



Industry Insights

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Restaurant M&A Industry

2022 Year in Review and
2023 Outlook



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Restaurant Industry Insights

Overview

As we look back at 2022, the global economy faced the looming threat of a recession, geopolitical tension, persisting supply chain challenges, and inflation levels not seen in over two decades. Despite the COVID-related restrictions easing throughout 2022, restaurant guest traffic and prime costs continued to challenge the industry, with QSR and fast casual sub-sectors getting hit the hardest, while Specialty Casual, Polished and Fine Dining were able to thrive, given pricing headroom and alcohol sales.

Notwithstanding these challenges, throughout 2022, the pace of price increases at grocery stores continued to outstrip price increases at restaurants, boosting the relative affordability of dining out. Year-end census surveys indicated that consumer spending decreased across all categories except for eating and drinking establishments—evidence that the future is bright for the sector as current headwinds subside.

Restaurant M&A declined by more than 50% in 2022 from the prior three-year average (including 2020, the height of the COVID-19 pandemic). A confluence of factors contributed to the M&A slowdown, including (i) consumer recession fears (ii) prime cost and occupancy headwinds (iii) widening buyer/seller valuation gaps and (iv) tightened debt financing markets.

Looking ahead to 2023, we expect M&A activity to begin reverting to historical averages, though it is likely there will be a fair number of distressed and special situations deals as prolonged inflation, declining traffic and a challenging operating environment have weighed heavily on certain pockets of the restaurant sector. Further, we expect the credit markets to improve as we move through 2023, increasing the availability of capital with improved terms to finance M&A transactions.

As of the date of this report, the median LTM EV/EBITDA multiple for public equities across the U.S. restaurant sector was 13.3x, down marginally from the prior year (15.4x). U.S. restaurant equities declined ~18% in 2022, marginally outperforming the S&P 500, which declined ~20%.

This report aims to synthesize the spectrum of macro and sector-specific data into meaningful trends and insights, focusing on key themes, issues and go-forward opportunities. We hope you continue to find this report (and future editions) to be a useful source of information.

Executive Summary

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Negative Traffic Trends Generally Offset by Pricing Actions



Commodity Inflation Near Historical Highs Throughout 2022



Labor Costs Remained Elevated as Restaurants Continued to Hire



Profitability Erosion Driven by Prime Cost Pressures



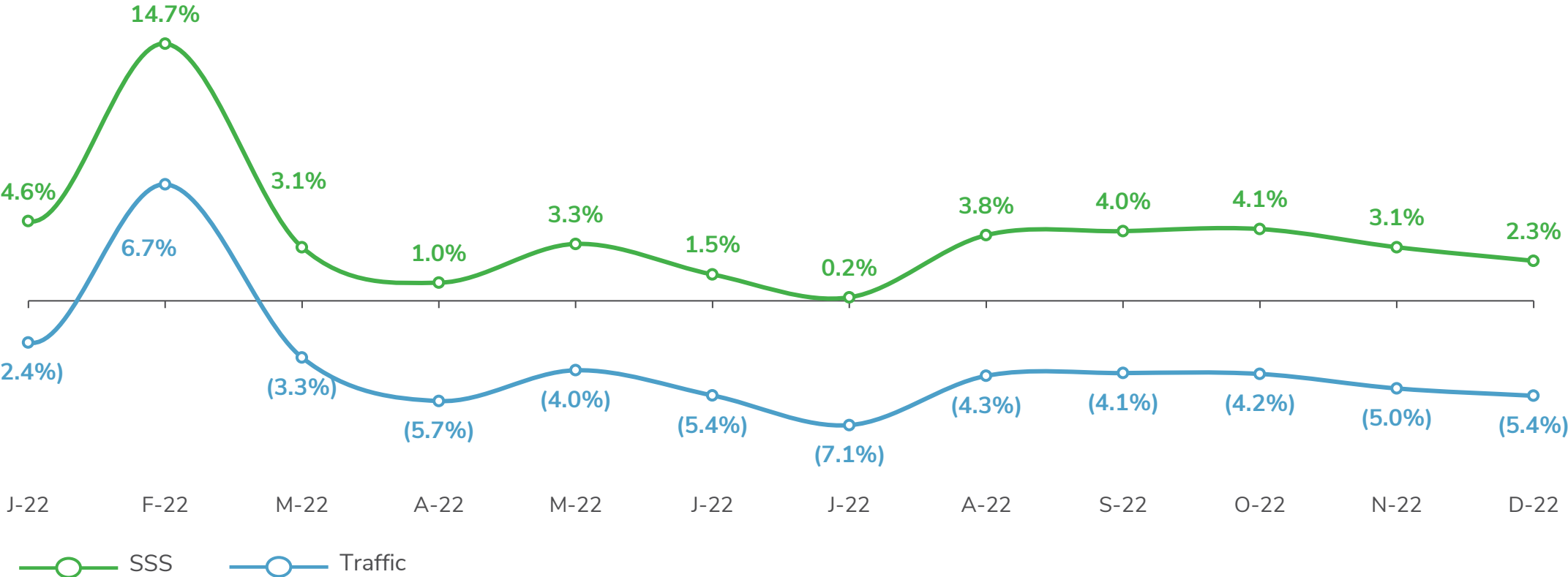
Slowdown in M&A Activity Given Challenging Macro and Financing Environments



Mixed Operator Sentiment for FY23

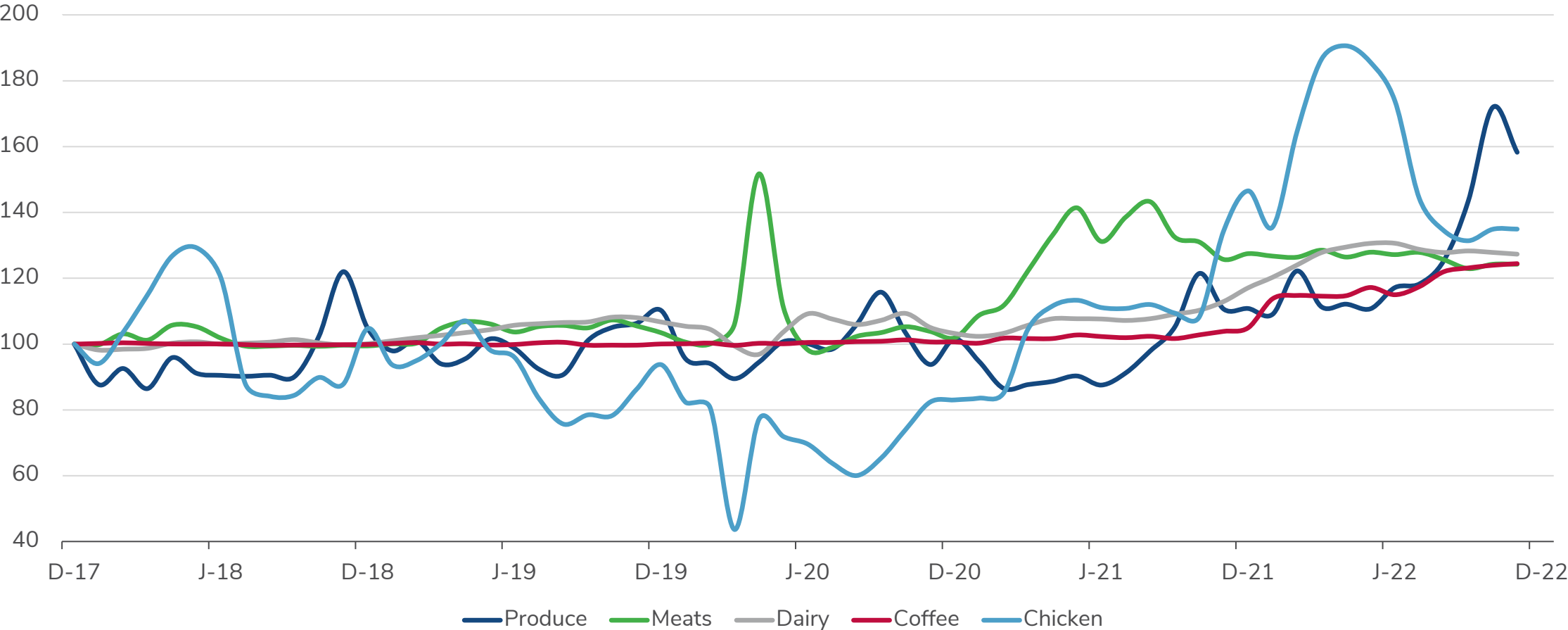
Negative Traffic Trends Generally Offset by Pricing Actions

2022 vs. 2021



Source: Black Box Intelligence.

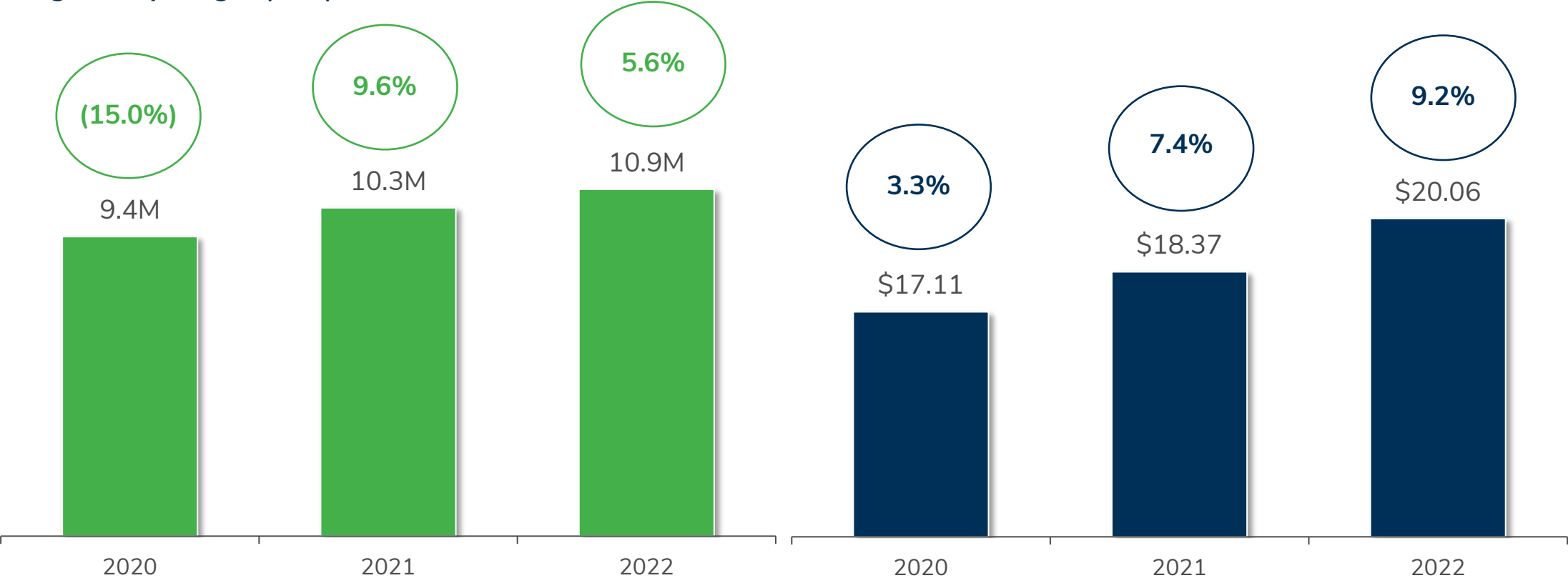
Commodity Inflation Near Historical Highs Throughout 2022



Source: Federal Reserve Economic Data | FRED | St. Louis Fed.

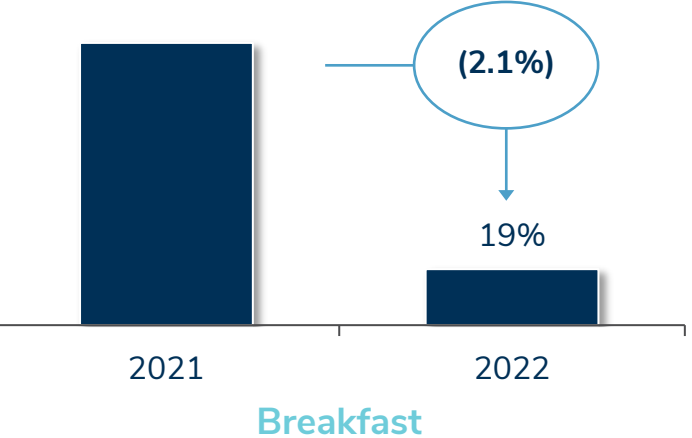
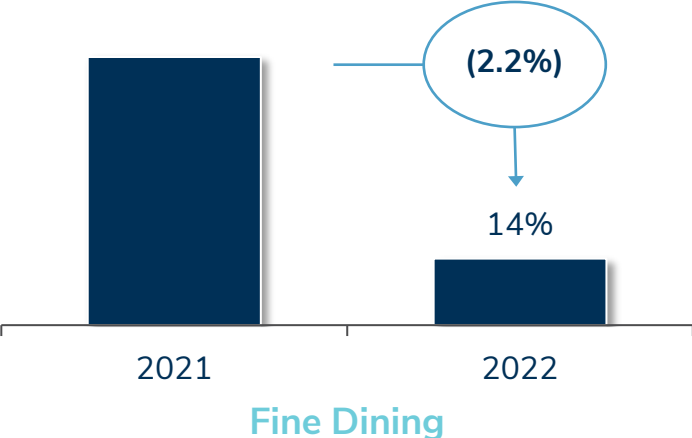
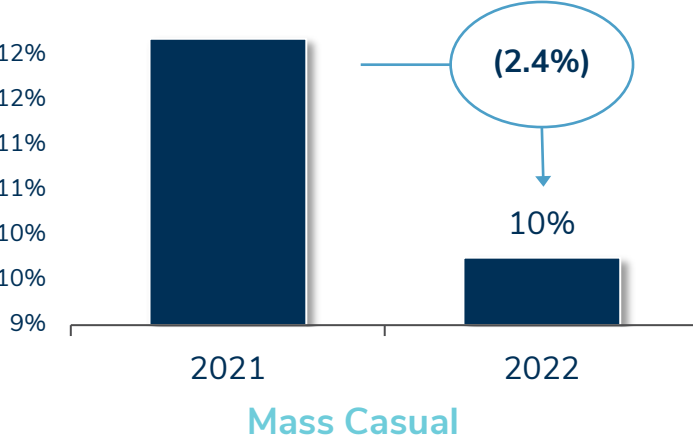
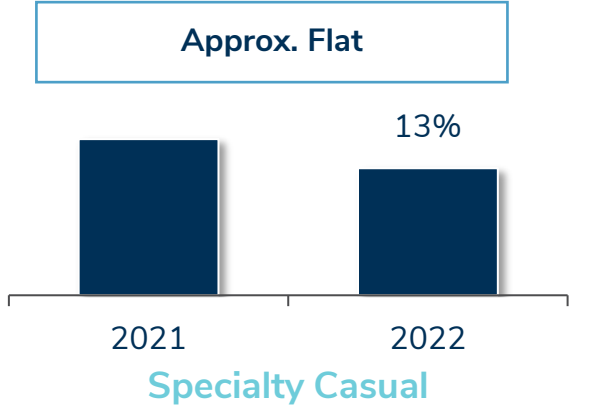
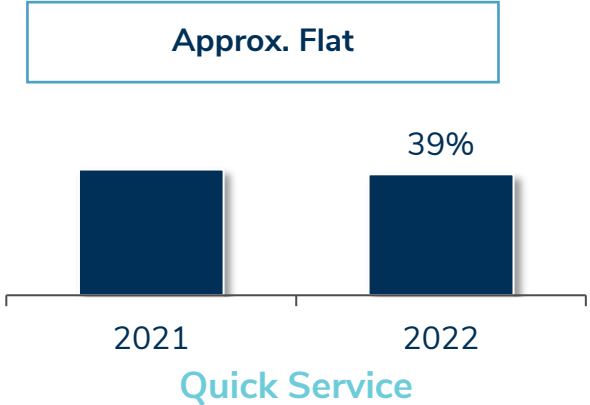
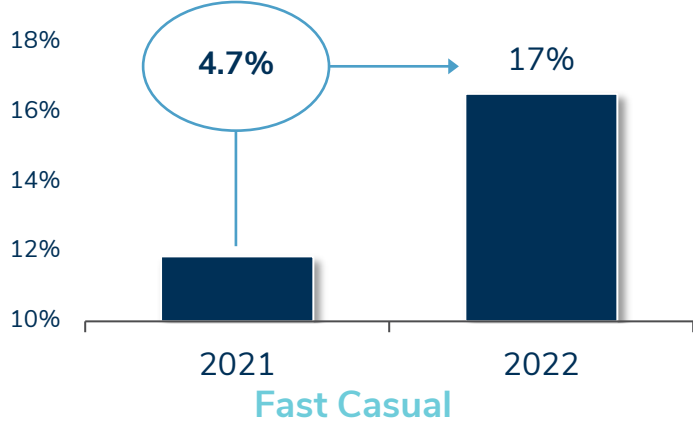
Labor Costs Remained Elevated as Restaurants Continued to Hire

