

April 2022

### Restaurant Performance Index Fell 1.5% in April

The National Restaurant Association’s Restaurant Performance Index (RPI) fell sharply in April, as both the current situation and expectations indicators registered broad-based declines. The RPI – a monthly composite index that tracks the health of the U.S. restaurant industry – stood at 102.1 in April, down 1.5% from a level of 103.7 in March.

Same-store sales and customer traffic readings were somewhat dampened compared to recent months, as many restaurants were up against more difficult comparisons in April. Looking ahead, operators’ outlook for business conditions waned in recent months, which led to a fourth consecutive decline in the RPI’s expectations component.

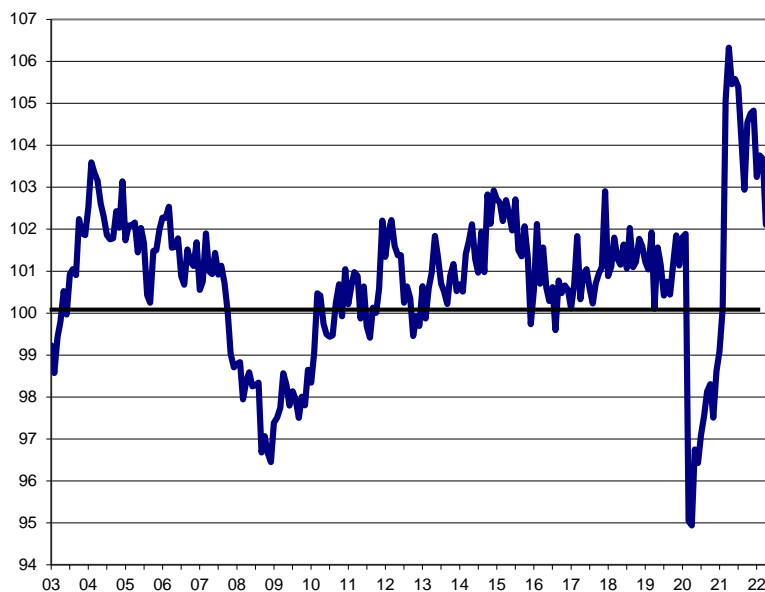
The RPI is constructed so that the health of the restaurant industry is measured in relation to a neutral level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction. The Restaurant Performance Index consists of two components – the Current Situation Index and the Expectations Index.

### Current Situation Index Fell 2.2% to a Level of 102.3 in April; Expectations Index Declined 0.8% to a Level of 101.9

The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 102.3 in April – down 2.2% from a level of 104.6 in March. All four of the current situation indicators declined in April, led by softer same-store sales and customer traffic readings.

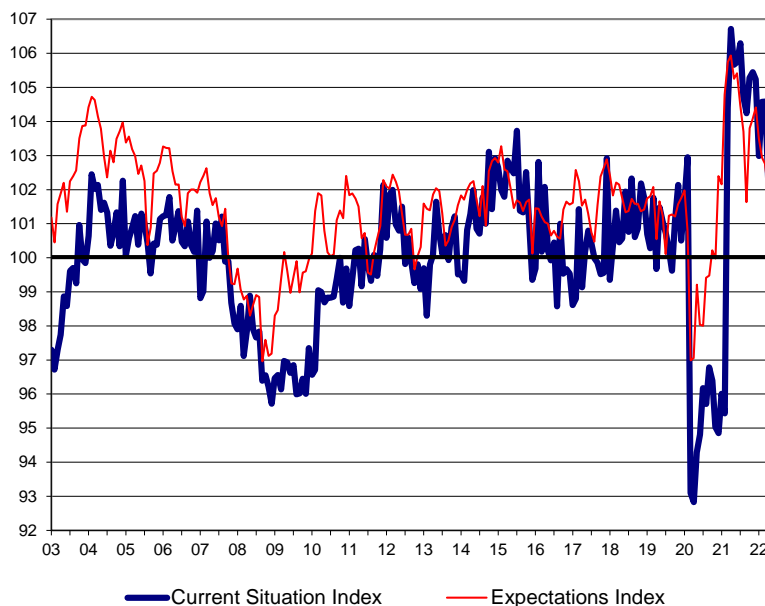
The Expectations Index, which measures restaurant operators’ six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 101.9 – down 0.8% from the previous month and the fourth consecutive monthly decline. Although operators remain cautiously optimistic about sales growth in the months ahead, they had a net negative outlook for the overall economy for the third straight month.

