



MICHIGAN RESTAURANT INDUSTRY TRENDS

Full Results from Member Survey (1Q17)



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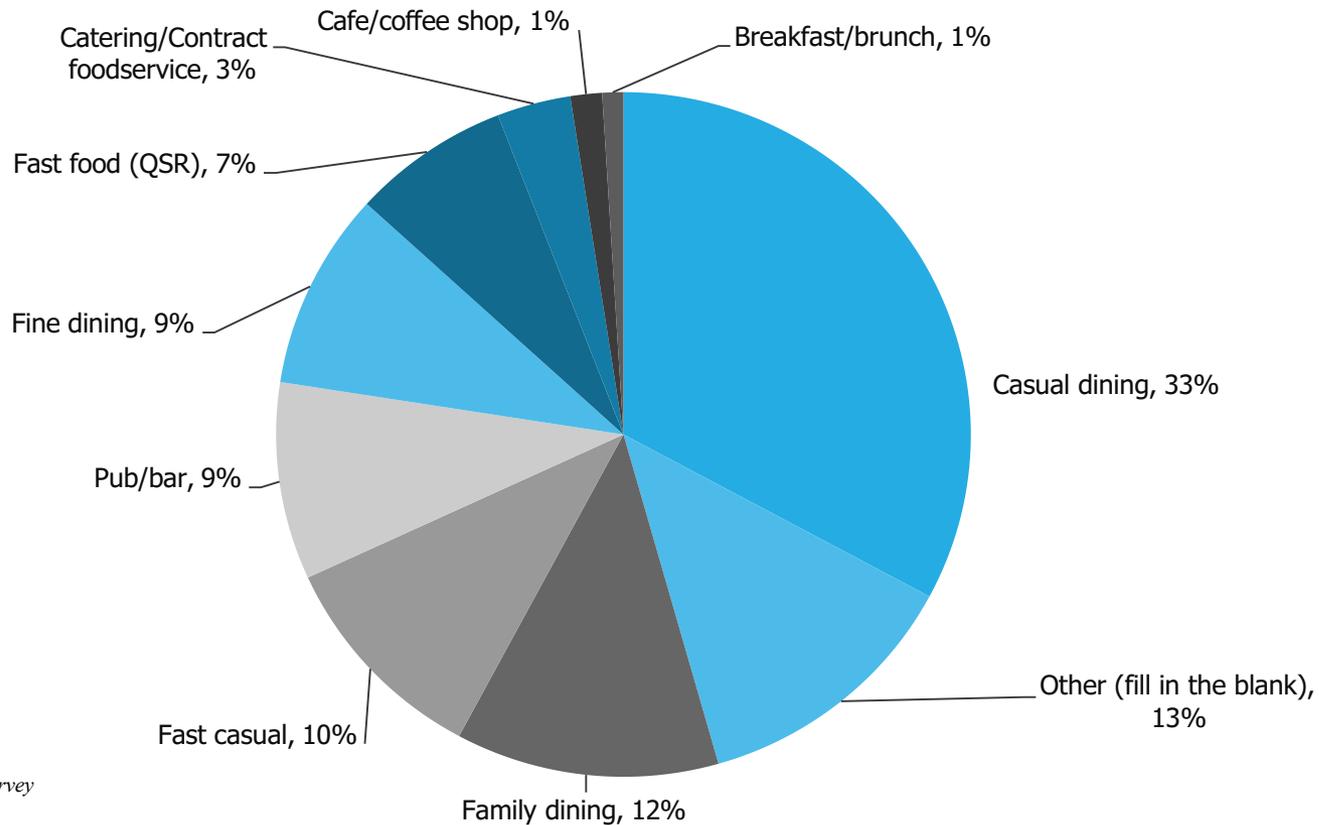
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Key Financial Findings

- Sales in **1Q17 (Jan-Mar) slowed to +2.6%** following +3.6% growth in 2016
- Despite the slow start, owners are **expecting a strong 2017**, with **+4.1%** growth
- 44% of respondents believe **general business conditions 6 months from now will be better** (only 12% believe conditions will worsen)
- **Labor costs are expected to increase** in 2017, likely the driver behind plans for a **1 point increase in menu prices**
- Michigan restaurants appear to be **increasing staffing and labor hours**

