

Restaurant Sector Update

Winter 2021



Executive Summary

The U.S. restaurant industry was one of the most severely affected sectors by the global pandemic. Certain fundamental shifts in the restaurant sector leading up to the pandemic further exacerbated the impact of the government-mandated response.

An oversaturated restaurant market, changing consumer preferences emphasizing convenience or experience and a noticeable decline in millennials visiting full-service restaurants, contributed to negative traffic trends before the pandemic. For the two years prior to the pandemic, traffic declined by an average of 2.2% each month. Operators were forced to compensate with price increases, which largely offset the negative traffic.

The resurgence in global equities—including restaurant stocks which are up 80% from April lows—has partially masked the continued pain points being felt on the ground across a large part of the sector.

Government-mandated lockdowns beginning in March led to massive declines in same-store sales for all concepts, especially those without robust off-premise infrastructures. Drive-thru capabilities, innovative off-premise solutions, and warmer weather helped fuel a rebound leading into the summer. However, the December resurgence of new COVID-19 cases and accompanying restrictions, as well as the cooling weather in Northern states, drove further setbacks in same-store sales moving into 2021.

Concepts that were already struggling with large traffic declines pre-pandemic and those that recently took on leverage to fuel growth were particularly disadvantaged when government-mandated closures were initiated. Many of these concepts, unable to negotiate a plan with incumbent lenders, filed for Chapter 11 protection. As a result, more than 30 restaurant chains filed bankruptcy in 2020, a fivefold increase over the prior year.

Despite the challenges endured over the past year, some positive signs point to a more favorable 2021. Operators spent the better part of 2020 shifting to off-premise capable business models with a reduced labor force, helping to salvage profitability margins despite lower volumes. Significant liquidity in the markets, combined with operators' realization that size and scale has become more important to survival, will likely continue to drive consolidation throughout the industry.

KEY INFORMATION



Median QSR and fast casual sector SSS outperformed industry by 23%



Restaurant publicly traded equities continue to recover, up 80% from the pandemic-driven lows



Nearly 4M industry jobs recovered since employment bottomed in April 2020, before retreating slightly in December

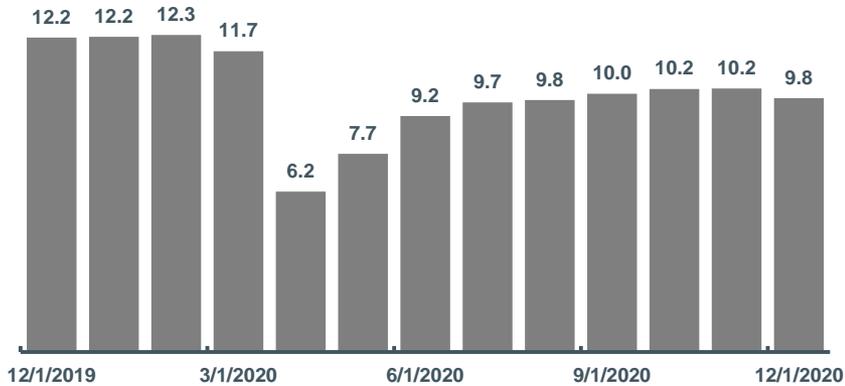


Capacity restrictions have been reinstated across much of the U.S., including 10 that have completely closed in-restaurant dining

2020—At a Glance

The recovery in food service employment tapered in early fall and turned negative in December as new capacity restrictions set in and colder weather limited outdoor dining.

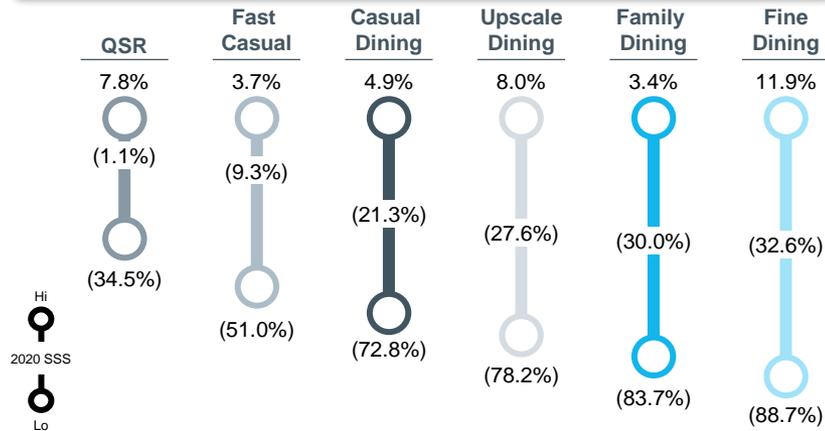
(Employment in millions)



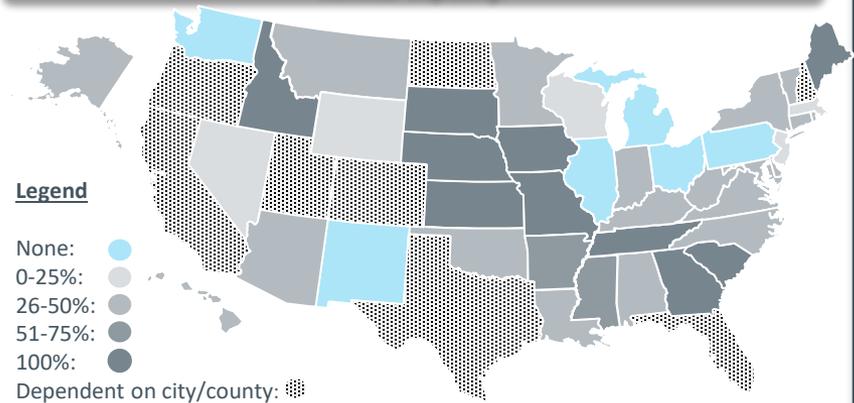
The year of chicken—dozens of concepts joined the chicken sandwich craze with innovative chicken dishes suited to their particular menu focus.



Same-store sales suffered across concept type, with the largest post-pandemic declines in the family, casual and fine dining sectors.



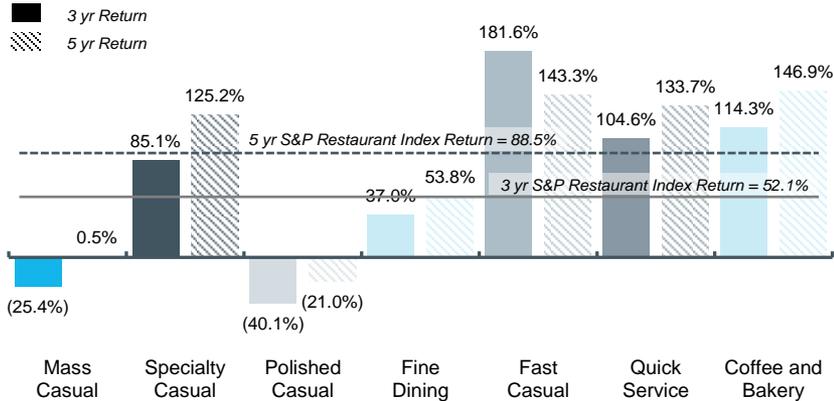
Many states reinstated capacity restrictions as the COVID case count increased, with many states restricted to 50% or less of normal capacity.





Restaurant Public Equities

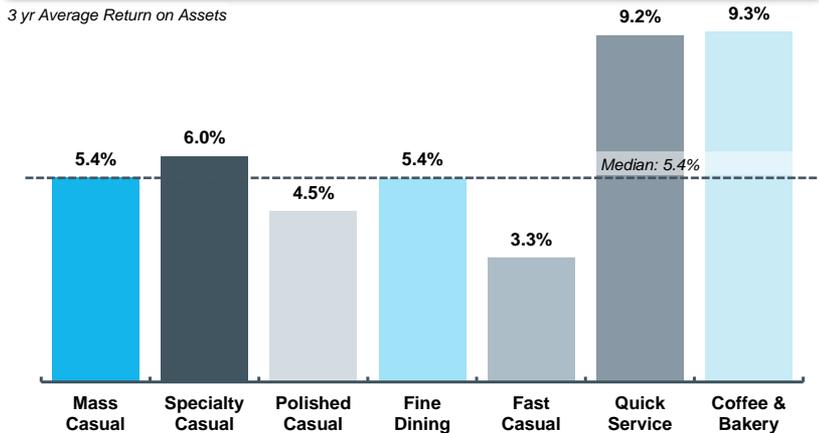
Fast casual, quick service and coffee concepts have handily outperformed the broader S&P restaurant index during both the 3- and 5-year periods.



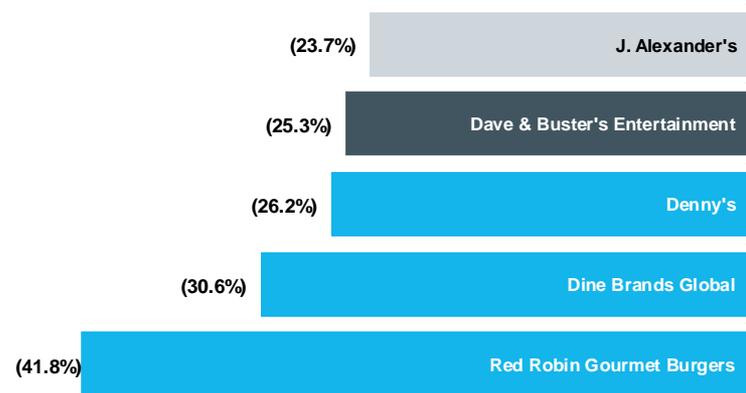
Despite falling 5% more than the S&P 500, the S&P restaurant index roared back in 2020 to nearly match the return of the broader index.



Quick service and coffee concepts outperform other restaurant sectors' return on assets, some by two to three times.



Certain concepts lost favor with investors in 2020, driving double digit price declines, particularly in mass casual and family dining chains that could not react quickly to the COVID-19 environment.



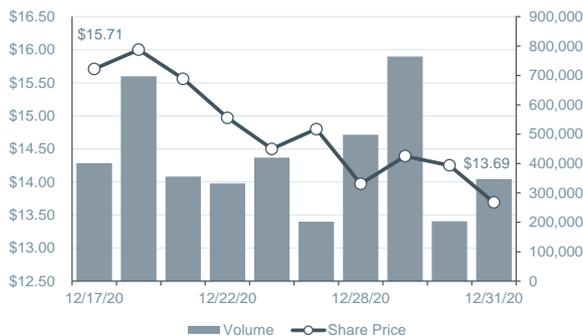
Special Purpose Acquisition Companies (SPACs)

Over 240 blank-check companies went public in 2020, raising more than \$83B—more than six times the prior year—in a continued acceleration of SPAC formation that began in 2016. The restaurant sector was not left out of the SPAC trend, with several IPOs focused on identifying acquisitions throughout the hospitality and restaurant sectors and the successful consummation of BurgerFi by Opes Acquisition.