### Restaurant Performance Index



Source: NRA; Values Greater than 100 = Expansion; Values Less than 100 = Contraction

### Current Situation & Expectations Indices



Source: NRA; Values Greater than 100 = Expansion; Values Less than 100 = Contraction

### Restaurant Operators Reported Softer Same-Store Sales and Customer Traffic in April

Same-store sales and customer traffic readings were somewhat dampened compared to recent months, as many restaurants were up against tougher comps in April. Sixty-three percent of restaurant operators said their same-store sales rose between April 2021 and April 2022, down from 75% in March and the lowest reading since February 2021. Twenty-four percent of operators said their sales were lower in April, compared to 10% who reported similarly in March.

Restaurant operators reported even softer customer traffic results in April. Fifty-one percent of restaurant operators said their customer traffic rose between April 2021 and April 2022, compared to 69% who reported similarly in March. Twenty-nine percent of operators said their customer traffic declined in April, up from 17% who reported lower traffic in March.

Along with dampened sales and traffic, restaurant operators reported a downtick in capital spending. Sixty percent of operators said they made a capital expenditure for equipment, expansion or remodeling during the last three months. That represented the lowest reading in four months.

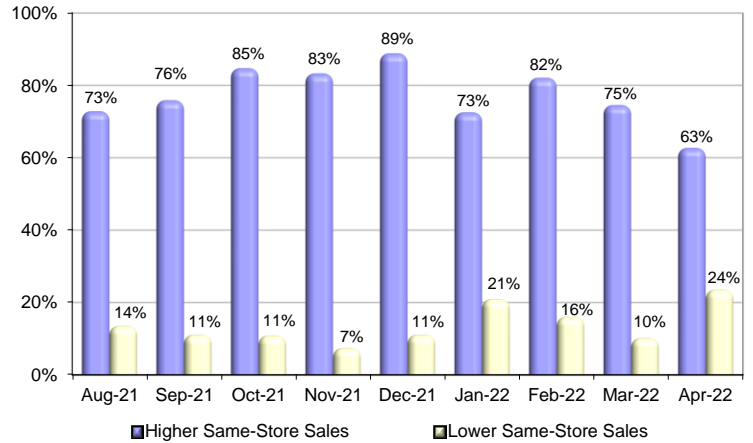
### Restaurant Operators' Outlook for Business Conditions is a Mixed Bag

Restaurant operators' outlook for business conditions waned somewhat in recent months. Forty-nine percent of operators expect their sales volume in six months to be higher than it was during the same period in the previous year. That was down from 59% who reported similarly last month. Twenty percent of operators expect their sales in six months to be lower than it was during the same period in the previous year, up from 10% last month.

Restaurant operators are much less optimistic about the overall economy. Only 20% of operators said they expect economic conditions to improve in six months, while 39% think economic conditions will worsen during the next six months. That represented the third consecutive month in which operators had a net negative outlook for the economy – the first such occurrence in three years.

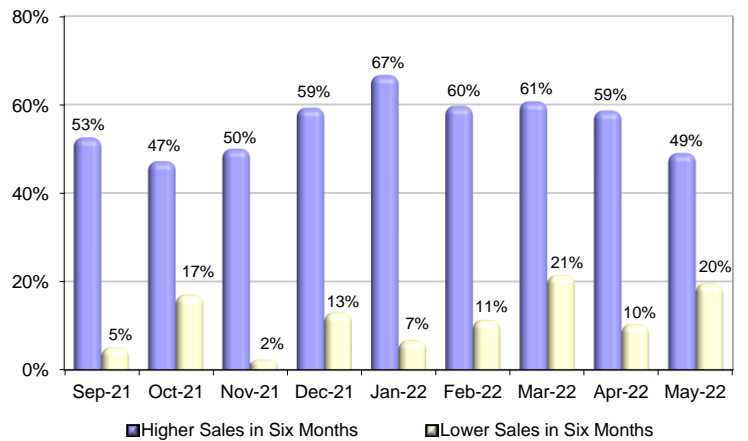
Despite the uncertainty about business conditions, a solid majority of operators are still planning for capital expenditures. Seventy percent of operators said they plan to make a capital expenditure for equipment, expansion or remodeling during the next six months. That was up from 63% last month, and represented the seventh consecutive month with a reading above 60%.