Total Employment (LHS)¹
Avg. Hourly Wages (LHS)



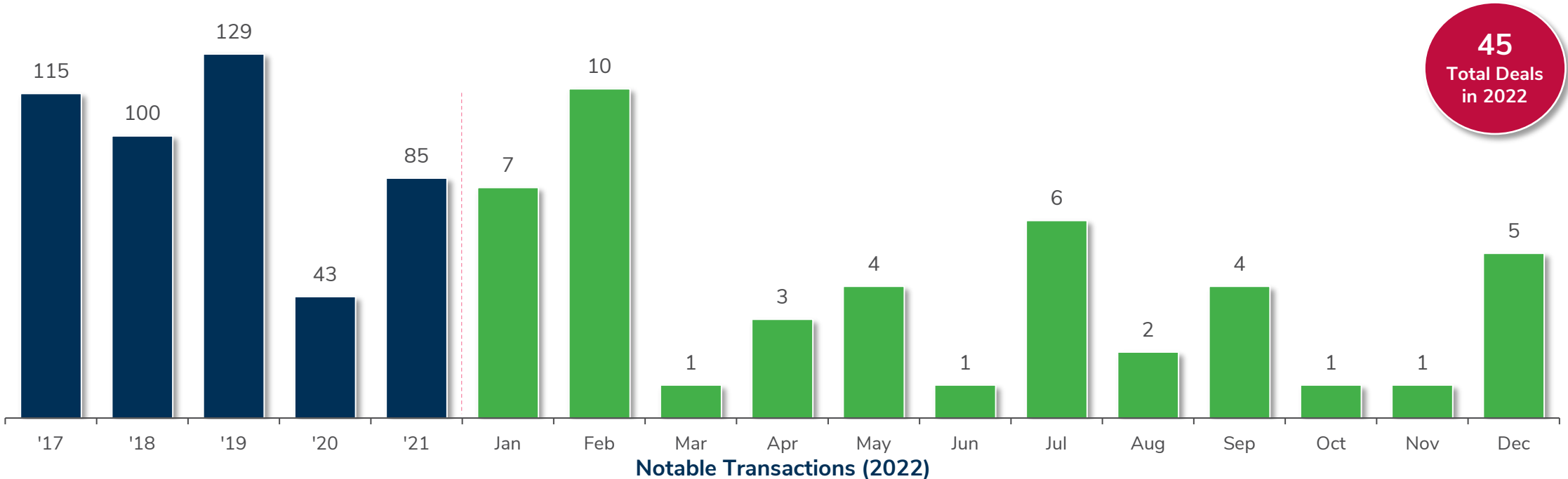
Source: U.S. Bureau of Labor Statistics.
1) LHS is defined as Leisure and Hospitality Services.

Profitability Erosion Driven by Prime Cost Pressures



Source: Black Box Intelligence.

Slowdown in M&A Activity Given Challenging Macro and Financing Environments



Source: CIQ and WallStreet research.

Mixed Operator Sentiment for FY23

75%

Restaurant operators expect labor costs to increase

54%

Expect traffic to reach or surpass pre-COVID-19 levels

33%

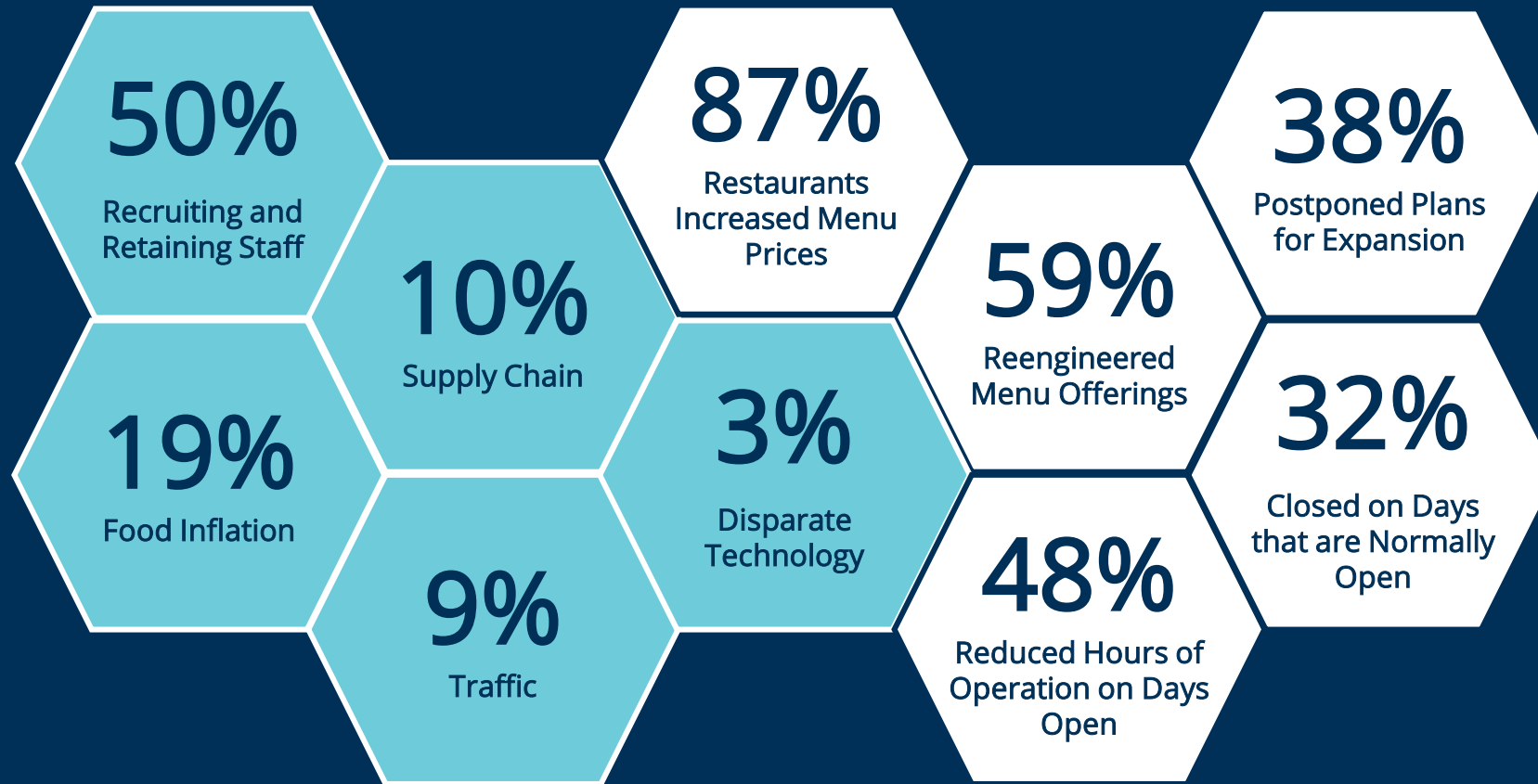
Expect supply chains to level off before the end of 2Q 2023

Key Sector Themes in 2022



Combating Restaurant Challenges

Operators encountered a number of challenges in 2022 ...



... and implemented a variety of measures, some temporary in nature, to combat these pressures²

Sources: Menu trends-QSR, National Restaurant Association, FSR Magazine, Restaurant 365.

1) What has been your top challenge in 2022?

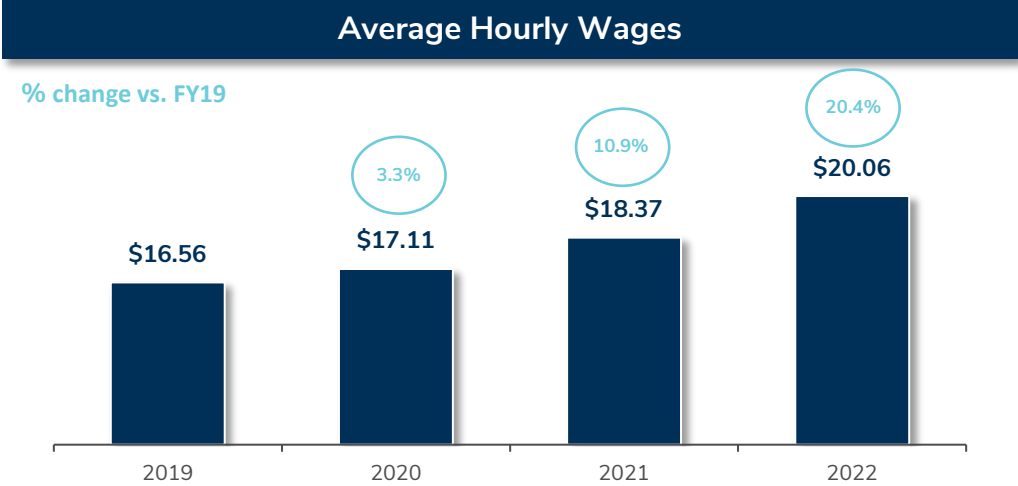
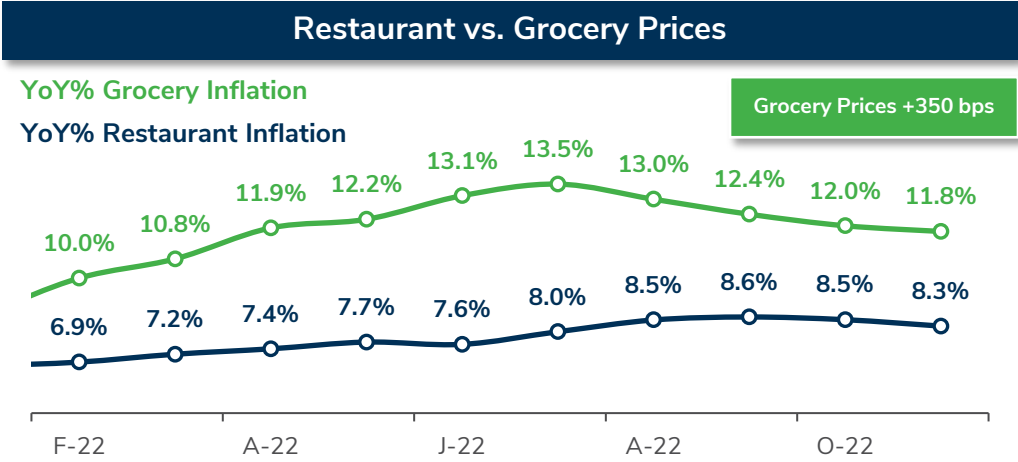
2) Restaurant Operators End 2022 with Mixed Outlook.

Confluence of Sector Headwinds Drove Persistent Pricing Actions

As industry-wide challenges pressured margins...

- ❑ Unprecedented inflation across most commodities
- ❑ Changing consumer behaviors in response to lower discretionary cash
- ❑ Mass exodus of labor from the sector driving higher turnover, increased inefficiencies and wage inflation
- ❑ Persistent global supply chain challenges
- ❑ Channel mix shift to off-premise, driven by lower margin 3PD¹

...operators consistently raised prices to pass along elevated costs

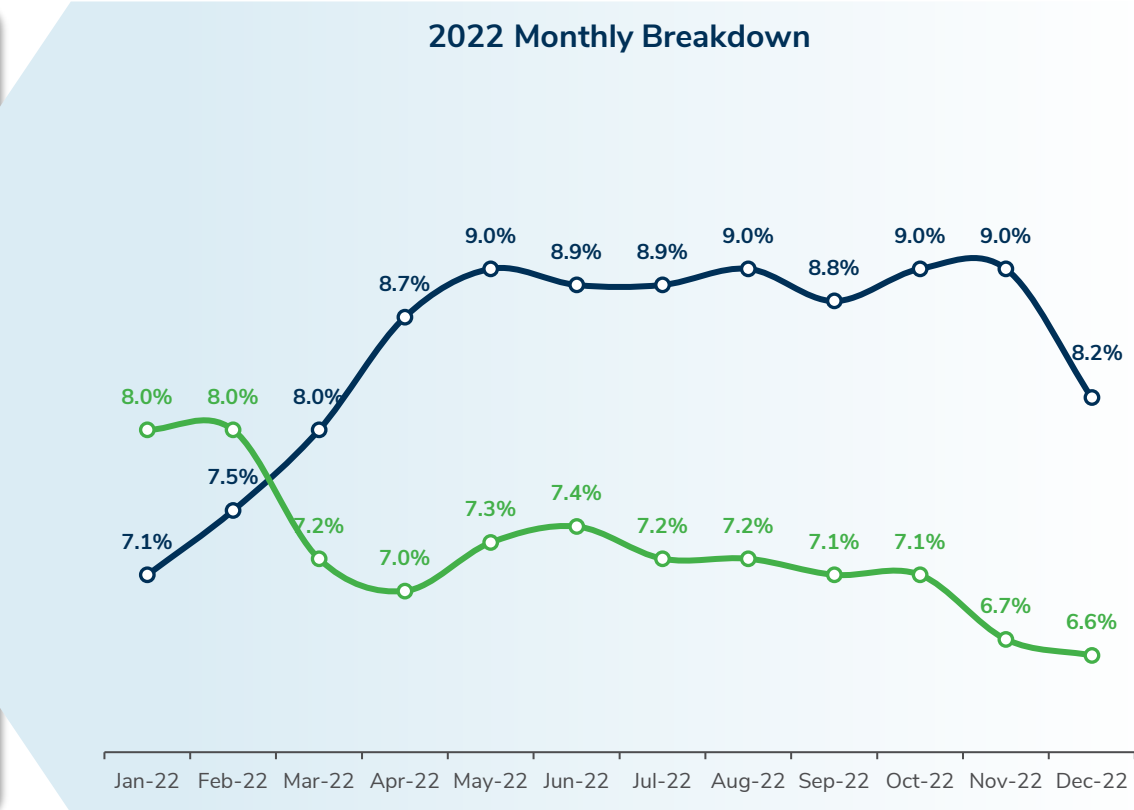
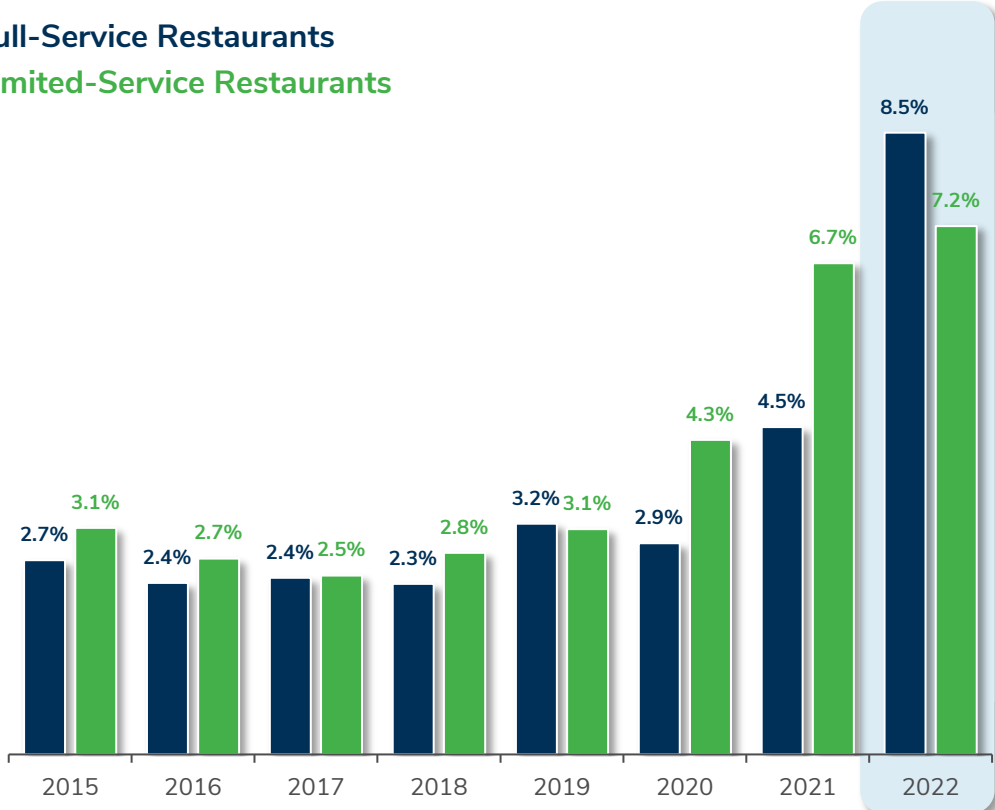


Sources: Federal Reserve Economic Data | FRED | St. Louis Fed. And U.S. Bureau of Labor Statistics, not seasonally adjusted.
 1) 3PD is defined as Third-Party Delivery.