2011 Founded	100+ Locations	\$1.5M AUV
\$0.6–\$1.0M Initial Investment	82% Franchised	\$236M Market Cap

BurgerFi Stock Price Performance



FAST ACQUISITION CORP.

Debuted: August 2020

Size: \$200M

Focus: Hospitality & Restaurants

Deployment announced on 2/1/2021 for \$6.6B acquisition of Landry's/Golden Nugget



TASTEMAKER ACQUISITION

Debuted: October 2020

Size: \$240M

Focus: Hospitality & Restaurants (or related technology)



Debuted: August 2020

Size: \$300M

Focus: Hospitality, Consumer, & Entertainment

SELECT MANAGEMENT EXPERIENCE

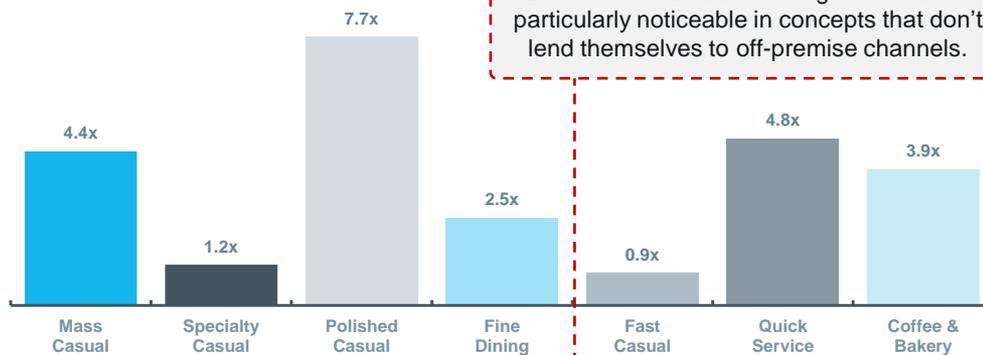


Increasing Importance of Adequate Liquidity

NET DEBT LEVERAGE

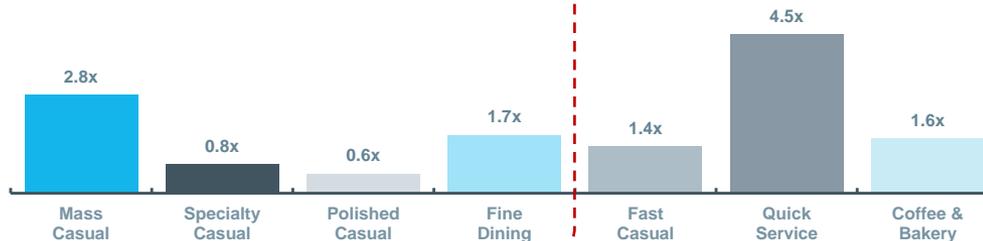
Revolver drawdowns, debt placements and decreasing profitability drove net debt leverage ratios higher compared to 2019, causing concern among lenders and investors as to the sustainability of some restaurants.

LTM 2020



Deterioration in debt leverage levels were particularly noticeable in concepts that don't lend themselves to off-premise channels.

LTM 2019



CURRENT LIQUIDITY

(\$ in millions)





Uptick in Restaurant Bankruptcies

A wave of restaurants filed for bankruptcy protection throughout 2020, with many citing the unprecedented pandemic-related difficulties—in particular, operating restrictions—as the primary reason for filing.



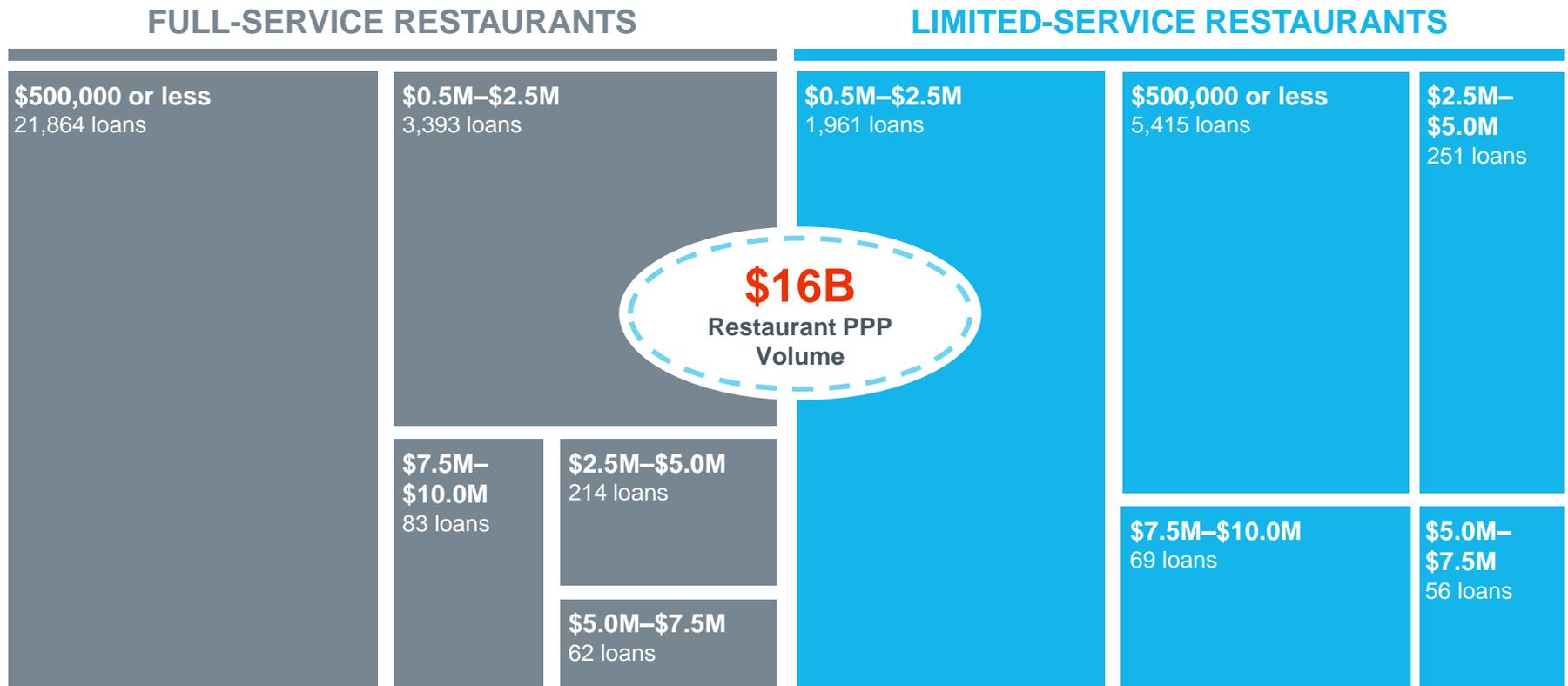
Restaurant bankruptcies likely peaked in Q3 2020, as the second PPP round, vaccine distribution, and reopening economies will reduce the strain felt across the industry.



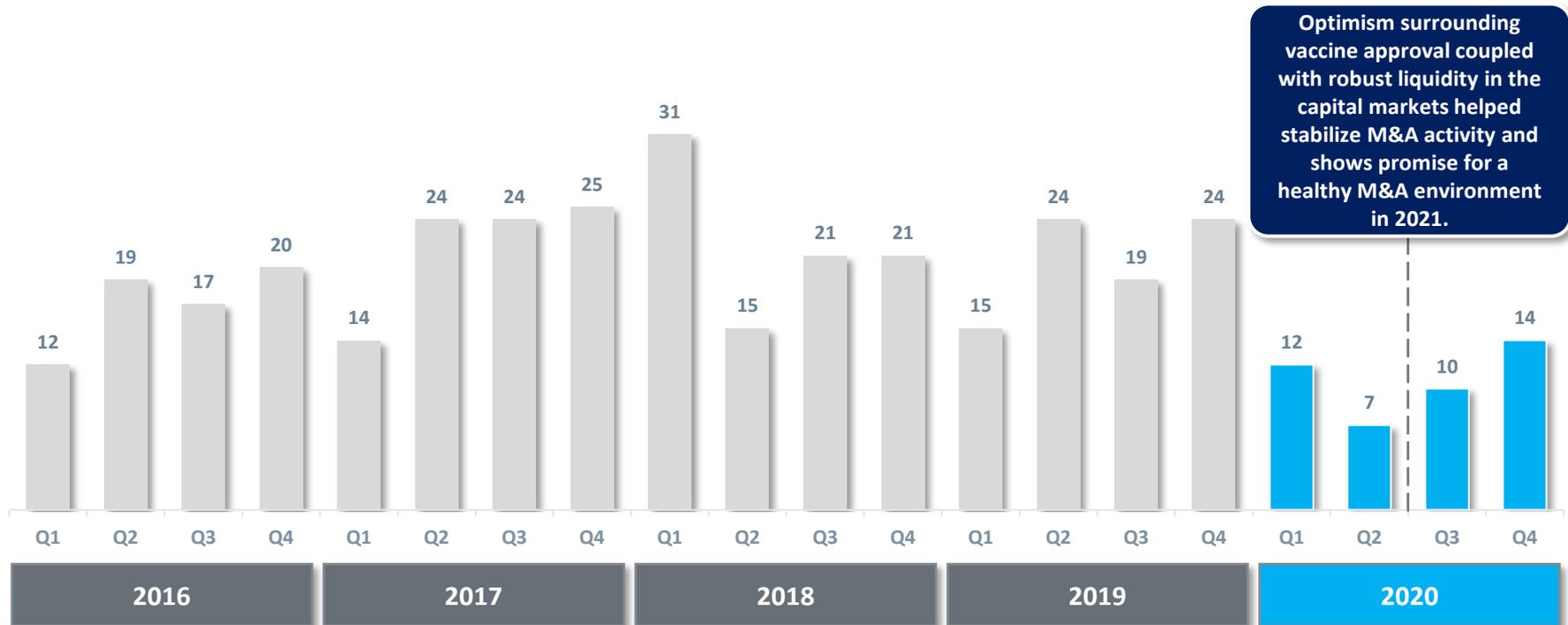
Sources: Capital IQ, Merger Market, and publicly-available industry data
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\$659B Rescue Program

In March 2020, the U.S. federal government took an unprecedented step, initiating forgivable loans to over 5 million small businesses. The accommodation and food services sectors were the benefactors of nearly \$43B, with restaurants receiving \$16B in loans greater than \$150,000.