Segment Breakdown

Majority coming from full-service

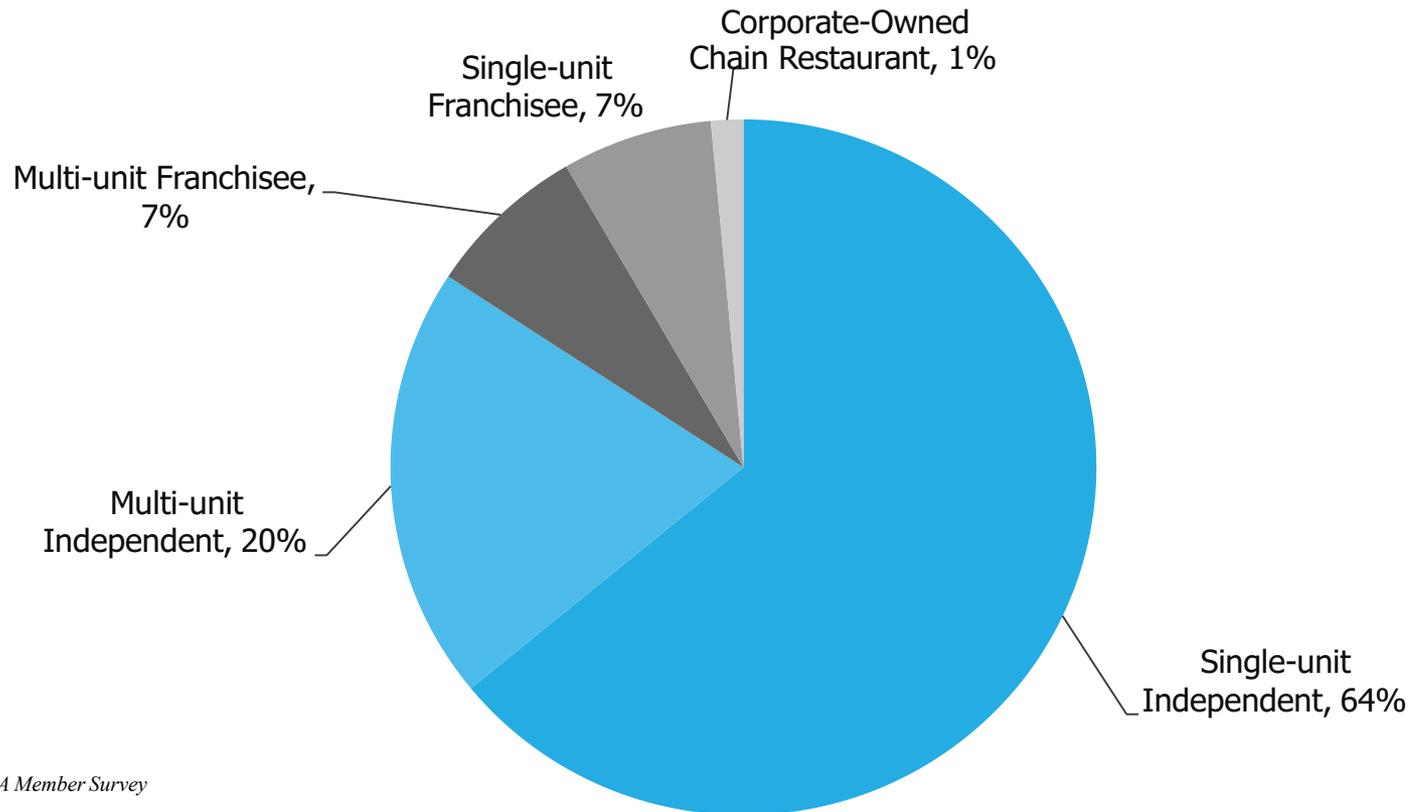


Source: MRA Member Survey

Restaurant Company Type

