

Just Salad Likely to Pursue Private Equity or IPO Within 2 Years to Fund Growth

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ORLANDO—Just Salad, which serves up environmentally sustainable policies alongside its healthy menu options, is likely to seek either private equity or an initial public offering within the next two years to fund growth, the company's CEO and founder Nick Kenner said in an interview with Adweek at the ICR Conference 2020.

Propelling the need to open more restaurants: consumer demand. According to Kenner, the company's comparable sales growth of more than 30% during the last two years is pushing the food chain's strategy. This year alone, Just Salad plans to add more than 10 locations to its existing store count of nearly 50 restaurants, he said.

Indeed, the brand may prove to be an attractive investment, with cash-on-cash return of 40%.

To date, the company has largely eschewed outside capital, with the exception of angel investment and a minority stake purchase by Panda Express parent Panda Restaurant Group. Instead, Just Salad's measured growth has been funded from its own cash flow and via debt financing. People just like salad, it seems.

While you may be familiar with Just Salad for its food offerings, did you also know that sustainability has been at the heart of the company's culture since its founding in 2006?

Just Salad is unique among consumer retail brands in pioneering waste reduction initiatives. Kenner said from day one, Just Salad's supply chain team focused on incorporating sustainable products, such as serving its salads in reusable bowls.

Considering that fast-casual and quick-service restaurants tend to produce an outsized amount of waste, Just Salad's goal of eliminating single-use plastic by 2022 while ramping up the number of restaurant openings is ambitious. The team's focus on identifying materials that are reusable, recyclable or compostable is spurring it to replace bottled water with boxed water, for example, and plastic straws with straws made from grass and wheat, Kenner said.

Directing those efforts is Just Salad's chief sustainability officer Sandra Noonan, who is also the founder of ZeroWasteNYC.

The chain's environmental foresight is not just good for the planet, it's also proving good for business, providing a secret weapon in a competitive sector. A majority of Americans now believe climate change is a threat.

While sustainability is an important aspect of Just Salad's branding, serving high-quality meals remains the focus, Kenner said. "No. 1 will always be food."

Kenner's inspiration for founding Just Salad harkens back to his days ordering food for colleagues while working in the world of finance. He simply couldn't find a great tasting, healthy salad for under \$10. Hence his brainchild.

On the marketing and branding front, the company's efforts are largely digital and include a newsletter distributed to customers via email. Just Salad has worked with agencies Varick of MDC Partners and VMG Creative on its digital outreach.

Late last year the restaurant chain formed an exclusive partnership with GrubHub to create Health Tribes, a virtual restaurant that features diet-specific recipes such as keto, vegan, gluten-free and Paleo, which are available only on the online meal delivery service.

Just Salad's nearly 50 stores are located in New York, New Jersey, Florida, Illinois, Pennsylvania, North Carolina and Dubai. They serve not only salads but also wraps, warm bowls and avocado toast, among other items.

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