

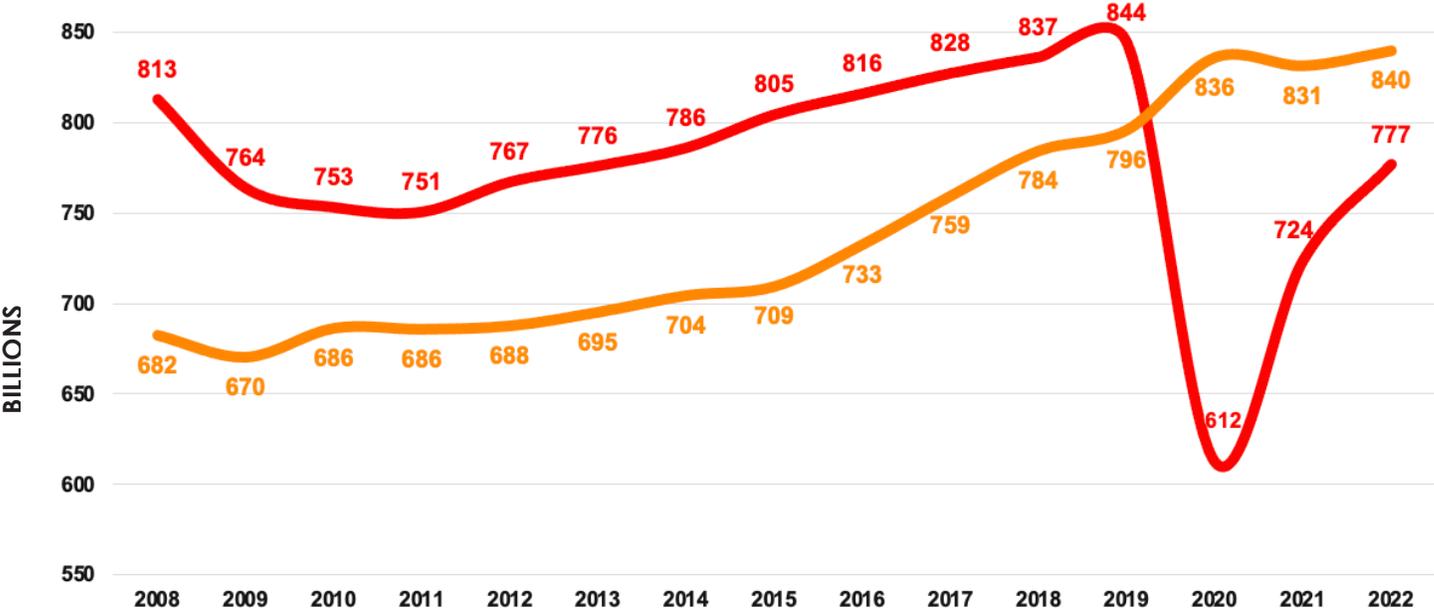
Will Eating Out Become 'In' Again?



The COVID-19 pandemic upended the foodservice industry

Foodservice isn't expected to rebound to 2019 levels until 2025, but Restaurants and Bars are expected to recover by 2024

FOODSERVICE VS RETAIL DOLLAR SALES



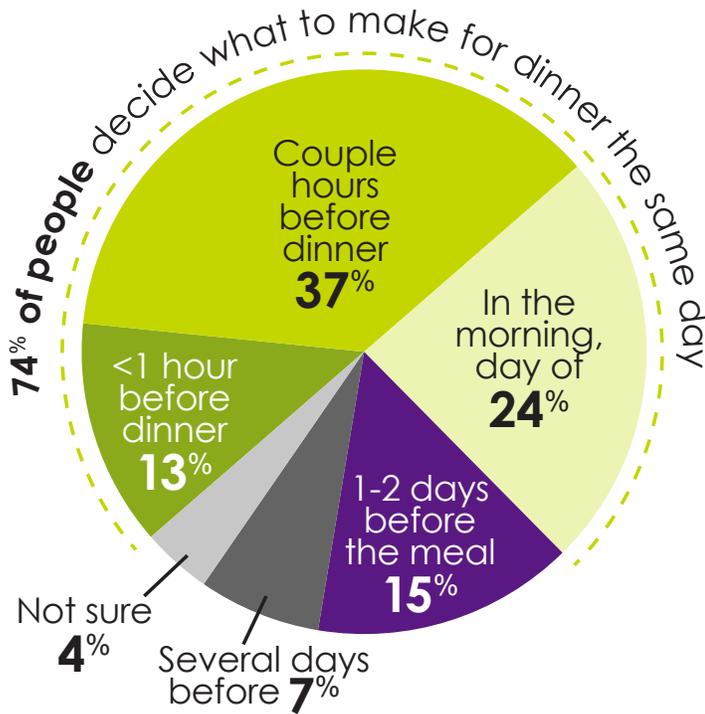
*Includes non-commercial chains
 **Excludes alcohol
 Source: Technomic, Inc.; McMillanDoolittle LLP

