US Restaurant Sector Report - January 2025

Industry Takeaways

January Restaurant Industry Trends: A Strong Start to the Year?

Industry data from **30+ restaurant companies** suggests robust growth in January 2025, with year-over-year (y/y) metrics indicating broad improvement across key indicators such as consumer spending, transaction counts, and foot traffic. However, **a deeper look into the data suggests that this strength is largely a reflection of an easy comparison to January 2024,** when extreme weather disrupted dining patterns nationwide.

Industry-Wide Table

		Oct '24	Nov '24	Dec '24	Jan '25
Spend Analysis y/y	CE Consumer Edge	0.4%	3.5%	0.1%	1.8%
accel/decel (pp)		*1.5*	*3.1*	*-3.4*	*1.7*
2yr CAGR		*3.9%*	*7.8%*	*5.4%*	*0.8%*
Transaction Count y/y	CE Consumer Edge	-1.2%	0.5%	-0.7%	-0.1%
accel/decel (pp)		*2.3*	*1.7*	*-1.2*	*0.6*
2yr CAGR		*-0.8%*	*0.8%*	*0.5%*	*-3.5%*
Foot Traffic y/y	Placer.ai	0.6%	-0.5%	-1.1%	3.0%
accel/decel (pp)		*3.0*	*-1.1*	*-0.6*	*4.1*
2yr CAGR		*0.4%*	*1.6%*	*1.6%*	*0.3%*
DAUs y/y	SensorTower	-2.0%	1.6%	1.3%	3.1%
accel/decel (pp)		*0.4*	*3.6*	*-0.3*	*1.8*
2yr CAGR		*5.6%*	*11.7%*	*8.5%*	*7.9%*
App Sessions y/y	apptopia	3.1%	4.8%	0.8%	-1.8%
accel/decel (pp)		*2.6*	*1.7*	*-4.0*	*-2.6*
2yr CAGR		*18.8%*	*26.3%*	*20.1%*	*18.9%*

Data through Jan 31, 2025

For any questions on the report, please feel free to email research@exabel.com

Industry Metrics: Growth vs. Underlying Trends

January's 2025 y/y growth trends looked impressive. **Consumer Edge** data shows **spend and transaction growth** accelerated in January. **Placer.ai Foot traffic,** which had weakened slightly in December, rebounded in January, reflecting increased consumer mobility. Similarly, **App data** engagement remained solid. **Sensor Tower** DAUs accelerated in January, **and Apptopia Sessions** long-term trends remain intact.

However, **the industry's performance appears less impressive when viewed through a two-year compound annual growth rate (2yr CAGR) lens**. Recall that much of the United States suffered from extreme weather last year (link), which created **a low base and inflated y/y comparisons**. January 2025 2yr CAGRs lag behind those observed in late 2024, indicating that **underlying consumer momentum may not be as strong as the y/y numbers suggest**. For example, while y/y foot traffic surged, the 2yr CAGR shows only modest expansion, implying that much of the perceived strength is a function of last year's weak base rather than a significant acceleration in consumer demand.

As a result, **while headline metrics suggest a strong start to 2025, we caution against becoming overly bullish on the sector's organic performance**. The underlying two-year trends point to a more tempered recovery, indicating that while conditions are improving, the industry continues to navigate a complex consumer landscape.

Exabel Platform

Unified Predictive Signals from the Best Alternative Data

Exabel excels at **integrating diverse alternative data sources** into a **single, actionable signal**. Exabel delivers **highly accurate and reliable predictions** tailored to key performance indicators (KPIs) by mapping distinct datasets- each rooted in fundamental insights.

Gaining Confidence in Variant Opinions

Exabel provides **powerful tools and curated insights** to help users understand the **drivers behind a KPI** and build conviction in their investment ideas as alternative data evolves.

Solving the Challenges of Alternative Data

High-frequency datasets often differ in **predictive power** and may signal **conflicting growth trends**, making interpretation complex. Exabel addresses this challenge by **assigning appropriate weightings** to each data input, generating a **unified and trustworthy "source of truth."**

With Exabel, users benefit from **ready-to-use solutions** while maintaining **full control** over their proprietary insights. User-generated contributions remain **private** unless shared intentionally. The platform empowers investment teams by integrating **unique perspectives** into KPI modeling, allowing for the creation of **customized, high-performance models**.

By **streamlining workflows**, Exabel enables teams to **iterate efficiently, optimize alpha, and confidently answer critical investment questions.**

Company-Specific Deep Dive:

The **following analysis is specific to Brinker International** (EAT US). It is important to note that individual company performance will deviate from the broader industry's trends, which we highlight in the following section.

Brinker International, Inc. (EAT US) | System wide sales - Chili's

Background:

Brinker International's [stock price surged](#) **16% on January 29** following the morning release of its F2Q earnings. The market reaction was largely driven by **Chili's strong performance**, indicating that its outperformance may not have been fully priced in ahead of the announcement.

Given this backdrop, key questions arise: **Has consensus fully adjusted to the sales acceleration at Chili's and incorporated it into future forecasts? Is there still upside potential relative to expectations?**

Let us support your investment teams:
Please reach out to discuss how Exabel can enhance your decision-making processes or share feedback on how we can better serve your needs.

