

Restaurant Monthly Update

March 2017



Q Market Update

February restaurant survey data indicated a -3.7% decline in same-store sales (SSS) and -5.0% decline in traffic. Both same-store sales and traffic growth deteriorated from January's results, marking a notable reversal toward the 10-month pattern of negative same-store sales. Although there are a number of factors negatively impacting same-store sales, February's results were also impacted by a calendar shift with one less day in February 2017 vs. 2016, which benefited from a leap year.

California emerged as the best-performing region in the second month of the first quarter, logging same-store sales gains of +0.5% in February amidst declining traffic of -2.3%. The worst-performing region of the month was the Southwest, which reported significant same-store sales and traffic declines of -7.6% and -9.2%, respectively.

Based on performance, fine dining was the only segment to display positive same-store sales and traffic improvements in February. Upscale casual was the second strongest segment for the month, albeit reporting negative readings in both performance metrics. Although having led the pack for the past year, quick service restaurants also experienced declines in February. Perhaps the most surprising reading from the month came through average guest checks, which only grew 1.2% for the month, its lowest rate in four years. Industry experts believe the combination of discount promotions, conservative pricing and customer trade downs led to this modest growth, which stands in contrast to the 2.3% growth measured over the previous six months.

Sales in the early weeks of February were largely depressed by the IRS "Earned Income" and "Additional Child" tax credit delays this year, which affected nearly 40 million tax refunds. This delay has certainly had a noticeable impact on consumer spending, which largely determines restaurant same-store sales and traffic patterns during a given month. Despite the familiar malaise, the National Restaurant Association expects the restaurant industry to register sales of \$799B in 2017, a 1.7% increase from 2016.

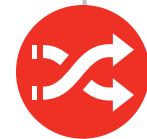
KEY INFORMATION



February same-store sales and traffic declined -3.7% and -5.0%, respectively



Fine dining was the only segment to display positive same-store sales and traffic improvements in February



Average guest checks grew at only 1.2% for the month, its lowest rate in four years



IRS tax credit delays affected nearly 40 million American tax refunds, greatly impacting consumer spending in February




Mass Casual Dining Chains Facing Challenges

In an industry riddled with recurring same-store sales and traffic declines, certain restaurant segments have faced greater difficulties than others to remain competitive. The mass casual segment in particular was one of the worst performing segments in 2016. These complications have resulted in a number of recent developments in the sector.

On February 17, 2017, DineEquity CEO Julia Stewart announced her resignation from the company. Stewart, who led DineEquity for more than 16 years, was among the longest-tenured CEOs in the restaurant business. Throughout her time at the company, Stewart served as CEO of IHOP since 2002, engineered the 2007 mega-merger of IHOP and Applebee's, and led a revitalization and refranchising effort for both brands. Other chain restaurants are also facing difficulties retaining and attracting CEOs, as concepts continue to age and menus that once appealed to loyal customer bases no longer resonate with current diners. Ignite Restaurant Group, operator of Joe's Crab Shack and Brick House Tavern+Bar, and Ruby Tuesday have both reported difficulties retaining and attracting management level positions in the wake of recent company performance. On March 14, 2017, Ignite Restaurant Group was delisted from the Nasdaq Global Select Market, as the total market value of its publicly held shares closed below the required minimum of \$15M for 30 consecutive business days.

On the same day as Stewart's resignation, Bloomin' Brands, the operator of Bonefish Grill, Carrabba's Italian Grill, Fleming's Steakhouse, and Outback Steakhouse restaurants, announced its plan to close 43 underperforming locations. The company has faced persistently weak same-store sales and traffic declines across all of its brands over the past year. While the particular locations that would be shut down remain unannounced, local reports suggest Carrabba's and Bonefish locations will comprise a majority of the restaurant closures.

Largest 2016 SSS Declines Across the Mass Casual Segment

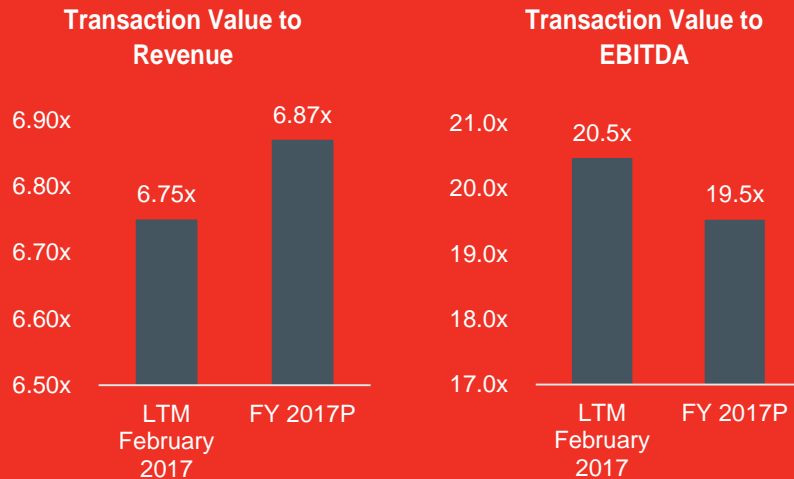
	2016							
	Q1		Q2		Q3		Q4	
 MAGGIANO'S LITTLE ITALY	(3.6%)	↓	(1.8%)	↓	(1.4%)	↓	(3.1%)	↓
	0.2%	↔	(1.7%)	↓	(0.6%)	↔	(0.8%)	↔
 BLOOMIN' BRANDS INC.	(2.7%)	↓	0.9%	↔	1.7%	↑	(1.9%)	↓
	(2.0%)	↓	(4.8%)	↓	(2.1%)	↓	(2.3%)	↓
	(1.3%)	↓	(2.5%)	↓	(0.7%)	↔	(4.8%)	↓
 dineEquity	(3.7%)	↓	(4.2%)	↓	(5.2%)	↓	(7.2%)	↓
	1.5%	↑	0.2%	↔	(0.1%)	↔	(2.1%)	↓
 IGNITE RESTAURANT GROUP	(4.5%)	↓	(6.3%)	↓	(8.9%)	↓	N/A	
	(1.3%)	↓	(6.8%)	↓	(6.5%)	↓	N/A	
 Red Robin GOURMET BURGERS ON BREW	(2.2%)	↓	(3.2%)	↓	(3.6%)	↓	(4.3%)	↓
 Ruby Tuesday	(3.1%)	↓	(3.7%)	↓	(2.7%)	↓	(4.1%)	↓
 Fleming's Prime Steak & Lobster Legendary P.V. Steak-Que	(7.7%)	↓	(6.4%)	↓	(1.0%)	↓	(5.0%)	↓
Median	(2.5%)	↓	(3.5%)	↓	(1.8%)	↓	(3.6%)	↓
Mean	(2.5%)	↓	(3.4%)	↓	(2.6%)	↓	(3.6%)	↓

Source: SEC filings, Capital IQ, MergerMarket, Company Press Releases, and various news sources (e.g. NY Times Dealbook, the Deal, Wall Street Journal, etc.) Same-store sales represents the change in year-over-year sales for restaurants that have been open for at least 18 months. Represents most actively traded public restaurant companies

Restaurant Brands Acquisition of Popeyes Louisiana Kitchen

On February 21, 2017, Restaurant Brands International (“RBI”), the Canada-based parent company of Burger King and Tim Hortons, agreed to acquire Popeyes Louisiana Kitchen for \$79 per share in cash, representing a 27% premium and equating to a total transaction value of \$1.8B. RBI was formed in 2014 when Burger King merged with Tim Hortons and is majority-owned by 3G Capital. Founded in New Orleans in 1972, Popeyes is one of the world’s largest QSR chicken concepts with over 2,600 locations, complementing RBI’s existing portfolio of more than 20,000 restaurants in over 100 countries. Based on publicly reported data, LTM transaction multiples were 6.75x revenue and 20.5x EBITDA.

\$1.8 Billion Transaction Value



Key Metrics	Revenue		EBITDA	
		\$269M	\$264M	\$89M

Golden Gate’s Acquisition of Bob Evans Restaurants

On January 24, 2017, Golden Gate Capital acquired the restaurant business of Bob Evans Farms (“BEF”), the Ohio-based operator of nearly 530 full-service restaurants in the Midwest, Mid-Atlantic and Southeast regions, for \$565M in cash. Concurrently, Bob Evans Farms has agreed to acquire Maine-based Pineland Farms Potato Company for up to \$135M to add to its BEF Foods division, which produces pork, bacon and other frozen food items. The transactions mark a strategic transformation for Bob Evans, as the company will concentrate exclusively on BEF Foods, its fastest growing and most profitable division, going forward.

Based on publicly reported data and Duff & Phelps’ estimates, LTM transaction multiples as of Oct. 2016 were 0.62x revenue, 6.1x segment EBITDA, and 8.6x proforma standalone EBITDA. It is also important to note that the acquisition of Bob Evans’ 530 restaurants included real estate for 305 of its locations. Using the April 2016 sale/leaseback transaction, where Bob Evans sold 143 restaurants for \$197 million, as a proxy, Duff & Phelps estimates that the value of the underlying real estate for the 305 acquired restaurants could range from \$300 to \$450 million.

