

# Restaurant Monthly Update

July 2017



## Q Market Update

June restaurant survey data indicated a -1.0% decline in same-store sales (SSS) and a -3.0% decline in traffic. Although industry SSS have remained negative for 14 out of the past 15 months, June results reflected a marginal improvement in SSS from May's results. Overall, sales growth and traffic in June (albeit negative) reflected the best industry results seen since the second quarter of 2016.

California emerged as the best-performing region in the final month of the second quarter, overtaking Florida from the previous month, reporting SSS gains of +1.4% in June amid declining traffic of -1.1%. Texas was the worst-performing region for the second straight month, reporting significant SSS and traffic declines of -2.2% and -4.1%, respectively.

Based on performance, fine dining and upscale casual were the only segments able to achieve positive SSS in June, primarily driven through growth in average checks. All sectors of the restaurant industry experienced falling traffic year-over-year during the second quarter. One of the weakest performing segments in June was fast casual, which could be an indicator that the segment is becoming oversupplied.

According to TDn2K's Black Box Intelligence report, year-over-year job growth rose +1.9% in April and +1.0% in May. However, turnover for restaurant managers is now tracking at a 10-year high. Managers across every restaurant segment reported difficulties retaining talent and maintaining staffing, adding to the many problems already facing operators that are looking to reverse dismal SSS and traffic trends.

### KEY INFORMATION



June SSS and traffic declined -1.0% and -3.0%, respectively



Fine dining and upscale casual were the strongest performing sectors of the month

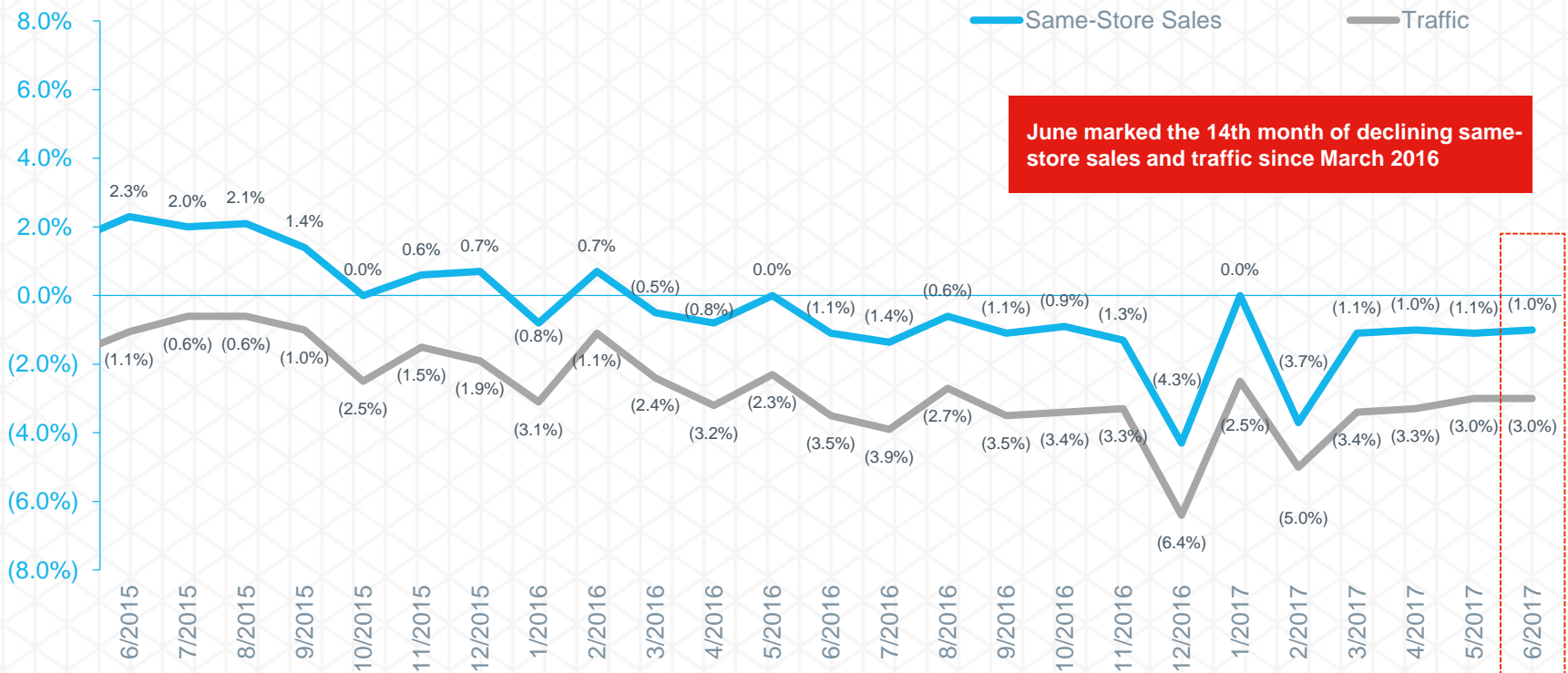


Year-over-year job growth grew +1.0% in May, demonstrating an improvement in persistent industry workforce difficulties



Talent retention and adequate staffing remained the top reported concern facing restaurant managers in June

# Restaurant Sector Monthly Same-Store Sales and Traffic Growth



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

	2015								2016								2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
<b>Mass Casual</b>																		
Cracker Barrel Old Country Store, Inc.	5.2%	↑	3.8%	↑	2.5%	↑	0.6%	↔	2.3%	↑	3.2%	↑	1.3%	↑	0.6%	↔	(0.4%)	↔
Brinker International, Inc.																		
Chili's Grill & Bar	2.2%	↑	0.1%	↔	(1.1%)	↓	(2.1%)	↓	(3.6%)	↓	(1.8%)	↓	(1.4%)	↓	(3.1%)	↓	(2.3%)	↓
Maggiano's Little Italy	0.1%	↔	(0.1%)	↔	(1.7%)	↓	(1.8%)	↓	0.2%	↔	(1.7%)	↓	(0.6%)	↔	(0.8%)	↔	(1.6%)	↓
Bloomin' Brands, Inc.																		
Bonefish Grill	0.9%	↔	(4.6%)	↓	(6.1%)	↓	(5.4%)	↓	(2.7%)	↓	0.9%	↔	1.7%	↑	(1.9%)	↓	(0.8%)	↔
Carrabba's Italian Grill	1.9%	↑	0.9%	↔	(2.0%)	↓	(4.0%)	↓	(2.0%)	↓	(4.8%)	↓	(2.1%)	↓	(2.3%)	↓	(3.8%)	↓
Fleming's Prime Steakhouse & Wine Bar	3.0%	↑	3.2%	↑	(0.6%)	↔	(0.3%)	↔	1.3%	↑	(0.8%)	↔	(1.9%)	↓	0.2%	↔	(2.9%)	↓
Outback Steakhouse	5.0%	↑	4.0%	↑	0.1%	↔	(2.2%)	↓	(1.3%)	↓	(2.5%)	↓	(0.7%)	↔	(4.8%)	↓	1.4%	↑
DineEquity, Inc.																		
Applebee's	2.9%	↑	1.0%	↑	(0.5%)	↔	(2.5%)	↓	(3.7%)	↓	(4.2%)	↓	(5.2%)	↓	(7.2%)	↓	(7.9%)	↓
IHOP	4.8%	↑	6.2%	↑	5.8%	↑	1.4%	↑	1.5%	↑	0.2%	↔	(0.1%)	↔	(2.1%)	↓	(1.7%)	↓
Biglari Holdings Inc.	6.0%	↑	4.8%	↑	3.0%	↑	3.6%	↑	1.8%	↑	(0.7%)	↔	0.2%	↔	(0.4%)	↔	(3.3%)	↓
Denny's Corporation	7.2%	↑	7.3%	↑	6.1%	↑	2.9%	↑	2.5%	↑	(0.5%)	↔	1.0%	↑	0.5%	↔	(1.1%)	↓
Red Robin Gourmet Burgers Inc.	3.8%	↑	3.6%	↑	3.7%	↑	(1.6%)	↓	(2.2%)	↓	(3.2%)	↓	(3.6%)	↓	(4.3%)	↓	(1.2%)	↓
Ruby Tuesday, Inc.	(0.3%)	↔	(1.7%)	↓	0.6%	↔	0.8%	↔	(3.1%)	↓	(3.7%)	↓	(2.7%)	↓	(4.1%)	↓	(4.0%)	↓
Luby's, Inc.	3.1%	↑	(1.0%)	↓	0.2%	↔	1.2%	↑	3.1%	↑	(0.6%)	↔	0.7%	↔	(2.3%)	↓	(3.8%)	↓
Ignite Restaurant Group, Inc.																		
Brick House Tavern + Tap	5.4%	↑	2.8%	↑	(0.7%)	↔	(2.8%)	↓	(4.5%)	↓	(6.3%)	↓	(8.9%)	↓	N/A		N/A	
Joe's Crab Shack	(3.8%)	↓	(4.0%)	↓	(6.6%)	↓	(2.9%)	↓	(1.3%)	↓	(6.8%)	↓	(6.5%)	↓	N/A		N/A	
Famous Dave's of America Inc.	(4.9%)	↓	(9.2%)	↓	(9.8%)	↓	(10.6%)	↓	(7.7%)	↓	(6.4%)	↓	(1.0%)	↓	(5.0%)	↓	(4.5%)	↓
<b>Median</b>	<b>3.0%</b>	<b>↑</b>	<b>1.0%</b>	<b>↑</b>	<b>(0.5%)</b>	<b>↔</b>	<b>(1.8%)</b>	<b>↓</b>	<b>(1.3%)</b>	<b>↓</b>	<b>(1.8%)</b>	<b>↓</b>	<b>(1.0%)</b>	<b>↓</b>	<b>(2.3%)</b>	<b>↓</b>	<b>(2.3%)</b>	<b>↓</b>
<b>Mean</b>	<b>2.5%</b>	<b>↑</b>	<b>1.0%</b>	<b>↑</b>	<b>(0.4%)</b>	<b>↔</b>	<b>(1.5%)</b>	<b>↓</b>	<b>(1.1%)</b>	<b>↓</b>	<b>(2.3%)</b>	<b>↓</b>	<b>(1.8%)</b>	<b>↓</b>	<b>(2.5%)</b>	<b>↓</b>	<b>(2.5%)</b>	<b>↓</b>