— Total Foodservice \$B
— Total Retail F&B Sales \$B



Shoppers make last-minute decisions on meals and lack motivation to cook

WHEN DECIDE WHAT TO MAKE FOR DINNER?



In the last three months, about **3-in-4 shoppers** have had carryout from a restaurant, dined at a restaurant and/or eaten prepared foods from a grocery store.



51% of people go out when they don't feel like cooking.



Among those eating out, frequency is relatively high:

60-70% doing so at least a couple times per month

Food trucks, pop-up restaurants and ghost kitchens are increasing in popularity



Food quality trumps everything else when it comes to choosing where to eat

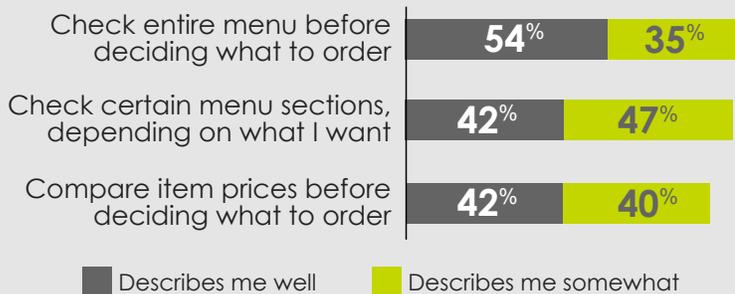
WHAT'S MOST IMPORTANT WHEN CHOOSING A RESTAURANT

FAST FOOD	CASUAL DINING	UPSCALE CASUAL
Food quality 45%	Food quality 54%	Food quality 46%
Meal price 42%	Menu variety 40%	Service 31%
Location 41%	Service 37%	Menu variety 28%



Price is important when selecting **Fast Food**, but **Menu Variety** is more important when selecting a **Casual Dining or Upscale Casual** restaurant

MENU PREFERENCES



ONLINE PRESENCE IS IMPORTANT:

58% use online tools when planning to eat out



Website



App



Social Media

COVID-19 pandemic changed habits



53%
dine in
LESS



27%
carry out
MORE



23%
drive thru
MORE



21% **MORE**
order restaurant
delivery via their app



19% **MORE**
order food delivery via a
service (Grubhub, DoorDash, UberEats)



Now that vaccines are readily available, **about half of all shoppers** are feeling more comfortable eating out.

Yet as infections rise, **nearly 50%** will stop going out entirely or switch to take-out or delivery.

Another 23% will dine out regardless.

Safety continues to be a concern for diners, while restaurants experience labor shortages and rising food costs



Over half of diners want continued Covid safety precautions including requiring the kitchen and wait staff to wear masks.