Predominately single-unit independents

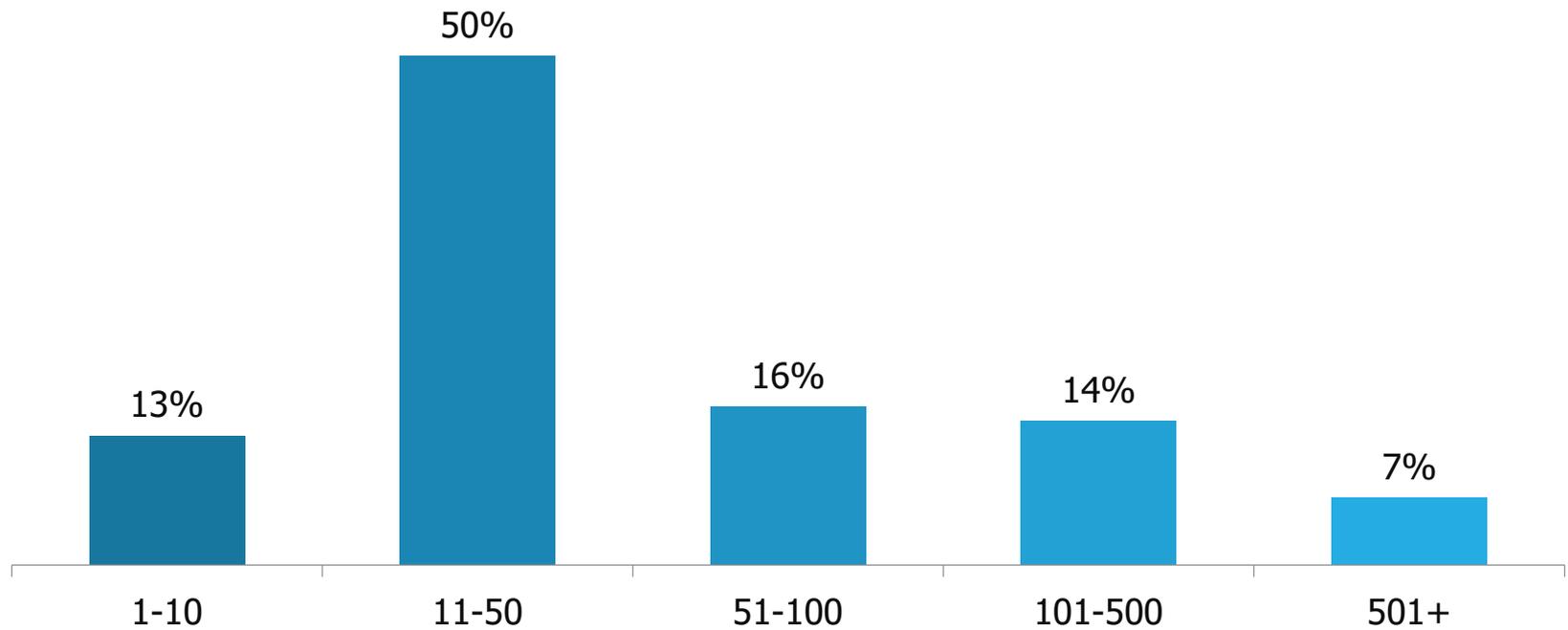
Which of the following categories best describes your restaurant business?