F3QTD Trends:

The **auto-generated Exabel** model currently (data through February 10th) projects a **beat** for F3Q, albeit to a **lesser extent** than in F2Q. This suggests that **Chili's sales may still not be fully priced in**, leaving room for potential upside surprise.

Exabel's platform integrates the **best available inputs** from a client's **vendor subscriptions**, combining them to generate **optimized KPI predictions**. For EAT, using data available from our marketing partners, the strongest inputs for modeling **system-wide sales at Chili's** come from **Consumer Edge, Placer.ai, and Facteus**.

Below, we present the **combined forecast** alongside **F2Q performance**, where Exabel accurately predicted the beat that contributed to the stock's price surge following the earnings release.

Predictions YoY

R1

- ● Actual (R1) ◆ Consensus (R1) ■ Exabel Model (R1)
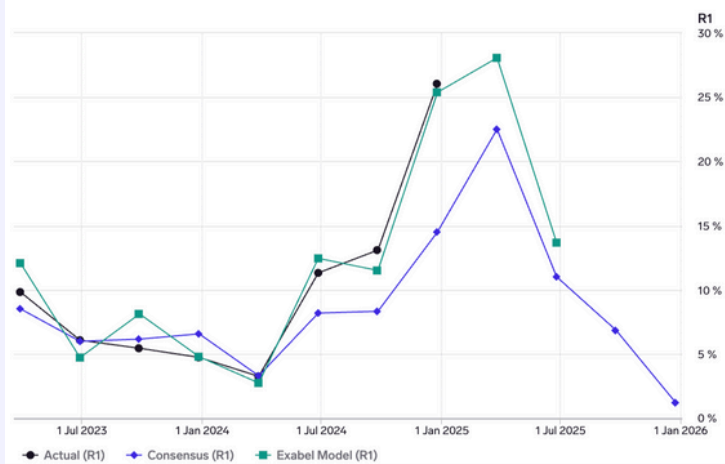
Revisions - 3Q-2025 (26 Mar 2025)
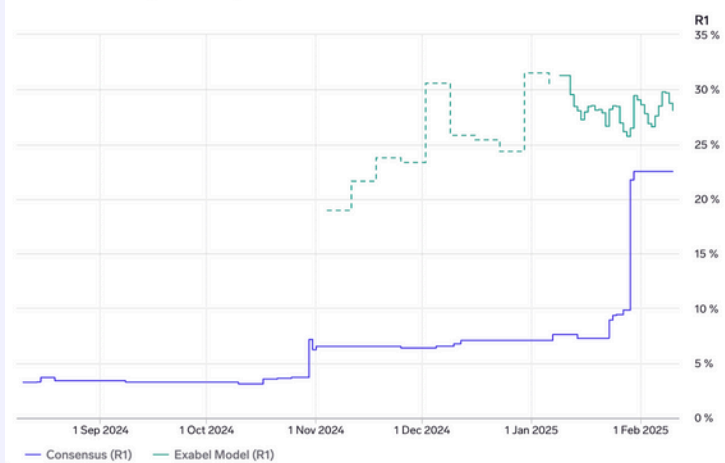
R1

— Consensus (R1) — Exabel Model (R1)

Model composition

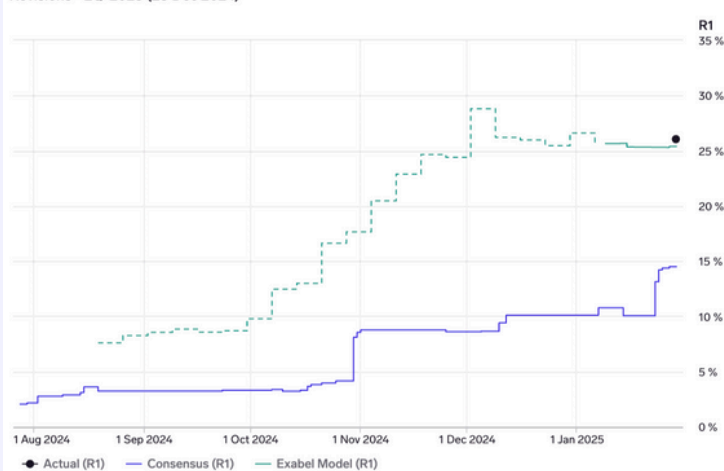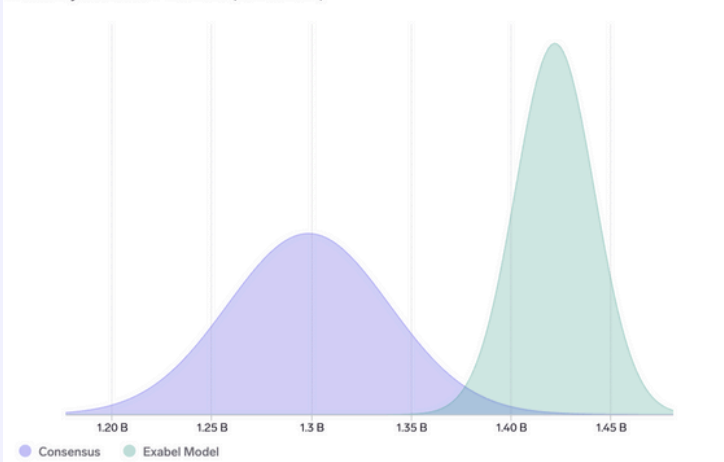| ▸ Model	Weight
▾ Exabel Model (Ratio Prediction)	100 %
Consumer Edge - USA1 eMax Spend	47 %
Placer.ai - Foot Traffic	27 %
Consumer Edge - USA Combined eMax Spend	23 %
Facteus - Arbiter Index Total Spend	3 %