Source: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., *New York Times DealBook*, *The Deal*, *The 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 ●○○○○○

	2015								2016								2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1					
<b>Specialty Casual</b>																		
Darden Restaurants, Inc.																		
Bahama Breeze	3.2%	↑	1.7%	↑	1.8%	↑	2.4%	↑	9.9%	↑	5.4%	↑	3.9%	↑	2.6%	↑	0.5%	↔
The Capital Grille	6.1%	↑	4.4%	↑	7.2%	↑	1.5%	↑	5.3%	↑	1.5%	↑	(1.2%)	↓	1.2%	↑	0.9%	↔
Eddie V's	9.6%	↑	5.2%	↑	5.1%	↑	1.1%	↑	4.1%	↑	0.9%	↔	(1.7%)	↓	2.7%	↑	4.7%	↑
LongHorn Steakhouse	5.4%	↑	5.2%	↑	4.4%	↑	2.6%	↑	5.2%	↑	1.1%	↑	0.6%	↔	0.1%	↔	0.2%	↔
Olive Garden	2.2%	↑	3.4%	↑	2.7%	↑	1.0%	↑	6.8%	↑	1.6%	↑	2.0%	↑	2.6%	↑	1.4%	↑
Seasons 52	5.2%	↑	3.1%	↑	3.9%	↑	4.5%	↑	5.7%	↑	3.7%	↑	0.7%	↔	(0.3%)	↔	0.8%	↔
Yard House	5.4%	↑	3.2%	↑	3.4%	↑	1.7%	↑	3.9%	↑	1.4%	↑	0.0%	↔	0.7%	↔	(1.0%)	↓
Texas Roadhouse, Inc.	8.7%	↑	8.0%	↑	7.0%	↑	4.4%	↑	4.3%	↑	4.5%	↑	3.4%	↑	1.2%	↑	3.1%	↑
Buffalo Wild Wings Inc.	6.5%	↑	3.3%	↑	2.6%	↑	1.0%	↑	(2.0%)	↓	(2.1%)	↓	(1.7%)	↓	(4.0%)	↓	0.5%	↔
Dave & Buster's Entertainment, Inc.	9.9%	↑	11.0%	↑	8.8%	↑	6.0%	↑	3.6%	↑	1.0%	↑	5.9%	↑	3.2%	↑	2.2%	↑
BJ's Restaurants, Inc.	3.2%	↑	0.5%	↔	2.3%	↑	0.7%	↔	0.6%	↔	(0.2%)	↔	(3.4%)	↓	(2.2%)	↓	(1.3%)	↓
Chuy's Holdings, Inc.	1.9%	↑	3.2%	↑	4.2%	↑	3.2%	↑	3.2%	↑	1.0%	↑	0.3%	↔	(1.1%)	↓	(0.7%)	↔
<b>Median</b>	<b>5.4%</b>	<b>↑</b>	<b>3.4%</b>	<b>↑</b>	<b>4.1%</b>	<b>↑</b>	<b>2.1%</b>	<b>↑</b>	<b>4.2%</b>	<b>↑</b>	<b>1.3%</b>	<b>↑</b>	<b>0.5%</b>	<b>↔</b>	<b>1.0%</b>	<b>↔</b>	<b>0.7%</b>	<b>↔</b>
<b>Mean</b>	<b>5.6%</b>	<b>↑</b>	<b>4.4%</b>	<b>↑</b>	<b>4.5%</b>	<b>↑</b>	<b>2.5%</b>	<b>↑</b>	<b>4.2%</b>	<b>↑</b>	<b>1.7%</b>	<b>↑</b>	<b>0.7%</b>	<b>↔</b>	<b>0.6%</b>	<b>↔</b>	<b>0.9%</b>	<b>↔</b>

Source: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., *New York Times DealBook*, *The Deal*, *The Wall Street Journal*, etc.)

