

April 2021

### Restaurant Performance Index Rose 1.2% in April

Bolstered by favorable comparisons for the current situation indicators, the National Restaurant Association’s Restaurant Performance Index (RPI) registered a healthy increase in April. The RPI – a monthly composite index that tracks the health of the U.S. restaurant industry – stood at 106.3 in April, up 1.2% from a level of 105.1 in March.

The recent surge in the RPI largely reflects the sales and customer traffic levels compared to the most challenging months of the pandemic, and is not a direct indication of the current health of the restaurant industry. Still, the positive trajectory in the forward-looking indicators points toward improving business conditions in the months ahead.

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 Increased 2.2% in April to a Level of 106.7; Expectations Index Edged Up 0.2% to a Level of 105.9

The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 106.7 in April – up 2.2% from a level of 104.4 in March. The vast majority of restaurant operators reported higher sales and customer traffic compared to April 2020 – the worst month of the pandemic. However, overall industry sales remain below pre-pandemic levels.

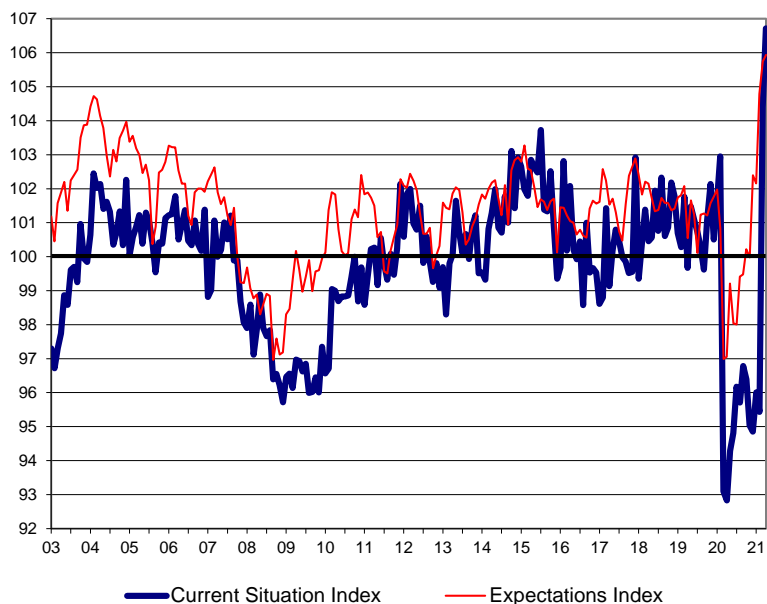
The Expectations Index, which measures restaurant operators’ six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 105.9 – up 0.2% from the previous month. Restaurant operators are generally optimistic about sales and the economy in the coming months, and their plans for capital expenditures rose to a record high.

### 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

### More Than Nine in Ten Operators Reported Higher Same-Store Sales and Customer Traffic in April

The vast majority of restaurant operators reported higher same-store sales in April, as comparisons were up against the dampened April 2020 readings. Ninety-four percent of restaurant operators reported a same-store sales increase between April 2020 and April 2021, while only 3% reported a sales decline.

While 100% of fullservice operators reported higher same-store sales in April, it wasn't unanimous in the limited-service segment. One in 10 limited-service operators said their sales were lower in April 2021 than they were in April 2020.

Ninety-three percent of restaurant operators said their customer traffic increased between April 2020 and April 2021, while only 3% reported a traffic decline.

Sixty-one percent of restaurant operators said they made a capital expenditure for equipment, expansion or remodeling during the last three months. This represented the third consecutive monthly increase, and marked the highest level since February 2020.

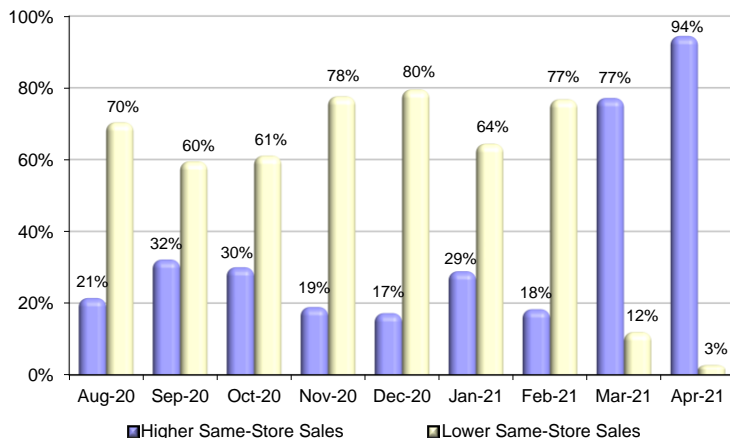
### Restaurant Operators Are Optimistic about Business Conditions in the Months Ahead

Restaurant operators are solidly optimistic about sales growth in the months ahead, though that sentiment continues to be qualified by the fact that the year-ago comparisons are pandemic levels that were dampened for most restaurants. Seventy-nine percent of restaurant operators expect their sales volume in six months to be higher than it was during the same period in the previous year, compared to 78% last month. Only 3% of operators expect their sales in six months to be lower than it was during the same period in the previous year, down slightly from 5% last month.