Confluence of Sector Headwinds Drove Persistent Pricing Actions

Full-Service and Limited-Service Restaurant Price Inflation

Full-Service Restaurants
 Limited-Service Restaurants

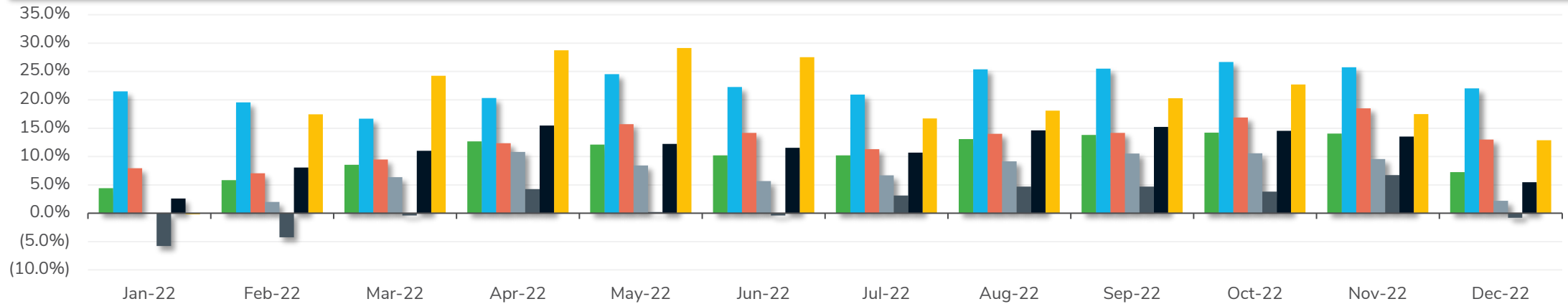


Sources: Source: Federal Reserve Economic Data | FRED | St. Louis Fed. And U.S. Bureau of Labor Statistics, not seasonally adjusted.

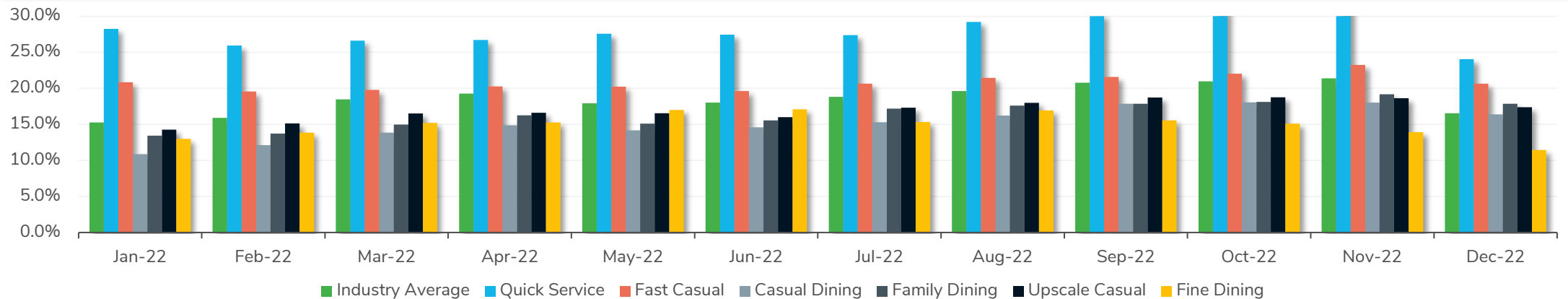
Restaurant Sector Monthly SSS Trends

Persistent prime cost inflation impairing profitability caused operators to take pricing actions, resulting in negative traffic trends throughout 2022

Same-Store Sales Growth (2022 vs. 2019)



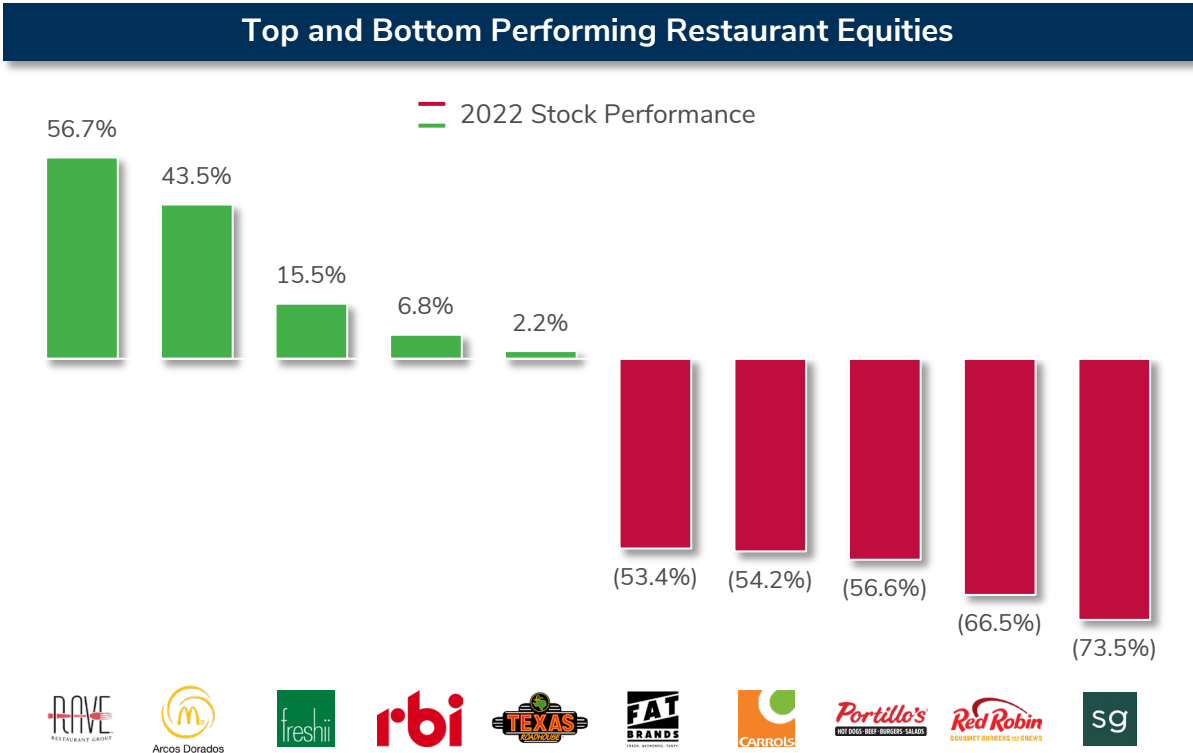
Implied Price vs. (2022 vs. 2019)



Sources: Nation's Restaurant News and Black Box Intelligence report.
Note: 2022 performance has been compared to 2019's pre-COVID-19 sales.

Macro Uncertainty and Sector-Specific Challenges Drove Restaurant Equity Underperformance

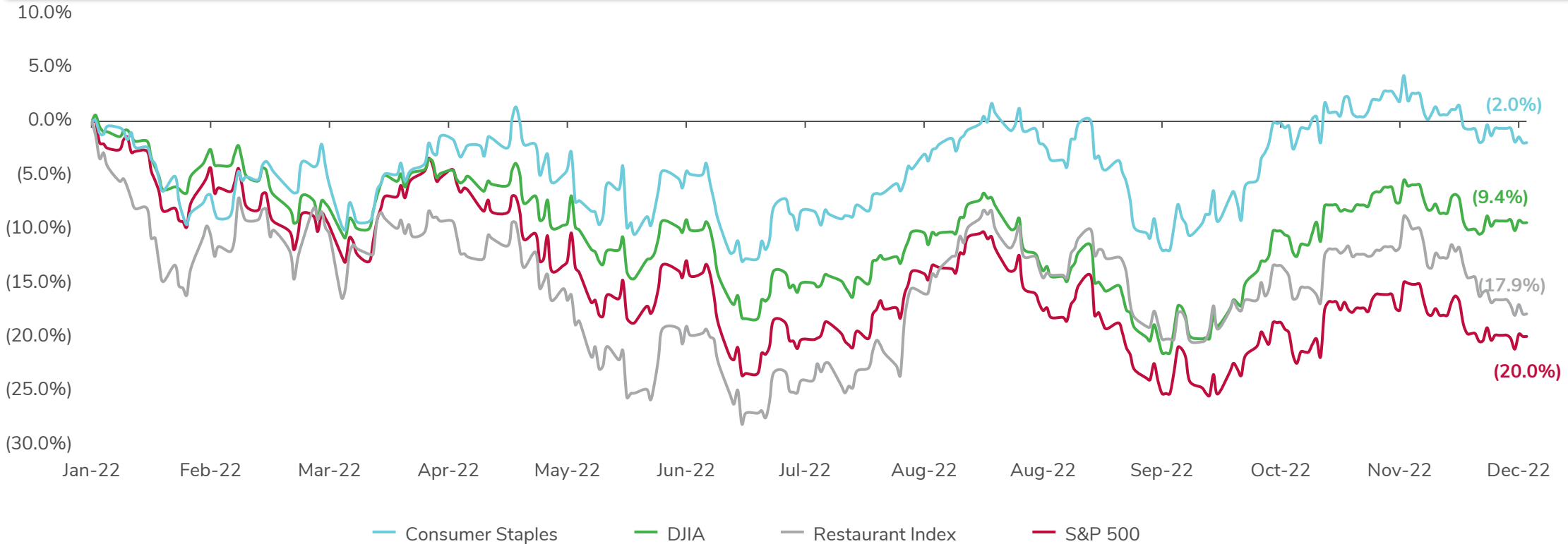
- ❑ U.S. restaurant equities declined ~18% in 2022, marginally outperforming the S&P 500, which declined ~20%
- ❑ Inflationary pressures, ongoing supply chain challenges, the unwinding of pandemic-era stimulus and the threat of an economic recession negatively impacted the restaurant sector in 2022
- ❑ Only 3 U.S. publicly traded restaurants generated positive returns in 2022—Rave Restaurant Group, Restaurant Brands International and Texas Roadhouse
- ❑ Once high-flying, recently IPO'd restaurant stocks—Portillo's and Sweetgreen—lost significant market cap as investors reset growth and profitability expectations



Sources: National Restaurant Association, S&P Global Market Intelligence.

Macro Uncertainty and Sector-Specific Challenges Drove Restaurant Equity Underperformance

Major Market Performance Since January 3, 2022



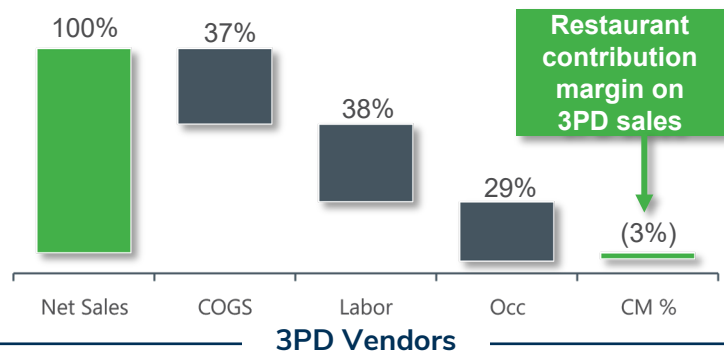
Source: S&P Global Market Intelligence.

The Battle for a Profitable Off-Premise Business Continues

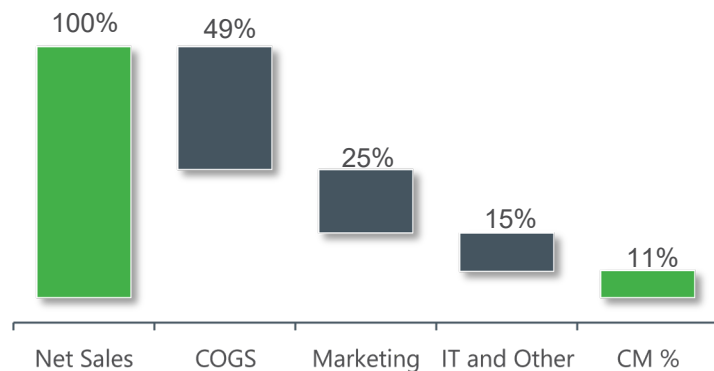
Illustrative Contribution Margin (CM %)

Despite a significant increase in 3PD order volumes driven by the pandemic, most restaurant operators struggle with profitability

Restaurant Operator



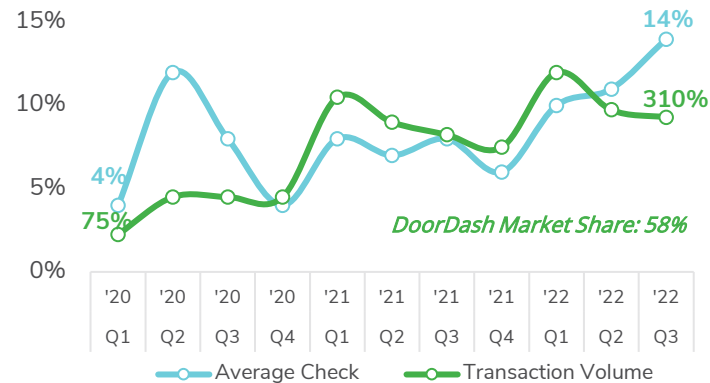
3PD Vendors



Sources: Mckinsey, Medallia.

3PD Transactions Rise Along with Avg. Check

DoorDash Avg. Check and Transaction Volume vs. 2019



Operators Resorting to Meaningful Price Increases

Operators have largely resorted to meaningful price increases to improve profitability on 3PD orders

QSR menu prices are 15.3% more for delivery compared to pick-up



Chipotle's prices are **17% higher for delivery** than in-store—and that's before DoorDash adds any of their fees, pushing the overall total even higher



McDonald's delivery menu prices are **~20% higher** than in-store



Starbucks delivery menu prices are **~20% higher** than in-store

Regaining the 3PD Consumer

Many operators are focused on regaining the direct relationship with the consumer

Important factors for consumers to shift away from 3PD

35%
LOWER MENU PRICES

30%
FEWER FEES

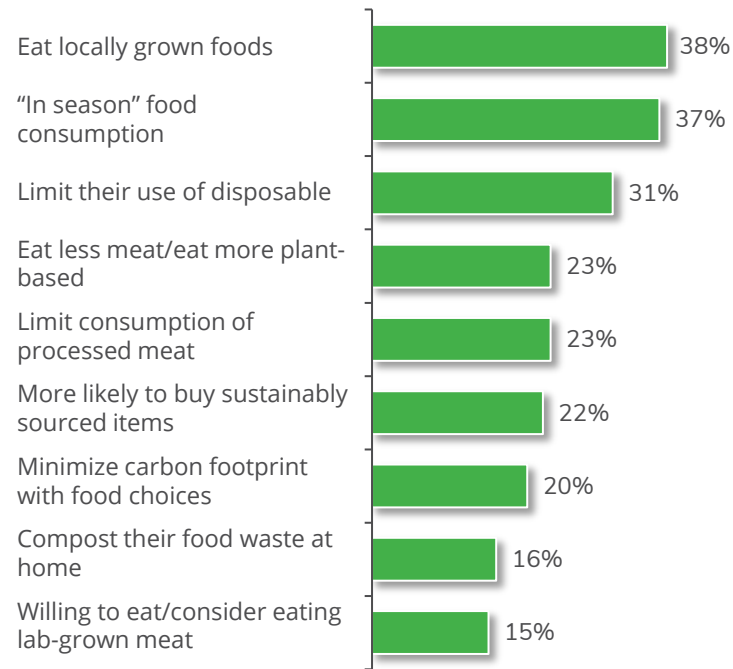
22%
LOYALTY/REWARDS POINTS

21%
PROMOTION/COUPON IN DELIVERY BAG

21%
FASTER DELIVERY















Consumer Emphasis on ESG and Social Media Marketing

Impact of Environmental Factors on Menu Choice



Increased awareness in **Environmental, Social, and Governance** ("ESG") issues continues to impact consumers' spending habits

Celebrity Food Partnerships

 Followers: 273 million	Justin Bieber	
 49 million	Charli D'Amelio	
 48 million	Travis Scott	
 30 million	Megan Thee Stallion	
 29 million	Shaquille O'Neal	
 13 million	Tom Brady	
 3 million	Naomi Osaka	

The Rise of TikTok

TikTok has completely changed the way people behave, where they spend their time, and more importantly, how they spend their money

With the use of apps like TikTok driving discoverability, there is less need to have prime real estate (and the correlating cost) for restaurants
38% of TikTok users across all generations (~52M diners) have visited a restaurant or ordered food from it after seeing a TikTok video¹

45% of users would travel out of state to a restaurant after seeing a video and 16% of users already have

What drove TikTok users to visit a restaurant

55%
Food Looked Appetizing

51%
Saw a Unique Menu Item

38%
Video Showed a Cool Atmosphere

36%
Video Showed a Cool Way of Serving Food/Drink

Sources: Restaurant 365, Nation's Restaurant News, Restaurant Dive, Fast Casual, WallStreet Research.
1) MGH Survey.