M&A Activity Warms Up in Second Half of 2020



Select Restaurant M&A Transaction Targets by Month



Mega Merger—Inspire Brands Acquires Dunkin’

Transaction Summary

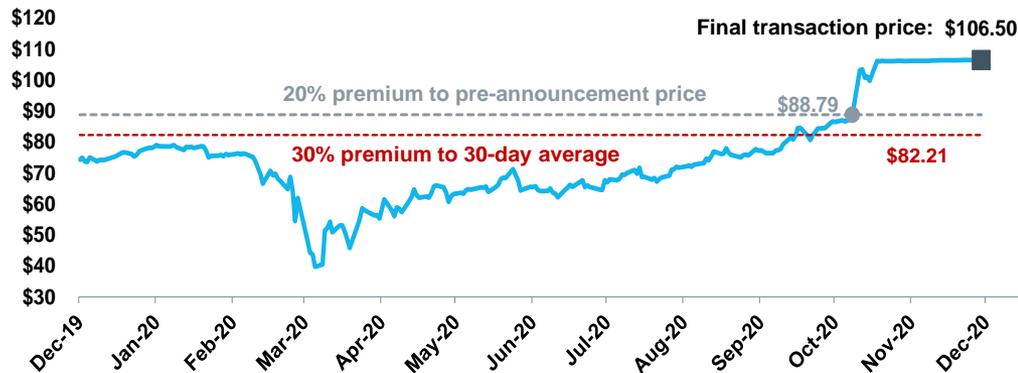
- On October 30, 2020, Inspire Brands announced that it had entered into an agreement to acquire Roark Capital-backed Dunkin’ Brands Group, Inc. (NASDAQ: DNKN) in a cash transaction valuing Dunkin’ Brands at an enterprise value of approximately \$11.3B, including the assumption of debt.
 - Represents a multiple of 21.0x LTM EBITDA
- The transaction closed on December 15, 2020, after customary closing conditions were satisfied.

Transaction Commentary

“Dunkin’ and Baskin-Robbins are category leaders with more than 70 years of rich heritage, and together they are two of the most iconic restaurant brands in the world. By joining Inspire, these brands will add complementary guest experiences and occasions to our current portfolio.”

- Paul Brown, Inspire Brands Co-founder and Chief Executive Officer

Dunkin’ Stock Performance



The Inspire Family of Brands



Largest SANDWICH DRIVE-THRU Chain in the U.S.



Largest ICE CREAM Specialty Shop Chain in the World



Largest SPORTS BAR Chain in the U.S.



Largest COFFEE & DONUTS Brand in the U.S.



Largest OWNED DELIVERY Sandwich Brand in the U.S.



Largest National DRIVE-IN Chain in the U.S.

Inspire Now Encompasses



\$26B+ in global system sales



32,000+ restaurants worldwide



60+ countries



3,200+ franchisees



650,000+ company and franchise team members



25M+ loyalty members

Growth Concepts Driving Robust Valuations



Transaction Summary

- On November 18, 2020, Goldman Sachs Merchant Banking announced that it had acquired a majority stake in Zaxby's, a fast casual fried chicken concept with over 900 locations (150 corporate owned) primarily in the South and Southeast:
 - Zaxby's reportedly sold for a multiple of 18x—20x EBITDA of \$100M—\$125M, valuing the Company at approximately \$2.0B
 - Unit volumes have averaged \$2.1M over the past six years.

Looking Forward

- The Zaxby's transaction marked the end of a year in which fast casual fried chicken proved its strength as a concept:
 - In a difficult year for operators, consumers' shifting preferences toward chicken—sandwiches in particular—has proved resilient enough to bolster concepts and drive record sales
- Investment will allow Zaxby's to expedite growth as it seeks to become a national brand:
 - Expand within existing markets (TX) and move north using a concentric circle growth strategy.
 - Focus on growing the franchisee network.
- Fast casual concepts that capitalize on these trends, such as Zaxby's, will continue to see rapid expansion and command premium valuations moving into 2021.



Transaction Summary

- On November 20, 2020, Torchy's Tacos announced that it had sold a \$400M stake in the Company to a new group of investors
 - D1 Capital Partners, T. Rowe Price, Lone Pine Capital, and XN joined General Atlantic, who originally invested in 2017, as the primary equity holders of Torchy's
 - Founder Michael Rypka and members of the original ownership group also reinvested as individuals

Texas and Beyond

- Torchy's, which began in 2006 as a food trailer in Austin, now boasts \$3.8M AUVs and opened 12 new locations during the pandemic:
 - Off-premise sales increased from ~33% (pre-pandemic) to 60%.
- The Company intends to use the capital to expand into 10 states over the next four years, with plans to double growth by 2024
- Torchy's relative success during this difficult year further proves the broad appeal of "craft casual" concepts and the success that the space will likely see in 2021 and beyond.

"We believe their vision will continue to resonate across a wide-ranging demographic of guests, geographies and footprints as Torchy's expands across the United States."

- Andrew Crawford, Torchy's Chairman and General Atlantic's Global Head of Consumer



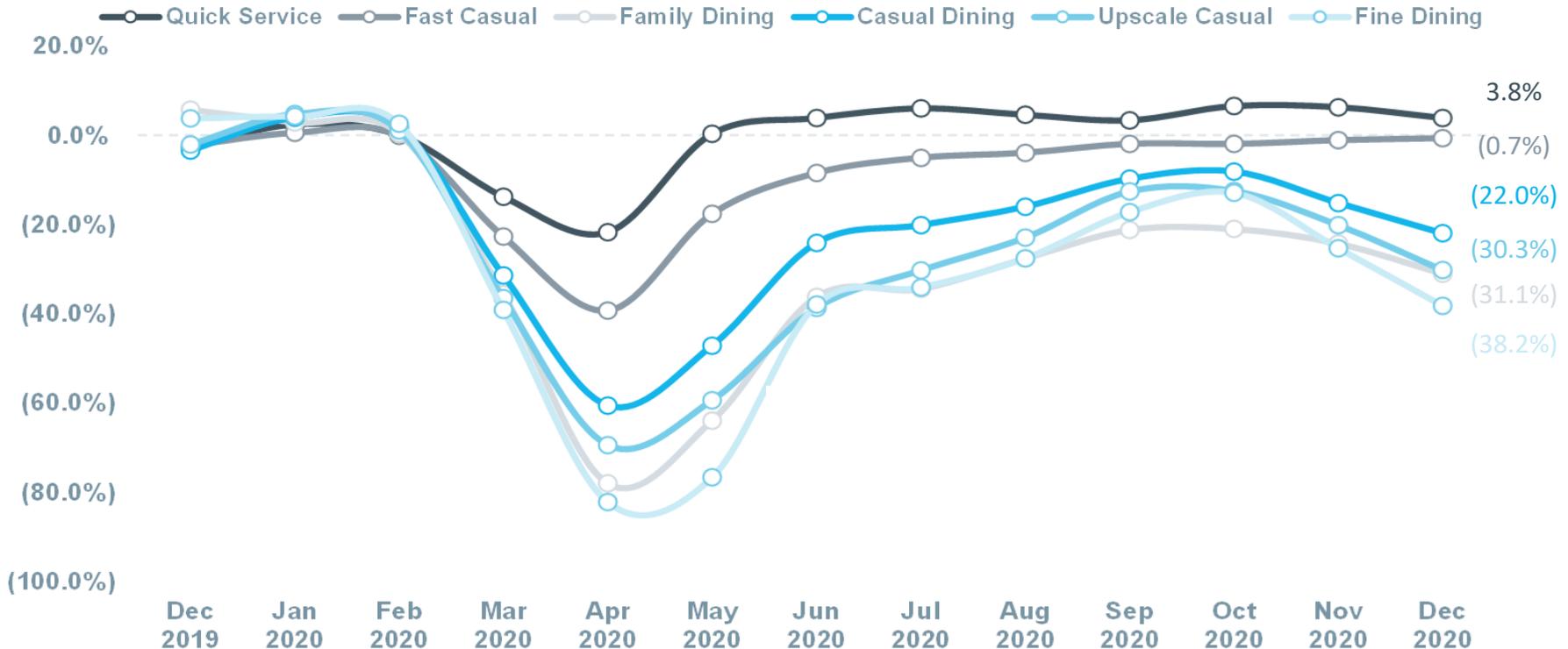
Looking Ahead

- The operating environment is expected to continue to be challenging through the first half of 2021, with a strong rebound in late 2021 and into 2022:
 - It will take time to overcome the distribution challenges of COVID-19 vaccines.
 - Identification of new strain variants expanding throughout the winter season could prolong restaurant capacity restrictions.
 - The outdoor dining success operators experienced during warmer months subsided as colder weather set in. Operators have developed innovative solutions (such as ghost concepts) to continue generating sales, but how successful those will be ultimately be is still unclear.
 - Pent-up demand for travel, entertainment and leisure is expected to drive significant sales growth following vaccine rollout and the general reopening.
 - Pandemic closures helped to offset the unit imbalances that were present in the pre-pandemic market.
- Nontraditional formats in densely populated areas (e.g., airports, retail malls, casinos) will likely be slower to recover as consumers cautiously return to normalcy:
 - Approximately 24% of Americans feel safe to reengage in out-of-home activities.
 - Operators will likely use the first half of 2021 to continue assessing their existing operations and strategically rationalize underperforming locations.
- While uncertainty undoubtedly remains heading into 2021, the recent acceleration in M&A activity will likely continue as operators and sponsors with strong balance sheets continue to opportunistically invest in restaurant concepts:
 - Concepts with daypart diversification, established off-premise capabilities and strong brand affinity may attract suitors and command healthy valuations despite the current environment.
 - An abundance of liquidity—from both strategic acquirors and financial sponsors—will likely accelerate M&A activity and help create competitive tension.
- As we slowly exit the pandemic era, the restaurant industry should emerge more streamlined, with successful concepts and those with scale gaining market share and continuing to build on innovative methods to engage with their loyal consumers:
 - Changes in consumer behavior following the pandemic will further accelerate the growing importance of technology in restaurant operations and reward those concepts that have been able to successfully implement technology platforms.



Restaurant Sector Weekly SSS Growth

- Sector SSS largely recovered in late summer/early fall as state-mandated closures and capacity restrictions were relaxed or rescinded.
- Late fall brought colder weather and a resurgence in COVID-19 cases, prompting states to re-close or further restrict dine-in capacity, erasing some of the recovery experienced across certain restaurant concept formats.
- Concepts that entered the pandemic with strong off-premise capabilities and efficient drive-thru operations—fast casual and quick service—have continued to fare better than casual, predominantly dine-in, concepts.
- The ultimate recovery to pre-pandemic SSS levels will depend on the effectiveness of the nationwide vaccine rollout, the potency of recently identified strain variants, and consumers appetite to return to restaurants.