Restaurant operators continue to have a positive outlook for the overall economy, though optimism was down slightly from the March and April surveys. Sixty-four percent of restaurant operators said they expect economic conditions will improve in six months, down from 69% who reported similarly last month. Eleven percent of operators think economic conditions will worsen in six months, up from 5% last month.

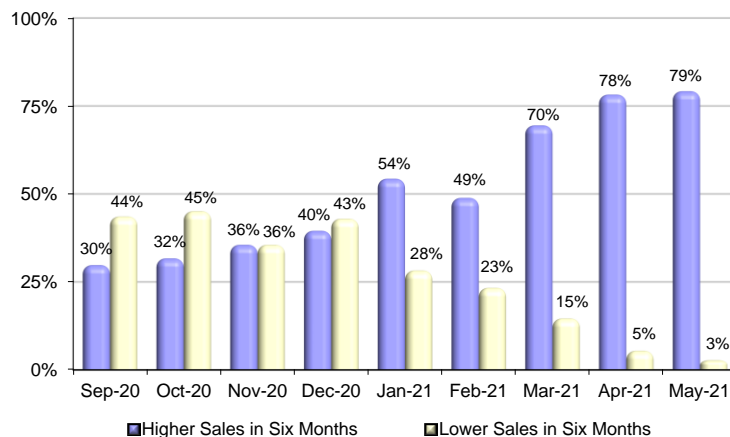
Seventy-four percent of restaurant operators plan to make a capital expenditure for equipment, expansion or remodeling in the next six months. That was up from 64% last month, and represented the highest reading in the nearly 20-year history of the monthly tracking survey.

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



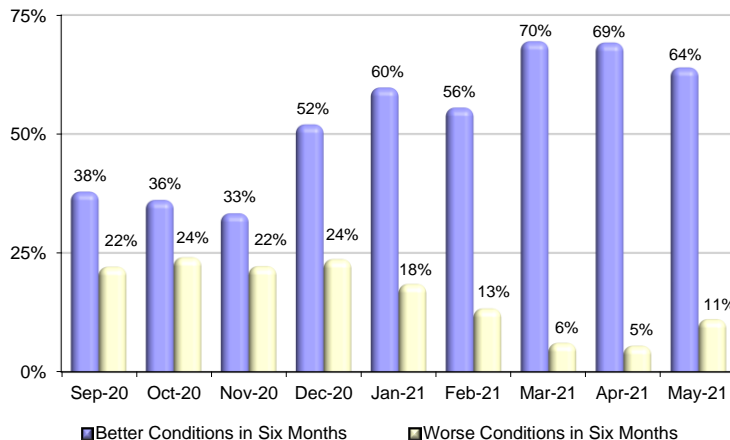
Source: National Restaurant Association, Restaurant Industry Tracking Survey

### 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 2020	January 2021	February 2021	March 2021	April 2021	Apr-21 over Mar-21
<b>Restaurant Performance Index</b>	98.6	99.1	100.1	105.1	106.3	1.2%
<b>Current Situation Index</b>	94.9	96.0	95.4	104.4	106.7	2.2%
<i>Current Situation Indicators:</i>						
Same-Store Sales	93.8	96.4	94.1	106.5	109.2	2.5%
Customer Traffic	91.7	93.9	92.8	106.0	109.0	2.9%
Labor	93.6	94.7	94.9	103.4	106.4	2.9%
Capital Expenditures	100.3	99.0	99.9	101.6	102.3	0.6%
<b>Expectations Index</b>	102.4	102.2	104.8	105.7	105.9	0.2%
<i>Expectations Indicators:</i>						
Same-Store Sales	102.6	102.6	105.5	107.3	107.6	0.3%
Staffing	102.5	101.7	104.5	106.6	105.9	-0.6%
Capital Expenditures	100.3	100.1	102.8	102.7	104.9	2.1%
Business Conditions	104.1	104.2	106.3	106.4	105.3	-1.0%

*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).