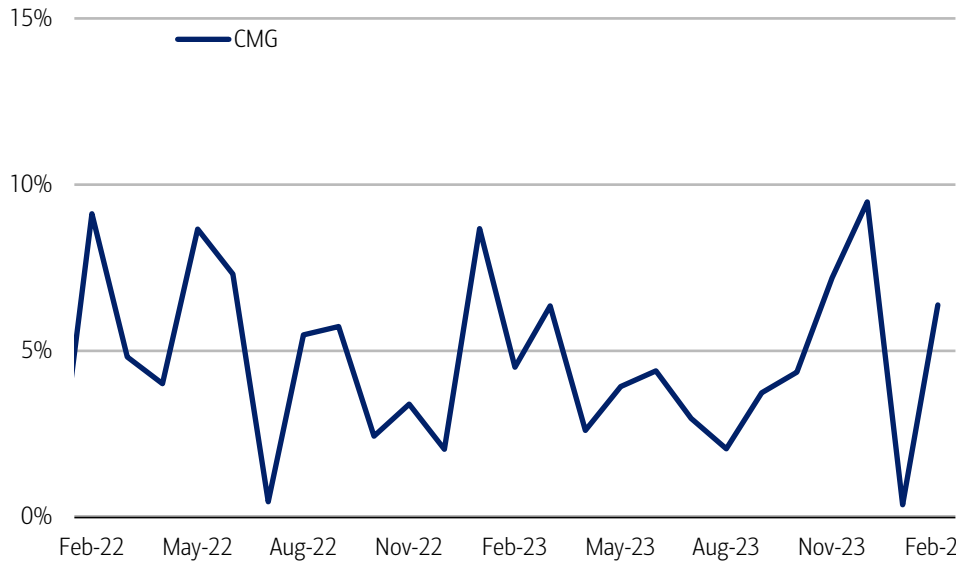
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CMG, PTLO and SG saw acceleration in y/y observed sales growth from January to February while SHAK's observed sales decelerated. CMG accelerated from 0.4% in January to 6.4% in February while PTLO ticked up from 15.5% to 16.1% and SG improved from 18.3% to 23.9%. SHAK growth slowed from 13.0% to 11.6%.



### Exhibit 11: CMG observed sales data show m/m acceleration, from 0.4% in January to 6.4% in February

CMG: y/y growth according to Bloomberg Second Measure data (Monthly)

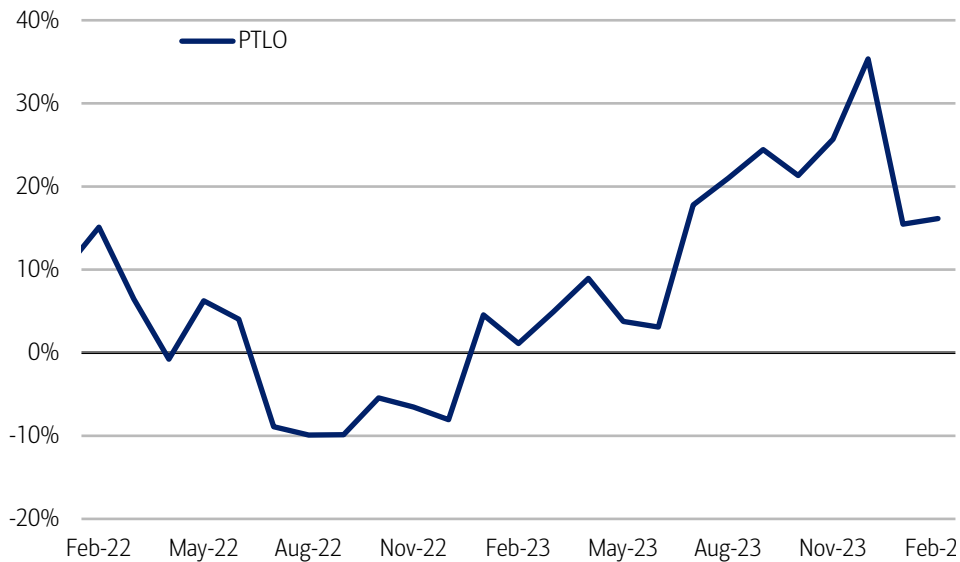


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 12: PTLO observed sales data show m/m acceleration, from 15.5% in January to 16.1% in February

