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PEOPLE FOR REAL PEOPLE

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A Uniquely-Timed Franchise Opportunity

The Company

The simplicity of the American classic diner—if it's done right, it has no equal. The homestyle flavor of a large, juicy hamburger, the all-day breakfast, and the ubiquitous, signature pie have made the American diner an experience all its own. In its 70 years of operation, Nation's Giant Hamburgers has stuck by the classic fundamentals of the American diner menu: uncompromising freshness, unparalleled flavor, and the simple pleasures of classic recipes done right.

Nation's Giant Hamburgers is also a brand apart from our competition, quite literally.

In 70 years, one would be hard pressed to find a direct competitor for Nation's Giant Hamburger. While we began as a hot dog stand, once we began selling giant hamburgers, all-day breakfast, and fresh-daily pies, we cemented our place in the restaurant industry as the quintessential American diner. Our closest competitor is Five Guys for our burgers, IHOP for the breakfast menu, Culver's for milkshakes, and the dwindling Marie Callender's brand for the homestyle pies. We have yet to see a single QSR diner-style restaurant that meets us in all categories—Giant Hamburgers, Grand Breakfast, and Great Pies—the way we make and serve them.

Contents

Concept Introduction

- The History of Nation's Giant Hamburgers
- The State of Nation's Giant Hamburgers
- The Future of Nation's Giant Hamburgers

Industry Insights

- Industry Insights for the Darling of the Restaurant Industry: the QSR Market
- Essential Industry Insights

Advantages of Franchising

- Becoming a Nation's Giant Hamburger Franchise Owner
- Franchise Support
- Steps to Franchising

The Nation's Giant Hamburger Opportunity

- The Nation's Giant Hamburger Opportunity

The Summary

- The Brand
- The Market
- The Product
- The Value Proposition
- How We Support Our Franchise Owners



Concept Introduction

The History of Nation's Giant Hamburgers

A Man, A Buick, and a Hot Dog Stand

It's true, we did not begin by selling hamburgers. When Russ Harvey first opened in 1952, he had a very different idea—hot dogs. The restaurant was funded by the sale of his 1948 Buick, and boasted a 10-foot counter with only 6 stools. However, the kind of burger he always sought whenever he traveled—an extra-large hamburger patty (cheese optional) with thick slices of fresh onions, juicy tomatoes, and crisp lettuce—wouldn't let Russ's imagination be, and he expanded his menu.

From that moment, those 6 stools weren't enough, and the line for Harvey's Original Giant Hamburger was always long. The restaurant gained even more traction with the addition of pies to the menu, growing to 6 stores. By 1970, Harvey's long-time friend and business partner, Dale Power, had purchased a restaurant in Oakland, California and suggested they build a chain together. The name was changed to Nation's Giant Hamburgers, and the number of locations across Northern California has grown to 28.

A new headquarters in 1984 and a new distribution center centralized the bakery and continues to control freshness and quality, keeping Nation's Giant Hamburgers on a consistent upward trajectory. Our menu has expanded to include modern dietary preferences and flavor combinations, and we still celebrate timeless classics as the centerpiece of our menu.



FACT: 2021 was our best year to date.

The State of Nation's Giant Hamburgers

Our target demographic is college graduates or those who've had some college experience and have high incomes. We've found our appeal lessens with those who have Masters' or Post-Doctoral degrees making average incomes. This tracks with our success in the East Bay area of San Francisco, with lower numbers the closer we get to Silicon Valley. From this, we've learned that our ideal customer is someone seeking the American Dream, who's looking for the ideal diner meal but not necessarily the diner experience.



Why is **this** good news?

Because the way people dine-in and carry-out has drastically changed in the post-COVID era. In fact, 2021 was our best year to date. That's right, not only did we overcome one of the restaurant industry's biggest hurdles, we emerged on the other side of it stronger than ever.



Today, 50% of our customers order in advance for carry-out or delivery.