Source: Nation's Restaurant News and Black Box Intelligence report
 Note: All trademarks, trade names, or logos referenced herein are the property of their respective owners

Quarterly SSS Performance—Last Three Years



	2018		2019					2020										
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Mass Casual																		
Cracker Barrel Old Country Store, Inc.	(0.4%)	↔	1.4%	↑	3.8%	↑	1.3%	↑	3.8%	↑	2.1%	↑	3.8%	↑	(41.7%)	↓	(16.4%)	↓
Brinker International, Inc.	(1.0%)	↓	1.8%	↑	2.2%	↑	2.6%	↑	2.1%	↑	2.3%	↑	1.5%	↑	(5.9%)	↓		NR
Chili's Grill & Bar	(1.1%)	↓	2.0%	↑	2.4%	↑	2.9%	↑	2.3%	↑	2.9%	↑	2.0%	↑	(5.3%)	↓		NR
Maggiano's Little Italy	0.1%	↔	0.0%	↔	1.0%	↑	0.4%	↔	0.6%	↔	(1.8%)	↓	(1.4%)	↓	(9.9%)	↓		NR
Bloomin' Brands, Inc.	2.5%		2.4%		0.6%		(0.2%)		1.2%		(10.4%)		(39.4%)		(12.8%)			NR
Bonefish Grill	0.5%	↔	1.9%	↑	0.1%	↔	(2.2%)	↓	0.1%	↔	(13.9%)	↓	(56.8%)	↓	(22.5%)	↓		NR
Carrabba's Italian Grill	0.2%	↔	0.3%	↔	(1.6%)	↓	0.1%	↔	0.1%	↔	(8.7%)	↓	(36.7%)	↓	(9.0%)	↓		NR
Fleming's Prime Steakhouse & Wine Bar	0.8%	↔	0.6%	↔	1.6%	↑	0.4%	↔	0.7%	↔	(13.2%)	↓	(56.3%)	↓	(20.3%)	↓		NR
Outback Steakhouse (U.S. only)	4.0%	↑	3.5%	↑	1.3%	↑	0.2%	↔	2.0%	↑	(9.5%)	↓	(32.9%)	↓	(10.4%)	↓		NR
Dine Brands Global, Inc.																		
Applebee's	3.5%	↑	1.8%	↑	(0.5%)	↔	(1.6%)	↓	(0.7%)	↔	(10.6%)	↓	(49.4%)	↓	(13.3%)	↓		NR
IHOP	3.0%	↑	1.2%	↑	2.0%	↑	0.0%	↔	1.1%	↑	(14.7%)	↓	(59.1%)	↓	(30.2%)	↓		NR
Denny's	1.4%	↑	1.3%	↑	3.8%	↑	(0.2%)	↔	1.9%	↑	(6.3%)	↓	(64.9%)	↓	(40.2%)	↓		NR
Red Robin	(4.5%)	↓	(3.3%)	↓	(1.5%)	↓	1.6%	↑	NA		(20.8%)	↓	(41.4%)	↓	(28.3%)	↓		NR
BBQ Holdings, Inc.																		
Famous Dave's	2.1%	↑	(1.1%)	↓	(0.7%)	↔	0.4%	↔	2.0%	↑	(29.0%)	↓	(22.9%)	↓	(4.6%)	↓		NR
Granite City											(83.0%)	↓	(65.5%)	↓	(25.9%)	↓		NR
Median	0.7%	↔	1.4%	↑	1.2%	↑	0.3%	↔	1.2%	↑	(10.4%)	↓	(39.4%)	↓	(13.3%)	↓	(16.4%)	↓
Mean	0.8%	↔	1.0%	↔	1.0%	↑	0.4%	↔	1.3%	↑	(14.3%)	↓	(34.6%)	↓	(18.7%)	↓	(16.4%)	↓
Coffee, Breakfast and Snacks																		
Starbucks Corporation	2.0%	↑	4.0%	↑	3.0%	↑	6.0%	↑	5.0%	↑	5.0%	↑	(10.0%)	↓	(40.0%)	↓	(5.0%)	↓
Dunkin' Brands Group, Inc.																		
Dunkin' Donuts	0.0%	↔	2.4%	↑	1.7%	↑	1.5%	↑	2.1%	↑	(2.0%)	↓	(18.7%)	↓	NA		NA	
Baskin-Robbins	3.7%	↑	(2.8%)	↓	1.4%	↑	3.6%	↑	0.8%	↔	1.8%	↑	(6.0%)	↓	NA		NA	
Median	2.0%	↑	2.4%	↑	1.7%	↑	3.6%	↑	2.1%	↑	1.8%	↑	(10.0%)	↓	NA		(5.0%)	↓
Mean	1.9%	↑	1.2%	↑	2.0%	↑	3.7%	↑	2.6%	↑	1.6%	↑	(11.6%)	↓	NA		(5.0%)	↓

Note: NR indicates figures have not been reported.
 1. Represents most actively traded public restaurant companies.
 2. Source: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., *The New York Times DealBook*, *The Deal*, *The Wall Street Journal*)

Quarterly SSS Performance—Last Three Years



	2018		2019					2020										
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Specialty Casual																		
Darden Restaurants Inc.																		
LongHorn Steakhouse	2.7%	↑	3.1%	↑	2.9%	↑	3.8%	↑	3.3%	↑	2.6%	↑	6.7%	↑	3.9%	↑	NR	
Olive Garden	2.4%	↑	5.3%	↑	3.5%	↑	4.3%	↑	3.9%	↑	2.2%	↑	1.5%	↑	2.1%	↑	NR	
Bahama Breeze	1.1%	↑	1.1%	↑	(1.1%)	↓	(3.7%)	↓	(1.0%)	↓	(4.2%)	↓	(3.4%)	↓	(0.5%)	↔	NR	
The Capital Grille	2.8%	↑	3.9%	↑	3.7%	↑	4.3%	↑	3.7%	↑	1.5%	↑	1.8%	↑	4.2%	↑	NR	
Cheddar's Scratch Kitchen	(2.0%)	↓	(4.0%)	↓	(4.0%)	↓	(2.7%)	↓	(3.4%)	↓	(5.4%)	↓	(1.2%)	↓	(1.6%)	↓	NR	
Eddie V's	4.1%	↑	3.0%	↑	0.9%	↔	3.7%	↑	2.8%	↑	1.2%	↑	0.5%	↔	3.9%	↑	NR	
Seasons 52	(0.6%)	↔	(1.9%)	↓	(0.8%)	↔	(1.3%)	↓	(1.5%)	↓	(4.2%)	↓	(3.5%)	↓	3.0%	↑	NR	
Yard House	1.1%	↑	0.6%	↔	(1.1%)	↓	(2.1%)	↓	(1.2%)	↓	(1.9%)	↓	0.7%	↔	1.8%	↑	NR	
Texas Roadhouse Inc.	5.6%	↑	5.2%	↑	4.7%	↑	4.4%	↑	4.7%	↑	(8.4%)	↓	(32.8%)	↓	(6.3%)	↓	NR	
Dave & Buster's Entertainment, Inc.	(1.6%)	↓	0.3%	↔	(1.8%)	↓	4.1%	↑	(2.6%)	↓	(58.6%)	↓	(87.0%)	↓	(65.6%)	↓	NR	
BJ's Restaurants Inc.	5.3%	↑	2.0%	↑	2.0%	↑	(0.3%)	↔	1.1%	↑	(15.5%)	↓	(57.2%)	↓	(30.2%)	↓	(32.3%)	↓
Chuy's Holdings Inc.	0.5%	↔	3.2%	↑	1.9%	↑	2.6%	↑	2.6%	↑	(9.7%)	↓	(39.0%)	↓	(19.8%)	↓	NR	
Median	1.8%	↑	2.5%	↑	1.4%	↑	3.2%	↑	1.9%	↑	(4.2%)	↓	(2.3%)	↓	0.7%	↔	(32.3%)	↓
Mean	1.8%	↑	1.8%	↑	0.9%	↔	1.4%	↑	1.0%	↑	(8.4%)	↓	(17.7%)	↓	(8.8%)	↓	(32.3%)	↓
Polished Casual																		
The Cheesecake Factory Incorporated	1.9%	↑	1.3%	↑	1.0%	↑	0.4%	↔	0.8%	↔	(12.9%)	↓	(50.9%)	↓	(11.7%)	↓	NR	
J. Alexander's Holdings Inc.																		
Redlands Grill	1.1%	↑	0.3%	↔	0.3%	↔	(2.0%)	↓	(0.4%)	↔	(12.8%)	↓	(55.2%)	↓	(18.1%)	↓	NR	
Stoney River Steakhouse and Grill	5.0%	↑	2.2%	↑	0.3%	↔	(0.7%)	↔	0.0%	↔	(14.6%)	↓	(55.9%)	↓	(18.2%)	↓	NR	
Median	1.9%	↑	1.3%	↑	0.3%	↔	(0.7%)	↔	0.0%	↔	(12.9%)	↓	(55.2%)	↓	(18.1%)	↓	NA	
Mean	2.7%	↑	1.3%	↑	0.5%	↔	(0.8%)	↔	0.1%	↔	(13.4%)	↓	(54.0%)	↓	(16.0%)	↓	NA	
Fine Dining																		
Ruth's Hospitality Group, Inc.	0.4%	↔	1.8%	↑	(0.5%)	↔	0.6%	↔	0.9%	↔	(13.5%)	↓	(74.1%)	↓	(36.7%)	↓	NR	
The ONE Group Hospitality, Inc.	9.4%	↑	8.6%	↑	6.4%	↑	9.3%	↑	8.3%	↑	(14.1%)	↓	(66.7%)	↓	15.6%	↑	NR	
Median	4.9%	↑	5.2%	↑	3.0%	↑	5.0%	↑	4.6%	↑	(13.8%)	↓	(70.4%)	↓	(10.6%)	↓	NA	
Mean	4.9%	↑	5.2%	↑	3.0%	↑	5.0%	↑	4.6%	↑	(13.8%)	↓	(70.4%)	↓	(10.6%)	↓	NA	