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

	2015				2016				2017									
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1									
<b>Polished Casual</b>																		
The Cheesecake Factory Incorporated	4.2%	↑	2.8%	↑	2.2%	↑	1.1%	↑	1.7%	↑	0.3%	↔	1.7%	↑	1.1%	↑	0.3%	↔
J. Alexander's Holdings, Inc.																		
J. Alexander's/Redlands Grill	N/A	N/A	(0.2%)	↔	1.4%	↑	(3.0%)	↓	(1.8%)	↓	1.4%	↑	1.8%	↑	3.5%	↑		
Stoney River Steakhouse and Grill	N/A	N/A	4.7%	↑	6.2%	↑	0.7%	↔	1.8%	↑	1.8%	↑	(1.7%)	↓	0.4%	↔		
Kona Grill Inc.	2.2%	↑	1.0%	↑	1.6%	↑	3.2%	↑	3.6%	↑	2.5%	↑	0.7%	↔	(4.1%)	↓	(4.3%)	↓
Bravo Brio Restaurant Group, Inc.																		
Bravo! Cucina Italiana	(1.7%)	↓	(2.1%)	↓	(3.1%)	↓	(5.2%)	↓	(4.1%)	↓	(8.4%)	↓	(8.0%)	↓	(7.5%)	↓	(2.9%)	↓
Brio Tuscan Grille	(1.0%)	↓	(1.6%)	↓	(3.8%)	↓	(4.3%)	↓	(2.1%)	↓	(6.4%)	↓	(3.7%)	↓	(4.3%)	↓	(1.9%)	↓
<b>Median</b>	<b>0.6%</b>	↔	<b>(0.3%)</b>	↔	<b>0.7%</b>	↔	<b>1.3%</b>	↑	<b>(0.7%)</b>	↔	<b>(0.8%)</b>	↔	<b>1.1%</b>	↑	<b>(2.9%)</b>	↓	<b>(0.8%)</b>	↔
<b>Mean</b>	<b>0.9%</b>	↔	<b>0.0%</b>	↔	<b>0.2%</b>	↔	<b>0.4%</b>	↔	<b>(0.5%)</b>	↔	<b>(2.0%)</b>	↓	<b>(1.0%)</b>	↓	<b>(2.5%)</b>	↓	<b>(0.8%)</b>	↔
<b>Fine Dining</b>																		
Ruth's Hospitality Group Inc.	2.8%	↑	4.2%	↑	3.3%	↑	3.2%	↑	3.1%	↑	1.5%	↑	2.1%	↑	0.0%	↔	0.7%	↔
Fogo de Chao, Inc.	N/A		4.2%	↑	2.8%	↑	3.5%	↑	1.1%	↑	(1.6%)	↓	0.6%	↔	(1.0%)	↓	0.9%	↔
Del Frisco's Restaurant Group, Inc.																		
Del Frisco's Double Eagle Steak House	2.3%	↑	1.0%	↑	(1.4%)	↓	(1.6%)	↓	(0.1%)	↔	(1.9%)	↓	(3.7%)	↓	0.1%	↔	(0.5%)	↔
Del Frisco's Grille	(3.5%)	↓	(6.3%)	↓	(3.5%)	↓	(4.5%)	↓	(2.8%)	↓	(2.0%)	↓	(1.4%)	↓	2.1%	↑	(0.9%)	↔
Sullivan's Steakhouse	4.8%	↑	(3.0%)	↓	1.2%	↑	(1.8%)	↓	(1.8%)	↓	2.9%	↑	(3.2%)	↓	0.9%	↔	1.1%	↑
The ONE Group Hospitality, Inc.	(3.5%)	↓	3.1%	↑	0.3%	↔	(0.8%)	↔	2.8%	↑	(5.2%)	↓	(4.2%)	↓	(6.0%)	↓	3.6%	↑
<b>Median</b>	<b>2.3%</b>	↑	<b>2.1%</b>	↑	<b>0.8%</b>	↔	<b>(1.2%)</b>	↓	<b>0.5%</b>	↔	<b>(1.8%)</b>	↓	<b>(2.3%)</b>	↓	<b>0.1%</b>	↔	<b>0.8%</b>	↔
<b>Mean</b>	<b>0.6%</b>	↔	<b>0.5%</b>	↔	<b>0.5%</b>	↔	<b>(0.3%)</b>	↔	<b>0.4%</b>	↔	<b>(1.1%)</b>	↓	<b>(1.6%)</b>	↓	<b>(0.7%)</b>	↔	<b>0.8%</b>	↔

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# Quarterly Same-Store Sales Performance – Last 2 Years

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	2015								2016								2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
<b>Fast Casual</b>																		
Chipotle Mexican Grill, Inc.	10.4%	↑	4.3%	↑	2.6%	↑	(14.6%)	↓	(29.7%)	↓	(23.6%)	↓	(21.9%)	↓	(4.8%)	↓	17.8%	↑
Panera Bread Company	0.7%	↔	1.8%	↑	2.8%	↑	2.3%	↑	4.7%	↑	2.3%	↑	1.7%	↑	0.7%	↔	5.3%	↑
Shake Shack Inc.	11.7%	↑	12.9%	↑	17.1%	↑	11.0%	↑	9.9%	↑	4.5%	↑	2.9%	↑	1.6%	↑	(2.5%)	↓
El Pollo Loco Holdings, Inc.	5.1%	↑	1.3%	↑	0.6%	↔	1.8%	↑	0.7%	↔	2.4%	↑	1.6%	↑	(1.3%)	↓	(0.3%)	↔
Zoe's Kitchen, Inc.	7.7%	↑	5.6%	↑	4.5%	↑	7.7%	↑	8.1%	↑	4.0%	↑	2.4%	↑	0.7%	↔	(3.3%)	↓
The Habit Restaurants, Inc.	12.6%	↑	8.9%	↑	2.9%	↑	3.3%	↑	2.0%	↑	4.0%	↑	0.2%	↔	1.7%	↑	0.9%	↔
Noodles & Company	0.9%	↔	0.1%	↔	(0.9%)	↔	(1.1%)	↓	(0.1%)	↔	(1.0%)	↓	(0.7%)	↔	(0.8%)	↔	(2.0%)	↓
Potbelly Corporation	5.4%	↑	4.9%	↑	3.7%	↑	3.7%	↑	3.7%	↑	1.7%	↑	0.6%	↔	0.1%	↔	(3.1%)	↓
Fiesta Restaurant Group, Inc.																		
Pollo Tropical	6.4%	↑	4.3%	↑	4.2%	↑	0.4%	↔	0.0%	↔	(1.4%)	↓	(1.0%)	↓	(4.0%)	↓	(6.7%)	↓
Taco Cabana	3.8%	↑	5.6%	↑	4.8%	↑	3.3%	↑	1.7%	↑	(3.8%)	↓	(4.1%)	↓	(3.5%)	↓	(4.5%)	↓
Wingstop Inc.	10.7%	↑	9.0%	↑	6.3%	↑	5.9%	↑	4.6%	↑	3.1%	↑	4.1%	↑	1.0%	↑	(1.1%)	↓
<b>Median</b>	<b>6.4%</b>	<b>↑</b>	<b>4.9%</b>	<b>↑</b>	<b>3.7%</b>	<b>↑</b>	<b>3.3%</b>	<b>↑</b>	<b>2.0%</b>	<b>↑</b>	<b>2.3%</b>	<b>↑</b>	<b>0.6%</b>	<b>↔</b>	<b>0.1%</b>	<b>↔</b>	<b>(2.0%)</b>	<b>↓</b>
<b>Mean</b>	<b>6.9%</b>	<b>↑</b>	<b>5.3%</b>	<b>↑</b>	<b>4.4%</b>	<b>↑</b>	<b>2.2%</b>	<b>↑</b>	<b>0.5%</b>	<b>↔</b>	<b>(0.7%)</b>	<b>↔</b>	<b>(1.3%)</b>	<b>↓</b>	<b>(0.8%)</b>	<b>↔</b>	<b>0.0%</b>	<b>↔</b>