PTLO: y/y growth according to Bloomberg Second Measure data (Monthly)



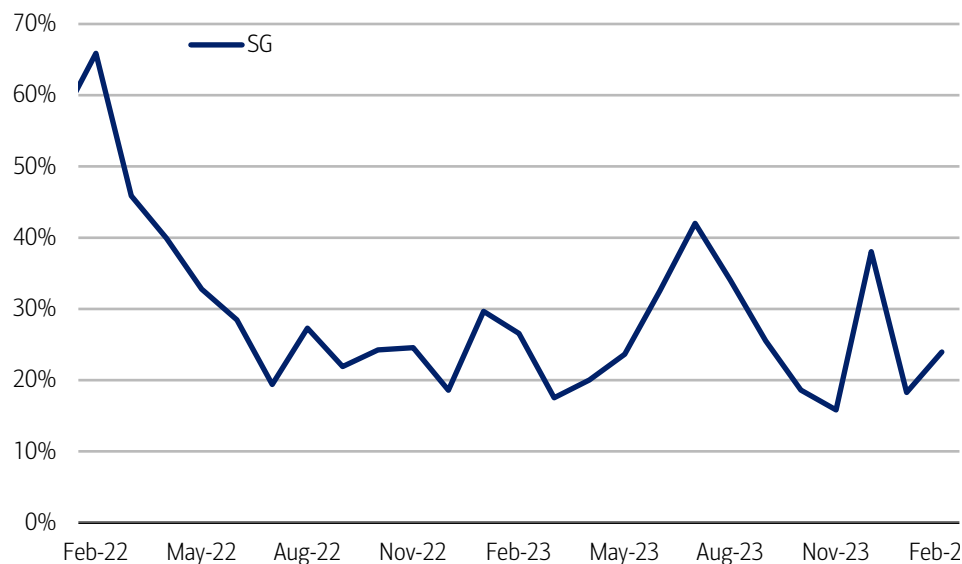
Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 13: SG observed sales data show m/m acceleration, from 18.3% in January to 23.9% in February

SG: y/y growth according to Bloomberg Second Measure data (Monthly)

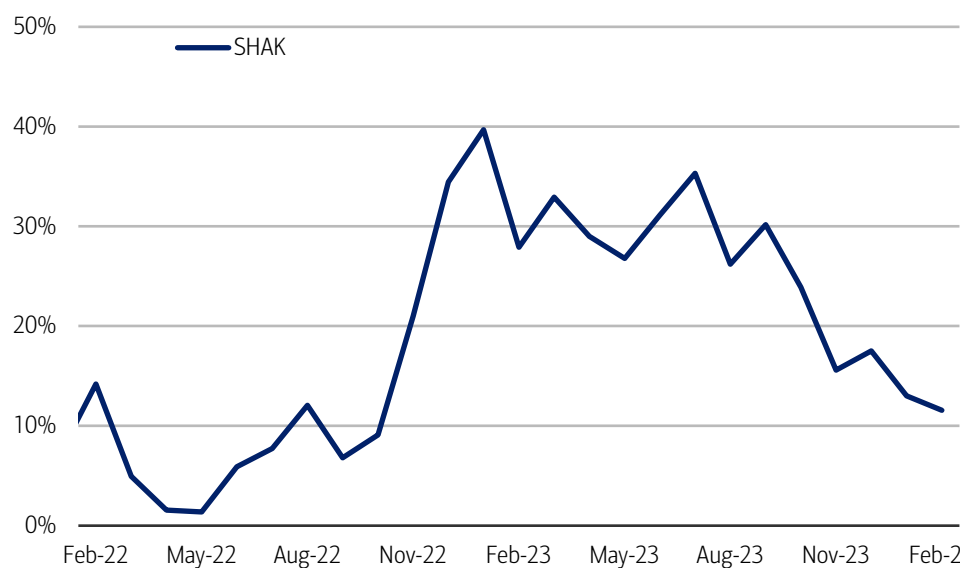


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 14: SHAK observed sales data show m/m deceleration, from 13.0% in January to 11.6% in February