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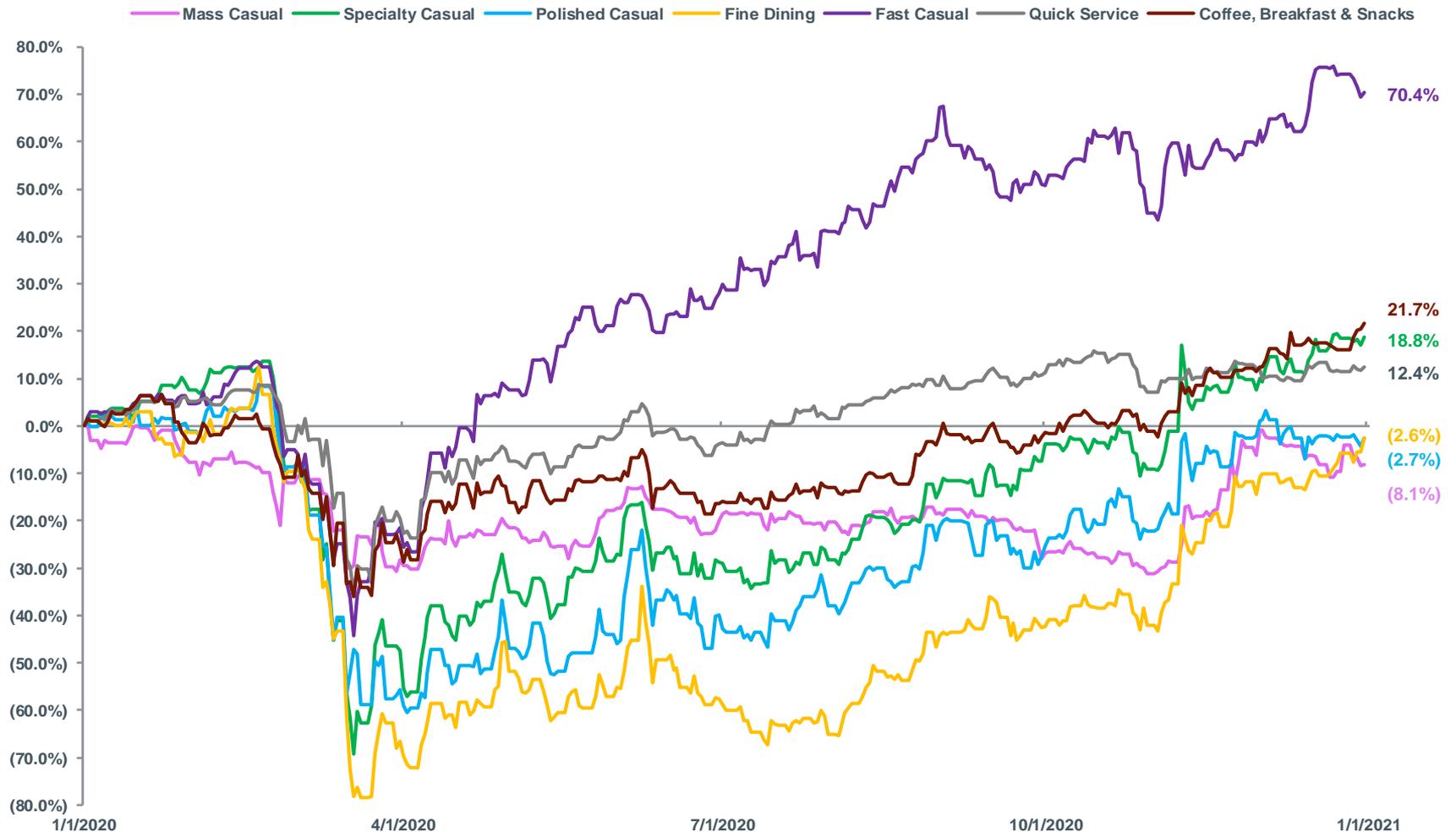
Quarterly SSS Performance—Last Three Years



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	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Fast Casual																		
Chipotle Mexican Grill, Inc.	4.0%	↑	9.9%	↑	10.0%	↑	11.0%	↑	11.1%	↑	3.3%	↑	(9.8%)	↓	8.3%	↑	5.7%	↑
Wingstop Inc.	6.5%	↑	7.1%	↑	12.8%	↑	12.3%	↑	11.1%	↑	9.9%	↑	31.9%	↑	25.4%	↑	NR	
Shake Shack Inc.	2.3%	↑	3.6%	↑	3.6%	↑	2.0%	↑	1.3%	↑	(12.8%)	↓	(49.0%)	↓	(31.7%)	↓	NR	
El Pollo Loco Holdings, Inc.	1.2%	↑	2.4%	↑	0.7%	↔	1.1%	↑	2.0%	↑	(1.5%)	↓	(8.5%)	↓	1.8%	↑	(0.2%)	↔
Fiesta Restaurant Group, Inc.																		
Pollo Tropical	4.5%	↑	(2.6%)	↓	(1.3%)	↓	(3.8%)	↓	(1.8%)	↓	(7.3%)	↓	(31.6%)	↓	(11.1%)	↓	NR	
Taco Cabana	2.2%	↑	(0.5%)	↔	(3.0%)	↓	(4.8%)	↓	(4.1%)	↓	(13.5%)	↓	(19.2%)	↓	(14.2%)	↓	NR	
Potbelly Corporation	(1.7%)	↓	(4.7%)	↓	(4.0%)	↓	(3.0%)	↓	(3.0%)	↓	(10.1%)	↓	(41.5%)	↓	(21.0%)	↓	NR	
Noodles & Company	3.7%	↑	3.0%	↑	4.6%	↑	2.1%	↑	2.8%	↑	(7.2%)	↓	(30.9%)	↓	(3.8%)	↓	NR	
Median	3.0%	↑	2.7%	↑	2.2%	↑	1.6%	↑	1.7%	↑	(7.3%)	↓	(25.1%)	↓	(7.5%)	↓	2.8%	↑
Mean	2.8%	↑	2.3%	↑	2.9%	↑	2.1%	↑	2.4%	↑	(4.9%)	↓	(19.8%)	↓	(5.8%)	↓	2.8%	↑
Quick Service																		
McDonald's Corporation	4.5%	↑	4.5%	↑	6.5%	↑	5.9%	↑	5.9%	↑	(3.4%)	↓	(23.9%)	↓	(2.2%)	↓	5.5%	↑
Yum! Brands, Inc.																		
KFC	2.0%	↑	5.0%	↑	6.0%	↑	3.0%	↑	4.0%	↑	(8.0%)	↓	(21.0%)	↓	(4.0%)	↓	NR	
Pizza Hut	0.0%	↔	0.0%	↔	2.0%	↑	0.0%	↔	0.0%	↔	(11.0%)	↓	(9.0%)	↓	(3.0%)	↓	NR	
Taco Bell	4.0%	↑	4.0%	↑	7.0%	↑	4.0%	↑	5.0%	↑	1.0%	↑	(8.0%)	↓	3.0%	↑	NR	
Restaurant Brands International Inc.																		
Burger King	2.0%	↑	2.2%	↑	3.6%	↑	4.8%	↑	3.4%	↑	(3.7%)	↓	(13.4%)	↓	(7.0%)	↓	NR	
Tim Hortons	0.6%	↔	(0.6%)	↔	0.5%	↔	(1.4%)	↓	(1.5%)	↓	(10.3%)	↓	(29.3%)	↓	(12.5%)	↓	NR	
Popeyes	1.6%	↑	0.6%	↔	3.0%	↑	9.7%	↑	12.1%	↑	26.2%	↑	24.8%	↑	17.4%	↑	NR	
Domino's Pizza, Inc.	6.6%	↑	3.9%	↑	3.0%	↑	2.4%	↑	3.2%	↑	1.6%	↑	16.1%	↑	17.5%	↑	NR	
The Wendy's Company	0.9%	↔	1.3%	↑	1.4%	↑	4.4%	↑	2.9%	↑	(0.2%)	↔	(4.4%)	↓	(6.1%)	↓	NR	
Jack in the Box Inc.	0.5%	↔	0.6%	↔	2.7%	↑	1.3%	↑	1.7%	↑	(4.2%)	↓	6.6%	↑	4.0%	↑	NR	
Carrols Restaurant Group, Inc.	3.8%	↑	2.4%	↑	0.1%	↔	4.5%	↑	2.2%	↑	(5.7%)	↓	(5.6%)	↓	1.0%	↑	NR	
Papa John's International, Inc.	(8.1%)	↓	(6.9%)	↓	(5.7%)	↓	1.0%	↑	(2.7%)	↓	5.3%	↑	28.0%	↑	18.2%	↑	NR	
Del Taco Restaurants, Inc.	2.5%	↑	(0.1%)	↔	2.2%	↑	1.0%	↑	0.9%	↔	(3.1%)	↓	(10.1%)	↓	4.1%	↑	NR	
Nathan's Famous, Inc.	2.8%	↑	(0.4%)	↔	14.0%	↑	6.7%	↑	3.2%	↑	4.5%	↑	NA		NA		NA	
Median	2.0%	↑	1.0%	↔	2.9%	↑	3.5%	↑	3.1%	↑	(3.3%)	↓	(8.0%)	↓	1.0%	↑	5.5%	↑
Mean	1.7%	↑	1.2%	↑	3.3%	↑	3.4%	↑	2.9%	↑	(0.8%)	↔	(3.8%)	↓	2.3%	↑	5.5%	↑

Note: NR indicates figures have not been reported.
 1. Represents most actively traded public restaurant companies.
 2. Source: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., *The New York Times DealBook*, *The Deal*, *The Wall Street Journal*)

Indexed Stock Price Performance—Last 12 Months



Sector index weight is based upon company market capitalization at valuation date
 Source: S&P Global Market Intelligence—data as of December 31, 2020.
 Sector constituents listed on pages 18–20

Sector Stock Price Performance

(\$ in millions, except per share data)

Market Sector	Number of Companies	Avg. Equity Market Value	Avg. % Change in Market Value				Median EV /EBITDA Multiple		
			12/31/20	1 Month	3 Months	6 Months	12 Months	LTM	CY21E
Mass Casual	10	\$ 1,013	(1.9%)	20.0%	11.9%	(8.1%)	14.1x	9.3x	8.2x
Specialty Casual	5	4,750	11.1%	26.2%	47.6%	18.8%	29.8x	14.4x	8.6x
Polished Casual	2	900	(0.6%)	24.9%	37.3%	(2.6%)	57.9x	9.6x	7.1x
Fine Dining	2	357	11.7%	39.9%	54.9%	(2.7%)	20.3x	10.6x	8.2x
Fast Casual	7	6,772	11.2%	19.4%	42.4%	70.4%	46.0x	31.8x	11.0x
Quick Service	10	23,702	0.2%	1.5%	16.1%	12.4%	16.7x	15.2x	14.2x
Coffee, Breakfast and Snacks	1	125,562	10.2%	24.0%	38.0%	21.7%	47.5x	21.2x	18.5x
Median			10.2%	24.0%	38.0%	12.4%	29.8x	14.4x	8.6x
Mean			6.0%	22.3%	35.5%	15.7%	33.2x	16.0x	10.8x

Market Indices

S&P 500 Index	\$	3,756	3.7%	11.7%	21.2%	16.3%
Dow Jones Industrial Average		30,606	3.3%	10.2%	18.6%	7.2%
Russell 2000 Index		1,975	8.5%	31.0%	37.0%	18.4%
S&P Restaurant Index		2,191	3.5%	8.7%	27.5%	15.5%

Sector index weight is based upon company market capitalization at valuation date
 Source: S&P Global Market Intelligence—data as of December 31, 2020.
 Sector constituents listed on pages 18–20