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	2015								2016								2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
<b>Quick Service</b>																		
McDonald's Corp.	(2.6%) ↓	(2.0%) ↓	0.9% ↔	5.7% ↑	5.4% ↑	3.1% ↑	3.5% ↑	2.7% ↑	4.0% ↑									
Yum! Brands, Inc.																		
KFC	7.0% ↑	3.0% ↑	0.0% ↔	3.0% ↑	1.0% ↑	2.0% ↑	4.0% ↑	3.0% ↑	2.0% ↑						2.0% ↑			
Pizza Hut	(1.0%) ↓	1.0% ↑	0.0% ↔	2.0% ↑	5.0% ↑	0.0% ↔	(1.0%) ↓	(2.0%) ↓	(3.0%) ↓									
Taco Bell	6.0% ↑	6.0% ↑	4.0% ↑	4.0% ↑	1.0% ↑	(1.0%) ↓	3.0% ↑	3.0% ↑	8.0% ↑									
Restaurant Brands International Inc.																		
Burger King	6.9% ↑	7.9% ↑	5.2% ↑	2.8% ↑	4.4% ↑	3.9% ↑	1.7% ↑	2.8% ↑	(0.1%) ↔									
Tim Hortons	8.9% ↑	7.0% ↑	4.3% ↑	5.8% ↑	5.8% ↑	4.8% ↑	2.0% ↑	0.2% ↔	(0.1%) ↔									
Popeyes Louisiana Kitchen, Inc.	7.0% ↑	7.9% ↑	5.6% ↑	2.0% ↑	1.1% ↑	0.7% ↔	1.8% ↑	2.4% ↑	(0.2%) ↔									
Domino's Pizza, Inc.	14.5% ↑	12.8% ↑	10.5% ↑	10.7% ↑	6.4% ↑	9.7% ↑	13.0% ↑	12.2% ↑	10.2% ↑									
The Wendy's Company	3.2% ↑	2.2% ↑	3.1% ↑	4.8% ↑	3.6% ↑	0.3% ↔	1.4% ↑	0.8% ↔	1.6% ↑									
Jack in the Box Inc.	8.9% ↑	7.3% ↑	6.2% ↑	1.4% ↑	0.0% ↔	1.1% ↑	2.0% ↑	3.1% ↑	(0.8%) ↔									
Papa John's International Inc.	6.5% ↑	5.5% ↑	3.0% ↑	1.9% ↑	0.1% ↔	4.8% ↑	5.5% ↑	3.8% ↑	2.0% ↑									
Sonic Corp.	11.5% ↑	6.1% ↑	4.9% ↑	5.3% ↑	6.5% ↑	2.0% ↑	(2.0%) ↓	(2.0%) ↓	(7.4%) ↓									
Bojangles', Inc.	7.9% ↑	4.4% ↑	4.1% ↑	0.6% ↔	2.0% ↑	0.2% ↔	0.8% ↔	5.5% ↑	(1.7%) ↓									
Del Taco Restaurants, Inc.	7.7% ↑	6.0% ↑	5.6% ↑	5.8% ↑	3.2% ↑	3.3% ↑	6.7% ↑	5.5% ↑	4.2% ↑									
Nathan's Famous Inc.	(2.8%) ↓	(0.7%) ↔	0.5% ↔	(1.3%) ↓	0.2% ↔	(2.2%) ↓	(6.3%) ↓	(1.3%) ↓	0.2% ↔									
Papa Murphy's Holdings, Inc.	5.6% ↑	4.5% ↑	1.4% ↑	(3.1%) ↓	(2.8%) ↓	(4.0%) ↓	(5.8%) ↓	(7.8%) ↓	(5.0%) ↓									
<b>Median</b>	<b>7.0%</b> ↑	<b>5.8%</b> ↑	<b>4.1%</b> ↑	<b>2.9%</b> ↑	<b>2.6%</b> ↑	<b>1.6%</b> ↑	<b>1.9%</b> ↑	<b>2.8%</b> ↑	<b>0.1%</b> ↔									
<b>Mean</b>	<b>6.0%</b> ↑	<b>4.9%</b> ↑	<b>3.7%</b> ↑	<b>3.2%</b> ↑	<b>2.7%</b> ↑	<b>1.8%</b> ↑	<b>1.9%</b> ↑	<b>2.0%</b> ↑	<b>0.9%</b> ↔									

Source: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., *New York Times DealBook*, *The Deal*, *The 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



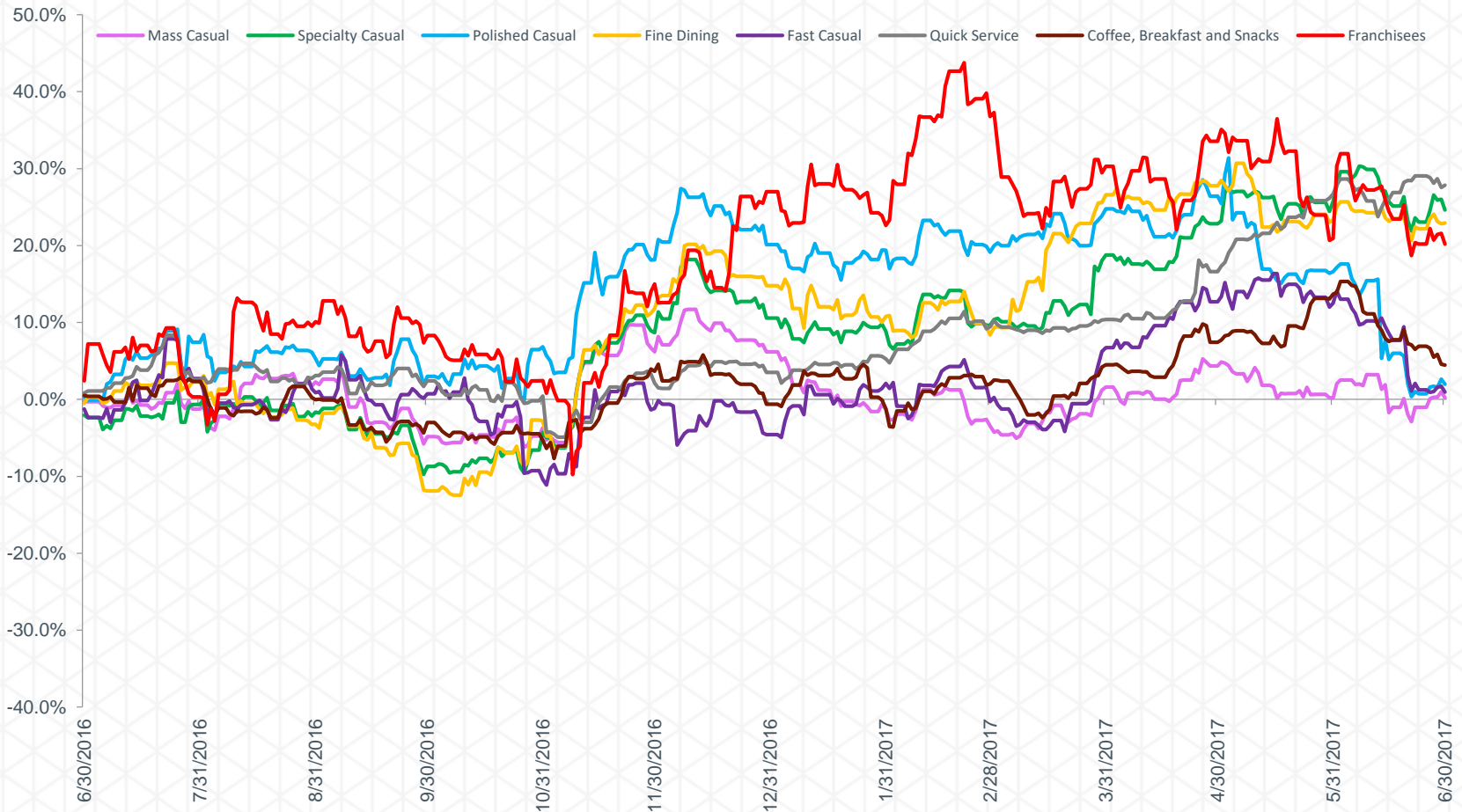
# Quarterly Same-Store Sales Performance – Last 2 Years ○○○○○●

