

PEAKSTONE

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Restaurant Industry Insight Spotlight on Fast Casual & Quick Service

September 2018

Restaurant M&A Update

For announced transactions, Restaurant multiples saw a modest increase from 9.6x EBITDA in 2016 to 10.8x EBITDA in 2017.

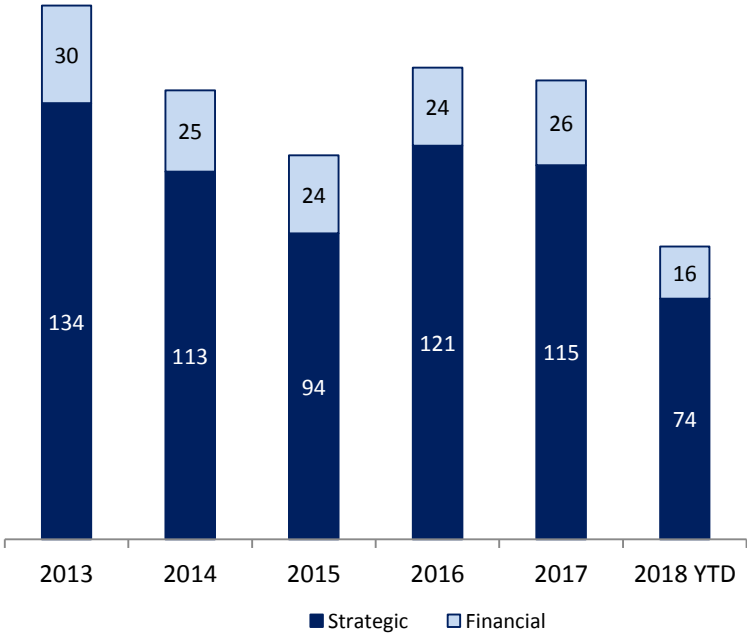
Select Recent Notable Publicly Announced U.S. M&A Transactions

| Date | Status | Target | Transaction Size | Buyer |
|----------|-----------|---|------------------|---|
| Aug-2018 | Announced |  | \$300 million |  |
| Aug-2018 | Announced |  | \$213 million |  |
| May-2018 | Announced |  | \$330 million |  |
| Mar-2018 | Closed |  | \$100 million |  |
| Feb-2018 | Closed |  | \$450 million |  |
| Dec-2017 | Announced |  | \$305 million |  |