### Restaurant Operators' Reporting of Same-Store Sales versus Same Month in Previous Year



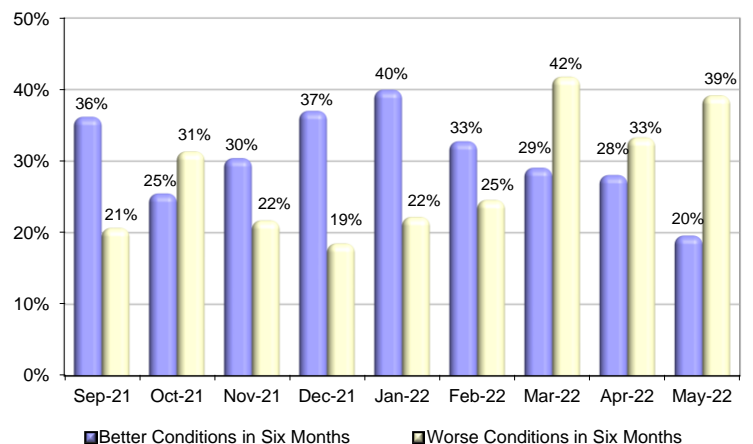
Source: National Restaurant Association, Restaurant Industry Tracking Survey

### Restaurant Operators' Outlook for Sales Volume in Six Months versus Same Period in Previous Year



Source: National Restaurant Association, Restaurant Industry Tracking Survey

### Restaurant Operators' Outlook for General Economic Conditions in Six Months



Source: National Restaurant Association, Restaurant Industry Tracking Survey

## National Restaurant Association Restaurant Performance Index and Its Components

	December 2021	January 2022	February 2022	March 2022	April 2022	Apr-22 over Mar-22
<b>Restaurant Performance Index</b>	104.8	103.2	103.8	103.7	102.1	-1.5%
<b>Current Situation Index</b>	105.2	103.0	104.6	104.6	102.3	-2.2%
<i>Current Situation Indicators:</i>						
Same-Store Sales	107.8	105.2	106.6	106.4	103.9	-2.4%
Customer Traffic	107.1	102.3	104.0	105.3	102.2	-2.9%
Labor	104.4	102.1	103.5	103.7	101.2	-2.4%
Capital Expenditures	101.6	102.5	104.2	103.0	102.0	-1.0%
<b>Expectations Index</b>	104.4	103.5	102.9	102.8	101.9	-0.8%
<i>Expectations Indicators:</i>						
Same-Store Sales	106.0	104.8	103.9	104.8	102.9	-1.8%
Staffing	105.5	105.2	104.9	104.1	102.6	-1.4%
Capital Expenditures	104.4	103.1	104.2	102.6	104.0	1.3%
Business Conditions	101.8	100.8	98.7	99.5	98.0	-1.4%

*Note: For each of the Indices and Indicators, a value above 100 signals a period of expansion while a value below 100 signals a period of contraction.*

### Definitions

The National Restaurant Association's *Restaurant Performance Index* is a statistical barometer that measures the overall health of the U.S. Restaurant Industry. This monthly composite index is based on the responses to the National Restaurant Association's monthly Restaurant Industry Tracking Survey, which is fielded among restaurant operators nationwide on a variety of indicators including sales, traffic, labor and capital expenditures. The *Restaurant Performance Index* is composed of two equally-weighted components: the Current Situation Index and the Expectations Index. For each of the Indices and Indicators, a value above 100 signals a period of expansion while a value below 100 signals a period of contraction. The distance from 100 signifies the magnitude of the expansion or contraction.

The Current Situation Index is a composite index based on four 'recent-period' restaurant industry indicators:

*Same-Store Sales:* Compares same-store sales volume in the reference month versus the same month in the previous year

*Customer Traffic:* Compares customer traffic in the reference month versus the same month in the previous year

*Labor:* Compares the number of employees and the average employee hours in the reference month versus the same month in the previous year

*Capital Expenditures:* Measures capital expenditure activity during the three most recent months

The Expectations Index is a composite index based on four 'forward-looking' restaurant industry indicators:

*Same-Store Sales:* Restaurant operators' outlook for same-store sales in six months, compared to the same period in the previous year

*Staffing:* Restaurant operators' expectations for their number of employees in six months, compared to the same period in the previous year

*Capital Expenditures:* Restaurant operators' capital expenditure plans during the next six months

*Business Conditions:* Restaurant operators' outlook for general business conditions during the next six months

For a complete analysis of the National Restaurant Association's Restaurant Industry Tracking Survey including data broken out by industry segment, as well as a host of other economic indicators that impact the restaurant industry, log on to *Restaurant TrendMapper* at [www.restaurant.org/trendmapper](http://www.restaurant.org/trendmapper) (subscription required).