	2015								2016								2017	
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1	
<b>Coffee, Breakfast and Snacks</b>																		
Starbucks Corporation	7.0%	↑	8.0%	↑	9.0%	↑	9.0%	↑	7.0%	↑	4.0%	↑	5.0%	↑	3.0%	↑	3.0%	↑
Dunkin' Brands Group, Inc.																		
Dunkin' Donuts	2.7%	↑	2.9%	↑	1.1%	↑	1.8%	↑	2.0%	↑	0.5%	↔	2.0%	↑	1.9%	↑	0.0%	↔
Baskin-Robbins	8.0%	↑	3.4%	↑	7.5%	↑	4.4%	↑	5.0%	↑	0.6%	↔	(0.9%)	↔	(0.9%)	↔	(2.4%)	↓
Jamba, Inc.	5.0%	↑	(5.9%)	↓	6.6%	↑	5.4%	↑	(2.1%)	↓	4.2%	↑	(1.1%)	↓	(2.2%)	↓	NA	
<b>Median</b>	<b>6.0%</b>	<b>↑</b>	<b>3.2%</b>	<b>↑</b>	<b>7.1%</b>	<b>↑</b>	<b>4.9%</b>	<b>↑</b>	<b>3.5%</b>	<b>↑</b>	<b>2.3%</b>	<b>↑</b>	<b>0.6%</b>	<b>↔</b>	<b>0.5%</b>	<b>↔</b>	<b>0.0%</b>	<b>↔</b>
<b>Mean</b>	<b>5.7%</b>	<b>↑</b>	<b>2.1%</b>	<b>↑</b>	<b>6.1%</b>	<b>↑</b>	<b>5.2%</b>	<b>↑</b>	<b>3.0%</b>	<b>↑</b>	<b>2.3%</b>	<b>↑</b>	<b>1.3%</b>	<b>↑</b>	<b>0.5%</b>	<b>↔</b>	<b>0.2%</b>	<b>↔</b>
<b>Franchisees</b>																		
Diversified Restaurant Holdings, Inc.	7.6%	↑	4.2%	↑	1.5%	↑	0.8%	↔	(1.0%)	↓	(2.7%)	↓	(1.8%)	↓	(5.4%)	↓	(0.3%)	↔
Carrols Restaurant Group, Inc.	8.4%	↑	10.3%	↑	6.5%	↑	5.1%	↑	5.7%	↑	0.7%	↔	0.0%	↔	3.2%	↑	(0.6%)	↔
<b>Median</b>	<b>8.0%</b>	<b>↑</b>	<b>7.3%</b>	<b>↑</b>	<b>4.0%</b>	<b>↑</b>	<b>3.0%</b>	<b>↑</b>	<b>2.4%</b>	<b>↑</b>	<b>(1.0%)</b>	<b>↓</b>	<b>(0.9%)</b>	<b>↔</b>	<b>(1.1%)</b>	<b>↓</b>	<b>(0.5%)</b>	<b>↔</b>
<b>Mean</b>	<b>8.0%</b>	<b>↑</b>	<b>7.3%</b>	<b>↑</b>	<b>4.0%</b>	<b>↑</b>	<b>3.0%</b>	<b>↑</b>	<b>2.4%</b>	<b>↑</b>	<b>(1.0%)</b>	<b>↓</b>	<b>(0.9%)</b>	<b>↔</b>	<b>(1.1%)</b>	<b>↓</b>	<b>(0.5%)</b>	<b>↔</b>

Source: SEC filings, S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., *New York Times DealBook*, *The Deal*, *The 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

# Indexed Stock Price Performance – Last 12 Months



Sector index weight based upon company market capitalization at valuation date

Source: S&P Global Market Intelligence; data as of 6/30/2017. Fast Casual index includes Chipotle Mexican Grill, 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., Bojangles, Del Taco Restaurants, Nathan's Famous Inc., Papa Murphy's Holdings. Coffee, Breakfast and 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, 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.

# Sector Stock Price Performance

(\$ in millions, except per share data)

Market Sector	Number of Companies	Avg. Equity Market Value 30-Jun-17	Avg. % Change in Market Value			Avg. EV / EBITDA Multiple	
			1 Month	3 Months	12 Months	LTM	2017E
Mass Casual	10	\$1,152	(0.2%)	(2.7%)	0.2%	10.1x	10.7x
Specialty Casual	6	3,477	(1.1%)	5.9%	24.6%	10.4x	9.7x
Polished Casual	4	651	(14.7%)	(22.8%)	2.0%	7.8x	7.1x
Fine Dining	4	366	(0.4%)	(3.7%)	23.0%	9.7x	8.7x
Fast Casual	9	1,756	(11.6%)	(5.8%)	0.9%	16.7x	11.5x
Quick Service	12	15,612	1.1%	17.5%	27.9%	14.3x	13.3x
Coffee, Breakfast and Snacks	3	29,853	(9.2%)	(0.0%)	4.5%	16.6x	12.2x
Franchisees	2	253	(0.7%)	(10.1%)	20.2%	8.4x	7.4x
<b>Market Indices</b>							
S&P 500 Index		\$2,423	0.5%	2.6%	15.5%		
Dow Jones Industrials		21,350	1.6%	3.3%	19.1%		
Russell 2000 Index		1,415	3.3%	2.1%	22.9%		
S&P Restaurant Index		1,366	(2.7%)	9.5%	17.8%		

Sector index weight based upon company market capitalization at valuation date

Source: S&P Global Market Intelligence; data as of 6/30/2017. Fast Casual index includes Chipotle Mexican Grill, 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., Bojangles, Del Taco Restaurants, Nathan's Famous Inc., Papa Murphy's Holdings. Coffee, Breakfast and 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, 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 30-Jun-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM
						LTM	Revenue 2017E	2018E	LTM	EBITDA 2017E	2018E	EBITDA Margin
<b>Mass Casual</b>												
Cracker Barrel Old Country Store, Inc.	0%	\$167.25	95.5%	\$4,021	\$4,244	1.45x	1.43x	1.37x	10.8x	10.4x	9.8x	13.4%
Brinker International, Inc.	40%	38.10	68.2%	1,864	3,185	0.99x	1.01x	0.99x	7.0x	7.3x	7.4x	14.2%
Bloomin' Brands, Inc.	20%	21.23	95.8%	2,128	3,049	0.72x	0.72x	0.71x	7.4x	7.1x	7.1x	9.8%
Red Robin Gourmet Burgers, Inc.	16%	65.25	88.0%	840	1,129	0.86x	0.82x	0.81x	8.5x	7.5x	7.0x	10.1%
Denny's Corporation	90%	11.77	82.6%	822	1,080	2.12x	2.05x	1.99x	11.6x	10.6x	10.2x	18.3%
DineEquity, Inc.	100%	44.05	50.1%	792	2,070	3.30x	3.33x	3.32x	8.6x	8.7x	8.7x	38.5%
Biglari Holdings Inc.	37%	399.74	81.3%	827	1,009	1.19x	1.17x	1.15x	19.5x	17.6x	16.3x	6.1%
Ruby Tuesday, Inc.	10%	2.01	48.2%	120	301	0.31x	NA	NA	7.7x	NA	NA	4.0%
Luby's, Inc.	37%	2.81	55.4%	82	121	0.31x	NA	NA	8.6x	NA	NA	3.6%
Famous Dave's of America, Inc.	80%	3.60	53.5%	25	32	0.33x	0.34x	0.34x	11.1x	16.2x	11.9x	3.0%
<b>Median</b>			<b>74.8%</b>	<b>\$824</b>	<b>\$1,105</b>	<b>0.92x</b>	<b>1.09x</b>	<b>1.07x</b>	<b>8.6x</b>	<b>9.6x</b>	<b>9.3x</b>	<b>10.0%</b>
<b>Mean</b>			<b>71.9%</b>	<b>\$1,152</b>	<b>\$1,622</b>	<b>1.16x</b>	<b>1.36x</b>	<b>1.33x</b>	<b>10.1x</b>	<b>10.7x</b>	<b>9.8x</b>	<b>12.1%</b>

# Public Restaurant Valuations ●○○○○○

(\$ in millions, except per share data)