When separating the proforma operating company from the estimated real estate value, it would imply a multiple range of approximately 3x to 6x proforma standalone EBITDA for the operating company.

Activist Pressure on Restaurant Companies

Given the current state of the industry, many public restaurant companies are the targets of activist investors, who look to implement major changes to a company's strategic plans to unlock shareholder value. Typical public restaurant companies have smaller-to-midsize market capitalizations, allowing hedge funds and institutional investors to amass sizable stakes at a relatively quick speed.

Bob Evans Farms' recent divestiture of its restaurant business to Golden Gate Capital and subsequent acquisition of Pineland Farms Potato Company was the result of a prolonged battle between management and activist investor Thomas Sandell, who ousted two longtime board members and recently gained control of one-third of the company's board of directors.

Darden Restaurants, the operator of over 1,500 specialty casual restaurants under multiple concepts, has been in an activist position of hedge fund Starboard Value for over three years. Since its initial investment, Starboard has implemented a number of comprehensive operational and strategic alternatives, most notably by influencing the 2015 spin-off of Four Corners Property Trust into a public real estate investment trust.

Buffalo Wild Wings' management team has faced a large amount of criticism relating to the effective use of capital from San Francisco-based Marcato Capital Management over the past year, who has fought against management of the company to dramatically increase the total number of franchised locations. Currently, 49% of the company's 1,200 stores are franchised while the remainder are company owned. Marcato successfully won a proxy fight against Buffalo Wild Wings in February, when it nominated four directors to serve on the company's board.

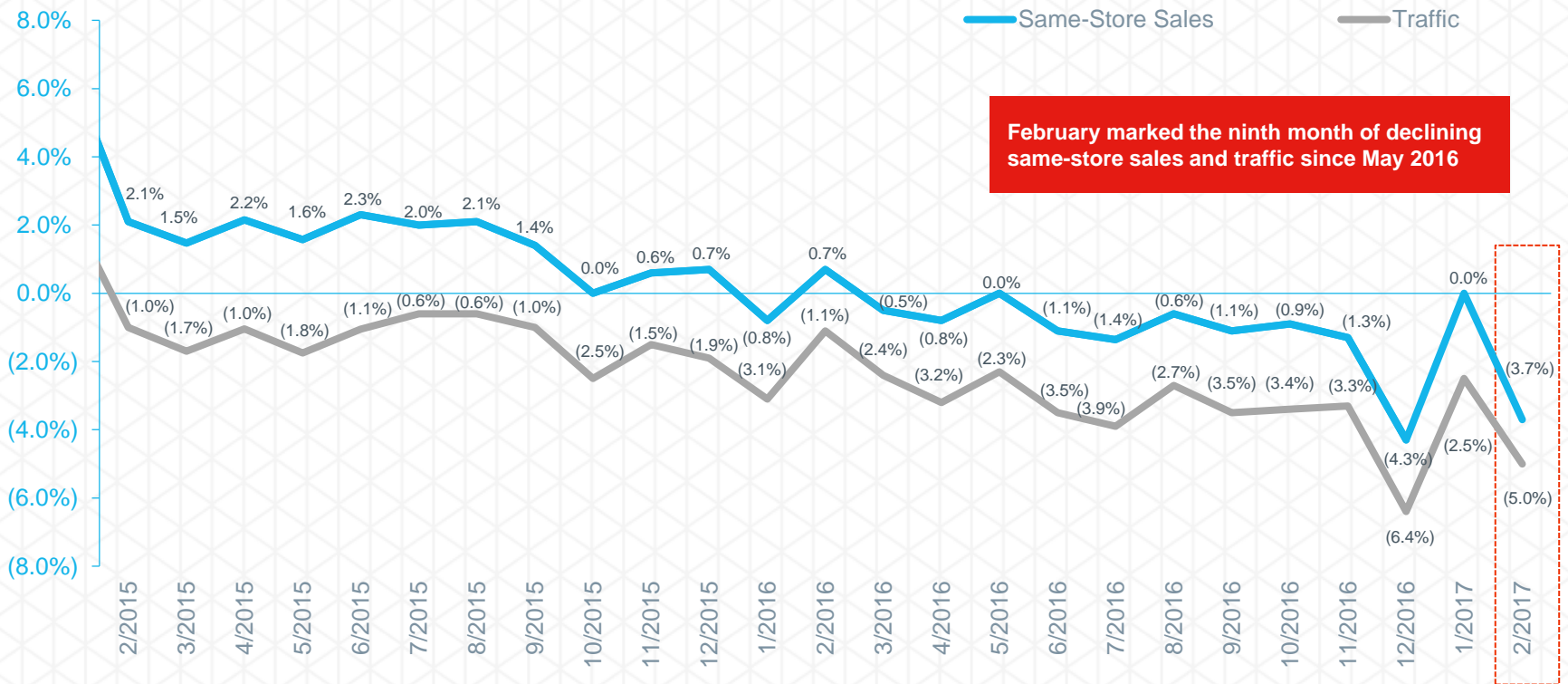
Fast casual giant Chipotle, who has witnessed a sharp decline in performance over the past two years due to its prolonged E. Coli crisis, has recently felt the pressure of Pershing Square. Led by Bill Ackman, the hedge fund has continually increased its stake in the company, which currently stands at 9.9%. Over the past two years, Pershing Square has influenced changes to the company's management team and corporate board structure.

Notable Restaurant Activist Positions



Source: EDGAR Filings, Nation's Restaurant News, TDn2K's Black Box Intelligence, Morningstar and The WSJ

Restaurant Sector Monthly Same-Store Sales and Traffic Growth



Quarterly Same-Store Sales Performance – Last 2 Years ●○○○○○

	2014		2015				2016											
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Mass Casual																		
Cracker Barrel Old Country Store, Inc.	7.9%	↑	5.2%	↑	3.8%	↑	2.5%	↑	0.6%	↔	2.3%	↑	3.2%	↑	1.3%	↑	0.6%	↔
Brinker International, Inc.																		
Chili's Grill & Bar	4.2%	↑	2.2%	↑	0.1%	↔	(1.1%)	↓	(2.1%)	↓	(3.6%)	↓	(1.8%)	↓	(1.4%)	↓	(3.1%)	↓
Maggiano's Little Italy	2.3%	↑	0.1%	↔	(0.1%)	↔	(1.7%)	↓	(1.8%)	↓	0.2%	↔	(1.7%)	↓	(0.6%)	↔	(0.8%)	↔
Bloomin' Brands, Inc.																		
Bonefish Grill	0.7%	↔	0.9%	↔	(4.6%)	↓	(6.1%)	↓	(5.4%)	↓	(2.7%)	↓	0.9%	↔	1.7%	↑	(1.9%)	↓
Carrabba's Italian Grill	0.3%	↔	1.9%	↑	0.9%	↔	(2.0%)	↓	(4.0%)	↓	(2.0%)	↓	(4.8%)	↓	(2.1%)	↓	(2.3%)	↓
Fleming's Prime Steakhouse & Wine Bar	3.4%	↑	3.0%	↑	3.2%	↑	(0.6%)	↔	(0.3%)	↔	1.3%	↑	(0.8%)	↔	(1.9%)	↓	0.2%	↔
Outback Steakhouse	6.4%	↑	5.0%	↑	4.0%	↑	0.1%	↔	(2.2%)	↓	(1.3%)	↓	(2.5%)	↓	(0.7%)	↔	(4.8%)	↓
DineEquity, Inc.																		
Applebee's	2.8%	↑	2.9%	↑	1.0%	↑	(0.5%)	↔	(2.5%)	↓	(3.7%)	↓	(4.2%)	↓	(5.2%)	↓	(7.2%)	↓
IHOP	6.1%	↑	4.8%	↑	6.2%	↑	5.8%	↑	1.4%	↑	1.5%	↑	0.2%	↔	(0.1%)	↔	(2.1%)	↓
Biglari Holdings Inc.	2.9%	↑	6.0%	↑	4.8%	↑	3.0%	↑	3.6%	↑	1.8%	↑	(0.7%)	↔	0.2%	↔	(0.4%)	↔
Denny's Corporation	4.7%	↑	7.2%	↑	7.3%	↑	6.1%	↑	2.9%	↑	2.5%	↑	(0.5%)	↔	1.0%	↑	0.5%	↔
Red Robin Gourmet Burgers Inc.	4.3%	↑	3.8%	↑	3.6%	↑	3.7%	↑	(1.6%)	↓	(2.2%)	↓	(3.2%)	↓	(3.6%)	↓	(4.3%)	↓
Ruby Tuesday, Inc.	(1.0%)	↓	(0.3%)	↔	(1.7%)	↓	0.6%	↔	0.8%	↔	(3.1%)	↓	(3.7%)	↓	(2.7%)	↓	(4.1%)	↓
Luby's, Inc.	0.2%	↔	3.1%	↑	(1.0%)	↓	0.2%	↔	1.2%	↑	3.1%	↑	(0.6%)	↔	0.7%	↔	(2.3%)	↓
Ignite Restaurant Group, Inc.																		
Brick House Tavern + Tap	5.7%	↑	5.4%	↑	2.8%	↑	(0.7%)	↔	(2.8%)	↓	(4.5%)	↓	(6.3%)	↓	(8.9%)	↓	N/A	↑
Joe's Crab Shack	(4.5%)	↓	(3.8%)	↓	(4.0%)	↓	(6.6%)	↓	(2.9%)	↓	(1.3%)	↓	(6.8%)	↓	(6.5%)	↓	N/A	↑
Famous Dave's of America Inc.	(4.0%)	↓	(4.9%)	↓	(9.2%)	↓	(9.8%)	↓	(10.6%)	↓	(7.7%)	↓	(6.4%)	↓	(1.0%)	↓	(5.0%)	↓
Median	2.9%	↑	3.0%	↑	1.0%	↑	(0.5%)	↔	(1.8%)	↓	(1.3%)	↓	(1.8%)	↓	(1.0%)	↓	(2.3%)	↓
Mean	2.5%	↑	2.5%	↑	1.0%	↑	(0.4%)	↔	(1.5%)	↓	(1.1%)	↓	(2.3%)	↓	(1.8%)	↓	(2.5%)	↓