SHAK: y/y growth according to Bloomberg Second Measure data (Monthly)



Source: Bloomberg Financial LP – ALTD <GO>

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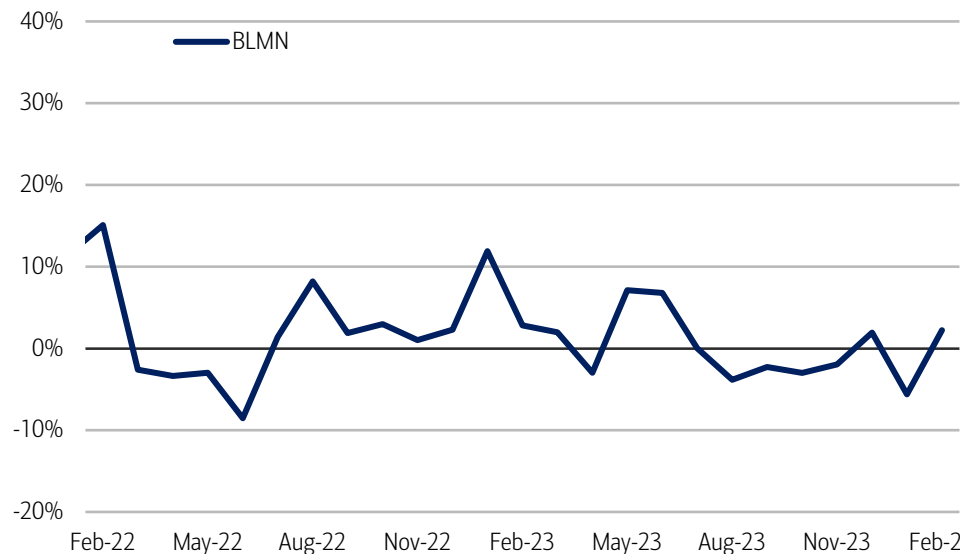
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Second Measure data show a step-up in y/y observed sales growth across our full-service coverage with the exception of CAKE, whose growth slowed from 1.2% in January to 0.46% in February. CBRL saw a decline in February of -0.55%, an improvement from January's -4.6%. BLMN and DRI observed sales growth accelerated from -5.6% to 2.2% and 1.3% to 7.0% respectively. Observed sales growth also

accelerated across EAT (from 2.3% to 7.6%), FWRG (6.6% to 9.3%) and TXRH (8.6% to 14.8%). TXRH reported a 6.8% SSSG increase for the first 7 weeks of 1Q, with weather estimated to be a 1ppt headwind to traffic.

**Exhibit 15: BLMN observed sales data show m/m acceleration, from -5.6% in January to 2.2% in February**

BLMN: y/y growth according to Bloomberg Second Measure data (Monthly)