Notable Industry Legislation—California’s FAST Recovery Act

What is the FAST Recovery Act?

California’s FAST Recovery Act, **signed into law by Governor Gavin Newsom in Sep. 2022**, establishes a Fast-Food Council of **10** members within the Department of Industrial Relations

The council would have the **authority to set sector-wide minimum standards** on wages, working hours and other working conditions

The FAST Recovery Act **applies to quick-service chains with 100 or more locations** nationally

Save Local Restaurants Coalition collected the required 1M+ signatures to **send the legislation to a referendum vote** in November 2024

Why it matters ...

Unelected political appointees would hold power over the quick service industry, potentially creating ramifications for the entire industry across the country

An amendment to the Act **permits the council to raise minimum wages to \$22** in 2023, potentially putting a strain on operators

Gov. Gavin Newsom has **signaled a desire to expand the FAST Act to include full-service chain restaurants**, and potentially, independent restaurants

Copycat legislation quickly emerged, with Virginia and New York introducing similar policies

Introduction has prompted swift reaction from the industry ...

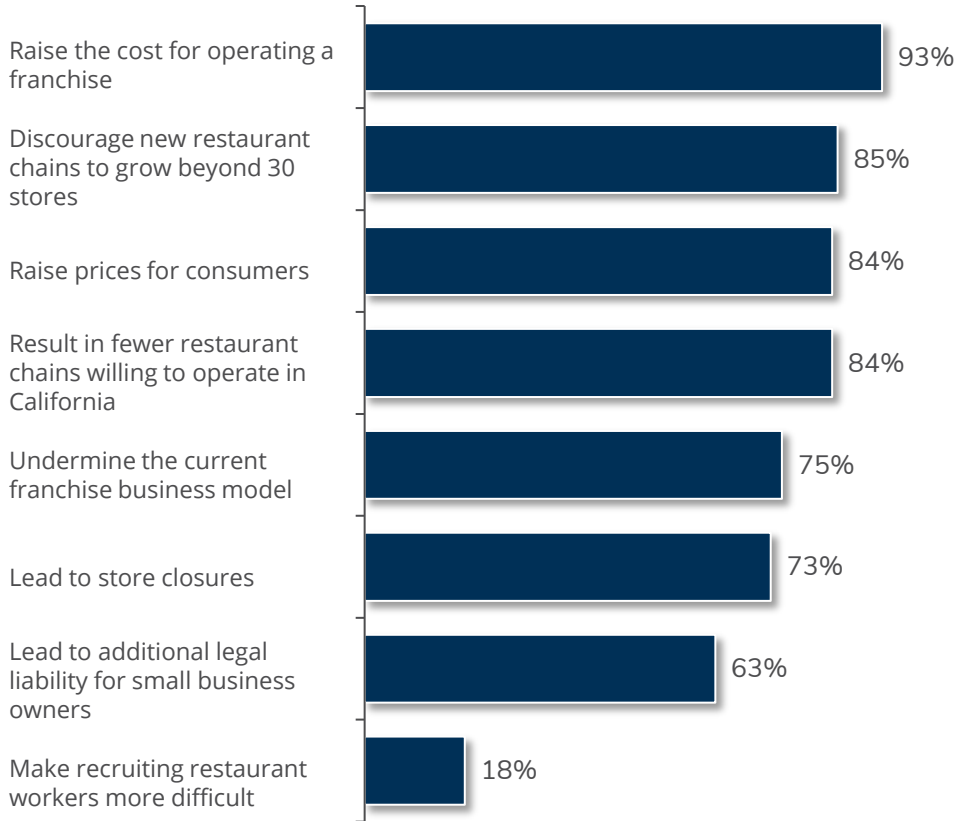
Opponents of the FAST Act **believe voters should have an influence on laws** that could potentially harm the restaurant industry

Many quick-service operators who would be impacted believe this legislation would **trigger more inflation and put businesses at risk of closing**

Labor unions and workers celebrated the legislation as a **positive step to improve workers’ rights, which have long suffered from more powerful business interests**

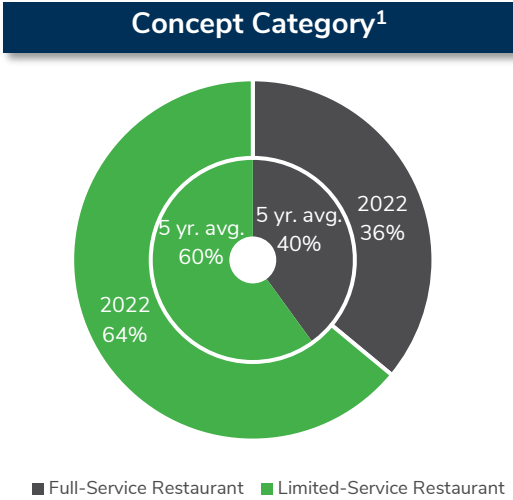
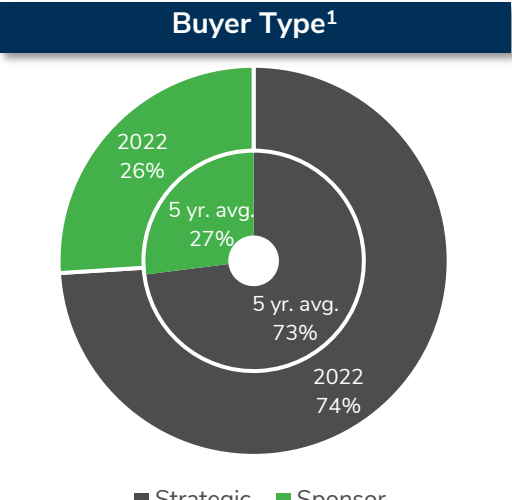
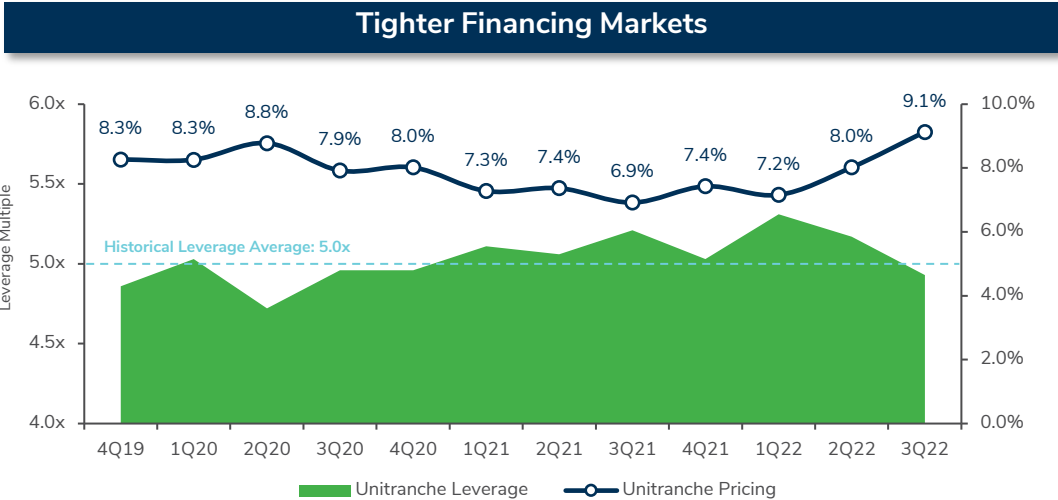
Sources: Nation’s Restaurant News, Restaurants Act, Eponline.

If passed, what are the likely impacts of this new legislation on the restaurant industry in California?



Challenges Across the Sector Dampened Investor Enthusiasm for Restaurant Deals

- ❑ Restaurant M&A activity declined ~50% in 2022, driven by negative traffic trends, margin erosion, slower growth and a tightening of the credit markets to finance M&A
- ❑ With the decline in public restaurant equities during 2022, many would-be restaurant acquirers were able to invest in larger, more diversified concepts at attractive entry points, further pressuring restaurant M&A activity
- ❑ Strategics continued to play a large role in the deals that closed in 2022, with ~75% of all deals involving a strategic acquiror
- ❑ Limited-service concepts were of more interest to buyers in 2022, representing ~65% of deals closed, up from the five-year average of 60%



Sources: CapIQ, Pitchbook, and LCD & SPP Middle Market.
 1) M&A transactions represent majority sales of multi-unit concepts only.

Multi-Concept Platforms Continued to Seek Add-ons

Strategic acquisitions continue to be of interest as brand aggregators seek add-ons to accelerate unit growth and leverage corporate infrastructure

			
<p>Authentic Restaurant Brands (ARB) is a diversified portfolio of market-leading, iconic, regional casual dining brands. ARB has made 3 investments since 2021</p>	<p>FAT Brands is a leading franchising company with 17 restaurant brands and 2,300 units worldwide. FAT has made 9 acquisitions since 2017</p>	<p>Foodtastic is a leading franchisor of restaurant brands in Canada with over 1,000 units worldwide. Foodtastic has made 21 acquisitions since 2016</p>	<p>MTY Food Group Inc. franchises and operates restaurants with over 6,900 locations and 56 brands. MTY has made 18 acquisitions since 2017</p>
<p> Jan. 2022, acquired Primanti Bros., a 40-unit specialty casual concept</p>	<p> May 2022, acquired Nestle Toll House Café by Chip and will begin rebranding as Great American Cookies</p>	<p> Dec. 2022, agreed to acquire Quesada Burritos & Tacos, a 175+ unit Canadian QSR concept</p>	<p> Dec. 2022, acquired Wetzel's Pretzels for \$207M</p>
<p> Dec. 2021, recapitalized PJW Restaurant Group, the parent company of P.J. Whelihan's</p>	<p> Nov. 2021, acquired Fazoli's, a 200-unit Italian QSR concept for \$130M</p>	<p> Dec. 2022, agreed to acquire Freshii, a ~350-unit healthy food-focused concept for \$54.5M</p>	<p> Sept. 2022, acquired BBQ Holdings, a 300+ unit casual and fast-casual dining portfolio of restaurants</p>
<p> Nov. 2021, recapitalized Mambo Seafood, a fast-growing, 10+ unit Hispanic restaurant brand</p>	<p> Oct. 2021, acquired Twin Peaks, an 80+ unit sports bar and restaurant chain for \$300M</p>	<p> May 2022, acquired a majority stake in Shoeless Joe's Sports Grill, a 22-unit sports-themed concept</p>	<p> Sept. 2022, acquired Barrio Queen, which was previously acquired by BBQ Holdings in Apr. 2022</p>
<p> Jul. 2021, acquired Global Franchise Group for \$442.5M</p>	<p> Aug. 2021, acquired Pita Pit, a 360-unit QSR concept</p>	<p> Dec. 2019, acquired Tortoise Group, parent company of three casual-dining concepts</p>	

Sources: Public filings and press releases.

Notable Industry M&A Transactions

 <p>has been acquired by</p>  <p>Dec. 2022</p>	 <p>has been acquired by</p>  <p>Dec. 2022</p>	 <p>has been acquired by</p>  <p>Dec. 2022</p>	 <p>has been acquired by</p>  <p>Nov. 2022</p>	 <p>has been acquired by</p>  <p>Nov. 2022</p>	<p>A Southeast U.S.-Based, 100-Unit Dunkin' Franchisee</p>  <p>has been acquired by</p>  <p>Oct. 2022</p>
 <p>has been acquired by</p>  <p>Oct. 2022</p>	 <p>has been acquired by</p>  <p>Sep. 2022</p>	 <p>has been acquired by</p>  <p>Sep. 2022</p>	 <p>has been acquired by</p>  <p>Sep. 2022</p>	 <p>a portfolio company of</p>   <p>has been acquired by</p>  <p>Aug. 2022</p>	 <p>has been acquired by</p>  <p>Aug. 2022</p>
 <p>has been acquired by</p>  <p>Aug. 2022</p>	 <p>has been acquired by</p>  <p>Jul. 2022</p>	 <p>has been acquired by</p>  <p>Jul. 2022</p>	 <p>has been acquired by</p>  <p>Jul. 2022</p>	 <p>has been acquired by</p>  <p>Jun. 2022</p>	 <p>has been acquired by</p>  <p>May 2022</p>
 <p>has been acquired by</p>  <p>May 2022</p>	  <p>has been acquired by</p>  <p>May 2022</p>	 <p>has been acquired by</p> <p>Famous Hospitality (f/k/a BBQ Holdings)</p> <p>Apr. 2022</p>	 <p>has been acquired by</p>  <p>Mar. 2022</p>	 <p>a portfolio company of</p>   <p>has been acquired by</p> <p>Feb. 2022</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Jan. 2022</p>

Sources: Public filings and press releases.

Restaurant Industry–2023 Outlook

OPERATING ENVIRONMENT

Food Inflation



□ Recent moderation (even some deflation) of input costs expected to continue

Labor Availability/Inflation



□ Labor market will continue to stabilize (lower turnover and inefficiencies), although wages are not expected to decline

3PD Margin Improvements



□ Operators will continue to refine their 3PD strategies to neutralize margins—or will shift back to 1PD at the risk of losing traffic

Traffic



□ Traffic will remain challenging as consumers decrease their spending on/frequency of eating out given the inflationary environment

Construction Activity



□ Construction costs and labor/material availability will likely normalize in 2023, allowing businesses to accelerate new unit expansion

Digitalization



□ Concepts will double down on loyalty program personalization to increase brand relevance and drive visit frequency among their most valuable cohorts

M&A CAPITAL MARKETS

M&A Activity



□ M&A markets will likely become busier as conditions stabilize throughout 2023

Sponsor M&A Interest



□ Sponsors will likely reenter the restaurant M&A scene, competing with strategic buyers using M&A to fuel growth

Distressed M&A



□ Distressed deals are likely to increase as prolonged inflation, declining traffic and a challenging environment have weighed on restaurants

Credit Availability



□ Private credit funds will likely continue to fill the void left by traditional banks in restaurant M&A financing

Credit Pricing



□ We expect pricing increases to moderate as the Fed slows its benchmark rate increases

Public Equities

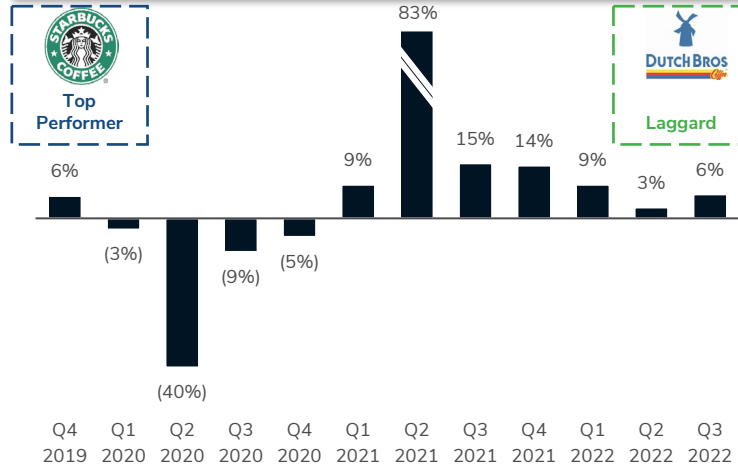


□ Public equity volatility is likely to persist as general uncertainty about whether a recession will occur