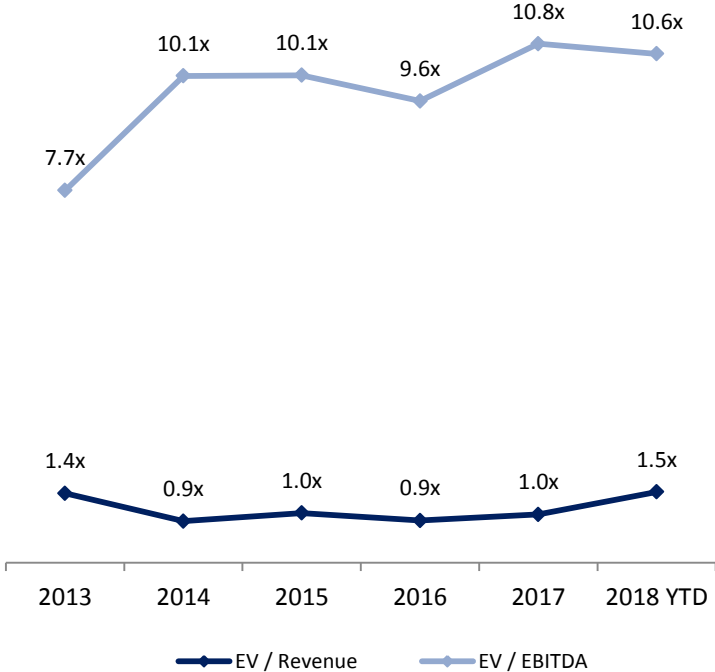
U.S. Restaurant - M&A Market Overview

U.S. Restaurant industry transaction activity has been strong

U.S. Restaurant Transactions by Buyer Type



U.S. Restaurant Transaction Multiples

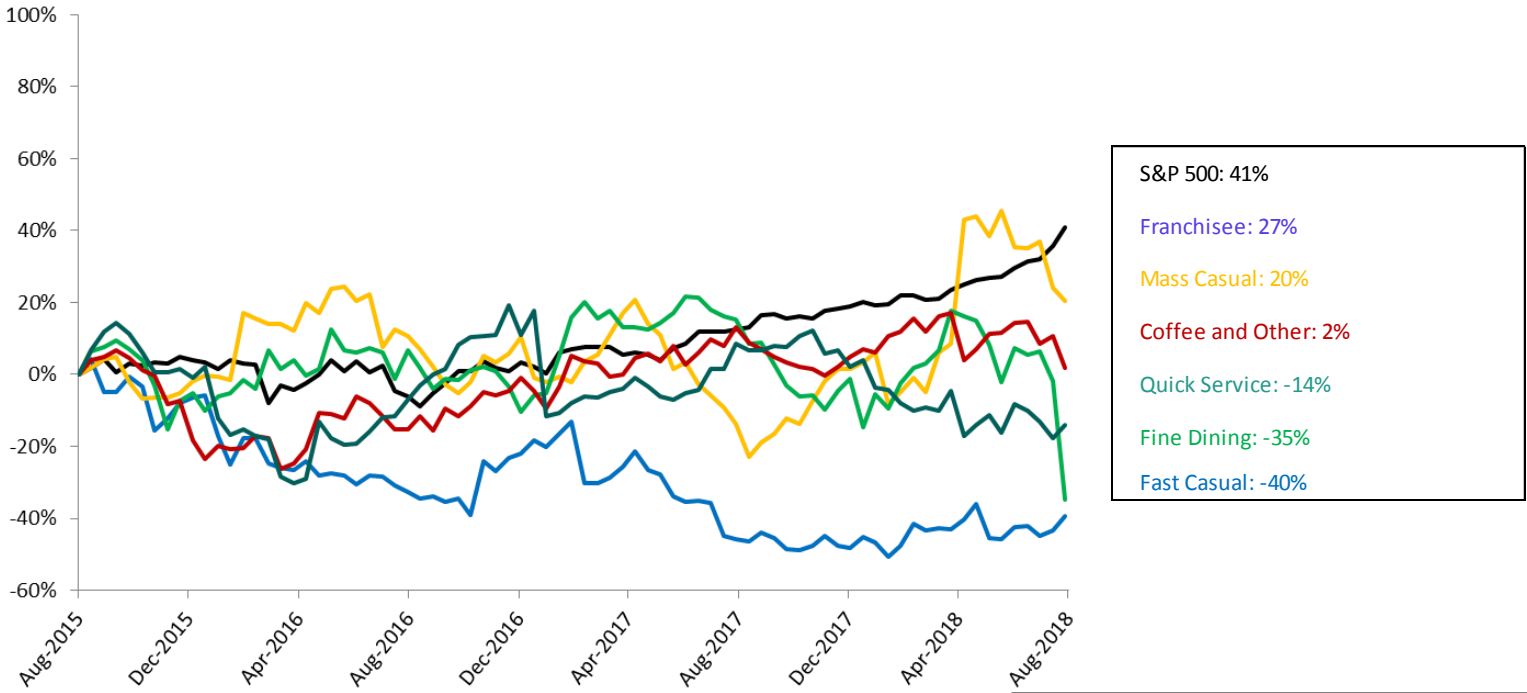


Source: Peakstone & Capital IQ.