F2Q24 Review

As an Exabel client with subscriptions to Consumer Edge, Placer.ai and Facteus, you could have predicted a 9% beat for EAT's system wide sales at Chili's as early as September. Adjusting for the Exabel Auto Model's historical error of 1.1%, this results in a confidence score of +8.5. Similarly, comparable models have demonstrated a historical hit rate of over 75%.

EAT's stock price surged by 16% on January 29th following the morning release of its F2Q earnings. The market reaction was primarily driven by Chili's performance, suggesting that its outperformance had not been fully priced in.

Revisions - 2Q-2025 (25 Dec 2024)

Probability distribution - 2Q-2025 (25 Dec 2024)

Model composition	
▸ Model	Weight
▾ Exabel Model (Ratio Prediction)	100 %
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About the Report

Exabel's US Restaurant Sector Insights Report provides investors with a comprehensive analysis of the dynamic US restaurant industry, leveraging alternative data sources such as Apptopia, Consumer Edge, Placer.ai, Sensor Tower, and others. By integrating our partners' data with Exabel's advanced analytics platform, the report offers actionable insights into industry trends and company performance.

The analysis covers over 30+ North American companies, employing a rigorous methodology to ensure accuracy and comparability. Additionally, the report periodically delves deeper into specific companies, subsets, or emerging industry trends to provide targeted insights.

For further discussion on the findings or to address specific questions, we encourage readers to reach out. Our team is eager to support your investment decisions with tailored insights and expert analysis.

For any questions on the report, please feel free to email research@exabel.com

Disclaimer

Data Partners

Consumer Edge

Consumer Edge is the foremost authority in consumer data-led insights, pioneering innovative consumer data solutions on the global market. Headquartered in NYC, Consumer Edge delivers unparalleled views into global consumer spending behavior coupled with deep industry knowledge and analytical expertise for enhanced strategic decision-making across the investment and corporate landscapes.

Placer.ai

Placer.ai leverages tens of millions of devices and utilizes machine learning to make estimations for visits to locations across the country. It integrates it with dozens of complementary data types, including consumer demographics, psychographics, spending patterns, and media consumption, then aggregating that data to generate insights describing individual locations, companies, tickers, and more.

Sensor Tower

Sensor Tower is the leading, trusted source of enterprise-grade market intelligence and performance metrics for the mobile app and digital advertising ecosystem. Founded in 2013, the company's mobile app and digital ad data enables roughly 400 of the world's largest investors with the most accurate signals on the digital economy.

apptopia

Apptopia provides mobile performance data for apps published across all categories and countries on the iOS & Google Play app stores. Apptopia delivers highly accurate analytics and forecasts for metrics such as downloads, usage, revenue, company performance and more for public and private companies globally.

Facteus

Facteus is the largest provider of consumer transaction data in the Alternative Data industry specializing in providing comprehensive consumer spending data to businesses in the financial sector, delivering actionable insights to empower investors to make data-driven decisions.

Coverage List

BJRI	BJ's Restaurants, Inc.
BLMN	Bloomin' Brands, Inc.
EAT	Brinker International, Inc.
CAVA	Cava Group, Inc.
CAKE	Cheesecake Factory, Inc.
CMG	Chipotle Mexican Grill, Inc.
CBRL	Cracker Barrel Old Country Store, Inc.
DRI	Darden Restaurants, Inc.
	Del Taco Restaurants, Inc.
DENN	Denny's Corp.
DIN	Dine Brands Global, Inc.
DPZ	Domino's Pizza, Inc.
LOCO	El Pollo Loco Holdings, Inc.
FAT	FAT Brands, Inc.
GENK	GEN Restaurant Group, Inc.
JACK	Jack in the Box, Inc.
KRUS	Kura Sushi USA, Inc.
MCD	McDonald's Corp.
NDLS	Noodles & Co.
PZZA	Papa John's International, Inc.
PBPB	Potbelly Corp.
RAVE	Rave Restaurant Group, Inc.
RRGB	Red Robin Gourmet Burgers, Inc.
QSR	Restaurant Brands International, Inc.
SHAK	Shake Shack, Inc.
SBUX	Starbucks Corp.
TXRH	Texas Roadhouse, Inc.
STKS	The ONE Group Hospitality, Inc.
WEN	The Wendy's Co.
WING	Wingstop, Inc.
YUM	Yum! Brands, Inc.

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