Source: SEC filings, Capital IQ, MergerMarket, Company Press Releases, and various news sources (e.g. NY Times Dealbook, the Deal, Wall Street Journal, etc.)

Same store sales represents the change in year-over-year sales for restaurants that have been open for at least 18 months. Represents most actively traded public restaurant companies; Mass Casual set excludes Bob Evans due to transaction announcement

Quarterly Same-Store Sales Performance – Last 2 Years ●○○○○○

	2014		2015					2016			
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Specialty Casual											
Darden Restaurants, Inc.											
Bahama Breeze	(0.6%) ↔		3.2% ↑	1.7% ↑	1.8% ↑	2.4% ↑	9.9% ↑	5.4% ↑	3.9% ↑	2.6% ↑	
The Capital Grille	5.0% ↑		6.1% ↑	4.4% ↑	7.2% ↑	1.5% ↑	5.3% ↑	1.5% ↑	(1.2%) ↓	1.2% ↑	
Eddie V's	4.9% ↑		9.6% ↑	5.2% ↑	5.1% ↑	1.1% ↑	4.1% ↑	0.9% ↔	(1.7%) ↓	2.7% ↑	
LongHorn Steakhouse	2.6% ↑		5.4% ↑	5.2% ↑	4.4% ↑	2.6% ↑	5.2% ↑	1.1% ↑	0.6% ↔	0.1% ↔	
Olive Garden	0.5% ↔		2.2% ↑	3.4% ↑	2.7% ↑	1.0% ↑	6.8% ↑	1.6% ↑	2.0% ↑	2.6% ↑	
Seasons 52	1.2% ↑		5.2% ↑	3.1% ↑	3.9% ↑	4.5% ↑	5.7% ↑	3.7% ↑	0.7% ↔	(0.3%) ↔	
Yard House	3.7% ↑		5.4% ↑	3.2% ↑	3.4% ↑	1.7% ↑	3.9% ↑	1.4% ↑	0.0% ↔	0.7% ↔	
Texas Roadhouse, Inc.	6.8% ↑		8.7% ↑	8.0% ↑	7.0% ↑	4.4% ↑	4.3% ↑	4.5% ↑	3.4% ↑	1.2% ↑	
Buffalo Wild Wings Inc.	5.5% ↑		6.5% ↑	3.3% ↑	2.6% ↑	1.0% ↑	(2.0%) ↓	(2.1%) ↓	(1.7%) ↓	(4.0%) ↓	
Dave & Buster's Entertainment, Inc.	10.5% ↑		9.9% ↑	11.0% ↑	8.8% ↑	6.0% ↑	3.6% ↑	1.0% ↑	5.9% ↑	N/A	
BJ's Restaurants, Inc.	1.2% ↑		3.2% ↑	0.5% ↔	2.3% ↑	0.7% ↔	0.6% ↔	(0.2%) ↔	(3.4%) ↓	(2.2%) ↓	
Chuy's Holdings, Inc.	3.8% ↑		1.9% ↑	3.2% ↑	4.2% ↑	3.2% ↑	3.2% ↑	1.0% ↑	0.3% ↔	(1.1%) ↓	
Median	3.8% ↑		5.4% ↑	3.4% ↑	4.1% ↑	2.1% ↑	4.2% ↑	1.3% ↑	0.5% ↔	0.7% ↔	
Mean	3.8% ↑		5.6% ↑	4.4% ↑	4.5% ↑	2.5% ↑	4.2% ↑	1.7% ↑	0.7% ↔	0.3% ↔	

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Same store sales represents the change in year-over-year sales for restaurants that have been open for at least 18 months.

Represents most actively traded public restaurant companies

Quarterly Same-Store Sales Performance – Last 2 Years ○○●○○○

	2014		2015				2016											
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Polished Casual																		
The Cheesecake Factory Incorporated	1.4%	↑	4.2%	↑	2.8%	↑	2.2%	↑	1.1%	↑	1.7%	↑	0.3%	↔	1.7%	↑	1.1%	↑
J. Alexander's Holdings, Inc.																		
J. Alexander's/Redlands Grill	N/A		N/A		N/A		(0.2%)	↔	1.4%	↑	(3.0%)	↓	(1.8%)	↓	1.4%	↑	1.8%	↑
Stoney River Steakhouse and Grill	N/A		N/A		N/A		4.7%	↑	6.2%	↑	0.7%	↔	1.8%	↑	1.8%	↑	(1.7%)	↓
Kona Grill Inc.	3.1%	↑	2.2%	↑	1.0%	↑	1.6%	↑	3.2%	↑	3.6%	↑	2.5%	↑	0.7%	↔	(4.1%)	↓
Bravo Brio Restaurant Group, Inc.																		
Bravo! Cucina Italiana	(3.9%)	↓	(1.7%)	↓	(2.1%)	↓	(3.1%)	↓	(5.2%)	↓	(4.1%)	↓	(8.4%)	↓	(8.0%)	↓	(7.5%)	↓
Brio Tuscan Grille	(4.2%)	↓	(1.0%)	↓	(1.6%)	↓	(3.8%)	↓	(4.3%)	↓	(2.1%)	↓	(6.4%)	↓	(3.7%)	↓	(4.3%)	↓
Median	(1.3%)	↓	0.6%	↔	(0.3%)	↔	0.7%	↔	1.3%	↑	(0.7%)	↔	(0.8%)	↔	1.1%	↑	(2.9%)	↓
Mean	(0.9%)	↔	0.9%	↔	0.0%	↔	0.2%	↔	0.4%	↔	(0.5%)	↔	(2.0%)	↓	(1.0%)	↓	(2.5%)	↓
Fine Dining																		
Ruth's Hospitality Group Inc.	5.0%	↑	2.8%	↑	4.2%	↑	3.3%	↑	3.2%	↑	3.1%	↑	1.5%	↑	2.1%	↑	0.0%	↔
Fogo de Chao, Inc.	N/A		N/A		4.2%	↑	2.8%	↑	3.5%	↑	1.1%	↑	(1.6%)	↓	0.6%	↔	(1.0%)	↓
Del Frisco's Restaurant Group, Inc.																		
Del Frisco's Double Eagle Steak House	4.8%	↑	2.3%	↑	1.0%	↑	(1.4%)	↓	(1.6%)	↓	(0.1%)	↔	(1.9%)	↓	(3.7%)	↓	0.1%	↔
Del Frisco's Grille	N/A		(3.5%)	↓	(6.3%)	↓	(3.5%)	↓	(4.5%)	↓	(2.8%)	↓	(2.0%)	↓	(1.4%)	↓	2.1%	↑
Sullivan's Steakhouse	1.8%	↑	4.8%	↑	(3.0%)	↓	1.2%	↑	(1.8%)	↓	(1.8%)	↓	2.9%	↑	(3.2%)	↓	0.9%	↔
The ONE Group Hospitality, Inc.	2.6%	↑	(3.5%)	↓	3.1%	↑	0.3%	↔	(0.8%)	↔	2.8%	↑	(5.2%)	↓	(4.2%)	↓	N/A	↑
Median	3.7%	↑	2.3%	↑	2.1%	↑	0.8%	↔	(1.2%)	↓	0.5%	↔	(1.8%)	↓	(2.3%)	↓	0.1%	↔
Mean	3.6%	↑	0.6%	↔	0.5%	↔	0.5%	↔	(0.3%)	↔	0.4%	↔	(1.1%)	↓	(1.6%)	↓	0.4%	↔