Peakstone Restaurant Index - Trading Statistics

Some Restaurant categories have performed well compared to the S&P 500

Relative Stock Performance



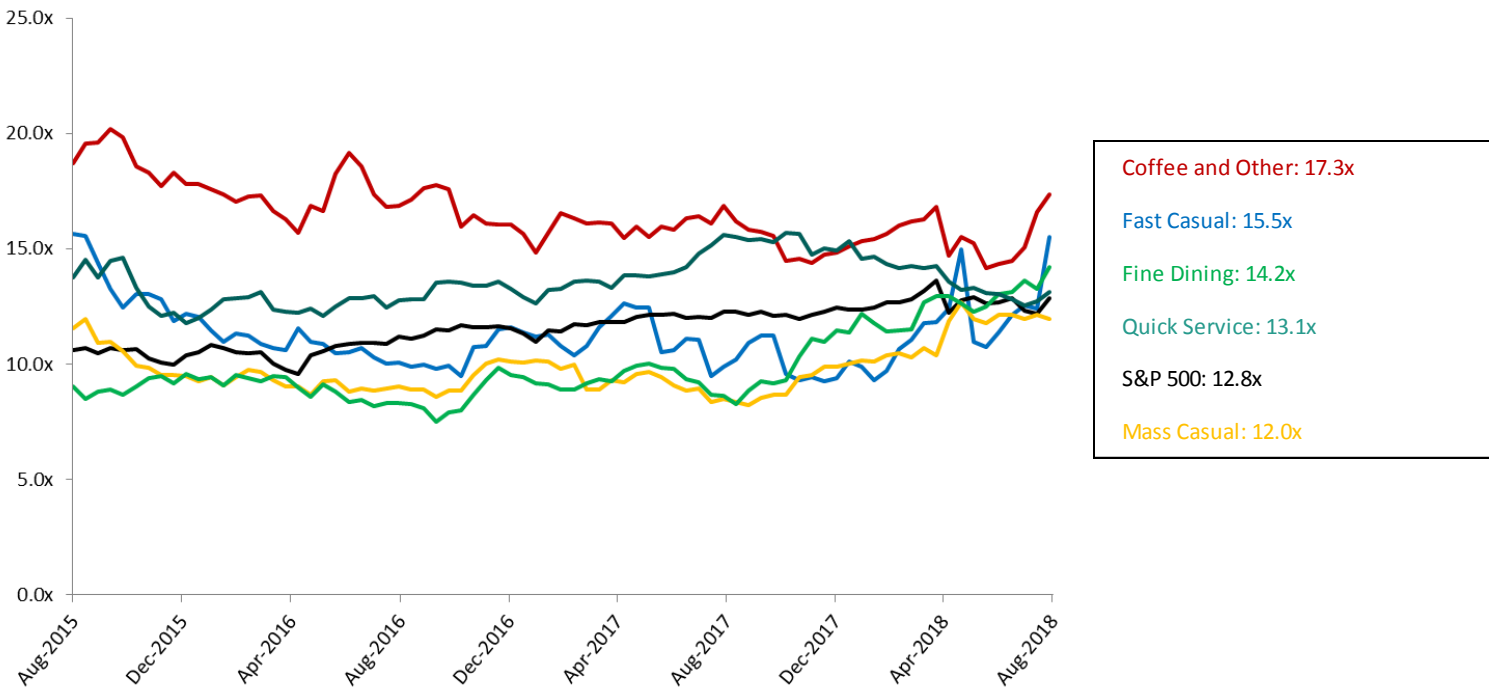
| Peakstone Restaurant Index: | |
|-----------------------------|--|
| Fast Casual: | BOJA, CMG, FRGI, HABT, LOCO, NDLS, PBPB, SHAK, TACO, WING, ZOES |
| Mass Casual: | BH.A, BJRI, BLMN, CAKE, CBRL, CHUY, DAVE, DENN, DIN, DRI, EAT, KONA, LUB, RRGB, TXRH |
| Fine Dining: | DFRG, RUTH, STKS |
| Coffee & Other: | DNKN, JMBA, SBUX |
| Quick Service: | DPZ, JACK, MCD, PZZA, QSR, SONC, TAST, WEN, YUM |

Source: Capital IQ, data as of 8/24/2018.