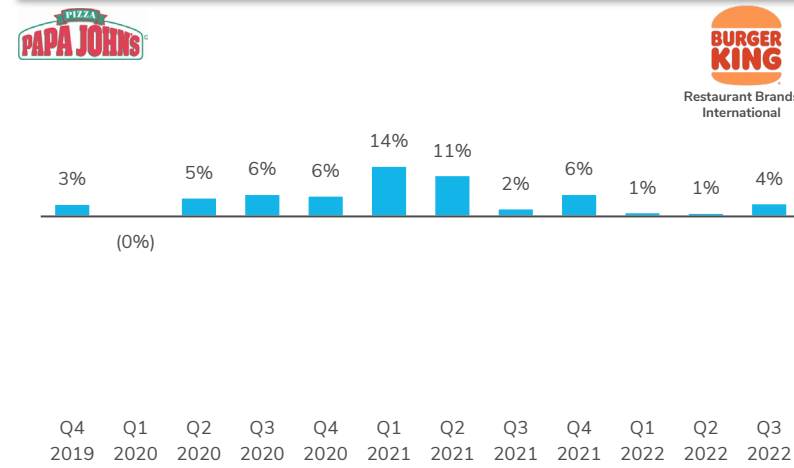
Same-Store Sales Growth

Quarterly SSS Performance by Segment

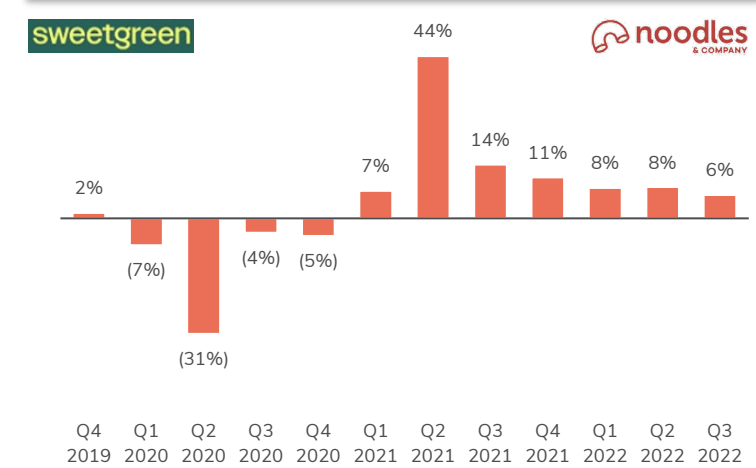
Coffee, Breakfast and Snacks



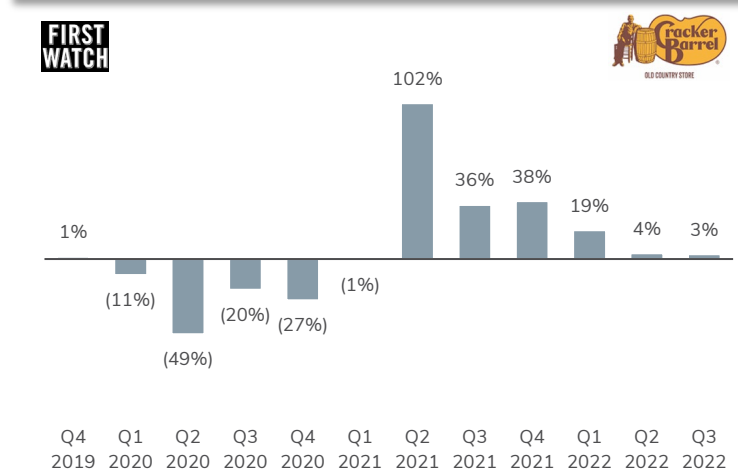
QSR



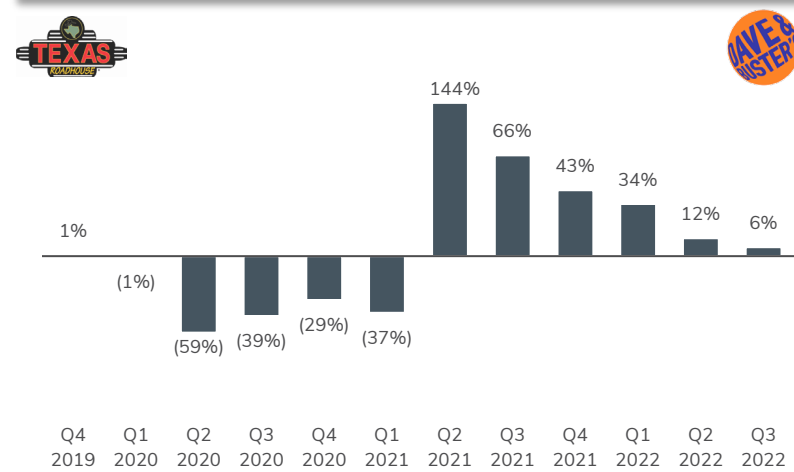
Fast Casual



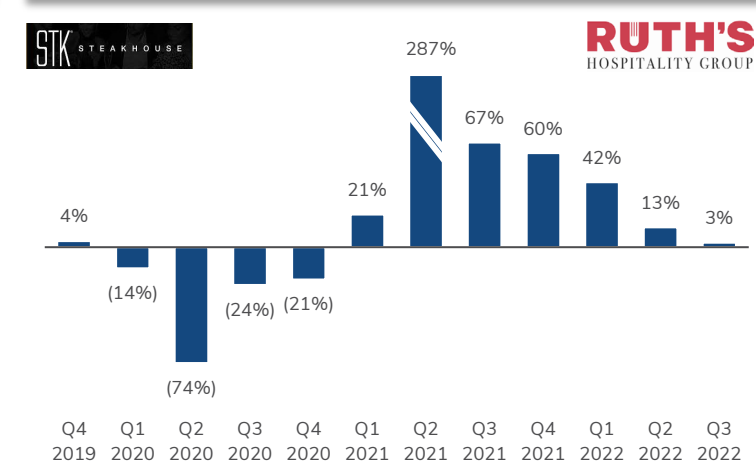
Mass Casual



Specialty Casual



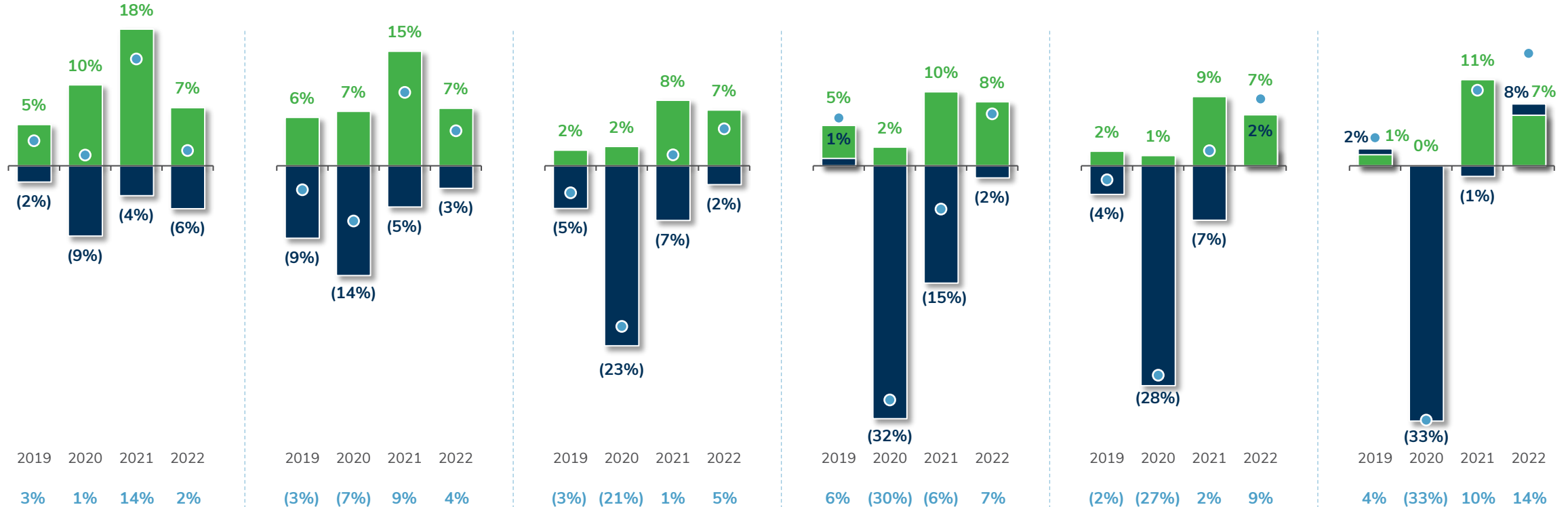
Fine Dining



Sources: SEC filings.
Note: 2022 data is vs. 2021.

Price has Largely Driven SSS Performance

Price Increases Taken
Same-Store Guest Count



Same-Store Sales (\$)

Quick Service¹

Fast Casual

Casual Dining

Family Dining

Upscale Casual

Fine Dining

Sources: SEC filings, S&P Global Market Intelligence, Mergermarket, Kroll research and estimates.

Note: 2021 data is compared to 2019.

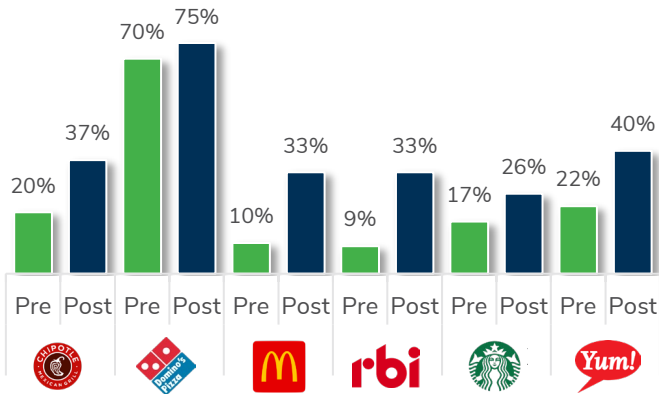
1) Coffee, Breakfast and Snacks is included in Quick Service.

Common Actions Taken to Improve Traffic and Profitability

Implementation of Digital Technologies

- Operators continue to implement and improve digital capabilities—both BOH¹ and guest-facing—to improve efficiencies and leverage valuable consumer data
- Kiosks, digital menu boards, AI phone ordering systems, handheld devices, QR codes—operators are exploring all tech-enabled solutions to reimagine the relationship with the consumer and increase throughput at higher margins
- Automation technologies—from smart devices to robot-like tools—are increasing human productivity in the restaurant
- Concepts are working intensely to unlock the value of guest loyalty programs and create targeted, digital marketing campaigns to this valued consumer segment

Digital Sales Gains amid the Pandemic Prove Sticky

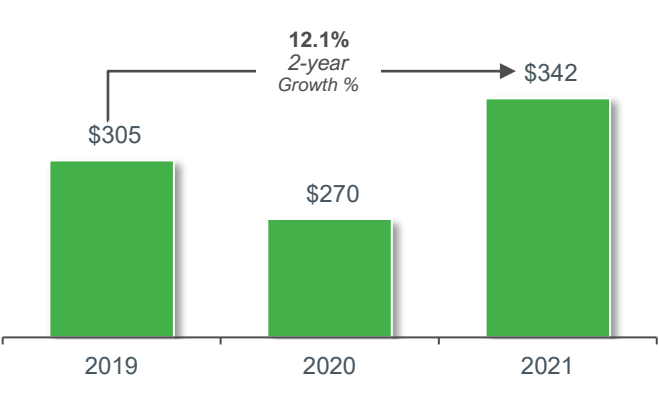


Rethinking Experiences to Build Customer Loyalty

Operators are focused on implementing new initiatives and strategies to boost customer engagement and loyalty

Loyalty Programs Driving Digital Sales	Limited-Time Offers to Increase Foot Traffic
Unique Food/Beverage Items, Bolstering Social Media Engagement	Virtual Concepts Capitalizing on Delivery Demand Amid Repeat Order Fatigue
Increasing Social Media Presence, Bolstering Brand Awareness	Restaurant Partnerships Expanding Points of Access, Gaining New Customers

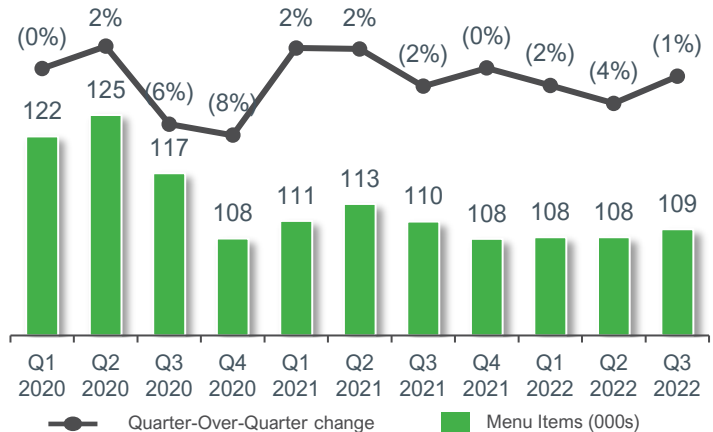
Average Monthly Spend per Loyalty Customer



Menu Rationalization

- Datassential reported 60% of restaurants reduced menu size in response to increasing food costs, supply shortages and a tight labor market
- Operators are focused on selecting cost-effective ingredients that can be creatively customized into multiple entrees to create a sense of menu diversity
- Post-COVID-19, prix fixe formats have also enabled operators to isolate food costs, properly utilize labor and increase efficiencies

Menu Rationalization



Sources: NRN, Statista, Wells Fargo, Datassential.
1) BOH is defined as Back of House.

Quarterly SSS Performance

	2019		2020					2021				2022												
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3											
Coffee, Breakfast and Snacks																								
Starbucks Corporation	6.0%	↑	(3.0%)	↓	(40.0%)	↓	(9.0%)	↓	(5.0%)	↓	9.0%	↑	83.0%	↑	22.0%	↑	18.0%	↑	12.0%	↑	9.0%	↑	11.0%	↑
Dutch Bros, Inc.	NR		NR		NR		NR		NR		NR		7.3%	↑	10.1%	↑	6.0%	↑	(3.3%)	↓	1.7%	↑		
Median	6.0%	↑	(3.0%)	↓	(40.0%)	↓	(9.0%)	↓	(5.0%)	↓	9.0%	↑	83.0%	↑	14.7%	↑	14.1%	↑	9.0%	↑	2.9%	↑	6.4%	↑
Mean	6.0%	↑	(3.0%)	↓	(40.0%)	↓	(9.0%)	↓	(5.0%)	↓	9.0%	↑	83.0%	↑	14.7%	↑	14.1%	↑	9.0%	↑	2.9%	↑	6.4%	↑
Mass Casual																								
Cracker Barrel Old Country Store, Inc.	3.8%	↑	(41.7%)	↓	(39.2%)	↓	(16.4%)	↓	(21.9%)	↓	(8.6%)	↓	(8.6%)	↓	19.0%	↑	27.3%	↑	10.9%	↑	6.1%	↑	7.1%	↑
Brinker International, Inc.																								
Chili's Grill & Bar	1.7%	↑	(5.4%)	↓	(33.0%)	↓	(7.0%)	↓	(6.1%)	↓	0.6%	↔	62.1%	↑	13.4%	↑	12.1%	↑	10.3%	↑	0.3%	↔	3.8%	↑
Maggiano's Little Italy	(1.4%)	↓	(9.9%)	↓	(66.7%)	↓	(38.6%)	↓	(47.0%)	↓	(29.6%)	↓	147.9%	↑	62.6%	↑	78.1%	↑	50.5%	↑	30.1%	↑	18.2%	↑
Bloomin' Brands, Inc.																								
Bonefish Grill	0.5%	↔	(13.9%)	↓	(56.8%)	↓	(22.5%)	↓	(27.1%)	↓	(2.9%)	↓	141.2%	↑	36.6%	↑	39.0%	↑	21.3%	↑	(1.1%)	↓	(0.9%)	↔
Carrabba's Italian Grill	1.4%	↑	(8.7%)	↓	(36.7%)	↓	(9.0%)	↓	(11.4%)	↓	8.9%	↑	84.3%	↑	28.8%	↑	24.4%	↑	11.5%	↑	(1.0%)	↓	0.7%	↑
Outback Steakhouse (U.S. only)	2.7%	↑	(9.5%)	↓	(32.9%)	↓	(10.4%)	↓	(15.2%)	↓	4.1%	↑	65.8%	↑	18.3%	↑	20.7%	↑	9.2%	↑	(1.1%)	↓	2.3%	↑
Dine Brands Global, Inc.																								
Applebee's	(2.5%)	↓	(10.6%)	↓	(49.4%)	↓	(13.3%)	↓	(17.6%)	↓	11.9%	↑	102.2%	↑	27.7%	↑	34.8%	↑	14.3%	↑	1.8%		3.8%	↑
IHOP	1.1%	↑	(14.7%)	↓	(59.1%)	↓	(30.2%)	↓	(30.1%)	↓	(0.9%)	↔	120.1%	↑	40.1%	↑	39.2%	↑	18.1%	↑	3.6%	↑	1.9%	↑
Denny's	1.7%	↑	(6.3%)	↓	(56.9%)	↓	(33.6%)	↓	(32.9%)	↓	(9.7%)	↓	117.0%	↑	50.2%	↑	49.0%	↑	30.6%	↑	3.8%	↑	1.5%	↑
Red Robin	1.3%	↑	(20.8%)	↓	(41.4%)	↓	(25.1%)	↓	(29.0%)	↓	10.0%		66.3%	↑	34.3%	↑	40.1%	↑	19.7%	↑	6.7%	↑	5.3%	↑
First Watch Restaurant Group, Inc.	NR		NR		NR		NR		NR		NR		NR	↑	46.2%	↑	36.7%	↑	27.2%	↑	13.4%	↑	12.0%	↑
Median	1.4%	↑	(10.3%)	↓	(45.4%)	↓	(19.5%)	↓	(24.5%)	↓	(0.2%)	↔	93.3%	↑	34.3%	↑	36.7%	↑	18.1%	↑	3.6%	↑	3.8%	↑
Mean	1.0%	↑	(14.2%)	↓	(47.2%)	↓	(20.6%)	↓	(23.8%)	↓	(1.6%)	↓	89.8%	↑	34.3%	↑	36.5%	↑	20.3%	↑	5.7%	↑	5.1%	↑

Sources: SEC filings, S&P Global Market Intelligence, Mergermarket, Kroll research and estimates.
Note: NR=Not reported.