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Quarterly Same-Store Sales Performance – Last 2 Years ○○○●○○

	2014		2015						2016							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4							
Fast Casual																
Chipotle Mexican Grill, Inc.	16.1% ↑	10.4% ↑	4.3% ↑	2.6% ↑	(14.6%) ↓	(29.7%) ↓	(23.6%) ↓	(21.9%) ↓	(4.8%) ↓							
Panera Bread Company	3.0% ↑	0.7% ↔	1.8% ↑	2.8% ↑	2.3% ↑	4.7% ↑	2.3% ↑	1.7% ↑	0.7% ↔							
Shake Shack Inc.	7.2% ↑	11.7% ↑	12.9% ↑	17.1% ↑	11.0% ↑	9.9% ↑	4.5% ↑	2.9% ↑	1.6% ↑							
El Pollo Loco Holdings, Inc.	7.6% ↑	5.1% ↑	1.3% ↑	0.6% ↔	1.8% ↑	0.7% ↔	2.4% ↑	1.6% ↑	(1.3%) ↓							
Zoe's Kitchen, Inc.	7.8% ↑	7.7% ↑	5.6% ↑	4.5% ↑	7.7% ↑	8.1% ↑	4.0% ↑	2.4% ↑	0.7% ↔							
The Habit Restaurants, Inc.	13.2% ↑	12.6% ↑	8.9% ↑	2.9% ↑	3.3% ↑	2.0% ↑	4.0% ↑	0.2% ↔	1.7% ↑							
Noodles & Company	1.3% ↑	0.9% ↔	0.1% ↔	(0.9%) ↔	(1.1%) ↓	(0.1%) ↔	(1.0%) ↓	(0.7%) ↔	(0.8%) ↔							
Potbelly Corporation	3.7% ↑	5.4% ↑	4.9% ↑	3.7% ↑	3.7% ↑	3.7% ↑	1.7% ↑	0.6% ↔	0.1% ↔							
Fiesta Restaurant Group, Inc.																
Pollo Tropical	7.7% ↑	6.4% ↑	4.3% ↑	4.2% ↑	0.4% ↔	0.0% ↔	(1.4%) ↓	(1.0%) ↓	(4.0%) ↓							
Taco Cabana	6.1% ↑	3.8% ↑	5.6% ↑	4.8% ↑	3.3% ↑	1.7% ↑	(3.8%) ↓	(4.1%) ↓	(3.5%) ↓							
Wingstop Inc.	12.5% ↑	10.7% ↑	9.0% ↑	6.3% ↑	5.9% ↑	4.6% ↑	3.1% ↑	4.1% ↑	1.0% ↑							
Median	7.6% ↑	6.4% ↑	4.9% ↑	3.7% ↑	3.3% ↑	2.0% ↑	2.3% ↑	0.6% ↔	0.1% ↔							
Mean	7.8% ↑	6.9% ↑	5.3% ↑	4.4% ↑	2.2% ↑	0.5% ↔	(0.7%) ↓	(1.3%) ↓	(0.8%) ↔							

Source: SEC filings, Capital IQ, MergerMarket, Company Press Releases, and various news sources (e.g. NY Times Dealbook, the Deal, Wall Street Journal, etc.)

Same store sales represents the change in year-over-year sales for restaurants that have been open for at least 18 months.

Represents most actively traded public restaurant companies

Quarterly Same-Store Sales Performance – Last 2 Years ○○○○●○

	2014		2015					2016										
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Quick Service																		
McDonald's Corp.	(1.7%)	↓	(2.6%)	↓	(2.0%)	↓	0.9%	↔	5.7%	↑	5.4%	↑	3.1%	↑	3.5%	↑	2.7%	↑
Yum! Brands, Inc.																		
KFC	6.0%	↑	7.0%	↑	3.0%	↑	0.0%	↔	3.0%	↑	1.0%	↑	2.0%	↑	4.0%	↑	3.0%	↑
Pizza Hut	0.0%	↔	(1.0%)	↓	1.0%	↑	0.0%	↔	2.0%	↑	5.0%	↑	0.0%	↔	(1.0%)	↓	(2.0%)	↓
Taco Bell	7.0%	↑	6.0%	↑	6.0%	↑	4.0%	↑	4.0%	↑	1.0%	↑	(1.0%)	↓	3.0%	↑	3.0%	↑
Restaurant Brands International Inc.																		
Burger King	4.2%	↑	6.9%	↑	7.9%	↑	5.2%	↑	2.8%	↑	4.4%	↑	3.9%	↑	1.7%	↑	2.8%	↑
Tim Hortons	4.1%	↑	8.9%	↑	7.0%	↑	4.3%	↑	5.8%	↑	5.8%	↑	4.8%	↑	2.0%	↑	0.2%	↔
Domino's Pizza, Inc.	11.1%	↑	14.5%	↑	12.8%	↑	10.5%	↑	10.7%	↑	6.4%	↑	9.7%	↑	13.0%	↑	12.2%	↑
The Wendy's Company	1.7%	↑	3.2%	↑	2.2%	↑	3.1%	↑	4.8%	↑	3.6%	↑	0.3%	↔	1.4%	↑	0.8%	↔
Jack in the Box Inc.	4.4%	↑	8.9%	↑	7.3%	↑	6.2%	↑	1.4%	↑	0.0%	↔	1.1%	↑	2.0%	↑	3.1%	↑
Papa John's International Inc.	4.1%	↑	6.5%	↑	5.5%	↑	3.0%	↑	1.9%	↑	0.1%	↔	4.8%	↑	5.5%	↑	3.8%	↑
Sonic Corp.	8.5%	↑	11.5%	↑	6.1%	↑	4.9%	↑	5.3%	↑	6.5%	↑	2.0%	↑	(2.0%)	↓	(2.0%)	↓
Popeyes Louisiana Kitchen, Inc.	10.7%	↑	7.0%	↑	7.9%	↑	5.6%	↑	2.0%	↑	1.1%	↑	0.7%	↔	1.8%	↑	2.4%	↑
Bojangles', Inc.	7.0%	↑	7.9%	↑	4.4%	↑	4.1%	↑	0.6%	↔	2.0%	↑	0.2%	↔	0.8%	↔	5.5%	↑
Del Taco Restaurants, Inc.	N/A		7.7%	↑	6.0%	↑	5.6%	↑	5.8%	↑	3.2%	↑	3.3%	↑	6.7%	↑	(1.3%)	↓
Nathan's Famous Inc.	(2.0%)	↓	(2.8%)	↓	(0.7%)	↔	0.5%	↔	(1.3%)	↓	0.2%	↔	(2.2%)	↓	(6.3%)	↓	N/A	↑
Papa Murphy's Holdings, Inc.	8.4%	↑	5.6%	↑	4.5%	↑	1.4%	↑	(3.1%)	↓	(2.8%)	↓	(4.0%)	↓	(5.8%)	↓	(7.8%)	
Median	4.4%	↑	7.0%	↑	5.8%	↑	4.1%	↑	2.9%	↑	2.6%	↑	1.6%	↑	1.9%	↑	2.7%	↑
Mean	4.9%	↑	6.0%	↑	4.9%	↑	3.7%	↑	3.2%	↑	2.7%	↑	1.8%	↑	1.9%	↑	1.8%	↑

Source: SEC filings, Capital IQ, MergerMarket, Company Press Releases, and various news sources (e.g. NY Times Dealbook, the Deal, Wall Street Journal, etc.)

Same store sales represents the change in year-over-year sales for restaurants that have been open for at least 18 months.

