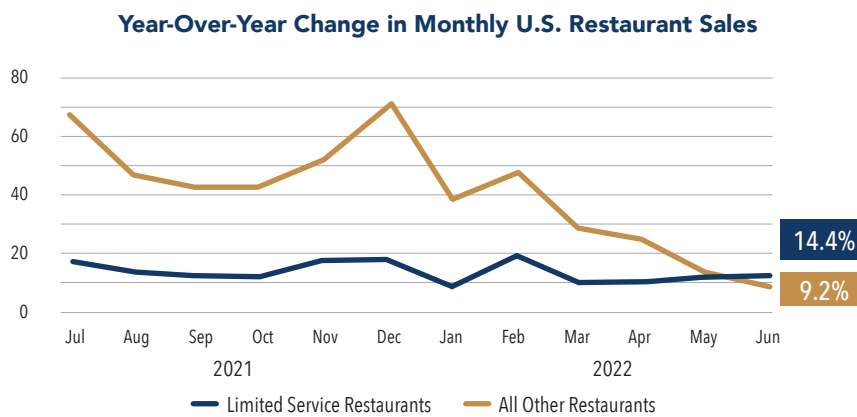


A NEW GOLDEN AGE FOR FAST FOOD?

DESPITE MARKET TURBULENCE, QUICK SERVICE RESTAURANTS REMAIN AN APPETIZING OPTION FOR MANY AMERICANS.

Historically, the quick service restaurant (“QSR”) industry has a resilient track record. In 2008, the first full year of the Great Recession, restaurant spend actually increased 3%.¹

During the pandemic, QSRs outperformed the restaurant industry as a whole.² Despite the current inflationary market, **QSR sales growth remains robust, up 14.4% year-over-year, as of June 2022**, while sales growth at other restaurants has slowed sharply to 9.2% year-over-year.²



QSRs are a staple of American culture, with 36.6% of American adults, or roughly 84.8 million people, consuming fast food daily.³ Additionally, QSRs have several possible competitive advantages to help handle uncertain market conditions, including:



Ability to function with a smaller workforce: While other industries struggle to find employees, QSRs may utilize drive-thru lanes and other technology to serve more customers with fewer people.



E-commerce resistance: Fast food most likely cannot be replaced by large online retailers.



Cost pass-through: With their relatively low-cost items, QSRs may quickly streamline menus and adjust prices more easily than other retailers.

1. Rutherford, James. “Consumer: Restaurants Industry Note.” Stephens. March 9, 2022.

2. Buchholz, Katharina. “In Uncertain Times, Americans Stick with Fast Food.” September 2, 2022. <https://www.statista.com/chart/28154/restaurant-sales-by-month-and-type-us/>

3. “Fast Food Statistics.” The Barbeque Lab. September 2022. <https://thebarbecueclub.com/fast-food/#:~:text=Statistics%20from%20a%20survey%20conducted,eating%20fast%20food%20every%20day!>



During the pandemic, many busy Americans turned to fast food, and many continue to utilize this pandemic-ingrained habit. **Drive-thru orders have increased 20% between February 2020 and February 2022.**⁴ This growth and resiliency has even led to the industry publication, QSR, declaring this as a potential “golden era of fast food.”⁵

While the fast food industry does face challenges, such as dealing with headwinds like inflation and supply chain issues, it also offers many potential benefits. With the emergence of this new “golden era” and the sector’s historical track record, the QSR industry appears to be well-positioned to weather the turbulence of uncertain market conditions.

The fast food industry offers many potential benefits and **the QSR industry appears to be well-positioned to perform in uncertain market conditions.**

At Tasty Restaurant Group, we have not simply jumped on the fast food bandwagon. With over 20 years of QSR industry experience, we have the expertise, vision and technical skills to execute at every level of the QSR industry – from human resources to the latest in technology – while simultaneously growing our portfolio. We currently oversee more than 400 units across 20 states and six brands.

4. Song, Zijia. “Drive Thru Restaurants Find Fast Lane to Profit as Pandemic Habits Stick.” Bloomberg. August 17, 2022.

<https://www.bloomberg.com/news/articles/2022-08-17/it-s-boom-time-for-drive-thru-restaurants-as-pandemic-habits-stick?sref=fDPa8NQZ&leadSource=verify%20wall>

5. Smith, Daniel. “Is a Golden Era of Fast Food Upon Us?”. QSR. August 2022. <https://www.qsrmagazine.com/reports/golden-era-fast-food-upon-us>

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