Fresh off IPO, Jersey Mike's defends deliberate expansion strategy

Sandwich chain could grow faster but favors predictable store openings, CEO says

Jersey Mike's Subs saw its overall sales and same-store sales increase in the second quarter. (CoStar)

By Linda Moss
CoStar News
September 9, 2026 | 11:29 AM

Just over a month after its Wall Street debut, Jersey Mike's Subs delivered its first quarterly earnings report while signaling it has little interest in accelerating store growth beyond its current pace.

The Tinton Falls, New Jersey-based sandwich chain, which operates 3,378 locations, reported fiscal second-quarter systemwide sales of $1.21 billion, up 10% from a year earlier. Same-store sales rose 2.3%, primarily driven by transaction growth. Net income totaled $37 million, down from $59 million a year earlier.

"That performance meaningfully outpaced the broader fast casual industry where traffic remains under pressure," CEO Charlie Morrison said on the company's inaugural earnings call. "Same-store sales have continued to accelerate into the third quarter, where we are currently tracking above 3%, as we continue to broaden our customer base and expand our digital reach, bring thoughtful innovation to the market."

The earnings report was Jersey Mike's first since it began trading on the New York Stock Exchange on July 30, following an initial public offering that came after Blackstone acquired a majority stake in the company from founder Peter Cancro for a reported $8 billion last year.

The chain reiterated the long-term growth goals outlined in its IPO filing: 7,500 U.S. locations and 7,500 additional stores internationally. During the quarter ended June 28, Jersey Mike's opened 83 stores, bringing first-half openings to 130 and pushing unit growth to 8.1% year over year.

For the full year, Jersey Mike's expects same-store sales growth of 2.5% to 3% and unit growth of at least 8%.

Asked whether the company might accelerate expansion, Morrison said Jersey Mike's plans to stick with its current approach.

"The answer there is our long-term algorithm is to continue with the high single-digit unit growth ... which over the past few years has been about 300 new stores a year," he said. "And then as international continues to become a growth vehicle for us over time, you'll see that complement that high single-digit rate."

Jersey Mike's understands "that we could accelerate that growth rate in the U.S. over time," according to Morrison.

"But we were very thoughtful in our market-planning efforts over the past year to put ourselves in a position of having a very robust and predictable pipeline of growth," he said. "And so, we believe that predictability and thoughtfulness in the approach to growth is the right way to drive the brand."

Jersey Mike's has more than 1,600 U.S. locations in its development pipeline, including more than 1,400 signed and committed sites and another 200 in final negotiations, Morrison said. In Canada, the chain has a pipeline of 300 stores and 30 locations already open.

Founder Cancro is leading the company's expansion into Europe through a development agreement for 300 stores in the United Kingdom and Ireland.

"Several high-quality locations have been secured, including a flagship site on New Oxford Street in London, and the pieces are coming together for a launch in the coming months," Morrison said. "Our supply chain is substantially in place, store design and menu localization are nearly complete, and the first U.K. general manager just completed training here in New Jersey earlier this month."

Morrison also told analysts that Jersey Mike's ranked No. 1 among fast-food chains in the American Customer Satisfaction Index in June, surpassing Chick-fil-A.

Follow us on Social Media

Have feedback or questions? Email us at news@costar.com

IN THIS ARTICLE

Companies

Jersey Mike's Subs
Accommodation and Food Services

Blackstone Inc.
Finance and Insurance

Contacts

Charlie Morrison
Chief Executive Officer, Jersey Mike's Subs

RELATED ARTICLES

How this pub became a living 9/11 memorial

Macy’s expects $300 million from property sales in near term

Why a £90 million Sheffield warehouse deal holds the key to Primark's home delivery service

Toward the Liquidation of Greenman Arth's SCPI GMA Essentialis

BHV Marais is set to partially reopen