Public Restaurant Valuations

(\$ in millions, except per share data)

	Stock Price 12/31/20	% of 52-Wk High	Market Capitalization	Adjusted Debt	Adjusted Net Debt	LTM Adj. Debt Multiples		Enterprise Value	Enterprise Value as Multiple of				LTM
						Debt to EBITDA	Net Debt to EBITDA		Revenue LTM	EBITDA LTM	EBITDA CY21E	EBITDA CY22E	EBITDA Margin
Fast Casual													
Chipotle Mexican Grill, Inc.	\$ 1,386.71	88.6%	\$ 38,800.6	\$ -	\$ (662.4)	0.0x	NM	\$ 38,138.2	6.56x	69.8x	33.9x	27.0x	9.4%
Wingstop, Inc.	132.55	78.0%	3,934.5	327.2	279.0	5.0x	4.2x	4,213.6	NM	64.2x	49.1x	41.3x	27.5%
Shake Shack, Inc.	84.78	61.3%	3,264.0	-	(174.9)	0.0x	NM	3,089.1	5.98x	141.1x	40.6x	27.4x	4.2%
Fiest Restaurant Group, Inc.	11.40	65.6%	287.9	39.9	21.9	1.3x	0.7x	309.8	0.55x	10.2x	6.2x	5.7x	5.4%
El Pollo Loco Holdings, Inc.	18.10	82.4%	659.7	83.8	54.3	1.5x	0.9x	714.0	1.69x	12.4x	11.7x	11.0x	13.6%
Potbelly Corporation	4.40	73.3%	106.5	22.4	(1.0)	NM	0.0x	105.5	0.33x	NM	31.8x	8.1x	NM
Noodles & Company	7.90	80.7%	350.5	42.2	33.5	3.1x	2.4x	384.1	0.96x	27.9x	9.0x	7.5x	3.4%
Median		78.0%	\$ 659.7	\$ 39.9	\$ 21.9	1.4x	0.9x	\$ 714.0	1.32x	46.0x	31.8x	11.0x	7.4%
Mean		75.7%	\$ 6,772.0	\$ 73.6	\$ (64.2)	1.8x	1.7x	\$ 6,707.7	2.68x	54.3x	26.0x	18.3x	10.6%
Quick Service													
McDonald's Corporation	\$ 214.58	92.5%	\$ 159,885.9	\$ 37,832.2	\$ 34,148.4	4.2x	3.8x	\$ 194,034.3	NM	21.6x	17.5x	16.2x	47.2%
Yum! Brands, Inc.	108.56	98.1%	32,749.1	11,180.0	10,070.0	5.8x	5.2x	42,819.1	7.64x	22.2x	19.7x	18.2x	34.5%
Restaurant Brands International, Inc.	61.11	90.8%	18,571.5	12,868.0	10,949.0	6.8x	5.8x	29,520.5	5.80x	15.6x	12.9x	11.9x	37.2%
Domino's Pizza, Inc.	383.46	88.0%	15,108.3	4,067.2	3,736.5	5.6x	5.1x	18,844.8	4.82x	25.9x	22.2x	20.3x	18.6%
The Wendy's Company	21.92	88.0%	4,912.7	2,261.6	1,948.4	5.9x	5.1x	6,861.1	5.05x	17.9x	15.2x	14.2x	28.2%
Jack in the Box, Inc.	92.80	88.9%	2,108.7	1,374.8	1,175.1	5.9x	5.0x	3,283.8	3.21x	14.1x	10.9x	10.7x	22.8%
Carrols Restaurant Group, Inc.	6.28	83.0%	327.1	488.4	420.6	5.5x	4.7x	747.8	0.49x	8.4x	6.6x	6.2x	5.8%
Papa John's International, Inc.	84.85	77.7%	2,796.0	348.1	208.0	2.4x	1.4x	3,004.0	1.93x	20.8x	16.1x	14.8x	9.3%
Del Taco Restaurants, Inc.	9.06	86.7%	338.2	123.4	118.0	2.5x	2.4x	456.2	0.93x	9.2x	7.6x	7.0x	10.1%
Nathan's Famous, Inc.	55.22	82.1%	227.2	146.7	70.1	5.0x	2.4x	297.3	3.75x	10.2x	NA	NA	36.7%
Median		88.0%	\$ 3,854.3	\$ 1,818.2	\$ 1,561.8	5.6x	4.9x	\$ 5,072.5	3.75x	16.7x	15.2x	14.2x	25.5%
Mean		87.6%	\$ 23,702.5	\$ 7,069.0	\$ 6,284.4	5.0x	4.1x	\$ 29,986.9	3.74x	16.6x	14.3x	13.3x	25.0%
Coffee and Breakfast													
Starbucks Corporation	\$ 106.98	99.3%	\$ 125,562.4	\$ 15,962.9	\$ 10,934.8	5.6x	3.8x	\$ 136,497.2	6.42x	47.5x	21.2x	18.5x	13.5%
Median		99.3%	\$ 125,562.4	\$ 15,962.9	\$ 10,934.8	5.6x	3.8x	\$ 136,497.2	6.42x	47.5x	21.2x	18.5x	13.5%
Mean		99.3%	\$ 125,562.4	\$ 15,962.9	\$ 10,934.8	5.6x	3.8x	\$ 136,497.2	6.42x	47.5x	21.2x	18.5x	13.5%

Source: S&P Global Market Intelligence – data as of September 30, 2020. EBITDA figures are from the most recent public filing as of December 31, 2020. Sector constituents listed on pages 11–12

Public Restaurant Valuations

(\$ in millions, except per share data)

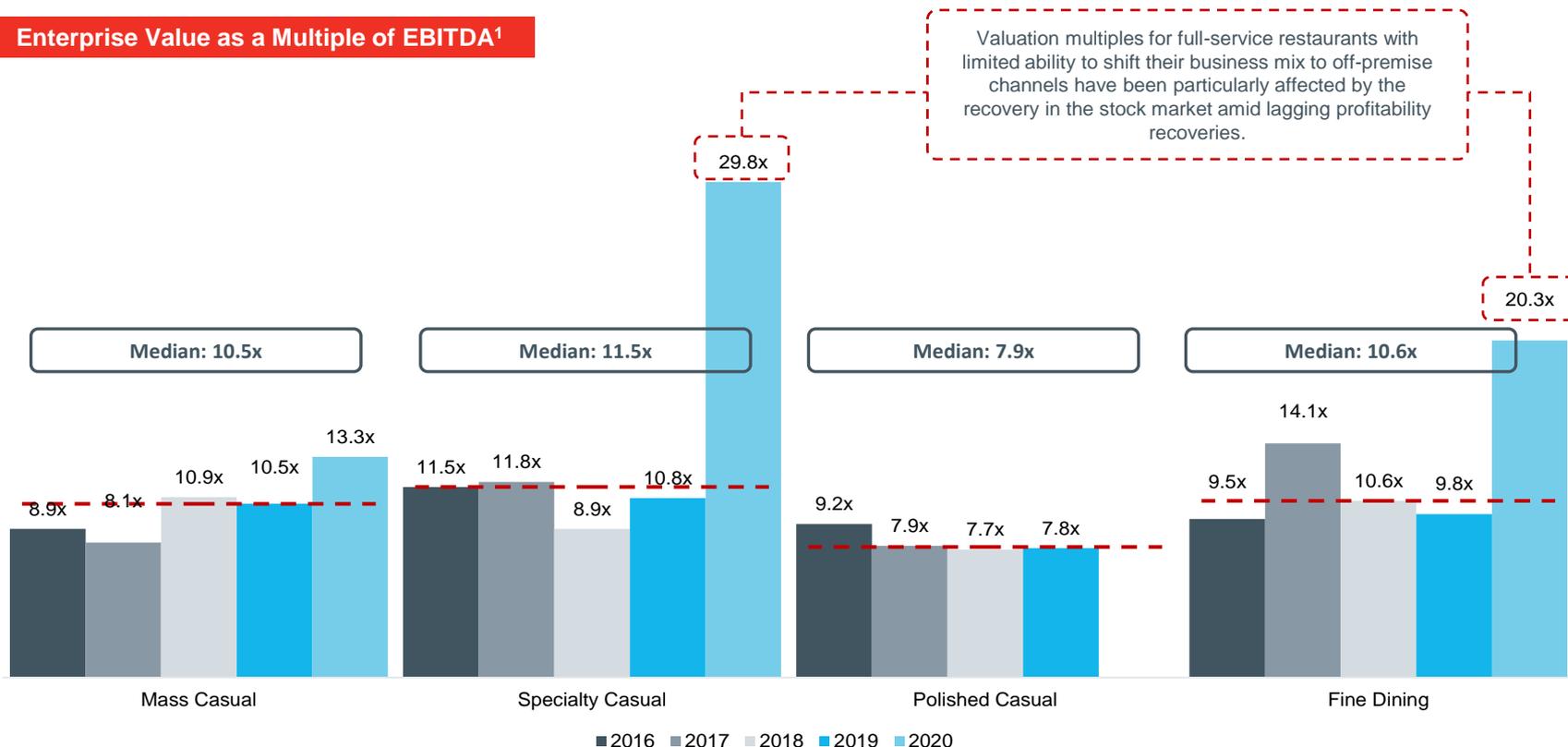
	Stock Price 12/31/20	% of 52-Wk High	Market Cap	Adjusted Debt	Adjusted Net Debt	LTM Adj. Debt Multiples		Enterprise Value	Enterprise Value as Multiple of				LTM
						Debt to EBITDA	Net Debt to EBITDA		Revenue		EBITDA		EBITDA Margin
									LTM	LTM	CY21E	CY22E	
Mass Casual													
Cracker Barrel Old Country Store, Inc.	\$ 131.92	77.6%	\$ 3,129.3	\$ 973.5	\$ 375.9	7.4x	2.8x	\$ 3,505.2	1.45x	26.6x	10.1x	8.9x	5.5%
Brinker International, Inc.	56.57	82.1%	2,562.0	1,052.4	988.3	4.4x	4.2x	3,550.3	1.21x	14.9x	9.2x	7.9x	8.1%
Bloomin' Brands, Inc.	19.42	81.0%	1,677.6	1,179.9	1,019.8	5.8x	5.0x	2,697.5	0.80x	13.3x	7.7x	6.6x	6.0%
Dine Brands Global, Inc.	58.00	55.5%	952.3	1,507.5	1,198.3	9.1x	7.2x	2,150.5	3.01x	13.0x	9.3x	8.6x	23.2%
Denny's	14.68	66.4%	936.1	297.8	286.6	6.0x	5.7x	1,222.7	3.79x	24.5x	17.6x	13.5x	15.5%
FAT Brands	5.95	65.4%	87.4	88.0	75.8	NM	NM	163.3	9.72x	NM	NA	NA	NM
Biglari Holdings, Inc.	585.00	85.8%	351.0	153.1	119.9	2.0x	1.6x	470.9	1.06x	6.3x	NA	NA	16.9%
Red Robin	19.23	51.6%	298.9	216.1	188.7	NM	NM	487.6	0.51x	NM	8.0x	5.5x	NM
Luby's, Inc.	2.84	85.0%	87.1	75.8	75.8	NM	NM	163.0	1.01x	NM	NA	NA	NM
BBQ Holdings, Inc.	4.88	73.2%	45.3	28.2	8.7	NM	NM	54.0	0.49x	NM	41.5x	NA	NM
Median		75.4%	\$ 643.6	\$ 256.9	\$ 237.6	5.9x	4.6x	\$ 855.1	1.14x	14.1x	9.3x	8.2x	11.8%
Mean		72.4%	\$ 1,012.7	\$ 557.2	\$ 433.8	5.8x	4.4x	\$ 1,446.5	2.30x	16.4x	14.8x	8.5x	12.5%
Specialty Casual													
Darden Restaurants, Inc.	\$ 119.12	89.3%	\$ 15,509.4	\$ 929.4	\$ 152.1	2.1x	0.3x	\$ 15,661.5	2.30x	35.7x	14.4x	10.9x	6.4%
Texas Roadhouse, Inc.	78.16	86.8%	5,430.8	240.0	(88.6)	1.4x	NM	5,342.1	2.15x	30.3x	15.2x	12.9x	7.1%
Dave & Buster's Entertainment, Inc.	30.02	63.2%	1,430.2	576.5	568.1	NM	NM	1,998.4	3.00x	NM	17.9x	7.8x	NM
BJ's Restaurants, Inc.	38.49	69.0%	859.0	126.8	61.9	4.0x	2.0x	920.9	1.06x	29.4x	10.8x	7.1x	3.6%
Chuy's Holdings, Inc.	26.49	61.1%	521.7	-	(77.8)	0.0x	NM	443.9	1.29x	13.5x	9.7x	8.6x	9.5%
Median		69.0%	\$ 1,430.2	\$ 240.0	\$ 61.9	1.7x	1.2x	\$ 1,998.4	2.15x	29.8x	14.4x	8.6x	6.8%
Mean		73.9%	\$ 4,750.2	\$ 374.5	\$ 123.1	1.9x	1.2x	\$ 4,873.4	1.96x	27.2x	13.6x	9.5x	6.7%
Polished Casual													
The Cheesecake Factory Incorporated	\$ 37.06	64.8%	\$ 1,689.3	\$ 376.0	\$ 132.2	11.9x	4.2x	\$ 1,821.6	0.86x	57.9x	9.6x	7.1x	1.5%
J. Alexander's Holdings, Inc.	7.29	69.9%	109.9	25.3	8.1	34.6x	11.1x	118.0	0.61x	NM	NA	NA	0.4%
Median		67.3%	\$ 899.6	\$ 200.7	\$ 70.2	23.3x	7.7x	\$ 969.8	0.73x	57.9x	9.6x	7.1x	0.9%
Mean		67.3%	\$ 899.6	\$ 200.7	\$ 70.2	23.3x	7.7x	\$ 969.8	0.73x	57.9x	9.6x	7.1x	0.9%
Fine Dining													
Ruth's Hospitality Group, Inc.	\$ 17.73	72.6%	\$ 607.4	\$ 135.2	\$ 32.1	5.6x	1.3x	\$ 639.5	1.94x	26.3x	14.4x	10.2x	7.4%
The ONE Group Hospitality, Inc.	3.70	79.1%	107.6	64.0	37.4	6.3x	3.7x	145.0	0.97x	14.2x	6.8x	6.1x	6.8%
Median		75.8%	\$ 357.5	\$ 99.6	\$ 34.8	5.9x	2.5x	\$ 392.2	1.46x	20.3x	10.6x	8.2x	7.1%
Mean		75.8%	\$ 357.5	\$ 99.6	\$ 34.8	5.9x	2.5x	\$ 392.2	1.46x	20.3x	10.6x	8.2x	7.1%