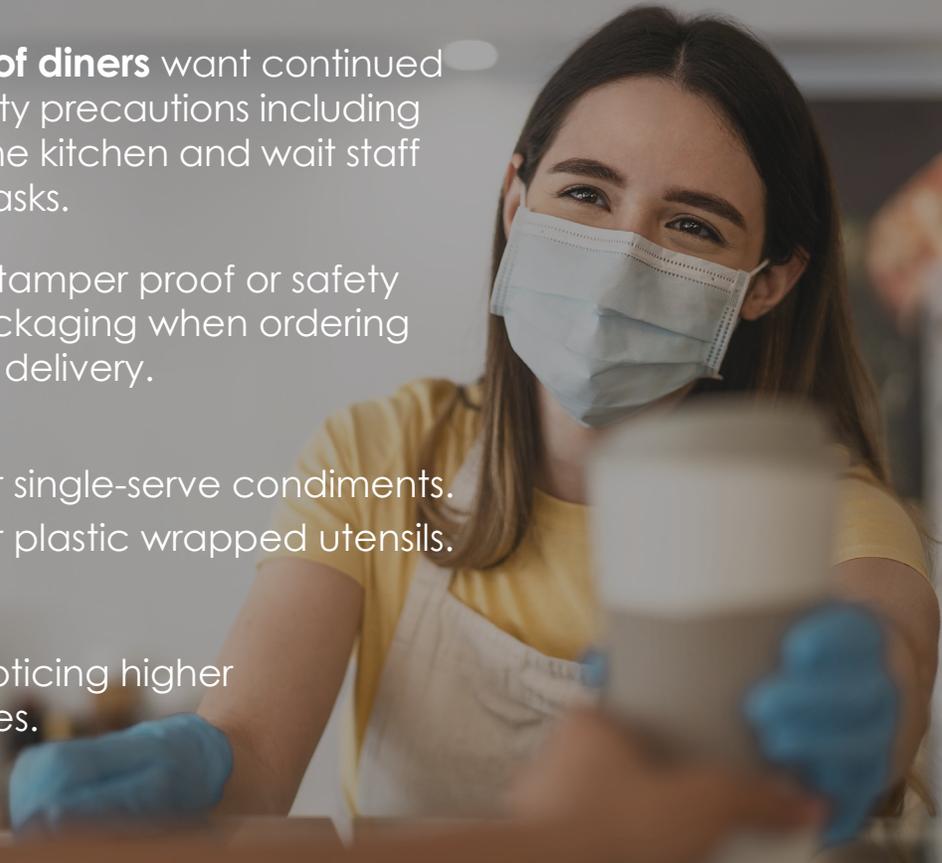
75% want tamper proof or safety sealed packaging when ordering takeout or delivery.



32% prefer single-serve condiments.
29% prefer plastic wrapped utensils.

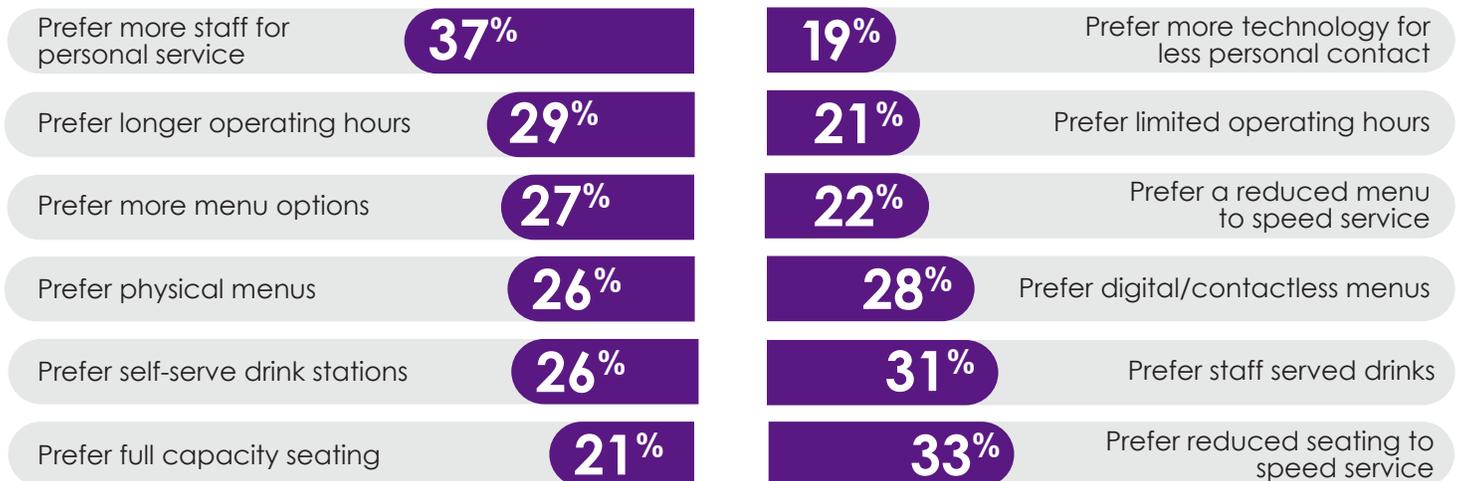


44% are noticing higher menu prices.