50% of our customers order in advance for carry-out or delivery so they don't need to wait for their meal to be prepared. We've cultivated a fantastic relationship with DoorDash and did

incredibly well in the takeout space during California's mandated lockdowns. People wanted nicer-than-drive-thru-food, but they couldn't dine-in, so they chose Nation's Giant Hamburgers. We also keep night-owl hours, so we attract the bar-crawl crowd who are seeking their fourth meal before going home at the end of their night out.

There may be an independent restaurant in the US that mirrors the concept of Nation's Giant Hamburgers, but we've yet to become aware of them. Our position in the QSR market is unique, and as far as we are aware, we have no direct competitors.

The pie revenue stream of Nation's Giant Hamburgers accounts for 25% of each location's sales, and during the holidays in the last 3 months of the year, we achieve 50% of those sales. This is a base revenue beyond the standard hamburger menu that helps each location achieve a faster ROI.

Pie sales alone account for 25% of our revenue stream at each of our locations.



Nation's Giant Hamburgers pies account for 25% of every location's sales. They're made in-house daily, and we top nearly 800 pies every day. We carry 13 classic and delectable pie flavors on our menu. 50% of our annual pie sales occur in the final 3 months of the year. Pie sales give each store a base revenue stream beyond hamburgers that builds a quick ROI.

The Future of Nation's Giant Hamburgers

One of the first tenets of Nation's Giant Hamburgers is that freshness and quality are a priority. Flavor over speed, every time. We serve Real Food Made by Real People for Real People. Since 1952, our lettuce, tomatoes, and onions have been delivered fresh from local farmers every night, along with our homemade pies. We've worked from the beginning with local butchers who create our 1/3 lb hamburger patties to our specifications from meat delivered 3 times a week. This recipe has worked for 70 years.

We already have strategic plans in place for distribution centers to ensure we continue to honor the Nation's Giant Hamburgers code of freshness far into the future. **Some of the first states we're looking to expand into are Arizona and Texas**, which boast some of the finest local producers for the ingredients Nation's Giant Hamburgers uses in our menu items. We have no plans to change the recipes, baking process, or distribution chain. We will simply expand what's already worked so well in our California operations.



Industry Insights

Industry Insights for the Darling of the Restaurant Industry: The QSR Market

The Quick-Serve Restaurant, more commonly known as fast-food franchising, is ranked 2nd in the Accommodation and Food Services industry by market size, and is overall the 33rd largest overall industry in the United States.

Essential Industry Insights

Here's the breakdown:

- The Quick-Service Restaurant (QSR) industry in the US is one of the most well-established in the world, with a market value of **\$331.4 billion** in 2022.
- A survey that ranked the states by number of QSRs from most to least placed California—the home state of Nation's Giant Hamburgers—at the very top, with **30,867 restaurants** in 2021.
- Hamburger-focused fast-food restaurants make up **31% of the QSR market**.
- Online restaurant orders for pickup and delivery from restaurants are up **12% on weekdays**. Dinners are up 3%, and lunches are up 18%.
- The compound annual growth rate (CAGR) for the QSR market is **5.1% between 2020 and 2027**.



Hamburger-focused fast-food restaurants make up 31% of the QSR market.

Advantages of Franchising

Becoming a Nation's Giant Hamburger Franchise Owner

At Nation's Giant Hamburgers, we don't do anything small, and that includes the ways in which we support our franchise owners.

We're seeking owner/operators who are interested in single- or multi-unit franchising agreements. Multi-unit operators would ideally open 2-5 locations in order to remain reliably hands-on. Our franchise model is streamlined so that even those who believe a single-unit is their sweet spot, they may find after a while they'd be well-suited for running more than one location.



Franchise Support

Supporting our franchisees for the best possible jumpstart is everyone's goal when beginning their Nation's Giant Hamburger franchise journey, and we want to do what we can to ensure each location flourishes.



Strategic Site Selection Guidance

Our brokers advise new franchisees on site selection using cutting edge technology that helps identify the best site location based on 70 years of demographics data. It's the best possible start.