Source: MRA Member Survey

Number of Employees

About 65% have less than 50 people



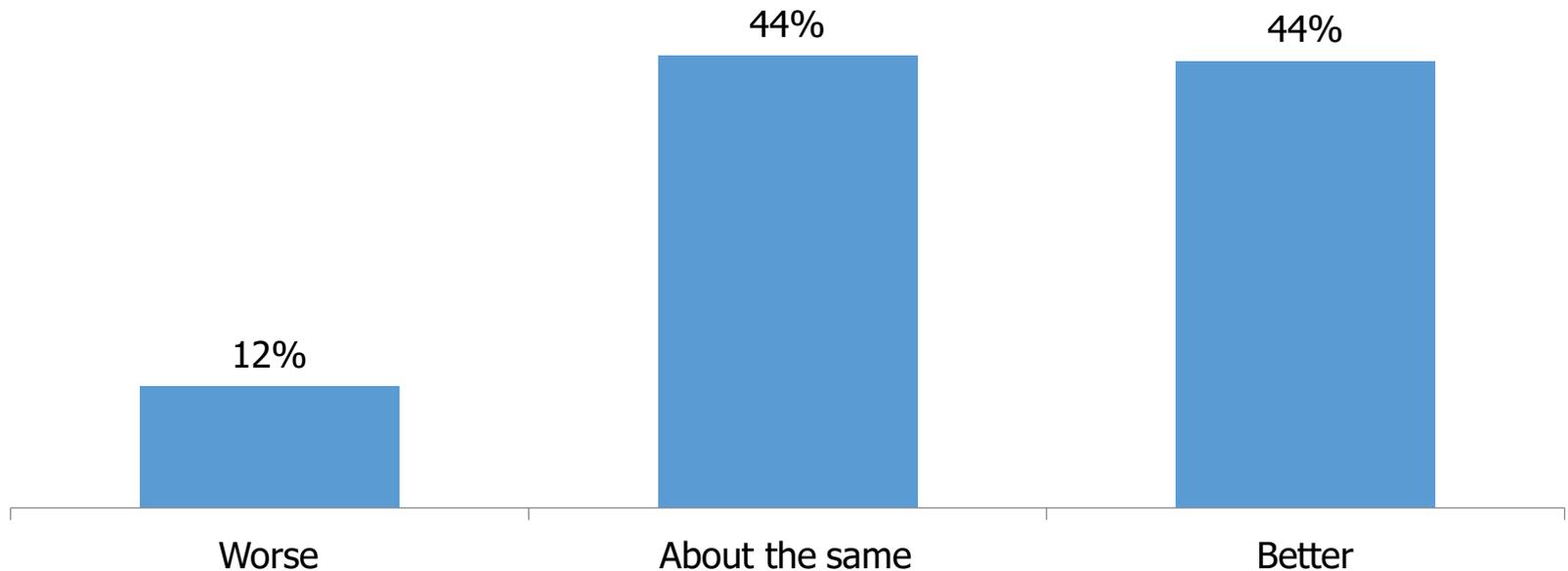
Source: MRA Member Survey

Economic Sentiment Index

Clearly positive outlook

Economic Sentiment Index

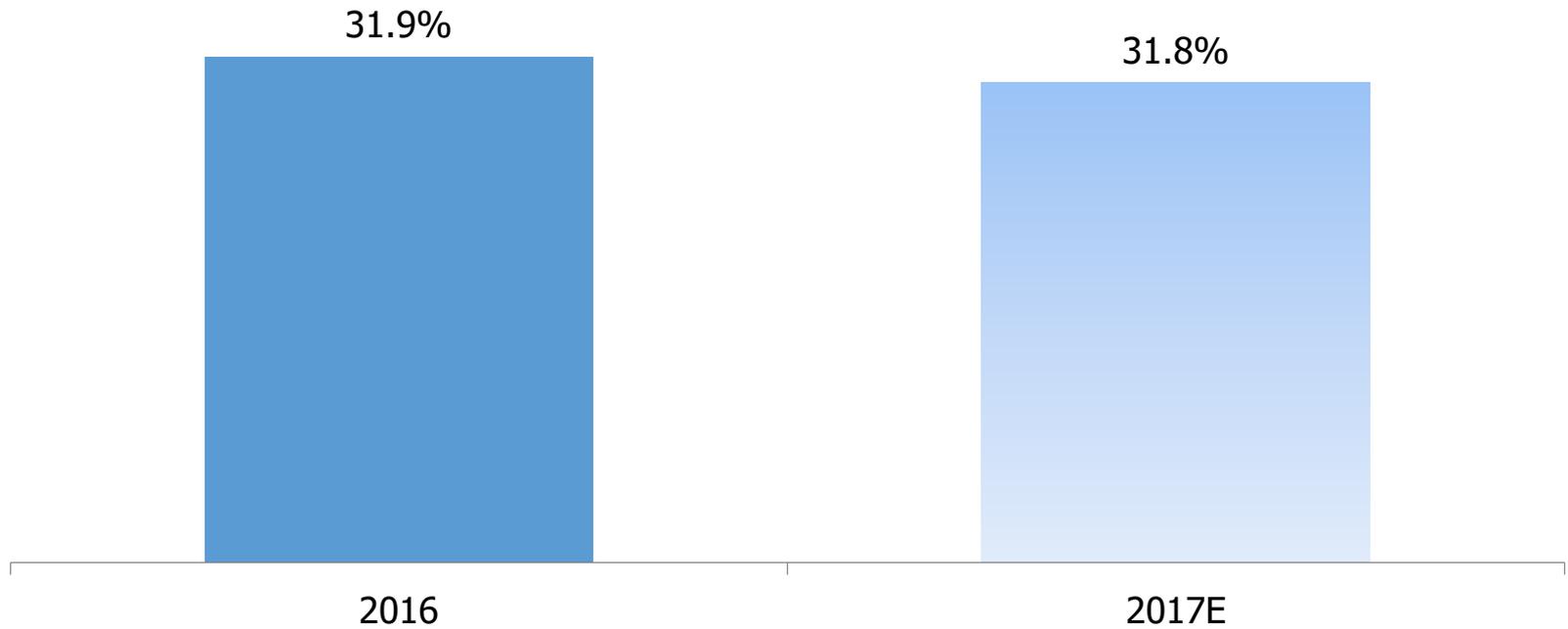
Do you think general business conditions six months from now will be better, about the same, or worse?