Restaurants are facing operating difficulties, with widespread labor shortages, rising food costs, and differing consumer opinions, requiring them to make difficult choices. When consumers were asked which they preferred, they said:

vs.





What diners are choosing



82%

of diners look for restaurants that offer a wide variety on their menu

82%

of diners like trying new items

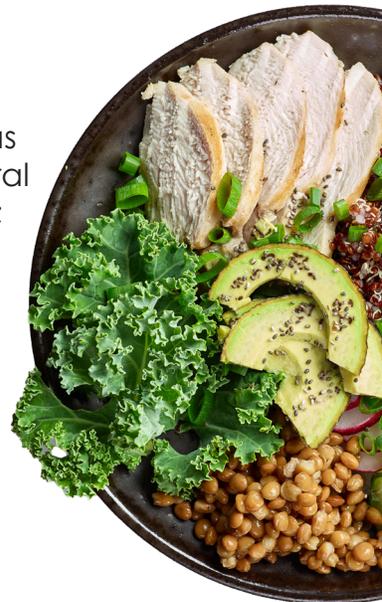
81%

often choose items on special

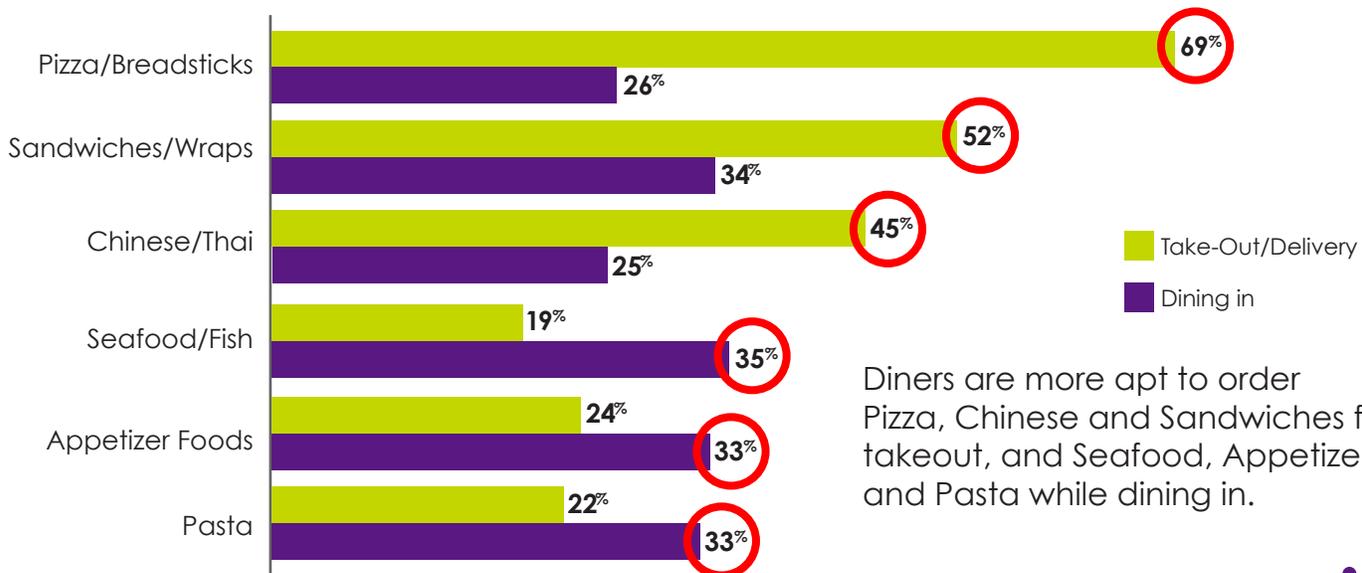
Foods with high protein, as well as organic and natural offerings, remain popular; younger consumers drive these healthy preferences.

MOST OFTEN ORDERED

High protein	19%
Organic	19%
All natural	18%



WHAT HAVE YOU ORDERED FOR...



Diners are more apt to order Pizza, Chinese and Sandwiches for takeout, and Seafood, Appetizers and Pasta while dining in.