Source: S&P Global Market Intelligence – data as of September 30, 2020. EBITDA figures are from the most recent public filing as of December 31, 2020. Sector constituents listed on pages 11–12

Historical Public Restaurant Valuations .o

A deterioration in operating performance in 2020 as a result of COVID-19 and a quick resurgence in the equity markets distorted valuation multiples across the industry relative to prior years.

Enterprise Value as a Multiple of EBITDA¹

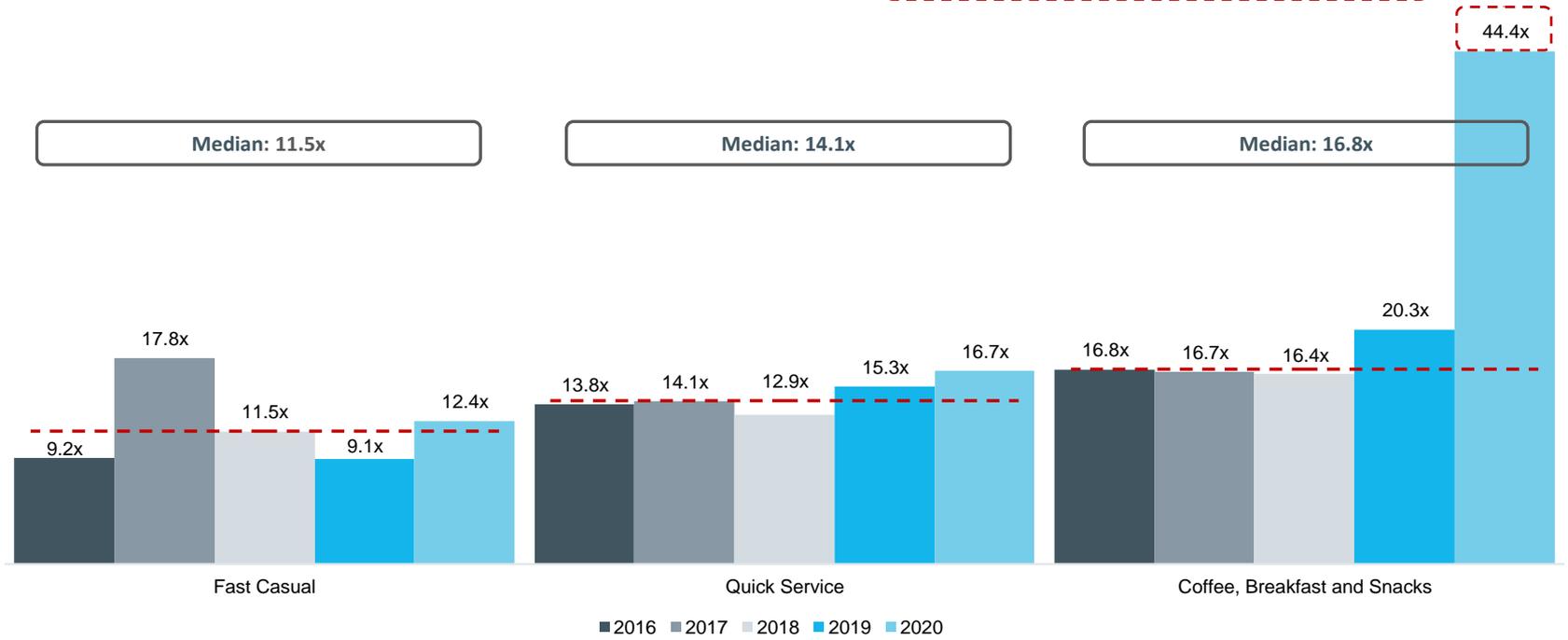


1. Index calculation excludes any companies with nonmeaningful trading multiples. Source: S&P Global Market Intelligence: LTM values as of December 31, 2020—significantly affected by decline in company performance. Segments weighted are based on market cap values at period end. Sector constituents listed on pages 18–20

Historical Public Restaurant Valuations

Enterprise Value as a Multiple of EBITDA¹

Despite the impact from COVID-19 (EBITDA down 44% year-over-year), Starbucks Corporation's stock price soared 21% in 2020, helping to push valuation multiples over 44x trailing 2020 figures.



1. Index calculation excludes any companies with nonmeaningful trading multiples. Source: S&P Global Market Intelligence: LTM values as of December 31, 2020—significantly affected by decline in company performance. Segments weighted are based on market cap values at period end. Sector constituents listed on pages 18–20

Recent Restaurant Activity



▶ **PPX Hospitality Brands Acquires Legal Sea Foods**

In December 2020, PPX Hospitality Brands—owner of Smith & Wollensky and Strega Italiano—announced its acquisition of Legal Sea Foods, a 20+ unit seafood-focused casual dining restaurant chain based in Boston, Massachusetts. ***Duff & Phelps acted as exclusive financial advisor to Legal Sea Foods.***

▶ **Landry's Acquires all 20 Palm Restaurant Locations**

In March 2020, Landry's Inc. the American multi-brand dining and hospitality company based in Houston, announced its acquisition of The Palm steakhouses for \$45M. Landry's was the only bidder remaining in a bankruptcy auction to acquire the Palm, which has locations from Miami and Nashville to Las Vegas and Los Angeles.

▶ **Inspire Brands Acquires Dunkin' Brands Group**

In December 2020, Inspire Brands announced it had completed its acquisition of Dunkin' Brands Group for \$11.3B (\$106.50/share). With the acquisition of Dunkin' Brands Group, Inspire Brands is now the second-largest food service company in the U.S. by locations and sales, totaling nearly 32,000 restaurants in 60 countries globally, with \$26B in sales.

▶ **TooJay's Has Been Acquired in a Section 363 Sale**

In September 2020, TooJay's was acquired in a Section 363 sale. TooJay's is a regional, neighborhood favorite deli-style restaurant concept with 26 locations across Florida. Citing the devastating economic impact of COVID-19 on restaurants across Florida, coupled with unfavorable lease terms and an unsustainable capital structure, TooJay's sought relief under Section 363 of the bankruptcy code on April 29. ***Duff & Phelps acted as exclusive sell-side advisor to TooJay's Management, LLC.***

▶ **Flynn Restaurant Group Acquired Most of NPC International**

In early January 2021, Flynn Restaurant Group completed the acquisition of a majority of NPC International's restaurants for \$522.5M. Flynn will acquire all of the 925+ Pizza Hut restaurants and approximately 200 Wendy's locations in the Salt Lake City, Central Maryland and two Baltimore-area markets.

▶ **Levine Leichtman Capital to Acquire Tropical Smoothie**

In September 2020, Levine Leichtman Capital Partners announced that it has partnered with management to acquire Atlanta-based Tropical Smoothie Cafe. Tropical Smoothie is a franchisor of fast casual cafes with over 800 units across the U.S. and specializes in better-for-you smoothies, wraps, sandwiches and flatbreads. The existing management will continue to run the business.