Source: MRA Member Survey

Food Cost Outlook

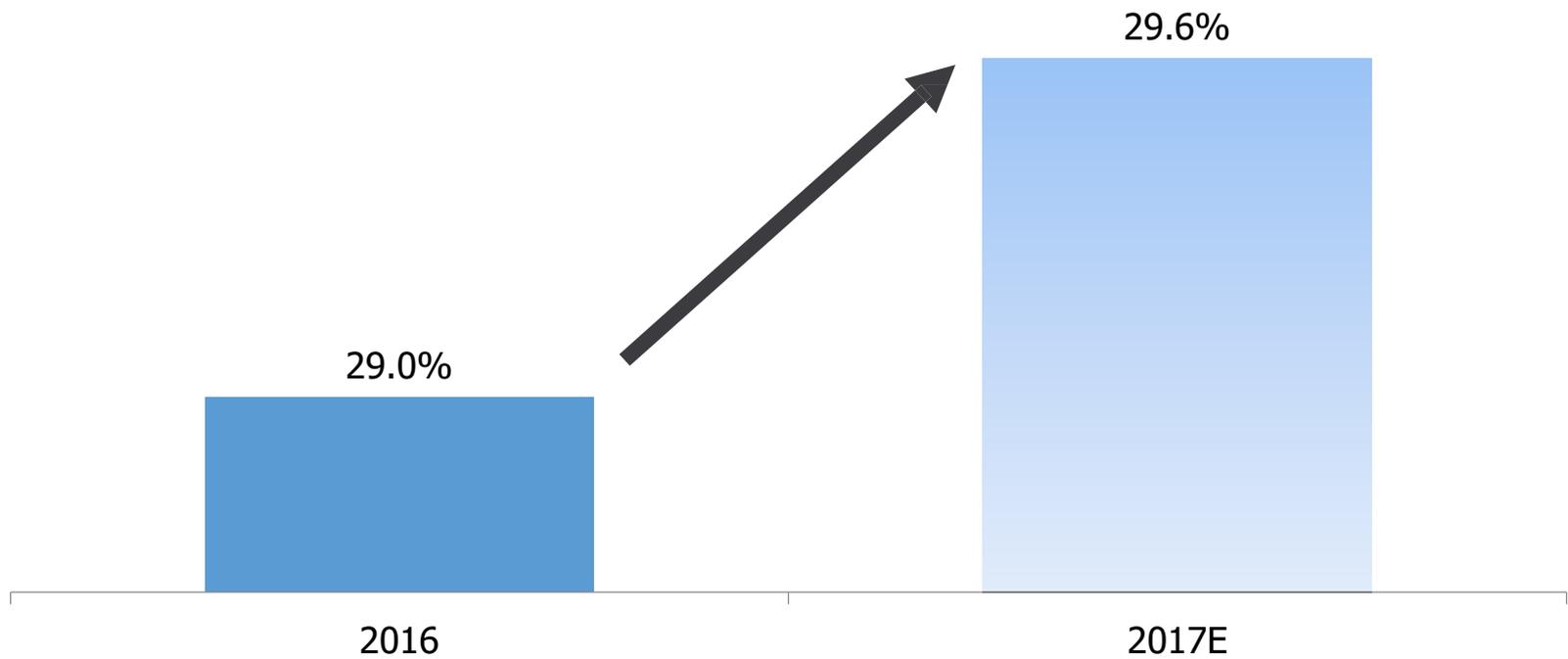
Owners expect stable food cost in 2017



Source: MRA Member Survey

Labor Cost Outlook

Costs moving higher, likely driving menu price intentions