Represents most actively traded public restaurant companies

Quarterly Same-Store Sales Performance – Last 2 Years ○○○○○●

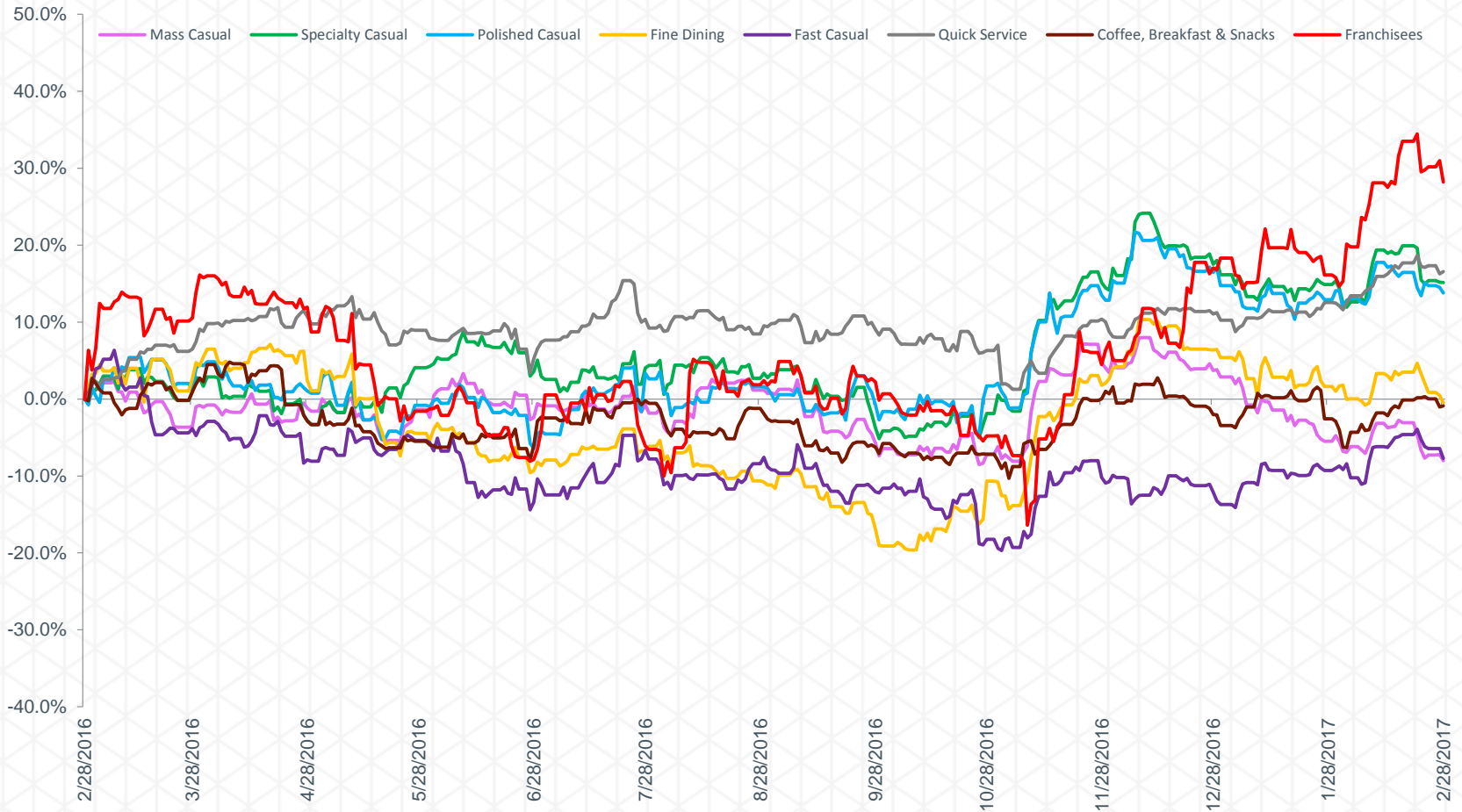
	2014		2015								2016							
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Coffee, Breakfast, and Snacks																		
Starbucks Corporation	5.0%	↑	7.0%	↑	8.0%	↑	9.0%	↑	9.0%	↑	7.0%	↑	4.0%	↑	5.0%	↑	3.0%	↑
Dunkin' Brands Group, Inc.																		
Dunkin' Donuts	1.4%	↑	2.7%	↑	2.9%	↑	1.1%	↑	1.8%	↑	2.0%	↑	0.5%	↔	2.0%	↑	1.9%	↑
Baskin Robbins	9.3%	↑	8.0%	↑	3.4%	↑	7.5%	↑	4.4%	↑	5.0%	↑	0.6%	↔	(0.9%)	↔	(0.9%)	↔
Jamba, Inc.	4.9%	↑	5.0%	↑	(5.9%)	↓	6.6%	↑	5.4%	↑	(2.1%)	↓	4.2%	↑	(1.1%)	↓	(2.2%)	↓
Median	5.0%	↑	6.0%	↑	3.2%	↑	7.1%	↑	4.9%	↑	3.5%	↑	2.3%	↑	0.6%	↔	0.5%	↔
Mean	5.2%	↑	5.7%	↑	2.1%	↑	6.1%	↑	5.2%	↑	3.0%	↑	2.3%	↑	1.3%	↑	0.5%	↔
Franchisees																		
Diversified Restaurant Holdings, Inc.	5.8%	↑	7.6%	↑	4.2%	↑	1.5%	↑	0.8%	↔	(1.0%)	↓	(2.7%)	↓	(1.8%)	↓	(5.4%)	↓
Carrols Restaurant Group, Inc.	3.6%	↑	8.4%	↑	10.3%	↑	6.5%	↑	5.1%	↑	5.7%	↑	0.7%	↔	0.0%	↔	3.2%	↑
Median	4.7%	↑	8.0%	↑	7.3%	↑	4.0%	↑	3.0%	↑	2.4%	↑	(1.0%)	↓	(0.9%)	↔	(1.1%)	↓
Mean	4.7%	↑	8.0%	↑	7.3%	↑	4.0%	↑	3.0%	↑	2.4%	↑	(1.0%)	↓	(0.9%)	↔	(1.1%)	↓

Source: SEC filings, Capital IQ, MergerMarket, Company Press Releases, and various news sources (e.g. NY Times Dealbook, the Deal, Wall Street Journal, etc.)

Same store sales represents the change in year-over-year sales for restaurants that have been open for at least 18 months.

Represents most actively traded public restaurant companies

Indexed Stock Price Performance – Last 12 Months



Sector index weight based upon company market capitalization at valuation date

Source: Capital IQ; data as of 2/28/2017. Fast Casual index includes Chipotle Mexican Grill, Panera Bread Company, Shake Shack Inc., Wingstop Inc., Fiesta Restaurant Group, El Pollo Loco Holdings, Zoe's Kitchen, The Habit Restaurants, Potbelly Corporation, Noodles & Company. Quick Service index includes McDonald's Corp, Yum! Brands, Restaurant Brands International Inc., Domino's Pizza, The Wendy's Company, Jack in the Box Inc., Papa John's International Inc., Sonic Corp., Popeyes Louisiana Kitchen, Bojangles, Del Taco Restaurants, Nathan's Famous Inc., Papa Murphy's Holdings. Coffee, Breakfast, & Snacks index includes Starbucks Corporation, Dunkin' Brands Group, Jamba. Franchisees index includes Carrols Restaurant Group, Inc., Diversified Restaurant Holdings, Inc. Mass Casual index includes Brinker International, Cracker Barrel Old Country Store, Bloomin' Brands, DineEquity, Biglari Holdings, Denny's Corporation, Red Robin Gourmet Burgers, Ruby Tuesday, Luby's, Ignite Restaurant Group, Famous Dave's of America. Specialty Casual index includes Darden Restaurants, Texas Roadhouse, Buffalo Wild Wings, Dave & Buster's Entertainment, BJ's Restaurants, Chuy's Holdings. Polished Casual index includes The Cheesecake Factory, J. Alexander's Holdings, Kona Grill, Bravo Brio Restaurant Group. Fine Dining index includes Ruth's Hospitality Group, Fogo de Chao, Del Frisco's Restaurant Group, The ONE Group Hospitality. Represents most actively traded public restaurant companies

Sector Stock Price Performance

(\$ in millions, except per share data)

Market Sector	Number of Companies	Avg. Equity Market Value	Avg. % Change in Market Value			Avg. EV / EBITDA Multiple	
		28-Feb-17	1 Month	3 Months	12 Months	LTM ⁽¹⁾	2017E
Mass Casual	11	\$1,036	(6.9%)	(19.6%)	(8.0%)	8.7x	8.1x
Specialty Casual	6	3,106	(3.8%)	(9.6%)	15.1%	10.2x	9.3x
Polished Casual	4	760	(4.0%)	(4.3%)	13.8%	7.2x	5.9x
Fine Dining	4	332	(7.1%)	(2.8%)	(0.5%)	8.8x	7.1x
Fast Casual	10	2,226	(14.3%)	7.1%	(7.7%)	18.8x	12.4x
Quick Service	13	12,670	7.4%	6.0%	16.6%	14.2x	13.2x
Coffee, Breakfast, and Snacks	3	29,363	5.6%	2.3%	(0.9%)	16.7x	12.6x
Franchisees	2	303	19.6%	26.2%	28.2%	7.6x	7.0x
Market Indices							
S&P 500 Index		\$2,364	3.7%	7.5%	22.3%		
Dow Jones Industrials		20,812	4.8%	8.8%	26.0%		
Russell 2000 Index		1,387	1.8%	4.9%	34.1%		
S&P Restaurant Index		1,220	2.9%	3.0%	6.1%		

Sector index weight based upon company market capitalization at valuation date

(1) Calculation of Market Sector LTM EV/EBITDA multiples excludes companies lacking analyst estimates for 2017E EBITDA figures