	% Franchised	Stock Price 30-Jun-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	
<b>Specialty Casual</b>												
Darden Restaurants, Inc.	3%	\$90.44	95.0%	\$11,245	\$11,949	1.67x	1.57x	1.46x	12.7x	11.4x	10.3x	13.1%
Texas Roadhouse, Inc.	16%	50.95	98.2%	3,613	3,541	1.73x	1.61x	1.46x	13.1x	12.1x	10.8x	13.3%
Dave & Buster's Entertainment, Inc.	0%	66.51	90.5%	2,759	2,983	2.85x	2.53x	2.28x	11.7x	10.6x	9.6x	24.3%
Buffalo Wild Wings, Inc.	49%	126.70	72.4%	2,045	2,389	1.19x	1.12x	1.13x	8.3x	8.1x	7.6x	14.2%
BJ's Restaurants, Inc.	0%	37.25	78.3%	803	962	0.96x	0.92x	0.87x	7.6x	7.6x	7.1x	12.6%
Chuy's Holdings, Inc.	0%	23.40	61.9%	396	381	1.12x	1.00x	0.88x	9.2x	8.5x	7.6x	12.2%
<b>Median</b>			<b>84.4%</b>	<b>\$2,402</b>	<b>\$2,686</b>	<b>1.43x</b>	<b>1.35x</b>	<b>1.29x</b>	<b>10.4x</b>	<b>9.5x</b>	<b>8.6x</b>	<b>13.2%</b>
<b>Mean</b>			<b>82.7%</b>	<b>\$3,477</b>	<b>\$3,701</b>	<b>1.59x</b>	<b>1.46x</b>	<b>1.35x</b>	<b>10.4x</b>	<b>9.7x</b>	<b>8.9x</b>	<b>15.0%</b>
<b>Polished Casual</b>												
The Cheesecake Factory Incorporated	7%	\$50.30	74.9%	\$2,319	\$2,361	1.03x	1.02x	0.97x	8.2x	8.4x	7.9x	12.5%
J. Alexander's Holdings, Inc.	0%	12.25	100.0%	180	197	0.89x	0.85x	0.80x	9.5x	8.1x	7.3x	9.3%
Bravo Brio Restaurant Group, Inc.	1%	4.60	53.0%	70	110	0.27x	0.27x	0.28x	NM	4.1x	4.0x	(9.8%)
Kona Grill, Inc.	0%	3.70	25.6%	37	68	0.39x	0.36x	0.35x	5.7x	7.9x	6.1x	6.8%
<b>Median</b>			<b>64.0%</b>	<b>\$125</b>	<b>\$154</b>	<b>0.64x</b>	<b>0.61x</b>	<b>0.57x</b>	<b>8.2x</b>	<b>8.0x</b>	<b>6.7x</b>	<b>8.0%</b>
<b>Mean</b>			<b>63.4%</b>	<b>\$651</b>	<b>\$684</b>	<b>0.64x</b>	<b>0.63x</b>	<b>0.60x</b>	<b>7.8x</b>	<b>7.1x</b>	<b>6.3x</b>	<b>4.7%</b>

# Public Restaurant Valuations ○○●○○○

(\$ in millions, except per share data)

	% Franchised	Stock Price 30-Jun-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
						LTM	Revenue 2017E	2018E	LTM	EBITDA 2017E	2018E	
<b>Fine Dining</b>												
Ruth's Hospitality Group, Inc.	53%	\$21.75	96.0%	\$668	\$679	1.74x	1.63x	1.56x	11.1x	10.5x	10.0x	15.7%
Fogo de Chao, Inc.	0%	13.90	81.5%	392	508	1.72x	1.59x	1.45x	9.5x	8.3x	7.5x	18.0%
Del Frisco's Restaurant Group, Inc.	0%	16.10	85.6%	351	351	0.98x	0.96x	0.90x	8.4x	7.4x	6.8x	11.7%
The ONE Group Hospitality, Inc.	0%	2.17	63.3%	55	69	0.91x	0.88x	NA	NM	8.6x	NM	NM
<b>Median</b>			<b>83.6%</b>	<b>\$372</b>	<b>\$430</b>	<b>1.35x</b>	<b>1.28x</b>	<b>1.45x</b>	<b>9.5x</b>	<b>8.5x</b>	<b>7.5x</b>	<b>15.7%</b>
<b>Mean</b>			<b>81.6%</b>	<b>\$366</b>	<b>\$402</b>	<b>1.34x</b>	<b>1.27x</b>	<b>1.30x</b>	<b>9.7x</b>	<b>8.7x</b>	<b>8.1x</b>	<b>15.1%</b>
<b>Fast Casual</b>												
Chipotle Mexican Grill, Inc.	0%	\$416.10	83.4%	\$11,925	\$11,348	2.74x	2.45x	2.17x	34.3x	21.1x	15.6x	8.0%
Wingstop Inc.	98%	30.90	92.5%	895	1,037	10.82x	10.12x	9.32x	30.9x	26.0x	22.2x	35.0%
Shake Shack Inc.	44%	34.88	81.2%	898	883	3.04x	2.48x	1.98x	19.7x	16.4x	13.1x	15.4%
El Pollo Loco Holdings, Inc.	56%	13.85	93.3%	533	628	1.63x	1.54x	1.41x	10.3x	9.3x	8.7x	15.8%
Fiesta Restaurant Group, Inc.	11%	20.65	67.4%	556	625	0.88x	0.89x	0.87x	7.6x	7.0x	6.8x	11.5%
The Habit Restaurants, Inc.	7%	15.80	80.0%	320	307	1.04x	0.90x	0.75x	10.3x	8.8x	7.8x	10.1%
Zoe's Kitchen, Inc.	1%	11.91	31.3%	232	262	0.91x	0.83x	0.70x	11.5x	0.6x	9.4x	8.0%
Potbelly Corporation	11%	11.50	79.0%	288	261	0.63x	0.59x	0.56x	6.2x	6.5x	6.1x	10.2%
Noodles & Company	15%	3.90	37.2%	160	221	0.45x	0.48x	0.47x	19.4x	7.5x	6.6x	2.3%
<b>Median</b>			<b>80.0%</b>	<b>\$533</b>	<b>\$625</b>	<b>1.04x</b>	<b>0.90x</b>	<b>0.87x</b>	<b>11.5x</b>	<b>8.8x</b>	<b>8.7x</b>	<b>10.2%</b>
<b>Mean</b>			<b>71.7%</b>	<b>\$1,756</b>	<b>\$1,730</b>	<b>2.46x</b>	<b>2.25x</b>	<b>2.03x</b>	<b>16.7x</b>	<b>11.5x</b>	<b>10.7x</b>	<b>12.9%</b>

# Public Restaurant Valuations ○○○●○○○

(\$ in millions, except per share data)

	% Franchised	Stock Price	% of	Market	Enterprise	Enterprise Value as a Multiple of						LTM
		30-Jun-17	52 Wk High	Value	Value	LTM	Revenue 2017E	2018E	LTM	EBITDA 2017E	2018E	EBITDA Margin
<b>Quick Service</b>												
McDonald's Corporation	85%	\$153.16	98.5%	\$124,836	\$149,631	6.13x	6.66x	7.54x	15.8x	15.2x	15.0x	38.7%
Yum! Brands, Inc.	94%	73.76	80.2%	25,685	34,267	5.40x	5.93x	7.24x	17.2x	17.0x	16.5x	31.3%
Restaurant Brands International Inc.	100%	62.54	99.4%	14,736	28,858	6.83x	6.34x	5.90x	15.5x	13.8x	12.5x	44.0%
Domino's Pizza, Inc.	97%	211.53	95.5%	10,176	12,303	4.81x	4.48x	4.08x	24.6x	22.0x	19.4x	19.5%
The Wendy's Company	95%	15.51	93.1%	3,807	6,167	4.59x	5.12x	4.96x	16.6x	15.2x	14.0x	27.7%
Jack in the Box Inc.	75%	98.50	86.9%	2,898	4,082	2.51x	2.66x	2.87x	11.5x	11.3x	10.6x	21.8%
Papa John's International, Inc.	85%	71.76	79.3%	2,638	2,932	1.69x	1.62x	1.58x	14.8x	14.2x	13.4x	11.4%
Sonic Corp.	93%	26.49	88.2%	1,108	1,676	3.25x	3.61x	3.60x	10.6x	11.3x	10.8x	30.8%
Bojangles', Inc.	57%	16.25	72.7%	595	763	1.42x	1.36x	1.29x	9.1x	9.5x	8.8x	15.6%
Del Taco Restaurants, Inc.	45%	13.75	89.8%	530	695	1.51x	1.47x	1.36x	10.4x	9.6x	8.9x	14.5%
Nathan's Famous, Inc.	98%	63.00	87.6%	265	340	3.52x	NA	NA	12.3x	NA	NA	28.5%
Papa Murphy's Holdings, Inc.	89%	4.37	56.0%	74	182	1.45x	1.48x	1.56x	12.8x	7.7x	7.7x	11.3%
<b>Median</b>			<b>87.9%</b>	<b>\$2,768</b>	<b>\$3,507</b>	<b>3.38x</b>	<b>3.61x</b>	<b>3.60x</b>	<b>13.8x</b>	<b>13.8x</b>	<b>12.5x</b>	<b>24.7%</b>
<b>Mean</b>			<b>85.6%</b>	<b>\$15,612</b>	<b>\$20,158</b>	<b>3.59x</b>	<b>3.70x</b>	<b>3.81x</b>	<b>14.3x</b>	<b>13.3x</b>	<b>12.5x</b>	<b>24.6%</b>