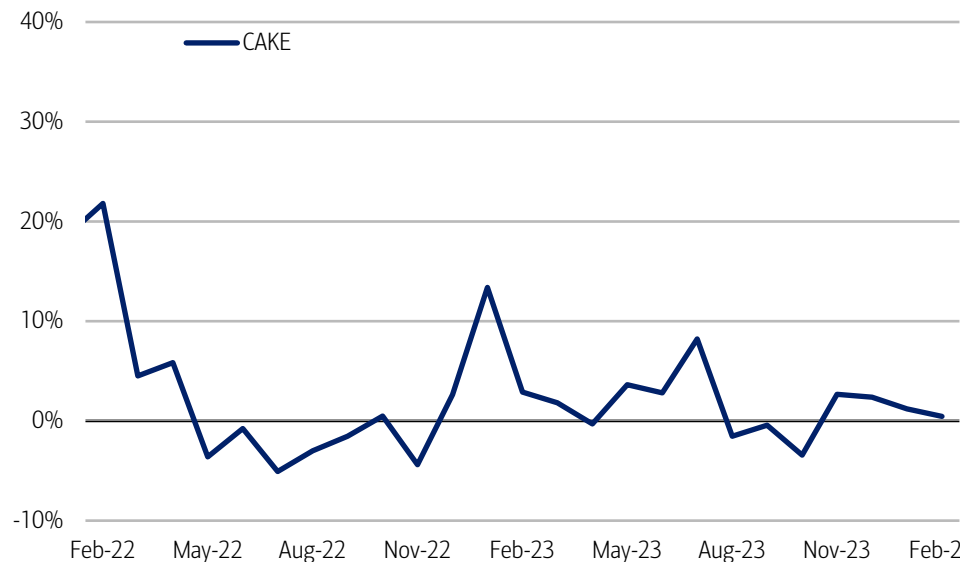


Source: Bloomberg Financial LP – ALTD <GO>

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**Exhibit 16: CAKE observed sales data show m/m deceleration, from 1.2% in January to 0.46% in February**

CAKE: y/y growth according to Bloomberg Second Measure data (Monthly)

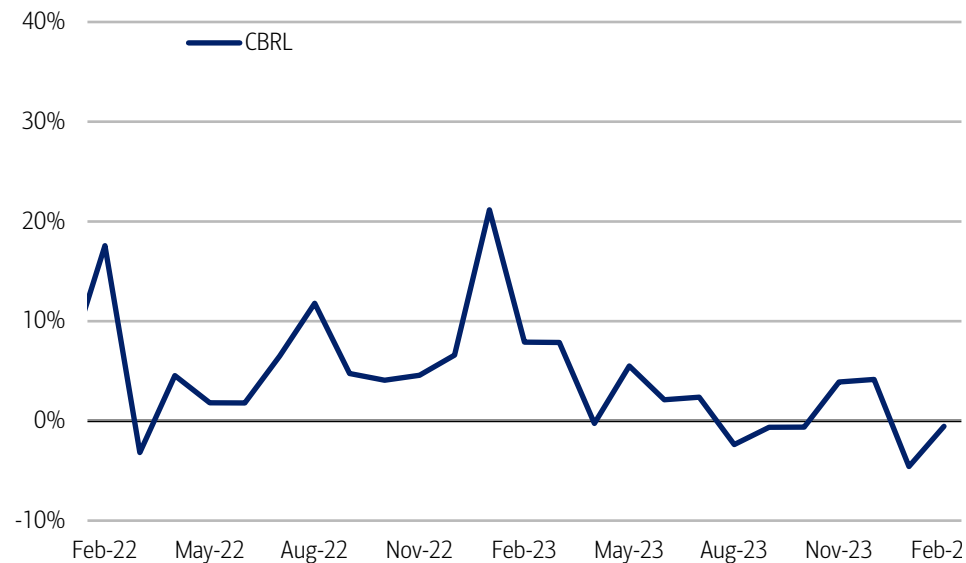


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 17: CBRL observed sales data show m/m acceleration, from -4.6% in January to -0.55% in February

CBRL: y/y growth according to Bloomberg Second Measure data (Monthly)