Source: Capital IQ; data as of 2/28/2017. Fast Casual index includes Chipotle Mexican Grill, Panera Bread Company, Shake Shack Inc., Wingstop Inc., Fiesta Restaurant Group, El Pollo Loco Holdings, Zoe's Kitchen, The Habit Restaurants, Potbelly Corporation, Noodles & Company. Quick Service index includes McDonald's Corp, Yum! Brands, Restaurant Brands International Inc., Domino's Pizza, The Wendy's Company, Jack in the Box Inc., Papa John's International Inc., Sonic Corp., Popeyes Louisiana Kitchen, Bojangles, Del Taco Restaurants, Nathan's Famous Inc., Papa Murphy's Holdings. Coffee, Breakfast, & Snacks index includes Starbucks Corporation, Dunkin' Brands Group, Jamba. Franchisees index includes Carrols Restaurant Group, Inc., Diversified Restaurant Holdings, Inc. Mass Casual index includes Brinker International, Cracker Barrel Old Country Store, Bloomin' Brands, DineEquity, Biglari Holdings, Denny's Corporation, Red Robin Gourmet Burgers, Ruby Tuesday, Luby's, Ignite Restaurant Group, Famous Dave's of America. Specialty Casual index includes Darden Restaurants, Texas Roadhouse, Buffalo Wild Wings, Dave & Buster's Entertainment, BJ's Restaurants, Chuy's Holdings. Polished Casual index includes The Cheesecake Factory, J. Alexander's Holdings, Kona Grill, Bravo Brio Restaurant Group. Fine Dining index includes Ruth's Hospitality Group, Fogo de Chao, Del Frisco's Restaurant Group, The ONE Group Hospitality. Represents most actively traded public restaurant companies

Public Restaurant Valuations ●○○○○○○

(\$ in millions, except per share data)

	% Franchised	Stock Price 28-Feb-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of					LTM EBITDA Margin	
						Revenue			EBITDA			
						LTM	2017E	2018E	LTM	2017E	2018E	
Mass Casual												
Brinker International, Inc.	40%	\$42.24	75.6%	\$2,065	\$3,451	1.07x	1.08x	1.06x	7.4x	8.4x	7.9x	14.5%
Cracker Barrel Old Country Store, Inc.	0%	160.99	92.0%	3,871	4,091	1.40x	1.36x	1.31x	10.6x	10.2x	9.7x	13.2%
Bloomin' Brands, Inc.	11%	17.09	85.5%	1,789	2,764	0.65x	0.65x	0.64x	6.6x	6.5x	6.4x	9.8%
DineEquity, Inc.	100%	59.82	62.8%	1,082	2,352	3.71x	3.64x	3.55x	9.3x	9.1x	8.8x	39.9%
Biglari Holdings Inc.	30%	429.43	87.3%	888	1,079	1.27x	1.25x	1.23x	19.8x	18.8x	17.4x	6.4%
Denny's Corporation	90%	12.56	88.1%	899	1,143	2.25x	2.17x	2.10x	11.9x	11.1x	10.6x	19.0%
Red Robin Gourmet Burgers, Inc.	16%	45.65	66.2%	587	922	0.71x	0.67x	0.66x	6.7x	6.3x	6.0x	10.6%
Ruby Tuesday, Inc.	12%	1.90	33.7%	114	298	0.29x	NA	NA	6.3x	NA	NA	4.7%
Luby's, Inc.	37%	3.38	66.3%	98	136	0.34x	NA	NA	9.3x	NA	NA	3.7%
Ignite Restaurant Group, Inc.	1%	0.43	11.3%	11	124	0.27x	0.31x	0.32x	6.2x	5.8x	6.0x	4.3%
Famous Dave's of America, Inc.	75%	5.65	84.0%	39	47	0.48x	0.49x	0.47x	11.3x	8.1x	8.5x	4.2%
Median			79.8%	\$894	\$1,111	0.89x	1.09x	1.06x	9.3x	8.7x	8.5x	10.2%
Mean			70.5%	\$1,047	\$1,488	1.13x	1.27x	1.24x	9.6x	9.4x	9.0x	11.7%

Public Restaurant Valuations ●○○○○○

(\$ in millions, except per share data)

	% Franchised	Stock Price 28-Feb-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM
						Revenue		EBITDA		LTM	EBITDA Margin	
						LTM	2017E	2018E	LTM	2017E	2018E	
Specialty Casual												
Darden Restaurants, Inc.	3%	\$74.68	94.0%	\$9,273	\$9,596	1.37x	1.33x	1.28x	10.3x	9.5x	8.9x	13.3%
Texas Roadhouse, Inc.	17%	42.30	83.7%	2,995	2,943	1.48x	1.35x	1.23x	11.2x	10.2x	9.2x	13.2%
Buffalo Wild Wings, Inc.	49%	155.00	88.5%	2,699	2,859	1.44x	1.34x	1.32x	9.6x	9.4x	8.9x	15.0%
Dave & Buster's Entertainment, Inc.	0%	57.19	95.9%	2,405	2,668	2.75x	2.31x	2.09x	11.6x	9.8x	8.9x	23.7%
BJ's Restaurants, Inc.	0%	36.35	76.4%	800	925	0.93x	0.89x	0.84x	7.2x	7.4x	6.9x	13.0%
Chuy's Holdings, Inc.	0%	28.50	75.4%	483	469	1.42x	1.20x	1.05x	11.5x	9.7x	8.8x	12.4%
Median			86.1%	\$2,552	\$2,763	1.43x	1.34x	1.26x	10.8x	9.6x	8.9x	11.7%
Mean			85.7%	\$3,109	\$3,243	1.57x	1.40x	1.30x	10.2x	9.4x	8.6x	11.0%
Polished Casual												
The Cheesecake Factory Incorporated	5%	\$61.05	94.8%	\$2,825	\$2,872	1.26x	1.22x	1.17x	9.9x	9.9x	9.3x	12.7%
J. Alexander's Holdings, Inc.	0%	9.30	76.9%	137	145	0.66x	0.59x	NA	7.6x	5.1x	NM	8.8%
Kona Grill, Inc.	0%	6.35	40.8%	64	87	0.51x	0.44x	0.41x	7.3x	7.6x	5.3x	7.1%
Bravo Brio Restaurant Group, Inc.	1%	4.00	43.4%	59	100	0.24x	0.24x	0.25x	NM	3.6x	3.6x	(9.7%)
Median			60.1%	\$100	\$123	0.59x	0.51x	0.41x	7.6x	6.3x	5.3x	7.9%
Mean			64.0%	\$771	\$801	0.67x	0.62x	0.61x	8.3x	6.6x	6.1x	4.7%

Public Restaurant Valuations ○○●○○○

(\$ in millions, except per share data)

	% Franchised	Stock Price	% of	Market	Enterprise	Enterprise Value as a Multiple of						LTM
		28-Feb-17	52 Wk High	Value	Value	LTM	Revenue		EBITDA		EBITDA	
							2017E	2018E	LTM	2017E	2018E	Margin
Fine Dining												
Ruth's Hospitality Group, Inc.	54%	\$16.85	85.8%	\$517	\$538	1.39x	1.29x	1.24x	8.8x	8.3x	7.7x	15.8%
Fogo de Chao, Inc.	0%	14.00	78.3%	394	521	1.81x	1.64x	1.51x	9.7x	8.6x	7.7x	18.7%
Del Frisco's Restaurant Group, Inc.	0%	15.90	85.9%	374	359	1.02x	0.97x	0.92x	7.8x	7.4x	6.7x	13.2%
The ONE Group Hospitality, Inc.	0%	1.82	53.1%	46	59	0.83x	0.65x	NA	NM	4.3x	NM	NM
Median			82.0%	\$384	\$440	1.21x	1.13x	1.24x	8.8x	7.8x	7.7x	15.8%
Mean			75.8%	\$333	\$369	1.26x	1.14x	1.22x	8.7x	7.2x	7.4x	15.9%
Fast Casual												
Chipotle Mexican Grill, Inc.	0%	\$418.74	77.2%	\$13,255	\$12,838	3.29x	2.81x	2.49x	62.7x	23.5x	17.8x	5.2%
Panera Bread Company	54%	230.80	97.7%	5,299	5,625	2.01x	1.90x	1.76x	13.9x	12.7x	11.4x	14.5%
Shake Shack Inc.	48%	35.83	81.5%	893	870	3.24x	2.46x	1.98x	20.6x	15.0x	12.7x	15.8%
Wingstop Inc.	98%	26.30	78.7%	774	921	10.08x	9.00x	8.00x	28.6x	23.0x	19.4x	35.3%
Fiesta Restaurant Group, Inc.	11%	19.85	51.5%	531	600	0.84x	0.81x	0.76x	6.9x	6.6x	6.1x	12.2%
El Pollo Loco Holdings, Inc.	57%	12.50	81.0%	492	595	1.56x	1.43x	1.33x	9.7x	8.7x	8.2x	16.1%
Zoe's Kitchen, Inc.	2%	17.92	42.9%	349	373	1.35x	1.15x	0.96x	16.3x	0.9x	11.9x	8.3%
The Habit Restaurants, Inc.	4%	13.45	61.7%	258	246	0.87x	0.72x	0.60x	8.4x	7.1x	6.3x	10.3%
Potbelly Corporation	6%	13.05	87.1%	337	314	0.77x	0.69x	0.64x	7.6x	7.2x	6.5x	10.1%
Noodles & Company	14%	3.80	27.8%	106	189	0.39x	0.39x	0.37x	13.9x	6.9x	6.0x	2.8%
Median			77.9%	\$512	\$597	1.46x	1.29x	1.15x	13.9x	7.9x	9.8x	11.3%
Mean			68.7%	\$2,229	\$2,257	2.44x	2.14x	1.89x	18.9x	11.2x	10.6x	13.1%