Quarterly SSS Performance

	2019		2020				2021				2022													
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3												
Fast Casual																								
Chipotle Mexican Grill, Inc.	13.4%	↑	3.3%	↑	(9.8%)	↓	8.3%	↑	5.7%	↑	17.2%	↑	31.2%	↑	15.1%	↑	5.7%	↑	9.0%	↑	10.1%	↑	7.6%	↑
Wingstop Inc.	12.2%	↑	9.9%	↑	31.9%	↑	25.4%	↑	18.2%	↑	20.7%	↑	2.1%	↑	3.9%	↑	8.0%	↑	1.2%	↑	(3.3%)	↓	6.9%	↑
Shake Shack Inc.	(3.6%)	↓	(12.8%)	↓	(49.0%)	↓	(31.7%)	↓	(17.4%)	↓	5.7%	↑	52.7%	↑	24.8%	↑	20.8%	↑	10.3%	↑	10.1%	↑	6.3%	↑
El Pollo Loco Holdings, Inc.	3.9%	↑	(1.5%)	↓	(9.7%)	↓	1.8%	↑	(0.2%)	↔	7.4%	↑	21.0%	↑	9.3%	↑	11.0%	↑	7.8%	↑	7.5%	↑	3.4%	↑
Fiesta	(0.6%)	↔	(7.3%)	↓	(31.6%)	↓	(11.1%)	↓	(8.2%)	↓	4.3%	↑	43.5%	↑	13.8%	↑	9.0%	↑	8.0%	↑	8.4%	↑	9.3%	↑
Potbelly Corporation	0.1%	↔	(10.1%)	↓	(41.5%)	↓	(21.0%)	↓	(19.7%)	↓	(3.1%)	↓	70.0%	↑	33.7%	↑	33.8%	↑	24.4%	↑	17.2%	↑	15.0%	↑
Noodles & Company	1.5%	↑	(7.2%)	↓	(30.9%)	↓	(3.8%)	↓	(4.7%)	↓	10.7%	↑	56.8%	↑	16.3%	↑	11.2%	↑	6.4%	↑	5.1%	↑	2.1%	↑
Sweetgreen, Inc.	NR		NR		NR		NR		NR		NR		NR		NR		36.0%	↑	35.0%	↑	16.0%	↑	6.0%	↑
Portillo's Inc.	NR		NR		NR		NR		NR		NR		NR		6.8%	↑	10.3%	↑	8.2%	↑	1.9%	↑	5.8%	↑
Median	1.5%	↑	(7.2%)	↓	(30.9%)	↓	(3.8%)	↓	(4.7%)	↓	7.4%	↑	43.5%	↑	14.5%	↑	11.0%	↑	8.2%	↑	8.4%	↑	6.3%	↑
Mean	3.8%	↑	(3.7%)	↓	(20.1%)	↓	(4.6%)	↓	(3.8%)	↓	9.0%	↑	39.6%	↑	15.5%	↑	16.2%	↑	12.3%	↑	8.1%	↑	6.9%	↑
Quick Service																								
McDonald's Corporation	5.1%	↑	(0.1%)	↔	(8.7%)	↓	4.6%	↑	5.5%	↑	13.6%	↑	25.9%	↑	9.6%	↑	7.5%	↑	3.5%	↑	3.7%	↑	6.1%	↑
Yum! Brands, Inc.																								
KFC	1.0%	↑	(3.0%)	↓	7.0%	↑	9.0%	↑	8.0%	↑	14.0%	↑	11.0%	↑	4.0%	↑	6.0%	↑	1.0%	↑	(7.0%)	↓	2.0%	↑
Pizza Hut	(4.0%)	↓	(7.0%)	↓	5.0%	↑	6.0%	↑	8.0%	↑	16.0%	↑	4.0%	↑	2.0%	↑	1.0%	↑	(6.0%)	↓	(4.0%)	↓	1.0%	↑
Taco Bell	4.0%	↑	1.0%	↑	(8.0%)	↓	3.0%	↑	1.0%	↑	9.0%	↑	21.0%	↑	5.0%	↑	8.0%	↑	5.0%	↑	8.0%	↑	7.0%	↑
Restaurant Brands International Inc.																								
Burger King	0.6%	↔	(6.5%)	↓	(9.9%)	↓	(3.2%)	↓	(2.9%)	↓	6.6%	↑	13.0%	↑	(1.6%)	↓	1.8%	↑	(0.5%)	↔	0.4%	↔	4.0%	↑
Tim Hortons	(4.3%)	↓	(10.3%)	↓	(29.3%)	↓	(12.5%)	↓	(11.0%)	↓	(2.3%)	↓	27.6%	↑	8.9%	↑	10.3%	↑	8.4%	↑	12.2%	↑	9.8%	↑
Popeyes	37.9%	↑	29.2%	↑	28.2%	↑	19.7%	↑	(6.4%)	↓	0.9%	↔	(2.5%)	↓	(4.5%)	↓	(1.8%)	↓	(4.6%)	↓	0.1%	↔	1.3%	↑
Domino's Pizza, Inc.	3.4%	↑	1.6%	↑	16.1%	↑	17.5%	↑	11.2%	↑	13.4%	↑	3.5%	↑	(1.9%)	↓	1.0%	↑	(3.6%)	↓	(2.9%)	↓	2.0%	↑
The Wendy's Company	4.5%	↑	0.0%	↔	(4.4%)	↓	7.0%	↑	5.5%	↑	13.5%	↑	16.1%	↑	2.1%	↑	6.1%	↑	1.1%	↑	2.3%	↑	6.4%	↑
Jack in the Box Inc.	1.7%	↑	(4.2%)	↓	6.6%	↑	12.2%	↑	12.5%	↑	20.6%	↑	10.2%	↑	0.1%	↔	1.2%	↑	(0.8%)	↔	(0.6%)	↔	3.5%	↑
Carrols Restaurant Group, Inc.																								
Burger King	2.0%	↑	(5.7%)	↓	(6.4%)	↓	0.8%	↔	0.9%	↔	14.7%	↑	12.6%	↑	2.7%	↑	7.4%	↑	1.6%	↑	2.8%	↑	NR	
Popeyes	21.2%	↑	3.2%	↑	17.1%	↑	5.5%	↑	12.9%	↑	0.5%	↔	(5.3%)	↓	(3.2%)	↓	1.0%	↑	2.2%	↑	2.0%	↑	NR	
Papa John's International, Inc.	3.5%	↑	5.3%	↑	28.0%	↑	23.8%	↑	13.5%	↑	26.2%	↑	5.2%	↑	6.9%	↑	11.1%	↑	1.9%	↑	0.9%	↔	(0.8%)	↔
Median	3.3%	↑	(0.1%)	↔	5.0%	↑	6.0%	↑	5.5%	↑	13.5%	↑	11.0%	↑	2.1%	↑	6.0%	↑	1.1%	↑	0.9%	↔	3.5%	↑
Mean	5.7%	↑	0.6%	↔	3.2%	↑	7.2%	↑	4.5%	↑	11.3%	↑	10.9%	↑	2.3%	↑	4.7%	↑	0.7%	↔	1.4%	↑	3.8%	↑

Sources: SEC filings, S&P Global Market Intelligence, Mergermarket, Kroll research and estimates.
Note: NR=Not reported.

Quarterly SSS Performance

	2019		2020				2021				2022													
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3											
Specialty Casual																								
Darden Restaurants Inc.																								
LongHorn Steakhouse	6.7%	↑	3.9%	↑	(45.3%)	↓	(18.1%)	↓	(11.1%)	↓	(12.6%)	↓	107.5%	↑	47.0%	↑	31.2%	↑	31.6%	↑	10.6%	↑	4.2%	↑
Olive Garden	1.5%	↑	2.1%	↑	(39.2%)	↓	(28.2%)	↓	(19.9%)	↓	(25.8%)	↓	61.9%	↑	37.1%	↑	29.3%	↑	29.9%	↑	6.5%	↑	2.3%	↑
Bahama Breeze	(3.4%)	↓	(0.5%)	↔	(66.1%)	↓	(39.0%)	↓	(28.6%)	↓	(36.9%)	↓	160.7%	↑	84.6%	↑	42.9%	↑	55.2%	↑	18.5%	↑	NR	
Cheddar's Scratch Kitchen	(1.2%)	↓	(1.6%)	↓	(58.5%)	↓	(39.0%)	↓	(28.6%)	↓	(36.9%)	↓	160.7%	↑	65.8%	↑	42.9%	↑	55.2%	↑	18.5%	↑	NR	
Seasons 52	(3.5%)	↓	3.0%	↑	(69.9%)	↓	(39.0%)	↓	(28.6%)	↓	(36.9%)	↓	160.7%	↑	84.6%	↑	42.9%	↑	55.2%	↑	18.5%	↑	NR	
Yard House	0.7%	↔	1.8%	↑	(70.7%)	↓	(39.0%)	↓	(28.6%)	↓	(36.9%)	↓	160.7%	↑	65.8%	↑	42.9%	↑	55.2%	↑	18.5%	↑	NR	
Texas Roadhouse Inc.																								
Dave & Buster's Entertainment, Inc.	(4.1%)	↓	(4.7%)	↓	(58.6%)	↓	(87.0%)	↓	(66.0%)	↓	(70.0%)	↓	(35.0%)	↓	697.0%	↑	(6.8%)	↓	10.9%	↑	9.6%	↑	13.3%	↑
BJ's Restaurants Inc.																								
The Cheesecake Factory Incorporated	0.6%	↔	(12.9%)	↓	(56.9%)	↓	(23.9%)	↓	(19.5%)	↓	2.8%	↑	150.0%	↑	41.1%	↑	7.7%	↑	20.7%	↑	4.7%	↑	1.1%	↑
Chuy's Holdings Inc.																								
Median	0.6%	↔	(1.6%)	↓	(57.2%)	↓	(30.2%)	↓	(28.6%)	↓	(31.4%)	↓	136.0%	↑	47.0%	↑	33.1%	↑	31.6%	↑	10.6%	↑	5.9%	↑
Mean	0.5%	↔	(3.9%)	↓	(54.0%)	↓	(33.6%)	↓	(26.4%)	↓	(24.2%)	↓	112.5%	↑	110.5%	↑	30.2%	↑	34.1%	↑	11.5%	↑	6.0%	↑
Fine Dining																								
Bloomin' Brands, Inc.																								
Fleming's Prime Steakhouse & Wine Bar	0.9%	↔	(13.2%)	↓	(56.3%)	↓	(20.3%)	↓	(29.7%)	↓	(2.3%)	↓	182.6%	↑	59.6%	↑	71.1%	↑	45.7%	↑	6.0%	↑	1.3%	↑
Darden Restaurants Inc.																								
Eddie V's	0.5%	↔	3.9%	↑	(65.2%)	↓	(39.1%)	↓	(31.0%)	↓	(45.2%)	↓	143.6%	↑	84.6%	↑	61.6%	↑	85.8%	↑	34.5%	↑	NR	
The Capital Grille	1.8%	↑	4.2%	↑	(62.5%)	↓	(39.1%)	↓	(31.0%)	↓	(45.2%)	↓	143.6%	↑	84.6%	↑	61.6%	↑	85.8%	↑	34.5%	↑	NR	
Ruth's Hospitality Group, Inc.																								
The ONE Group Hospitality, Inc.	1.4%	↑	(13.5%)	↓	(74.1%)	↓	(36.7%)	↓	(39.7%)	↓	(14.8%)	↓	286.6%	↑	66.8%	↑	61.2%	↑	41.5%	↑	12.6%	↑	2.9%	↑
STK Steakhouse																								
Kona Grill	3.9%	↑	(15.5%)	↓	(52.8%)	↓	(7.3%)	↓	(8.0%)	↓	26.6%	↑	160.6%	↑	36.8%	↑	38.2%	↑	21.9%	↑	3.7%	↑	(3.6%)	↓
Median	3.9%	↑	(13.5%)	↓	(74.1%)	↓	(24.2%)	↓	(20.7%)	↓	20.8%	↑	286.6%	↑	66.8%	↑	60.1%	↑	41.5%	↑	12.6%	↑	2.9%	↑
Mean	4.7%	↑	(13.9%)	↓	(69.4%)	↓	(22.7%)	↓	(22.8%)	↓	10.9%	↑	391.0%	↑	78.1%	↑	53.2%	↑	43.3%	↑	12.0%	↑	0.9%	↔

Sources: SEC filings, S&P Global Market Intelligence, Mergermarket, Kroll research and estimates.
Note: NR=Not reported.

Public Sector Performance

Sector Stock Price Performance

(\$ in millions)

Market Sector	Number of Companies	Avg. Equity	Avg. % Change in Market Value				Median EV/EBITDA Multiple		
		Market Value 12/30/22	1 Month	3 Months	6 Months	12 Months	LTM	CY21A	CY22E
Mass Casual	9	\$ 913	(13.5%)	4.0%	9.5%	(16.8%)	8.8x	8.1x	9.3x
Specialty Casual	7	3,929	(7.6%)	8.4%	16.7%	(6.3%)	11.9x	11.3x	11.4x
Fine Dining	2	351	(7.2%)	(4.5%)	(4.2%)	(30.2%)	6.6x	6.2x	6.2x
Fast Casual	9	5,217	(14.2%)	(5.1%)	8.7%	(20.9%)	20.2x	14.6x	11.3x
Quick Service	9	30,108	(3.2%)	13.0%	8.2%	(4.3%)	15.2x	15.1x	15.2x
Coffee, Breakfast and Snacks	3	39,074	(2.6%)	12.8%	19.5%	(15.2%)	19.3x	18.4x	19.6x
Median		\$ 4,573	(7.4%)	6.2%	9.1%	(16.0%)	13.6x	13.0x	11.3x
Mean		\$ 13,265	(8.0%)	4.8%	9.7%	(15.6%)	13.7x	12.3x	12.2x

Market Indices

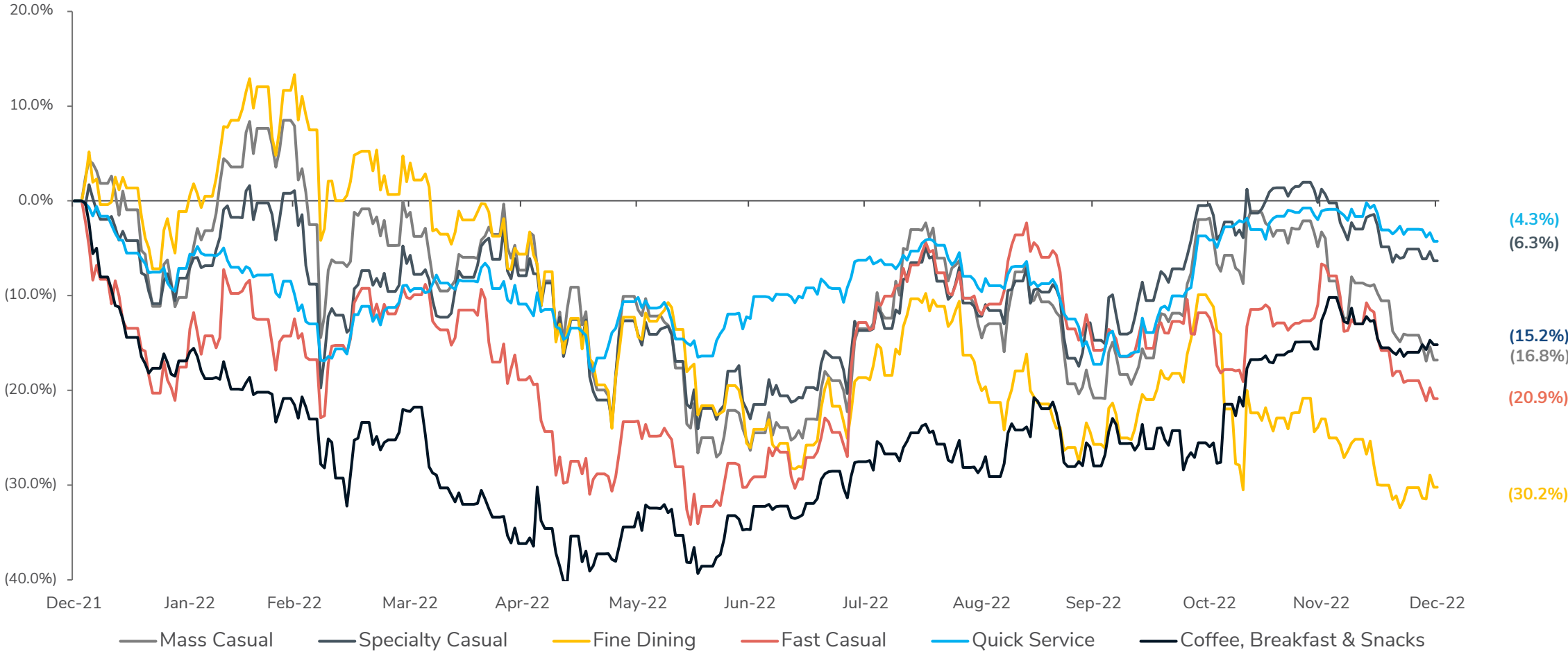
S&P 500 Index	3,839	(5.9%)	5.5%	1.4%	(19.7%)
Dow Jones Industrial Average	33,147	(4.2%)	13.4%	7.7%	(8.9%)
Russell 2000 Index	1,761	(6.6%)	5.2%	3.1%	(21.7%)
S&P Restaurant Index	2,386	(4.6%)	10.7%	12.7%	(9.7%)

Sources: S&P Global Market Intelligence.