Peakstone Restaurant Index - Trading Statistics

Some Restaurant categories have performed well compared to the S&P 500

Comparable Valuation Trends – Enterprise Value / EBITDA



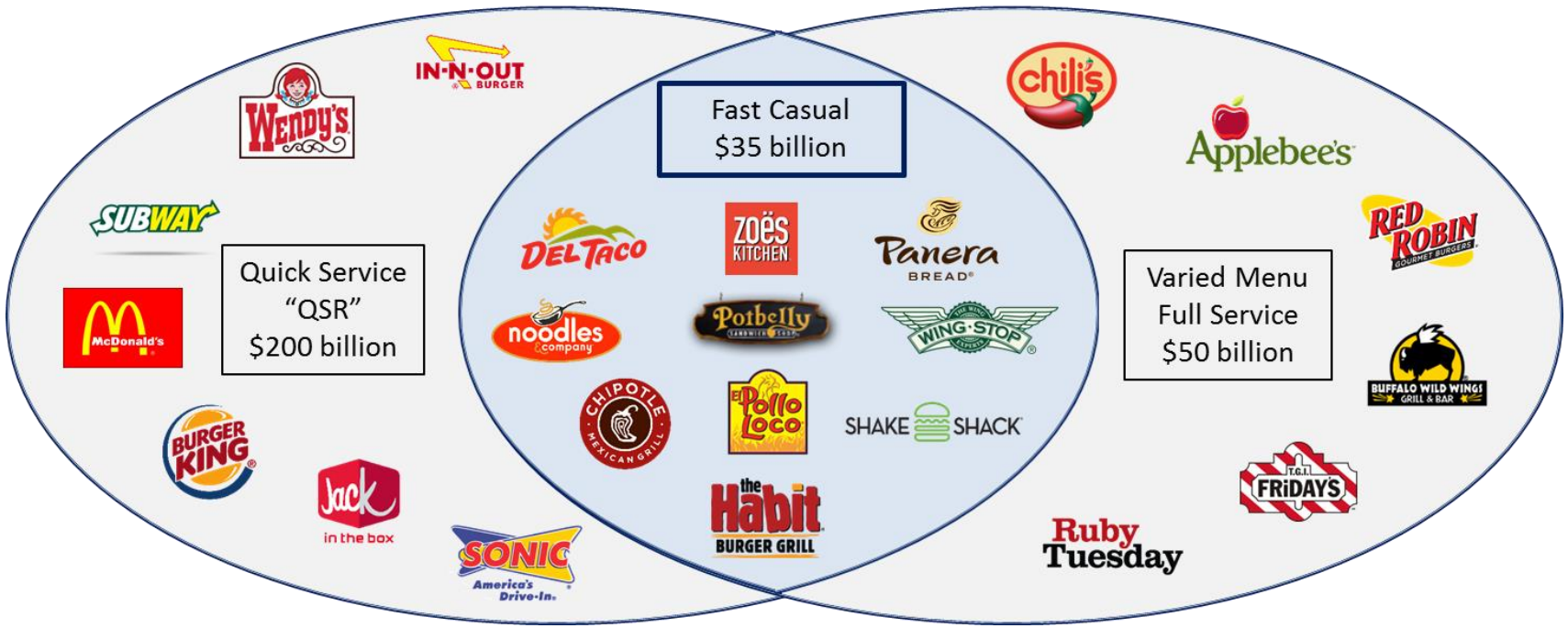
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Source: Capital IQ, data as of 8/24/2018.