Public Restaurant Valuations ○○○●○○○

(\$ in millions, except per share data)

	% Franchised	Stock Price	% of	Market	Enterprise	Enterprise Value as a Multiple of						LTM
		28-Feb-17	52 Wk High	Value	Value	Revenue			EBITDA			EBITDA
						LTM	2017E	2018E	LTM	2017E	2018E	Margin
Quick Service												
McDonald's Corporation	82%	\$127.65	96.7%	\$106,767	\$131,500	5.34x	5.99x	6.60x	14.1x	13.6x	13.2x	37.9%
Yum! Brands, Inc.	77%	65.32	71.0%	23,634	32,057	5.04x	5.69x	6.99x	16.3x	15.6x	15.1x	30.9%
Restaurant Brands International Inc.	99%	54.70	94.3%	13,706	26,106	6.30x	5.84x	5.44x	14.2x	12.6x	11.6x	44.2%
Domino's Pizza, Inc.	97%	189.81	98.9%	9,486	11,631	4.70x	4.29x	3.92x	24.2x	20.9x	18.6x	19.5%
The Wendy's Company	90%	13.94	96.4%	3,532	5,846	4.07x	4.92x	4.76x	15.4x	14.6x	13.5x	26.5%
Jack in the Box Inc.	75%	93.71	82.7%	2,965	4,001	2.47x	2.51x	2.73x	11.5x	10.7x	10.2x	21.5%
Papa John's International, Inc.	85%	78.92	87.2%	2,943	3,250	1.90x	1.82x	1.75x	16.6x	15.5x	14.6x	11.4%
Sonic Corp.	89%	25.28	69.6%	1,111	1,658	2.81x	3.55x	3.68x	10.1x	10.9x	10.5x	27.9%
Popeyes Louisiana Kitchen, Inc.	97%	79.01	99.8%	1,651	1,800	6.69x	6.68x	6.26x	20.3x	18.2x	16.6x	33.0%
Bojangles', Inc.	58%	21.05	96.3%	830	1,006	1.89x	1.71x	1.58x	12.0x	11.5x	10.6x	15.7%
Del Taco Restaurants, Inc.	45%	12.41	81.0%	487	653	1.44x	1.36x	1.25x	9.9x	8.6x	8.0x	14.5%
Nathan's Famous, Inc.	98%	62.00	92.8%	259	334	3.46x	NA	NA	12.2x	NA	NA	28.4%
Papa Murphy's Holdings, Inc.	90%	4.27	32.9%	72	184	1.47x	1.32x	1.18x	8.4x	9.4x	8.8x	17.4%
Median			92.8%	\$2,943	\$3,250	3.46x	3.92x	3.80x	14.1x	13.1x	12.4x	26.5%
Mean			84.6%	\$12,880	\$16,925	3.66x	3.81x	3.85x	14.2x	13.5x	12.6x	25.3%

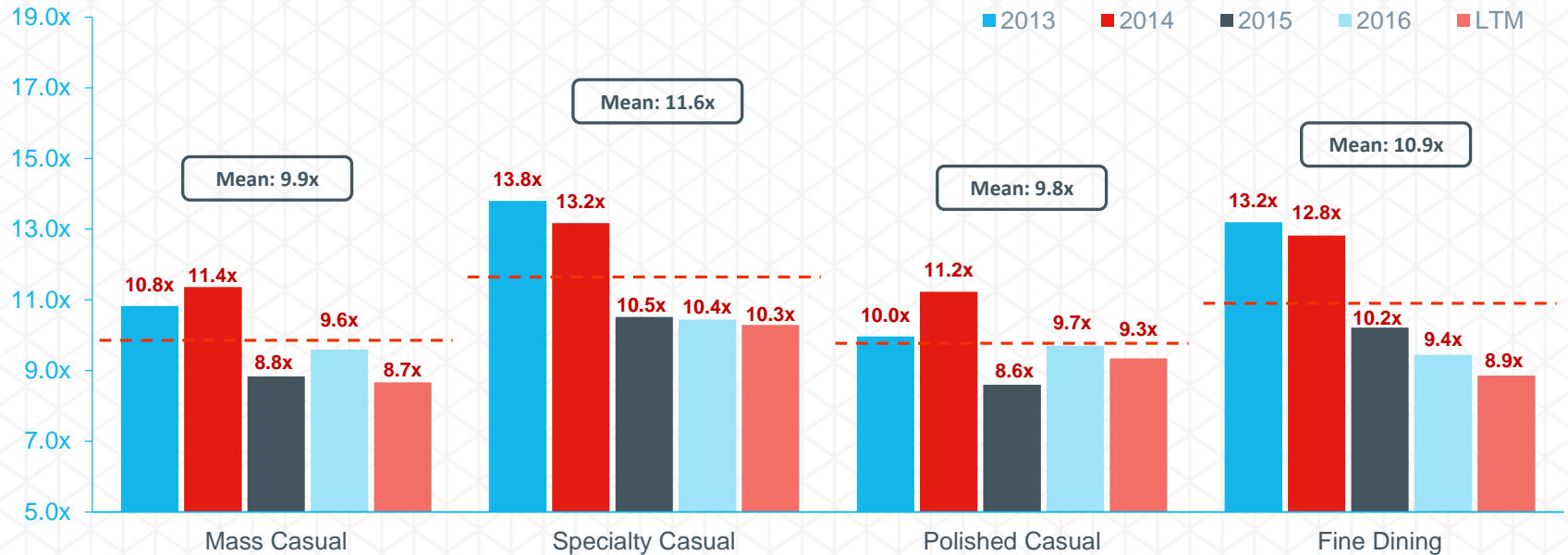
Public Restaurant Valuations ○○○○●○○

(\$ in millions, except per share data)

	% Franchised	Stock Price 28-Feb-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM
						Revenue			EBITDA			EBITDA Margin
						LTM	2017E	2018E	LTM	2017E	2018E	
Coffee, Breakfast, and Snacks												
Starbucks Corporation	47%	\$56.87	92.3%	\$82,882	\$83,899	3.87x	3.57x	3.23x	16.9x	14.2x	12.6x	22.9%
Dunkin' Brands Group, Inc.	100%	55.01	97.7%	5,107	7,181	8.66x	8.48x	8.06x	16.6x	15.1x	14.1x	52.3%
Jamba, Inc.	92%	9.71	70.3%	149	135	1.64x	1.75x	1.67x	NM	11.6x	12.5x	NM
Median			92.3%	\$5,107	\$7,181	3.87x	3.57x	3.23x	16.8x	14.2x	12.6x	37.6%
Mean			86.7%	\$29,380	\$30,405	4.73x	4.60x	4.32x	16.8x	13.7x	13.1x	37.6%
Franchisees												
Carrols Restaurant Group, Inc.	0%	\$15.80	90.0%	\$557	\$775	0.82x	0.74x	0.67x	9.0x	7.6x	6.0x	9.1%
Diversified Restaurant Holdings, Inc.	0%	1.80	67.9%	48	165	0.99x	0.95x	NA	6.3x	6.8x	NM	15.7%
Median			79.0%	\$303	\$470	0.91x	0.85x	0.67x	7.6x	7.2x	6.0x	12.4%
Mean			79.0%	\$303	\$470	0.91x	0.85x	0.67x	7.6x	7.2x	6.0x	12.4%