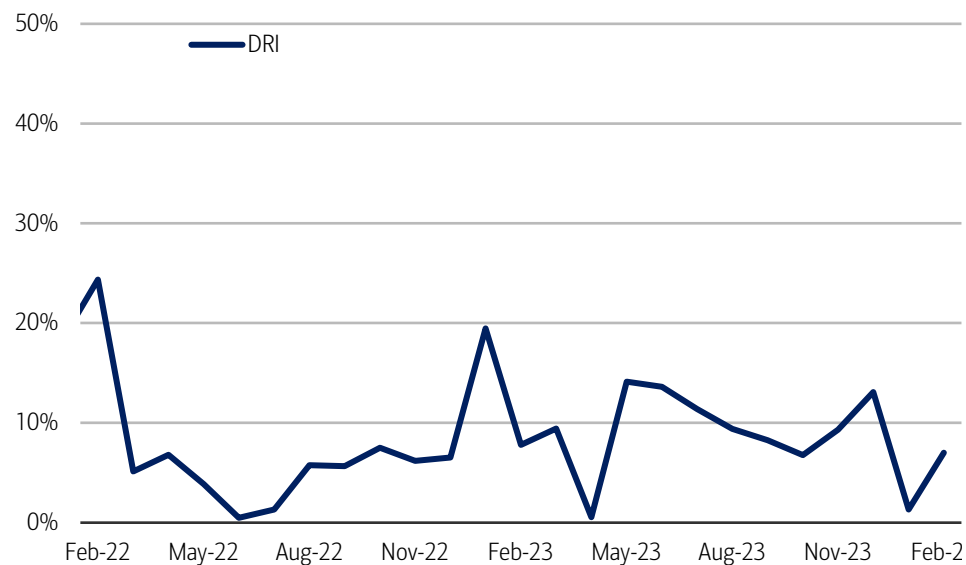


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 18: DRI observed sales data show m/m acceleration, from 1.3% in January to 7.0% in February

DRI: y/y growth according to Bloomberg Second Measure data (Monthly)

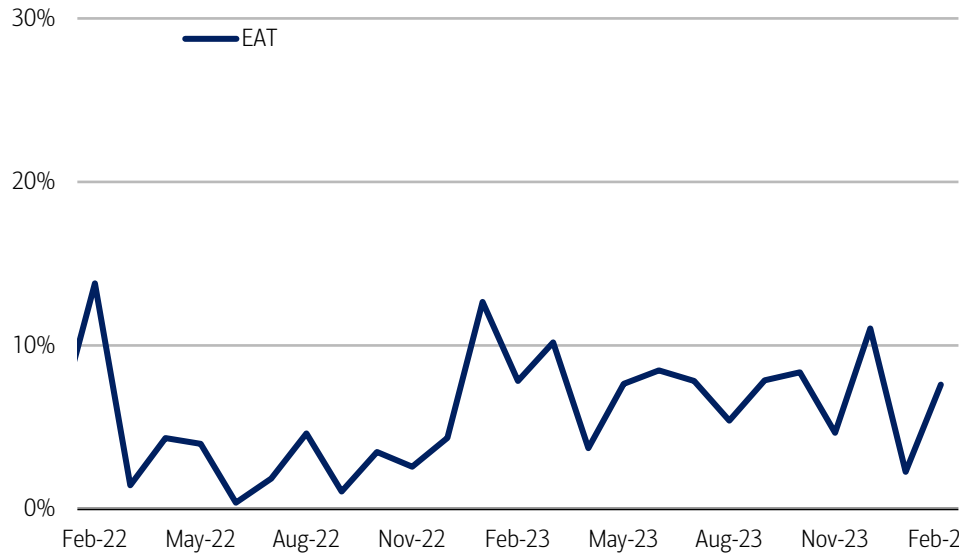


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### Exhibit 19: EAT observed sales data show m/m acceleration, from 2.3% in January to 7.6% in February

EAT: y/y growth according to Bloomberg Second Measure data (Monthly)