# Public Restaurant Valuations ○○○○●○○

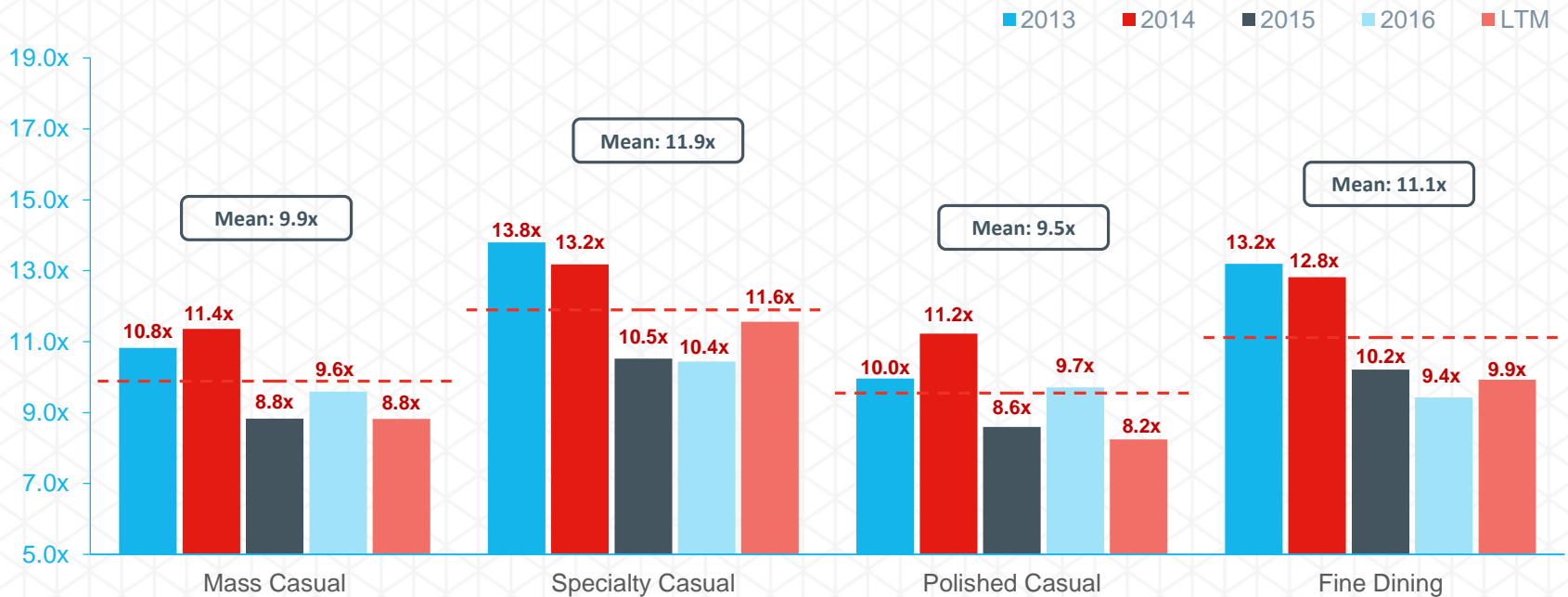
(\$ in millions, except per share data)

	% Franchised	Stock Price 30-Jun-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	
<b>Coffee, Breakfast and Snacks</b>												
Starbucks Corporation	50%	\$58.31	89.9%	\$84,439	\$86,018	3.91x	3.69x	3.33x	17.2x	14.9x	13.2x	22.8%
Dunkin' Brands Group, Inc.	100%	55.12	92.3%	5,000	7,107	8.57x	8.44x	8.05x	16.1x	15.0x	14.1x	53.1%
Jamba, Inc.	85%	7.79	67.0%	119	105	1.28x	1.39x	1.36x	NM	6.6x	10.7x	NM
<b>Median</b>			<b>89.9%</b>	<b>\$5,000</b>	<b>\$7,107</b>	<b>3.91x</b>	<b>3.69x</b>	<b>3.33x</b>	<b>16.6x</b>	<b>14.9x</b>	<b>13.2x</b>	<b>38.0%</b>
<b>Mean</b>			<b>83.1%</b>	<b>\$29,853</b>	<b>\$31,077</b>	<b>4.59x</b>	<b>4.51x</b>	<b>4.25x</b>	<b>16.6x</b>	<b>12.2x</b>	<b>12.7x</b>	<b>38.0%</b>
<b>Franchisees</b>												
Carrols Restaurant Group, Inc.	0%	\$12.25	69.8%	\$436	\$676	0.70x	0.64x	0.61x	8.3x	7.2x	6.6x	8.5%
Diversified Restaurant Holdings, Inc.	0%	2.60	63.1%	69	184	1.09x	1.06x	NA	8.6x	7.5x	NA	12.8%
<b>Median</b>			<b>66.5%</b>	<b>\$253</b>	<b>\$430</b>	<b>0.90x</b>	<b>0.85x</b>	<b>0.61x</b>	<b>8.4x</b>	<b>7.4x</b>	<b>6.6x</b>	<b>10.6%</b>
<b>Mean</b>			<b>66.5%</b>	<b>\$253</b>	<b>\$430</b>	<b>0.90x</b>	<b>0.85x</b>	<b>0.61x</b>	<b>8.4x</b>	<b>7.4x</b>	<b>6.6x</b>	<b>10.6%</b>



# Historical Public Restaurant Trends ○○○○○●○

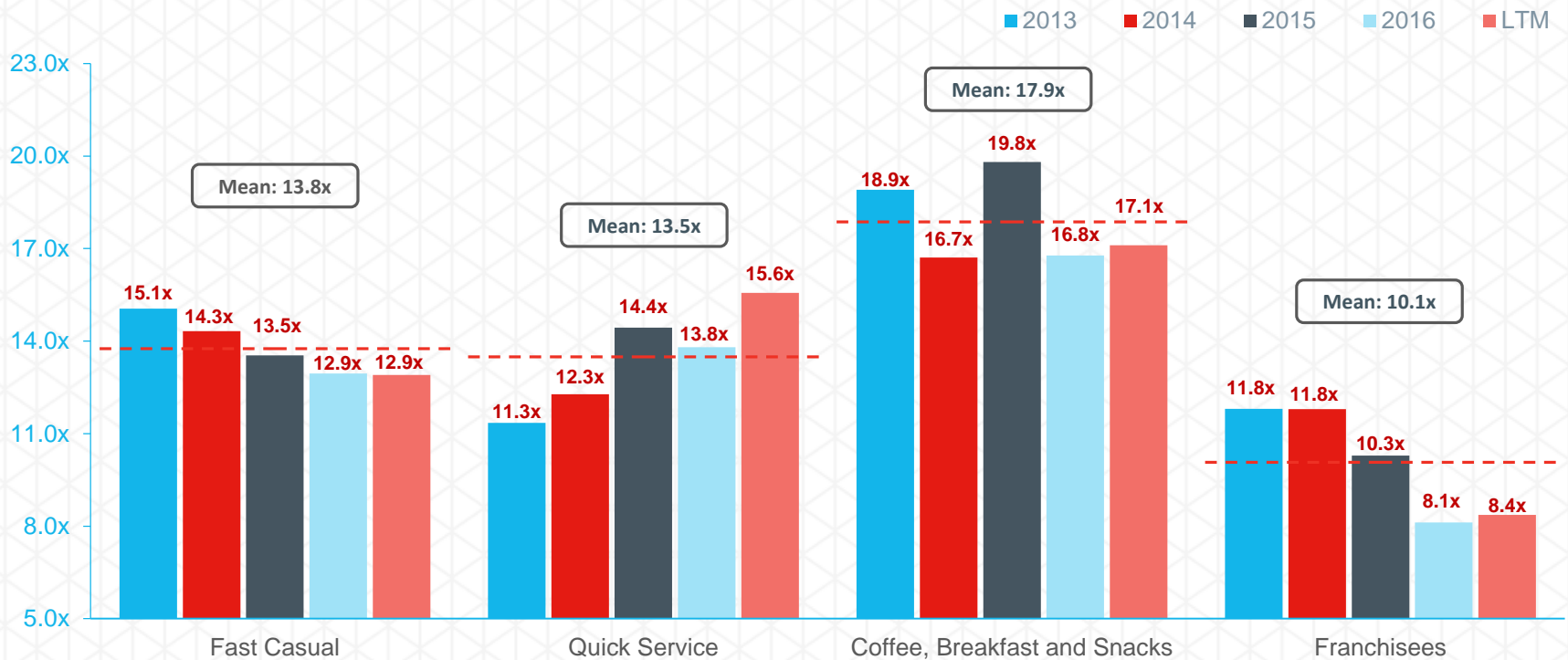
**Enterprise Value as a Multiple of EBITDA<sup>(1)</sup>**