Historical Public Restaurant Trends ○○○○○●○

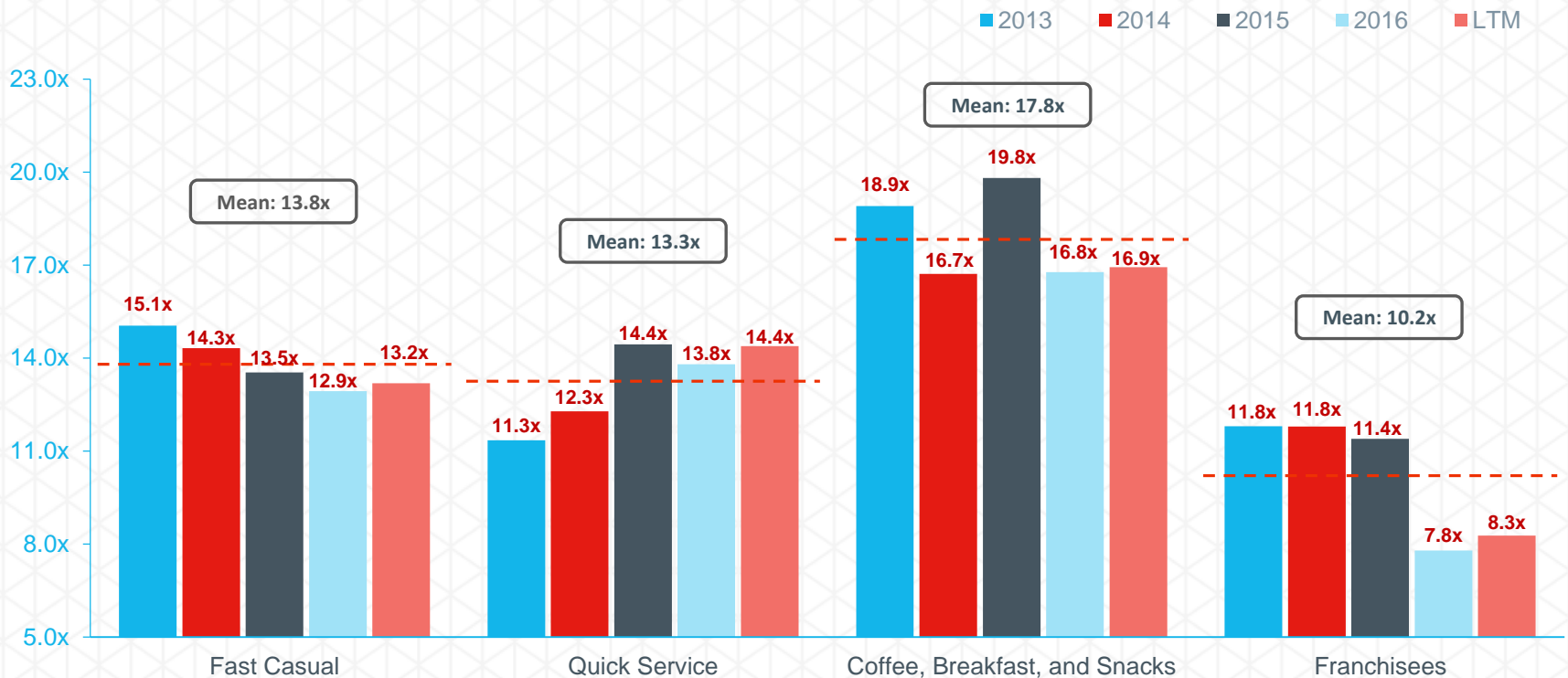
Enterprise Value as a Multiple of EBITDA⁽¹⁾



(1) Index calculation excludes any companies with non-meaningful trading multiples
 Source: Capital IQ; LTM values as of 2/28/2017
 Segments weighted based on market cap values at period end
 Represents most actively traded public restaurant companies

Historical Public Restaurant Trends ○○○○○○●

Enterprise Value as a Multiple of EBITDA⁽¹⁾



(1) Index calculation excludes any companies with non-meaningful trading multiples
 Source: Capital IQ; LTM values as of 2/28/2017
 Segments weighted based on market cap values at period end
 Represents most actively traded public restaurant companies

Recent Restaurant M&A Transaction Activity

Noodles & Co. Sells \$31.5M of Shares to Mill Road Capital

On March 14, 2017, Mill Road Capital acquired \$31.5M of newly issued common stock in Noodles & Co, the Broomfield, Colorado-based fast casual noodles and pasta concept. The transaction marks the second stock sale this year for Noodles & Co., who sold \$18.5M in preferred stock to L Catterton in February concurrently with their announcement to close 55 underperforming restaurants. The company, which has nearly 500 locations nationwide, has faced a precipitous decline in same-store sales and traffic over the past year, leading to a \$71.7M loss on \$487.5M in 2016 revenue.

NPC International to Acquire 62 Wendy's Units for \$53M

On March 10, 2017, NPC International, the Overland Park, Kansas-based franchisee of Pizza Hut and Wendy's locations, has agreed to acquire 62 Wendy's restaurants from Valenti Mid-Atlantic Management for \$53M in cash. Founded in 1979, Valenti Mid-Atlantic Management franchises Chili's Grill & Bar and Wendy's restaurants in the South and Midwest regions. The transaction increases NPC International's total Wendy's unit count to 247 locations across 5 states. The Wendy's units generated approximately \$93M in LTM revenues.

Chipotle to Close ShopHouse Chain

On March 9, 2017, Chipotle Mexican Grill announced that it is planning to close all 15 ShopHouse Asian Kitchen locations. According to company spokesman Chris Arnold, the company struggled to generate top-line sales that warranted investment from its parent company. The concept, which first opened in 2011, was unable to overcome the general restaurant malaise that prompted Chipotle to explore strategic alternatives for the company this past fall. All of the employees of ShopHouse will be offered positions at existing Chipotle locations as part of the decision.

Golden Spike Restaurants Acquires ES-O-EN Corp.

As reported in the Restaurant Finance Monitor in March 2017, Golden Spike Restaurants acquired the Utah restaurant base of ES-O-EN Corp., a Meridian, Idaho-based franchisee of Taco Bell restaurants in Idaho, Oregon, and Utah. Since its founding in 2011, ES-O-EN Corp. has grown its total franchisee base to 56 Taco Bell locations across the Northwest region. As part of the acquisition, Golden Spike Restaurants will acquire 19 Utah-based Taco Bell locations and 11 ES-O-EN Corp. owned properties.

Restaurant Brands International Acquires Popeyes Louisiana Kitchen

On February 21, 2017, Restaurant Brands International ("RBI"), the Canada-based parent company of Burger King and Tim Hortons, agreed to acquire Popeyes Louisiana Kitchen for \$79 per share in cash, representing a 27% premium and equating to a total transaction value of \$1.8B. RBI was formed in 2014 when Burger King merged with Tim Hortons and is majority-owned by 3G Capital. Founded in New Orleans in 1972, Popeyes is one of the world's largest QSR chicken concepts with over 2,600 locations, complementing RBI's existing portfolio of more than 20,000 restaurants in over 100 countries.

Meritage Hospitality Acquires 69 Wendy's Restaurants for \$112M

On February 9, 2017, Meritage Hospitality Group, the Grand Rapids, Michigan-based operator of 181 QSR and fast casual units, acquired 69 Wendy's Restaurants within the Midwest and Mid-Atlantic regions for \$112M. The transaction, which consists of three separate deals, will represent Meritage's 19th Wendy's acquisition over the past eight years. The company, which expects to generate over \$230M in 2017 system-wide sales, plans to raise \$10.5M of the price through qualified investor equity.
























Madison Square Garden Company Acquires Majority Stake in TAO Group

On February 1, 2017, Madison Square Garden Company acquired a 62.5% stake in TAO Group, a Las Vegas-based restaurant and nightlife operator, for \$181M plus a \$25.5M earnout, representing an approximate \$400M transaction value. TAO Group owns and operates restaurants, lounges, nightclubs and pool venues in New York, Las Vegas, Los Angeles and Sydney. Madison Square Garden Company will look to utilize its experience in the entertainment space to expand TAO Group's footprint. TAO Group generated approximately \$235M in LTM revenues.

Union Square Hospitality Group Invests in Joe Coffee

On January 23, 2017, Union Square Hospitality Group, the New York-based operator of fine dining restaurants and cafes, completed an investment in Joe Coffee, a New York-based operator of coffee bars. Founded in 2003, the company operates 14 units in New York City and Philadelphia. The investment from Union Square represents the first source of external financing in the company's history. Joe Coffee will look to utilize the investment to fund future growth and expansion.

Selected Recent Duff & Phelps Restaurant Transactions

<p>Sell-Side Advisor</p>  <p>has been acquired by</p> 	<p>Board Advisor</p>  <p>has been acquired by</p> 	<p>Placement Agent</p>  <p>has secured senior debt financing from</p> 	<p>Sell-Side Advisor</p>  <p>HOULIHAN'S a portfolio company of</p>  <p>has been acquired by</p> 	<p>Board Advisor</p>  <p>has completed a spin-off of</p> 
<p>Board Advisor</p>  <p>a portfolio company of</p>  <p>has completed a leveraged dividend recapitalization transaction.</p>	<p>Sell-Side Advisor</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>Sell-Side Advisor</p>  <p>a division of</p>  <p>has been acquired by</p> 	<p>Sell-Side Advisor</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>Sell-Side Advisor</p>   <p>has completed a going-private transaction.</p>

Contact Us



Joshua Benn

Global Head of Restaurants
Retail, Consumer and Food
New York
+1 212 450 2840
joshua.benn@duffandphelps.com



Darren Gange

Managing Director
New York
+1 212 871 9429
darren.gange@duffandphelps.com



Henry Wells

Managing Director
London
+44 207 089 4876
henry.wells@duffandphelps.com



Farzad Mukhi

Director
Los Angeles
+1 424 249 1661
farzad.mukhi@duffandphelps.com

About Duff & Phelps

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