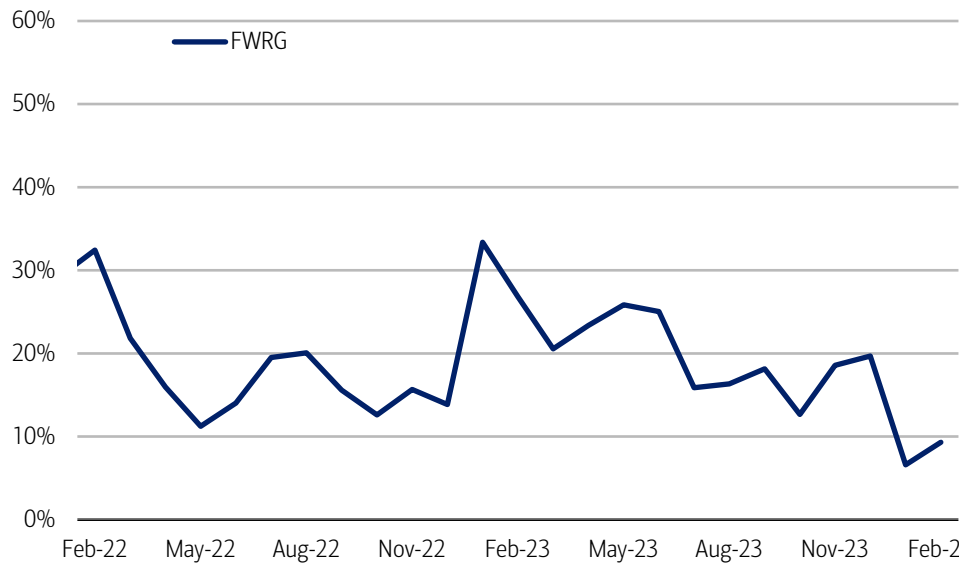


Source: Bloomberg Financial LP – ALTD <GO>

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### Exhibit 20: FWRG observed sales data show m/m acceleration, from 6.6% in January to 9.3% in February

FWRG: y/y growth according to Bloomberg Second Measure data (Monthly)

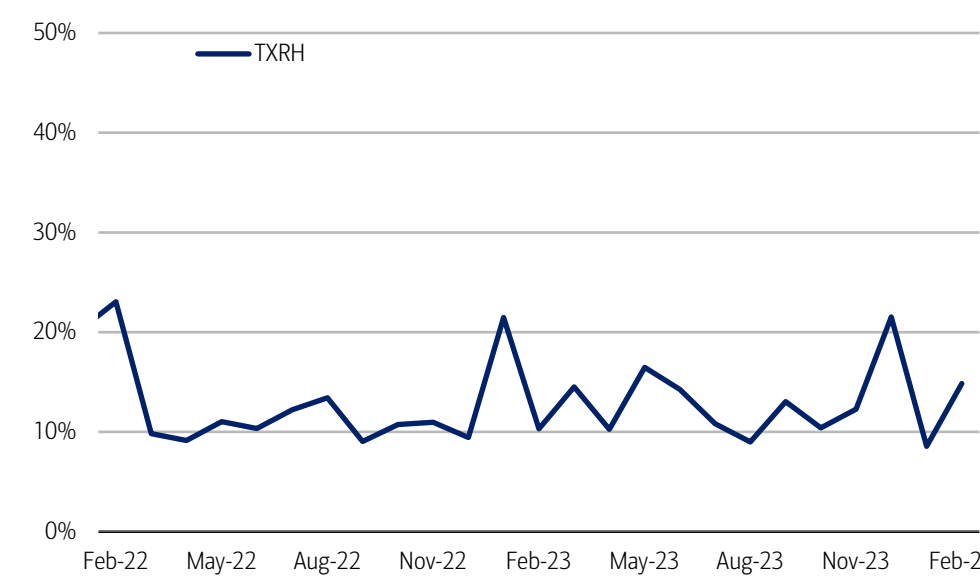


Source: Bloomberg Financial LP – ALTD <GO>

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**Exhibit 21: TXRH observed sales data show m/m acceleration, from 8.6% in January to 14.8% in February**

TXRH: y/y growth according to Bloomberg Second Measure data (Monthly)



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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R1</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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