Note: Sector index weight is based on company market capitalization at valuation date.

EV = enterprise value = market capitalization + total debt + preferred equity - cash and short-term investments.

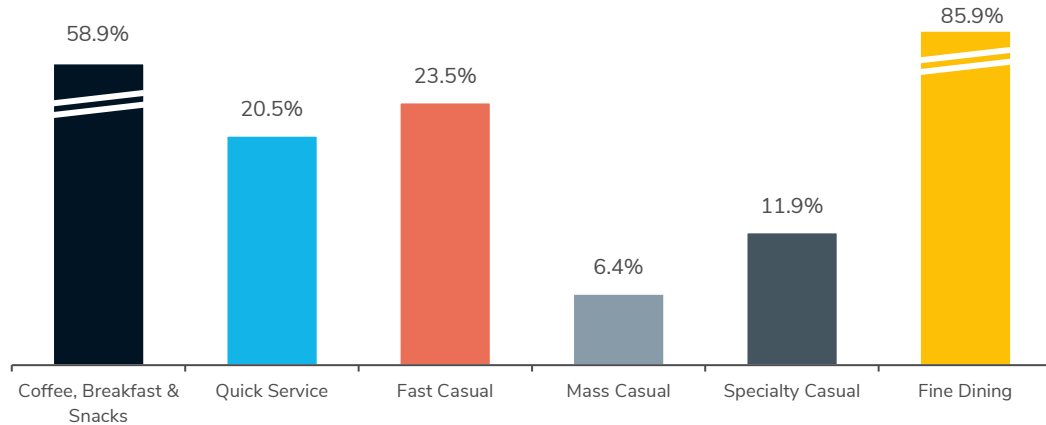
Indexed Stock Price Performance



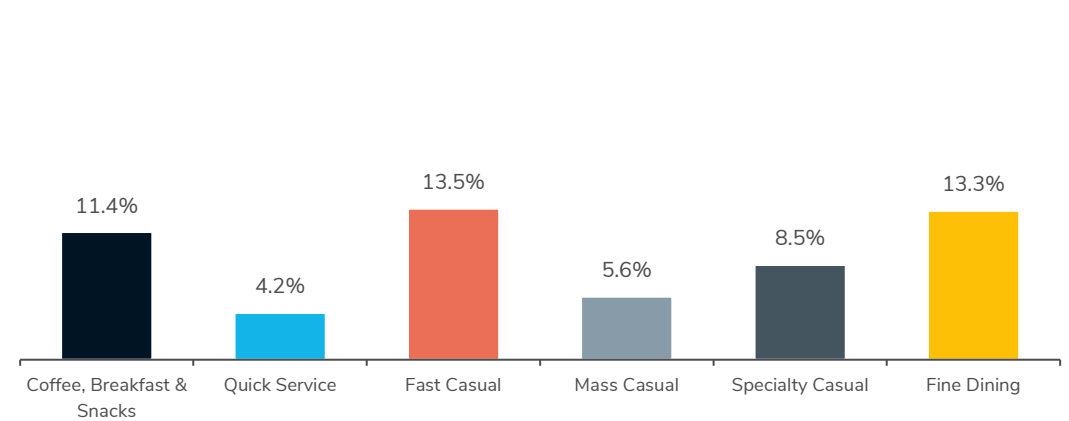
Sources: S&P Global Market Intelligence.
 Note: Sector index weight is based on company market capitalization at valuation date.

Restaurant Subsector Trends

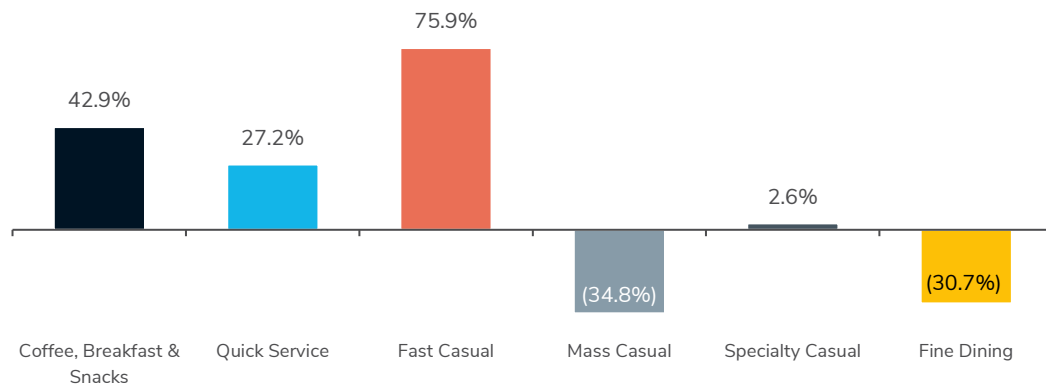
FY22 Median Revenue Growth¹



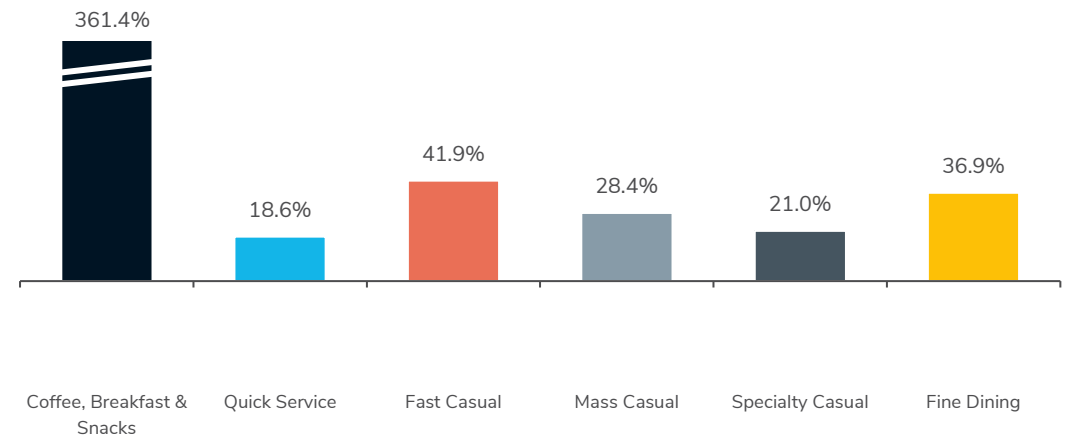
FY23 Median Expected Revenue Growth²



FY22 Median Diluted EPS Growth¹



FY23 Median Expected Diluted EPS Growth²



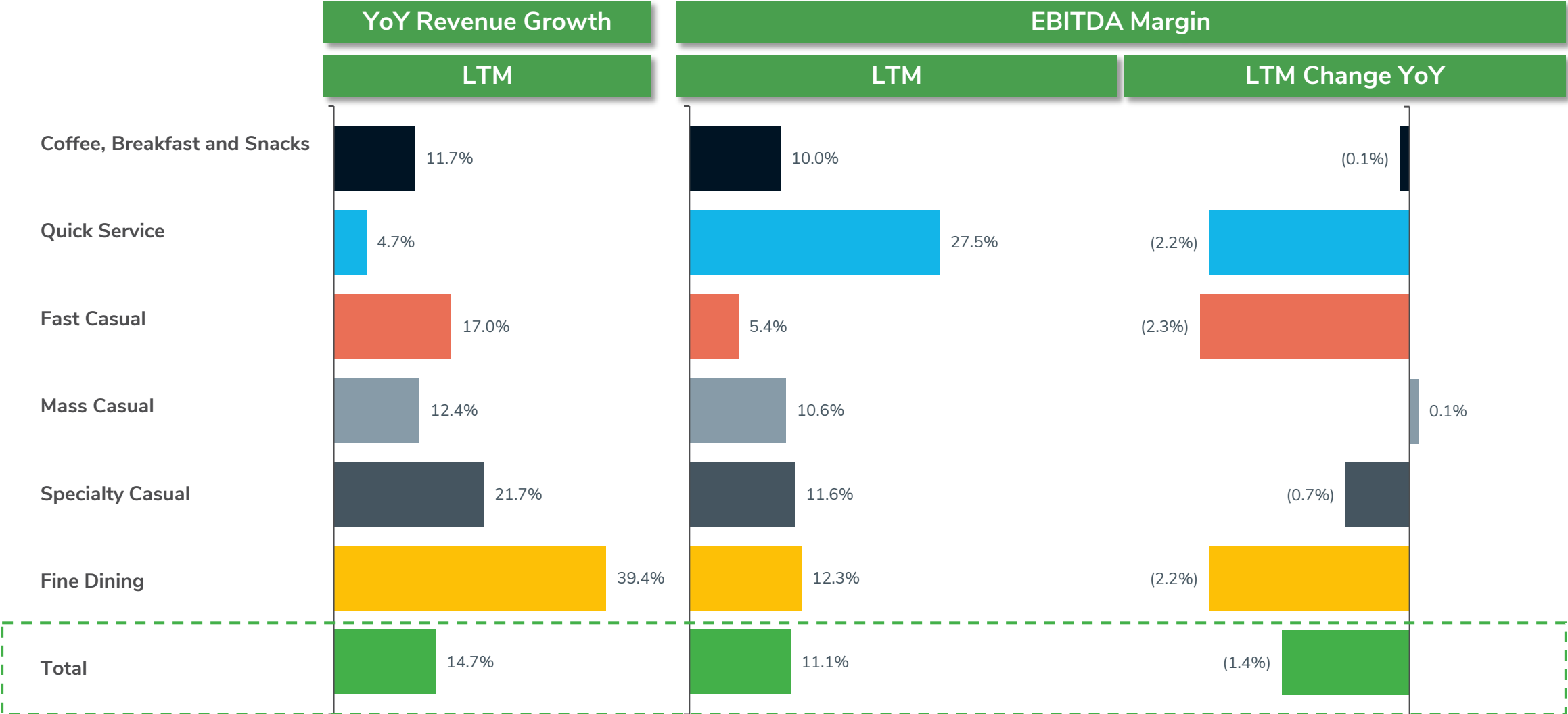
Sources: S&P Global Market Intelligence and company press releases.

1) FY2022 financial data are compared to FY2019 pre-pandemic results. FY2022 figures represent year-end analyst-and company-provided projections or actual numbers if reported.

2) FY2023 estimates, financial data is being compared to FY2022 estimates/actual. FY2023 figures represent year-end analyst-and company-provided projections.

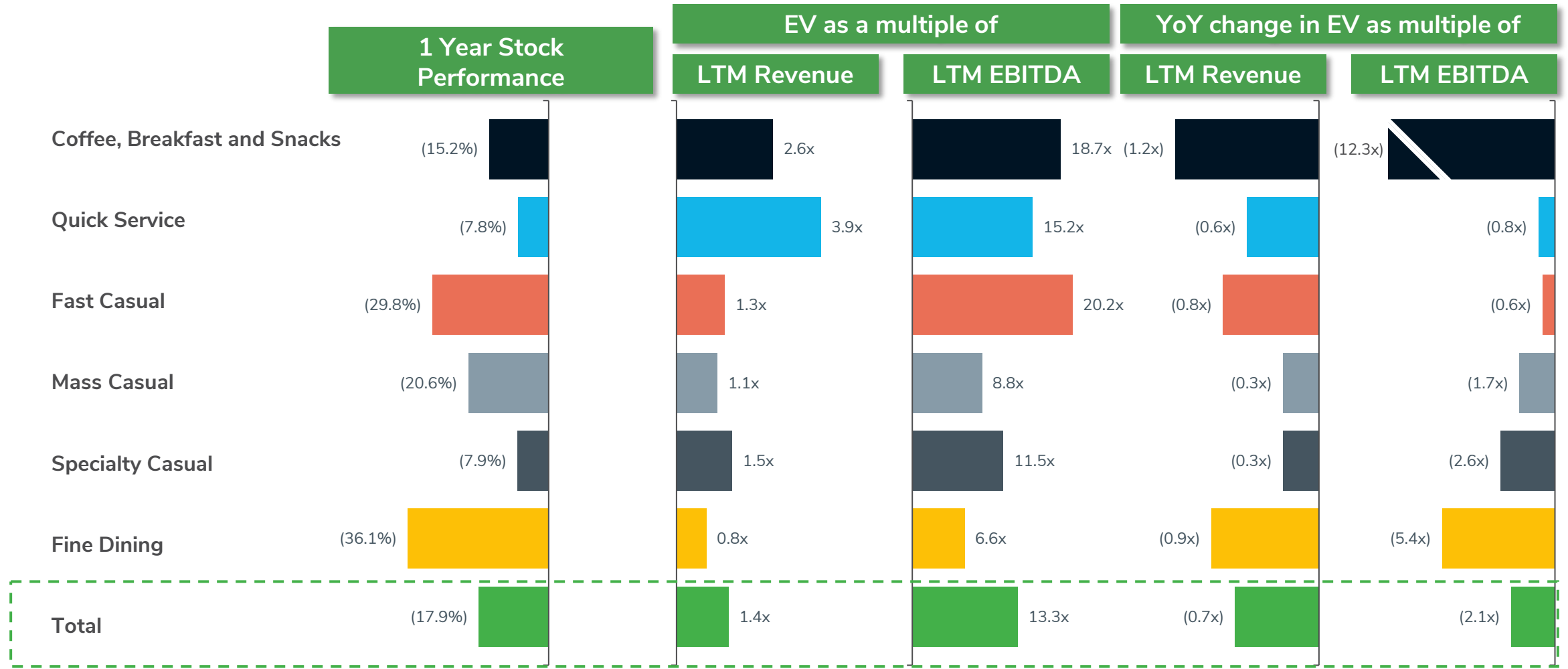
Public Restaurant Valuations

Operational Benchmarking



Source: S&P Global Market Intelligence—date as of December 30, 2022.
 Notes: Sector constituents based on selected comparable companies; EBITDA does not reflect adjustments for extraordinary items.