Comprehensive Training

Franchisees will spend 10 days at our flagship store learning everything they need to know about Nation's Giant Hamburger operations. This training includes our proprietary recipes to honor our classic flavors. Franchisees will also have members of our franchise development team on-site for 6 days prior to Grand Opening to help train their opening staff and celebrate the newest Nation's Giant Hamburger location.

The Nation's Giant Hamburger franchise development team will also provide a learning management system app that makes training of current and future staff members a breeze for management. The app includes videos and testing.



Periodic Support Visits

Once the store is open, a business coach will visit periodically. During these visits, they'll help with any operations that are needed, including marketing strategy, customer relations, operating costs, finances, restaurant maintenance, and much more.



State-of-the-Art Technology Tools

Nation's Giant Hamburgers prides ourselves on being everything our customers need in terms of technology, and that means helping our franchisees stay current, too. This includes the best tools for inventory management, HR, scheduling, payroll, POS systems, accounting, security, and more.



Extensive Marketing Strategy

Nation's Giant Hamburgers has built a stellar brand image and a solid reputation for our products and service. Our franchisees will have access to all marketing strategies, including grand opening marketing, social media, local campaigns, a website presence, and more.



Established Supplier Relations

Relationships with suppliers and vendors has kept our image consistent and our stores clean. Franchisees will benefit from these same relationships and have everything they need from uniforms to cleaning supplies.

**Franchise ownership means going into business
for yourself, but never *by yourself*.**



Confidential Operations Manual

This is the detailed how-to of everything a Nation's Giant Hamburgers franchisee will need for standard operating procedures, inventory, marketing, customer supplies, etc. It's the ultimate handbook for the running of our business.



Experienced Leadership Team

Our leadership team has the hands-on experience of growing and running a successful restaurant brand for 70 years. Our expertise as multi-unit operators provides a leg up on the competition for growing the business in ways that make sense for everyone involved.

Steps toward owning a Nation's Giant Hamburger franchise may include:

1

Completing an inquiry form on the Nation's Giant Hamburger franchising website

2

Having an Introductory Call to introduce ourselves to prospective franchisees and set up the more thorough candidate qualification process.

3

Undergoing candidate qualification, during which time prospective franchisees learn more about Nation's Giant Hamburgers and we learn about prospective franchisees to determine if we're a good match.

4

Reviewing the FDD is the next step in learning everything about the Nation's Giant Hamburger franchising opportunity.

5

Meeting with current franchisees is the prospective investor's chance to ask questions, see how those who've gone before have fared, and really get to know the brand from all perspectives.

6

Visiting one of our studios and meeting with the Management Team on **Discovery Day** is an exciting chance for the prospective franchisee to see Nation's Giant Hamburgers franchises in action!

7

Signing the franchise agreement - Welcome to the Nation's Giant Hamburger franchise!

8

Preparing to launch your Nation's Giant Hamburger franchise location!

The Opportunity

The Nation's Giant Hamburger Opportunity

Nation's Giant Hamburgers deliver big—big flavor, big burgers, and big value. After 70 years, we've had plenty of time to perfect our business model.

We also have more business opportunities with great growth potential. The trouble is, we have demand beyond the 28 locations we currently have operating, but we don't have the capacity to open more and run them properly without compromising on customer service. Not without spreading our existing management teams too thin, which is something we will not do.

The solution is opening the Nation's Giant Hamburger brand up for franchising. It's an elegant solution that gives new location owners a stake in the fate of the Nation's Giant Hamburger expansion plans. Logistically, we're ready. The customer demand is ready. All we need now are the investors.



The average gross sales for Nation's Giant Hamburger stores is around \$2.2 million.

Prospective franchisees can expect an investment estimate range:

Initial Investment: between \$582,000 to \$1,013,500

Franchise Fee: \$40,000

Refer to our FDD Item 7 for specifics on startup costs.

Area Development Agreement: \$642,000 - \$1,073,500

Franchise Fee (assuming a 5 unit development deal): \$100,000

Nation's Giant Hamburger locations have a classic appearance that requires only a small footprint, around 1,500 to 1,800 square feet, which means a fairly straightforward QSR-style build-out.