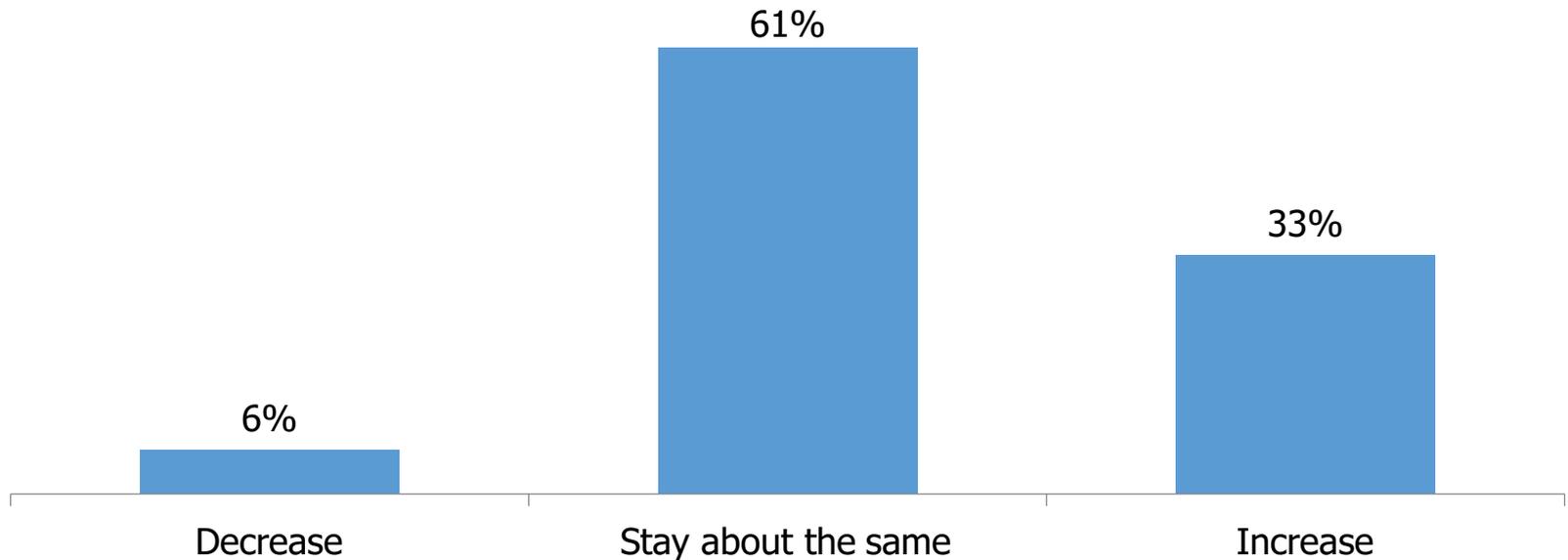


Source: MRA Member Survey

Future Hiring Plans

One third hiring more next 6 months

In the next six months, how do you expect the total number of employees in your operation to trend?



Source: MRA Member Survey