▶ **Goldman Sachs Acquires Significant Stake in Zaxby's**

In November 2020, Goldman Sachs announced it had acquired a significant equity stake in Zaxby's, a 900-unit, chicken-centric chain. The strategic investment will enable the restaurant chain based in Athens, Georgia, to accelerate its growth and expand into new sales channels. The company has grown system sales, on average, 8.4% the past five years.

▶ **Thai Union Acquires Red Lobster from Golden Gate Capital**

In August 2020, Golden Gate Capital announced the sale of Red Lobster to a consortium led by Thai Union. Thai Union, a long-term strategic supplier, originally invested \$575M in Red Lobster in 2016, with over 750 locations worldwide. Thai Union has reconfirmed its commitment to growing the business both domestically and internationally.

Recent Restaurant Activity



▶ Torchy's Tacos Sells \$400M Stake to New Investors

In November 2020, Torchy's Tacos, the taco brand based in Austin, Texas, announced that it sold a \$400M stake in the company to General Atlantic, D1 Capital Partners, T. Rowe Price, Lone Pine Capital and XN. The funds will be used to expand the 83-unit fast casual brand. Despite the challenges of the COVID-19 pandemic, Torchy's opened 12 new locations in 2020 and expanded the brand to three additional states, bringing the total to seven states.

▶ Friendly's Sells Assets through Chapter 11 Bankruptcy Process

In November 2020, FIC Restaurants, Inc., the parent company of Friendly's, sold its approximately 50 corporate and 80 franchised restaurants to BRIX Holdings, LLC for \$2M. Friendly's filed for Chapter 11 Bankruptcy with the plan to propose to pay all creditors in full. ***Duff & Phelps acted as exclusive financial advisor to Friendly's.***

▶ Carolo Corporation Invests in Eureka! Restaurant Group

In January 2020, Carolo Corporation announced its significant investment in Eureka! Restaurant Group to fuel expansion of the casual dining chain. Eureka! is a 24-unit, West Coast-based chain providing great food, craft beer and small-batch spirits. ***Duff & Phelps acted as exclusive financial advisor to Eureka! Restaurant Group.***

▶ Ruby Tuesday Received Court Approval for Bankruptcy Sale

In October 2020, Ruby Tuesday filed for Chapter 11 Bankruptcy and closed 185 locations across the U.S. as part of its restructuring. The U.S. Bankruptcy Court approved the casual dining chain's parent company, RTI Holding Company, to begin a sale process in December 2020. The remaining 236 locations will continue operating during the bankruptcy process, with funding provided by secured lenders Goldman Sachs and TCW Group.

▶ Earl Enterprises Acquires Brio Italian Grille, Bravo Italian Kitchen

In June 2020, Earl Enterprises partnered with the incumbent lender to acquire the Brio and Bravo Italian casual dining brands. The former owner of the two restaurant chains, FoodFirst Global Restaurants, filed for bankruptcy in April. Earl Enterprises expects to maintain more than 4,000 employees who had been furloughed following FoodFirst's bankruptcy filing and intends to help its restaurant partners navigate the crisis.

▶ OPES Acquisition and BurgerFi International to Merge

In December 2020, OPES Acquisition, a blank-check company, announced that its proposed acquisition of BurgerFi International, LLC had been approved by its shareholders and that the Miami-based firm will be renamed BurgerFi International, Inc. The transaction is valued at around \$100M.

▶ FAT Brands Acquires Johnny Rockets

In August 2020, FAT Brands acquired Johnny Rockets from Sun Capital Partners in an all-cash deal. Johnny Rockets, a California-based restaurant chain, is an international retro-diner chain known for its burgers and milkshakes. This acquisition will complement FAT Brands' Fatburger concept, another California-based burger brand, and will push the unit count to over 700 across the FAT Brands portfolio. ***Duff & Phelps acted as exclusive financial advisor to Johnny Rockets and Sun Capital Partners.***

▶ Engage Brands Completes Acquisition of Boston Market

In April 2020, Sun Capital Partners completed the sale of Boston Market to Engage Brands (part of the Rohan Group of Companies) for an undisclosed sum. Boston Market operates a chain of more than 300 fast food and casual restaurants across the U.S., offering a range of salads, soups, desserts and home-style sides, appetizers and made-from-scratch cornbread.

Recent Restaurant Activity



▶ **BBQ Holdings Acquires Granite City Food & Brewery Out of Chapter 11**

In February 2020, BBQ Holdings acquired the Minnesota-based casual dining concept Granite City Food & Brewery for \$3.65M. As part of the Chapter 11 process, Granite City also sold the Cadillac Ranch chain to Landry's, Inc. for \$7.5M. ***Duff & Phelps acted as exclusive financial advisor to Granite City Food & Brewery.***

▶ **Fortress Acquires Krystal**

In May 2020, Fortress Investment Group acquired the quick-service burger chain Krystal for \$48M as a result of its bankruptcy. The deal involves a \$27M credit bid and the assumption of liabilities up to \$21.5M from Fortress affiliate DB KRST Investors LLC. Krystal generated \$400M in systemwide sales in 2019.

▶ **Luby's Liquidation**

In November 2020, Houston-based restaurant company Luby's, Inc. shareholders approved the Plan of Liquidation announced earlier in 2020. As part of the liquidation process, Luby's will seek a sale of the company's businesses, operations and real estate. The company estimated proceeds from the plan to be between \$92M and \$123M, which will be distributed to shareholders.

▶ **Just Eat Takeaway.com to Acquire Grubhub**

In June 2020, Just Eat Takeaway.com, a European food delivery service, announced that it will acquire Grubhub for a total equity value of \$7.3B. The all-stock transaction valued Grubhub at a 27% premium to the pre-announced closing price. It will provide Just Eat an immediate foothold in the U.S. market. The acquisition will also make Just Eat the largest online food delivery service in the world, outside of China.

▶ **Steak 'n Shake Closes 51 Locations**

In May 2020, Steak 'n Shake announced the permanent closure of 51 burger chain locations. The company faced challenges refinancing its debt and has also temporarily closed 62 of its restaurants. The company now operates 306 restaurants, down from 368 at the end of 2019.

▶ **Shake Shack to Add First Drive-Thru This Year**

In July 2020, Shake Shack announced a new strategy to generate revenue amid plunging sales due to the pandemic. The company plans to add the company's first-ever restaurant with a drive-thru this year as part of a strategy to diversify the format of its stores. Features of this new addition include three lanes dedicated for mobile pickup orders, as well as in-person drive-thru ordering similar to a traditional fast-food chain.

▶ **Capriotti's Sandwich Shop Acquires Wing Zone**

In early January 2021, Capriotti's Sandwich Shop, the fast casual sandwich chain based in Las Vegas, announced its acquisition of Wing Zone. The merger creates a company that had more than \$100M in sales in 2020 in 150 markets worldwide. There are currently 115 Capriotti's restaurants, including 18 that opened in 2020.

▶ **ICV Partners to Acquire Diversified Restaurant Holdings**

In November 2019, ICV Partners announced its acquisition of Diversified Restaurant Holdings (DRH) for \$130M in cash. Diversified Restaurant Holdings is one of the largest franchisees for Buffalo Wild Wings, with 64 locations across five states. ***Duff & Phelps acted as exclusive financial advisor to DRH and provided a fairness opinion to the company's board of directors in connection with the transaction.***

▶ **Aurify Brands to Acquire Le Pain Quotidien Out of Chapter 11**

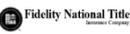
In May 2020, the parent of Le Pain Quotidien (LPQ) announced it had agreed to the sale of its domestic operations to Aurify Brands for \$3M (approved by court on June 30). The bakery-cafe has struggled for several years with increased competition and a lack of investment in digital platforms. The pandemic exacerbated challenges, leading to the closure of all 98 domestic locations. Aurify plans to open a select number of LPQ locations after emergence from Chapter 11.

▶ **Punch Bowl Social Files for Chapter 11 Bankruptcy**

In December 2020, Punch Bowl Social announced that it had declared Chapter 11 Bankruptcy. The company stated that it needed to close its stores immediately to fulfill its necessity to preserve cash. Punch Bowl owes \$20M to CrowdOut Capital, which foreclosed on the company in August.



Select Duff & Phelps Restaurant Transaction Experience

<p>STRATEGIC SALE</p>  <p>If it ain't fresh, it ain't Local![®] has been acquired by</p>  <p>PPX HOSPITALITY BRANDS <i>Strega</i> a portfolio company of</p> 	<p>STRATEGIC SALE</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>\$363 SALE</p>  <p>has been acquired in a \$363 Sale</p>	<p>RESTRUCTURING / \$363 SALE</p>  <p>has been acquired by</p> 	<p>RESTRUCTURING / \$363 SALE</p>  <p>has been acquired by</p> 	<p>TAKE-PRIVATE TRANSACTION</p>  <p>has been acquired by</p> 
<p>MAJORITY RECAPITALIZATION</p>  <p>a portfolio company of</p>  <p>has received a significant investment from</p> <p>GRUPO CAROLO</p>	<p>SPONSOR SALE</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>RESTRUCTURING</p>  <p>completed a restructuring</p>	<p>BUY-SIDE FINANCING</p>  <p>has acquired</p> 	<p>GROWTH EQUITY</p>  <p>has received a growth equity investment from</p> 	<p>GROWTH EQUITY</p>  <p>TURNING POINT breakfast, brunch & lunch</p> <p>has received a growth equity investment from</p>  
<p>SPONSOR SALE</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> <p>Elysium Management</p>	<p>DEBT FINANCING</p>  <p>has secured financing from</p> 	<p>VALUATION / FAIRNESS OPINION</p>  <p>has been acquired by</p> 	<p>SOLVENCY OPINION</p>  <p>a portfolio company of</p>  <p>completed a dividend recapitalization</p>	<p>RESTRUCTURING / \$363 SALE</p>  <p>has been acquired by</p> 	<p>STRATEGIC SALE</p>   <p>has been acquired by</p> 
<p>CARVE-OUT / DIVESTITURE</p>  <p>a division of</p>  <p>has been acquired by</p> 	<p>\$363 SALE</p>  <p>a portfolio company of</p> <p>SUN CAPITAL PARTNERS, INC.</p> <p>has been acquired by</p> 	<p>SPONSOR SALE</p>  <p>a portfolio company of</p> <p>SUN CAPITAL PARTNERS, INC.</p> <p>has been acquired by</p> 	<p>SPONSOR SALE</p>  <p>a portfolio company of</p> <p>GHJ&M</p> <p>has been acquired by</p> 	<p>STRATEGIC SALE</p>  <p>has been acquired by</p> 	<p>SPONSOR SALE</p>  <p>a portfolio company of</p>  <p>has received a significant investment from</p>  

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About Duff & Phelps

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