Thanks to our large burger sizes, classic flavors, the freshness of our ingredients, all-day breakfast, our late hours which are a favorite for the late-night post-bar crowd, and our homemade pies baked daily, Nation's Giant Hamburger restaurants have plenty to attract our loyal customers time and again. Even during economic hardships, our customers look to us as a comfort-brand and convenience, particularly through our online ordering and carry-out/delivery platforms.



The Summary

The Brand:

Nation's is a brand above competition through the timeless commitment to uncompromising freshness, unparalleled flavor, and the simple pleasures of classic recipes done to a higher standard. So far, no one's come close to matching us.



The Market:

The people we feed are looking for a good, wholesome American meal that invokes comfort, freshness, and flavor, whether it's with all-day breakfast, a tasty, classic burger, or a homemade pie. It's food that hits the spot, and they love us for it.

The Product:

We serve Americana. Whether customers order the classic giant hamburger or one of our 13 pie flavors, we're serving up tasty, traditional flavors at peak freshness that are handmade daily and served with top-notch customer service every time. It's how we've done it for 70 years, and how we'll continue for the next 70.



The Value Proposition:

While the food at Nation's Giant Hamburgers has the same great taste and freshness, we've moved with modern times to meet our customers where they need us. We serve classic flavors with modern day ordering and payment, contactless takeout and delivery methods, and the ultimate in an accessible Nation's Giant Hamburgers menu.



How We Support Our Franchise Owners:

- ✓ **Strategic Site Selection Guidance** – utilizing cutting edge technology to help you identify the correct site locations for your store
- ✓ **Comprehensive Initial Training and Grand Opening Training** – 10 days at our flagship store plus an additional 6 days of on-site training at your location prior to opening
- ✓ **Periodic Support Visits** – Once your store is in operation, we will have a business coach visit periodically to help build marketing plans, smooth customer relations, streamline operating costs, analyze finances, restaurant maintenance and much more.
- ✓ **State of the Art Technology** – Access and training for inventory management, HR, scheduling and payroll, POS, accounting, security and more
- ✓ **Extensive Marketing Support** – Nation's Giant Hamburgers has an exceptional reputation and brand image that you become part of as a franchisee. We assist with grand opening marketing plans and support, give guidance on local marketing campaigns, a website presence, social media management and more.
- ✓ **Established Supplier Relations** – We have strong established relationships with food suppliers as well as vendors to help you with everything from uniforms to cleaning supplies.
- ✓ **Confidential Operations Manual** – Access to detailed standard operating procedures, inventory, marketing, customer supplies, etc.... The ultimate how-to of the Nation's Giant Hamburger business.
- ✓ **Experienced Leadership Team** – Our leadership team has hands-on experience running and growing a successful restaurant brand for over 70 years. Our expertise as multi-unit operators provides a leg up on the competition in terms of how to grow the business in a way that makes sense for all parties involved.

Nation's Giant Hamburgers is preparing to expand into new territories, and we're looking for future owners to come with us on our journey. We've got a product our customers love, and a business built for the future.



Efficient operations that streamline your business.



Empowered employees with a voice and belief in the brand.



Purposeful hiring that helps get you the best available staff.



A flexible franchise model that can adjust to meet your situation.



Industry-leading training to get everyone operating the Nation's Giant Hamburgers way.



Marketing assistance to help you start off right and establish your digital and online presence.



Ongoing support that can provide meaningful assistance when it counts.

For more information on how you can become a franchise owner with Nation's Giant Hamburgers, contact us today!



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This franchise sales information does not constitute an offer to sell a franchise. The offer of a franchise can only be made through the delivery of a Franchise Disclosure Document (FDD). certain states require that we register the FDD in those states. such registration, or exemption, does not constitute approval of the information in the FDD by that state agency. The communications herein are not directed by us to the residents of any of those states. Moreover, we will not offer to sell franchises in those states unless we have registered the FDD (or obtained an applicable exemption from registration) and delivered the FDD to the prospective franchisee in compliance with applicable law.

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