(1) Index calculation excludes any companies with non-meaningful trading multiples  
 Source: S&P Global Market Intelligence; LTM values as of 6/30/2017  
 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<sup>(1)</sup>



(1) Index calculation excludes any companies with non-meaningful trading multiples  
 Source: S&P Global Market Intelligence; LTM values as of 6/30/2017  
 Segments weighted based on market cap values at period end

# Recent Restaurant M&A Transaction Activity

## Hojeij Branded Foods Acquires Vino Volo

On July 20, 2017, Hojeij Branded Foods acquired Vino Volo, a San Francisco-based operator of airport wine and food bars. Founded in 2001, Vino Volo currently operates 32 units in airports and eight locations across the United States and Canada. The company has popular acclaim for its upscale wine selections. Hojeij Branded Foods is an Atlanta-based airport food operations company owned by Morgan Stanley Private Equity, operating more than 70 restaurants and bars in 14 airports.

## Bobby's Burger Palace Seeks Regulation A+ Funding

On July 17, 2017, Bobby's Burger Palace, a New York-based fast casual burger chain, announced its intention to raise \$15 million through a Regulation A+ process. This "mini-IPO" transaction, a new form of fundraising allowed by the SEC, allows smaller companies to raise capital through a broader group of investors in a relatively streamlined process. Founded by celebrity chef Bobby Flay, the 17-unit company also announced plans to license the concept following the filing.

## Brentwood Associates Invests in Blaze Pizza

On July 13, 2017, Brentwood Associates completed an investment in Blaze Fast-Fire'd Pizza, a Pasadena, California-based fast casual pizza chain. Founded in 2012, Blaze Pizza has quickly grown to become one of the fastest growing chains in the United States, boasting over 200 locations and endorsements from LeBron James and Maria Shriver. The transaction marks Brentwood's sixth transaction in the restaurant industry, with current investments in Lazy Dog Restaurants, Pacific Catch and Veggie Grill and realized investments in K-Mac, Zoës Kitchen and Pacific Island Restaurants.

## Flynn Restaurant Group Acquires 34 Panera Locations

On July 12, 2017, Pan America Group, a subsidiary of Flynn Restaurant Group, acquired 34 Panera Bread locations in Kansas and Missouri. The units were operated by Original Bread, a Wichita, Kansas-based Panera Bread franchisee. The transaction brings Flynn Restaurant Group's total holdings to 130 Panera Bread units and 881 overall restaurants across 30 states. Based on total sales, Flynn Restaurant Group is now the largest restaurant franchisee in the United States.

## Axum Capital Acquires Back Yard Burgers

On July 10, 2017, Axum Capital acquired Back Yard Burgers, a Nashville-based fast casual burger chain, from Pharos Capital for an undisclosed sum. Founded in 1987, Back Yard Burgers specializes in burgers, sandwiches and milkshakes. Pharos Capital took the chain private in 2007, and it operated 180 locations at its peak before filing for bankruptcy in 2012 due to its inability to survive a post-recessionary decline in same-store sales and traffic. The company currently operates 32 franchised locations and 23 company-owned units in 11 states across the Midwest and South.

## Roark Capital Group Acquires Jim 'N Nick's Bar-B-Q

On July 10, 2017, Roark Capital acquired Jim 'N Nick's Bar-B-Q, a Birmingham, Alabama-based Southern-inspired barbecue concept, for an undisclosed sum. Jim 'N Nick's Bar-B-Q operates 37 units across seven Southern states, specializing in pulled pork, brisket and various meat sandwiches. The transaction marks Roark Capital's first restaurant investment since its 2016 acquisition of Jimmy John's. Roark Capital currently operates 20 restaurant brands, including Arby's, Carl's Jr. and CKE Restaurants, which collectively generate \$24 billion in annual system-wide sales.


























## Four Foods Group Acquires Mo'Bettahs

On July 1, 2017, Four Foods Group acquired Mo'Bettahs, a Bountiful, Utah-based Hawaiian-style food concept, from the company's owners for an undisclosed sum. Founded in 2008, Mo'Bettahs operates six units across Northeastern Utah, specializing in traditional Hawaiian meats, salads, pans and beverages. The acquisition brings Four Foods Group's overall restaurant holdings to over 100 locations, including the Kneaders Bakery & Café, The Soda Shop and several Little Caesars concepts.

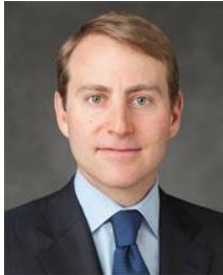
## L Catterton Invests in Punch Bowl Social

On June 20, 2017, L Catterton completed an investment in Punch Bowl Social, a Denver, Colorado-based dining-and-entertainment concept. Founded in 2012, Punch Bowl Social offers popular games, such as Skee-Ball, shuffleboard, pingpong and bowling along with Southern-inspired cuisine. The company has experienced steady growth over the past few years, with nine total locations. Punch Bowl Social will use the funds from the investment to complete four more units this year and one location in January 2018.

# Selected Recent Duff & Phelps Restaurant Transactions

<p>Sell-Side Advisor</p>  <p>PIZZERIA &amp; GRILL a portfolio company of</p>  <p>TWIN HAVEN has been acquired by</p>  <p>NEWPORT GLOBAL ADVISORS</p>	<p>Sell-Side Advisor</p>  <p>has been acquired by</p>  <p>GRUPE M T Y GROUP</p>	<p>Board Advisor</p>  <p>has been acquired by</p>  <p>GOODE PARTNERS™</p>	<p>Placement Agent</p>  <p>has secured senior debt financing from</p>  <p>WELLS FARGO</p>	<p>Sell-Side Advisor</p>  <p>HOULIHAN'S a portfolio company of</p>  <p>GHJ&amp;M GOLDNER HAWN JOHNSON HOBBS has been acquired by</p>  <p>YORK CAPITAL MANAGEMENT</p>
<p>Board Advisor</p>  <p>has completed a spin-off of</p>  <p>YumChina™</p>	<p>Board Advisor</p>  <p>a portfolio company of</p>  <p>ROARK CAPITAL GROUP has completed a leveraged dividend recapitalization transaction.</p>	<p>Sell-Side Advisor</p>  <p>Ovation BRANDS a portfolio company of</p>  <p>TWIN HAVEN has been acquired by</p>  <p>FOOD MANAGEMENT PARTNERS</p>	<p>Sell-Side Advisor</p>  <p>MAX &amp; ERMA'S a division of</p>  <p>AMERICAN BLUE RIBBON HOLDINGS has been acquired by</p>  <p>glacier RESTAURANT Group</p>	<p>Sell-Side Advisor</p>  <p>FAZOL'S a portfolio company of</p>  <p>SUN CAPITAL PARTNERS, INC. has been acquired by</p>  <p>Sentinel CAPITAL PARTNERS</p>

# Contact Us



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# About Duff & Phelps

Duff & Phelps is the premier global valuation and corporate finance advisor with expertise in complex valuation, disputes and investigations, M&A, real estate, restructuring, and compliance and regulatory consulting. The firm's more than 2,000 employees serve a diverse range of clients from offices around the world.

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