Valuation Benchmarking



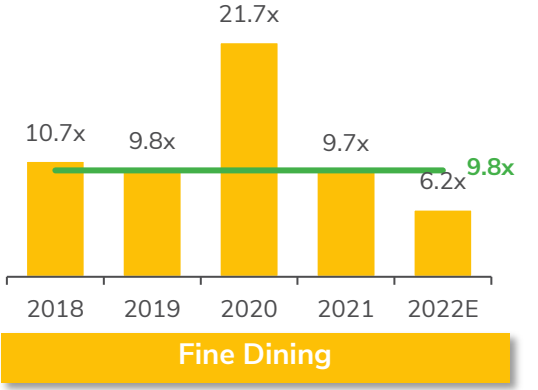
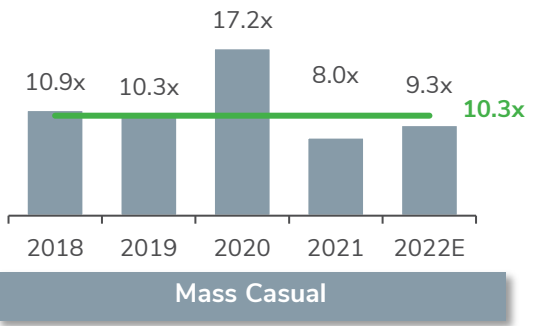
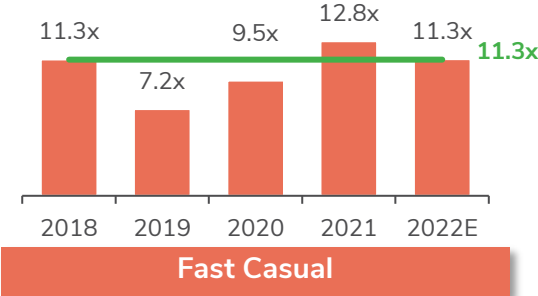
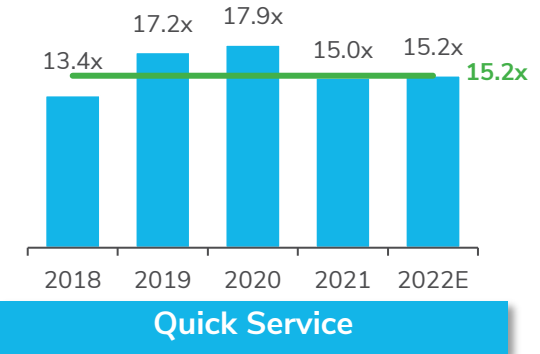
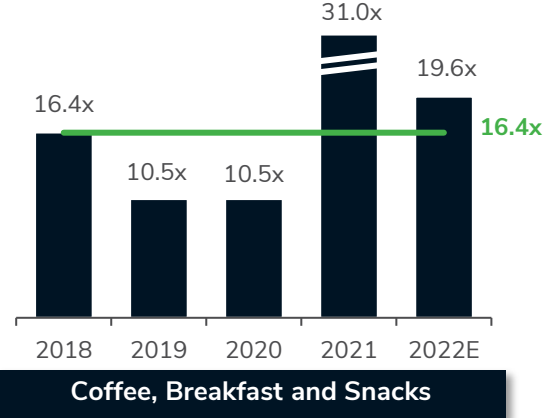
Source: S&P Global Market Intelligence—date as of December 30, 2022.

Notes: Sector constituents based on selected comparable companies; EBITDA does not reflect adjustments for extraordinary items.
 EV = enterprise value = market capitalization + total debt + preferred equity—cash and short-term investments.

Public Restaurant Valuation Trends

EV/EBITDA Median Multiples—Restaurant Subsectors as of December 30

— 5-year Median



Sources: S&P Global Market Intelligence.
 Notes: Sector constituents based on selected comparable companies; EBITDA does not reflect adjustments for extraordinary items.
 EV = enterprise value = market capitalization + total debt + preferred equity—cash and short-term investments.

Public Company Trading Statistics

(\$ in millions, except per share data)	Stock Price 12/30/22	% of 52-Wk High	Stock Price Return		Market Capitalization	Adjusted Net Debt ¹	Enterprise Value	Operating Metrics			Enterprise Value as Multiple of		
			1 yr	3 yr				Revenue Growth		LTM EBITDA Margin	LTM Revenue	EBITDA	
								2022E	2023E			LTM	CY22E
Mass Casual													
Cracker Barrel Old Country Store, Inc.	\$94.74	69.7%	(26.4%)	(38.4%)	\$2,103	\$445	\$2,548	7.4%	4.7%	7.1%	0.77x	10.8x	10.6x
Bloomin' Brands, Inc.	20.12	78.6%	(4.1%)	(8.8%)	1,766	727	2,494	7.7%	5.1%	11.6%	0.57x	4.9x	5.0x
Brinker International, Inc.	31.91	72.5%	(12.8%)	(24.0%)	1,405	1,009	2,414	8.5%	6.4%	7.7%	0.61x	7.8x	8.0x
Dine Brands Global, Inc.	64.60	76.8%	(14.8%)	(22.7%)	1,013	1,026	2,039	2.1%	(9.7%)	24.9%	2.19x	8.8x	8.3x
First Watch Restaurant Group, Inc.	13.53	71.4%	NA	NA	801	51	852	21.7%	16.3%	7.8%	1.20x	15.5x	12.1x
Denny's	9.21	54.3%	(42.4%)	(53.7%)	527	262	789	14.7%	2.5%	16.3%	1.78x	10.9x	10.4x
Biglari Holdings, Inc.	687.50	83.8%	(1.1%)	NA	429	(35)	395	NA	NA	21.6%	1.07x	5.0x	NA
Red Robin	5.58	29.9%	(66.2%)	(83.1%)	89	141	230	8.9%	2.7%	4.5%	0.18x	4.0x	4.1x
FAT Brands	4.95	43.0%	(53.3%)	33.9%	82	1,052	1,134	NM	15.1%	10.6%	3.00x	28.3x	11.9x
Median	\$20.12	71.4%	(20.6%)	(24.0%)	\$801	\$445	\$1,134	8.5%	4.9%	10.6%	1.07x	8.8x	9.3x
Mean	\$103.57	64.4%	(27.6%)	(28.1%)	\$913	\$520	\$1,433	10.1%	5.4%	12.5%	1.26x	10.7x	8.8x
Specialty Casual													
Darden Restaurants, Inc.	\$138.33	91.0%	(8.2%)	26.9%	\$16,930	\$747	\$17,677	15.5%	7.7%	14.6%	1.77x	12.1x	11.9x
Texas Roadhouse, Inc.	90.95	86.5%	1.9%	61.5%	6,086	(110)	5,976	16.3%	10.1%	11.6%	1.53x	13.2x	12.7x
Dave & Buster's Entertainment, Inc.	35.44	67.5%	(7.7%)	(11.8%)	1,711	1,122	2,834	48.1%	20.4%	23.8%	1.63x	6.8x	6.7x
The Cheesecake Factory Incorporated	31.71	71.0%	(19.0%)	(18.4%)	1,631	334	1,965	13.1%	5.9%	5.5%	0.62x	11.2x	10.9x
BJ's Restaurants, Inc.	26.38	74.1%	(23.6%)	(30.5%)	617	31	648	18.1%	4.2%	4.5%	0.53x	11.8x	9.5x
Chuy's Holdings, Inc.	28.30	79.9%	(6.0%)	9.2%	509	(84)	425	6.2%	8.7%	11.5%	1.02x	8.8x	8.9x
Yoshiharu Global Co.	1.37	21.1%	NA	NA	18	(5)	12	NA	NA	NM	1.59x	NA	NA
Median	\$31.71	74.1%	(7.9%)	(1.3%)	\$1,631	\$31	\$1,965	15.9%	8.2%	11.6%	1.53x	11.5x	10.2x
Mean	\$50.35	70.1%	(10.5%)	6.1%	\$3,929	\$291	\$4,220	19.6%	9.5%	11.9%	1.24x	10.7x	10.1x
Fine Dining													
Ruth's Hospitality Group, Inc.	\$15.48	62.1%	(22.2%)	(28.9%)	\$498	\$9	\$507	17.9%	7.7%	15.0%	1.03x	6.9x	7.0x
The ONE Group Hospitality, Inc.	6.30	47.4%	(50.0%)	73.1%	203	11	214	14.7%	18.8%	9.7%	0.61x	6.3x	5.4x
Median	\$10.89	54.8%	(36.1%)	22.1%	\$351	\$10	\$361	16.3%	13.3%	12.3%	0.82x	6.6x	6.2x
Mean	\$10.89	54.8%	(36.1%)	22.1%	\$351	\$10	\$361	16.3%	13.3%	12.3%	0.82x	6.6x	6.2x

Sources: Cap IQ.

1) Net Debt adjusted for capital lease obligations.

Public Company Trading Statistics

(\$ in millions, except per share data)

	Stock Price 12/30/22	% of 52-Wk High	Stock Price Return		Market Capitalization	Adjusted ¹ Net Debt	Enterprise Value	Operating Metrics			Enterprise Value as Multiple of		
			1 yr	3 yr				Revenue Growth		LTM EBITDA Margin	LTM Revenue	EBITDA	
								2022E	2023E			LTM	CY22E
Fast Casual													
Chipotle Mexican Grill, Inc.	\$1,387.49	79.1%	(20.6%)	65.7%	\$38,463	(\$367)	\$38,096	15.1%	13.4%	15.8%	4.53x	28.7x	25.4x
Wingstop, Inc.	137.62	80.5%	(20.4%)	59.6%	4,117	542	4,659	25.2%	17.6%	27.3%	14.35x	NM	44.6x
Shake Shack, Inc.	41.53	52.4%	(42.4%)	(30.3%)	1,631	(13)	1,619	21.7%	19.9%	5.1%	1.87x	36.6x	24.1x
Sweetgreen, Inc.	8.57	21.4%	NA	NA	950	(381)	569	40.0%	31.8%	NM	1.27x	NA	NA
Portillo's Inc.	16.32	56.2%	NA	NA	823	272	1,094	10.6%	13.7%	5.7%	1.90x	33.6x	13.2x
El Pollo Loco Holdings, Inc.	9.96	71.3%	(29.8%)	(34.2%)	369	1	370	3.3%	3.8%	9.8%	0.80x	8.1x	7.7x
Noodles & Company	5.49	57.0%	(39.5%)	(0.9%)	253	34	287	7.1%	7.8%	4.9%	0.59x	12.0x	9.4x
Fiesta Restaurant Group, Inc.	7.35	69.6%	(33.2%)	(25.7%)	191	(43)	148	8.8%	6.9%	2.7%	0.39x	14.5x	6.7x
Potbelly Corporation	5.57	68.0%	(0.2%)	32.0%	160	1	161	18.7%	8.0%	1.8%	0.37x	20.2x	9.3x
Median	\$9.96	68.0%	(29.8%)	(0.9%)	\$823	\$1	\$569	15.1%	13.4%	5.4%	1.27x	20.2x	11.3x
Mean	\$179.99	61.7%	(26.6%)	9.5%	\$5,217	\$5	\$5,223	16.7%	13.7%	9.1%	2.90x	22.0x	17.6x
Quick Service													
McDonald's Corporation	\$263.53	93.6%	(1.7%)	33.4%	\$193,016	\$32,130	\$225,146	(0.8%)	6.0%	52.7%	9.71x	18.4x	18.9x
Yum! Brands, Inc.	128.08	96.4%	(7.8%)	27.2%	36,079	11,125	47,204	2.5%	6.1%	33.4%	7.03x	21.1x	20.3x
Restaurant Brands International, Inc.	64.67	94.2%	6.6%	1.4%	19,783	11,993	31,776	13.1%	4.3%	34.9%	4.99x	14.3x	13.3x
Domino's Pizza, Inc.	346.40	77.1%	(38.6%)	17.9%	12,604	4,964	17,569	5.1%	4.1%	17.7%	3.91x	22.1x	20.9x
The Wendy's Company	22.63	95.2%	(5.1%)	1.9%	4,821	2,125	6,946	38.5%	4.4%	28.1%	4.26x	15.2x	14.0x
Papa John's International, Inc.	82.31	66.4%	(38.3%)	30.3%	2,908	512	3,420	1.5%	4.2%	9.8%	1.62x	16.6x	16.3x
Jack in the Box, Inc.	68.23	70.4%	(22.0%)	(12.6%)	1,418	1,719	3,137	41.8%	2.9%	20.5%	2.14x	10.4x	10.0x
Nathan's Famous, Inc.	67.21	88.7%	15.1%	(5.2%)	274	53	327	NA	NA	27.5%	2.55x	9.3x	NA
Carrols Restaurant Group, Inc.	1.36	45.3%	(54.1%)	(80.7%)	69	469	538	4.1%	5.2%	2.4%	0.32x	13.3x	10.2x
Median	\$68.23	88.7%	(7.8%)	1.9%	\$4,821	\$2,125	\$6,946	4.6%	4.4%	27.5%	3.91x	15.2x	15.2x
Mean	\$116.05	80.8%	(16.2%)	1.5%	\$30,108	\$7,232	\$37,340	13.2%	4.6%	25.2%	4.06x	15.6x	15.5x
Coffee, Breakfast, and Snacks													
Starbucks Corporation	\$99.20	89.5%	(15.2%)	12.8%	\$113,862	\$12,272	\$126,133	8.6%	12.2%	18.2%	3.83x	21.0x	20.0x
Krispy Kreme, Inc.	10.32	64.3%	NA	NA	1,728	720	2,448	9.7%	9.6%	10.0%	1.64x	16.3x	12.9x
Dutch Bros, Inc.	28.19	42.7%	NA	NA	1,634	149	1,783	47.3%	33.8%	3.5%	2.63x	NM	19.6x
Median	\$28.19	64.3%	(15.2%)	12.8%	\$1,728	\$720	\$2,448	9.7%	12.2%	10.0%	2.63x	18.7x	19.6x
Mean	\$45.90	65.5%	(15.2%)	12.8%	\$39,074	\$4,380	\$43,455	21.9%	18.5%	10.6%	2.70x	18.7x	17.5x

Sources: Cap IQ.

1) Net Debt adjusted for capital lease obligations.

Kroll's Restaurant M&A Practice

About Our Restaurant M&A Practice

Kroll’s Restaurant M&A group is among the most active middle-market advisors, providing sell-side, buy-side and capital raising services for clients worldwide. With expertise across the restaurant sector, our professionals have executed more than 36 restaurant transactions over the past five years

Proven Execution	35+ restaurant M&A and capital-raising transactions over the past 5 years
Deep Sector Expertise	Category focus drives thoughtful leadership and builds invaluable relationships with buyers and investors alike
Customized Approach	Successful track record of premium-value transactions driven by hands-on execution and creativity
Experienced Team	50+ bankers dedicated exclusively to the restaurant, food and consumer sector
Global Platform	Over 6,500 professionals in 30 countries and territories, across 70+ offices

Top #2-Ranked U.S. Middle-Market Restaurant M&A Advisor¹

Firm	No. of Deals (2020–2022)	Rank
Firm A	16	1
Kroll Restaurant M&A	15	2
Firm C	8	3
Firm D	7	4
Firm E	6	5
Firm F	5	6
Firm G	4	7
Firm H	2	8
Firm I	2	9
Firm J	2	10

Comprehensive M&A Advisory Services

- Buy-Side and Sell-Side M&A
- Transaction Advisory Services
- Restructuring
- Fairness and Solvency Opinions
- ESOP and ERISA Advisory

Select Kroll Restaurant Transaction Experience

<p>SELL-SIDE ADVISOR</p> <p>A Southeast U.S.-Based, 100-Unit Dunkin' Franchise</p>  <p>has been acquired by</p> 	<p>FINANCIAL ADVISOR</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>PRIMANTI BROS. RESTAURANT & BAR</p> <p>a portfolio company 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>a portfolio company of</p>  <p>has been acquired by</p> 
<p>PLACEMENT AGENT</p>   <p>has received an investment from</p> 	<p>FINANCIAL ADVISOR</p>  <p>has sold</p>  <p>to</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 subsidiary of</p>  <p>has been acquired by</p> 	<p>PLACEMENT AGENT</p>  <p>a portfolio company of</p>  <p>has completed a minority 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>the largest franchise of</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>RESTRUCTURING</p>  <p>has been acquired in a \$363 sale by</p> 	<p>SELL-SIDE ADVISOR</p> <p>Eureka!</p> <p>a portfolio company of</p>  <p>has been acquired by</p> <p>GRUPO CAROLO</p>	<p>SELL-SIDE ADVISOR</p>  <p>has been acquired by</p> 	<p>PLACEMENT AGENT</p>  <p>has acquired</p>  <p>\$130,000,000 credit facility</p>

Contact Us



Bob Bartell
President of Corporate Finance
Chicago
bob.bartell@kroll.com
+1 (312) 697-4654



Joshua Benn
Managing Director
Global Head of Consumer and Restaurant M&A
New York
joshua.benn@kroll.com
+1 (917) 494-8006



Vijay Sampath
Managing Director
New York
vijay.sampath@kroll.com
+1 (267) 218-0960



Howard Lanser
Managing Director
Head of U.S. Private Capital Markets
Chicago
howard.lanser@kroll.com
+1 (312) 980-9521



Jeremy Sacks
Managing Director
Los Angeles
jeremy.sacks@kroll.com
+1 (424) 249-1650



Josh Keatts, CFA
Director
New York
josh.keatts@kroll.com
+1 (443) 571-8654

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