Industry Landscape

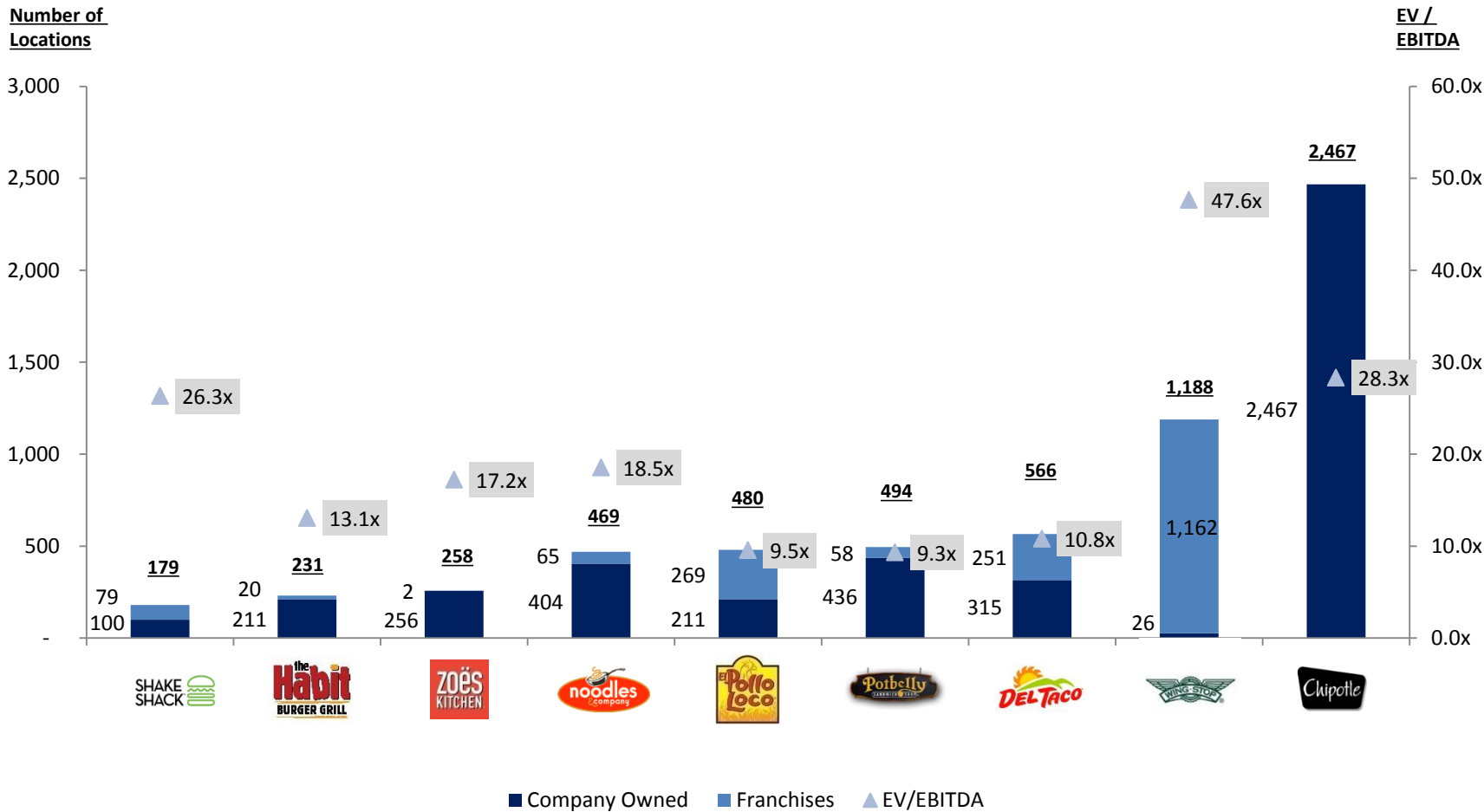
Fast Casual concepts have been growing rapidly in the restaurant industry

- Fast casual concepts attract customers away from other restaurant segments and, accordingly, are generating faster growth than the overall restaurant industry and increasing market share relative to other segments.



Fast Casual Snapshot

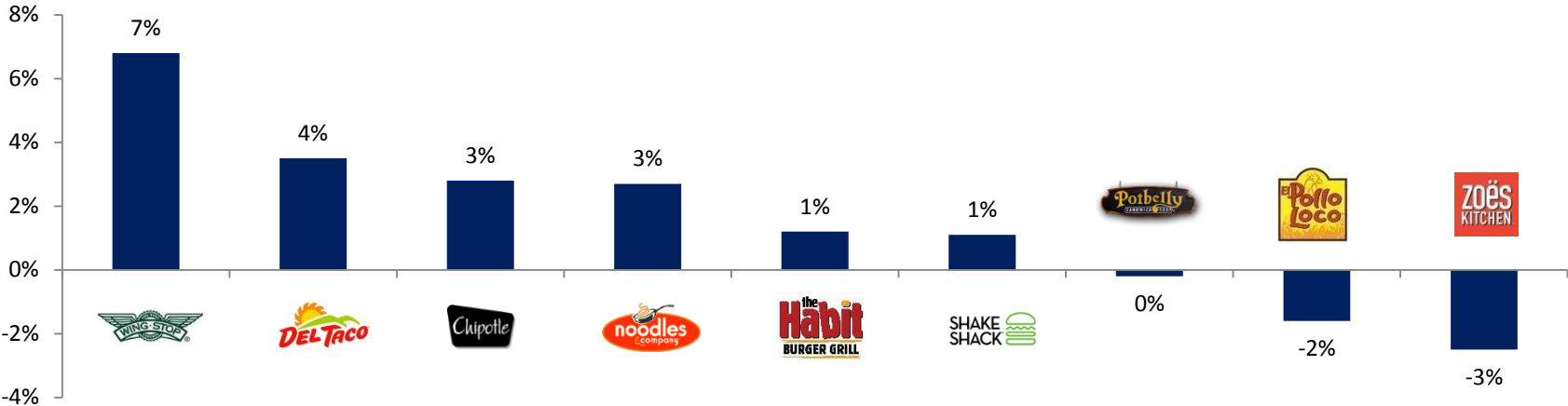
Company-Owned / Franchise Locations



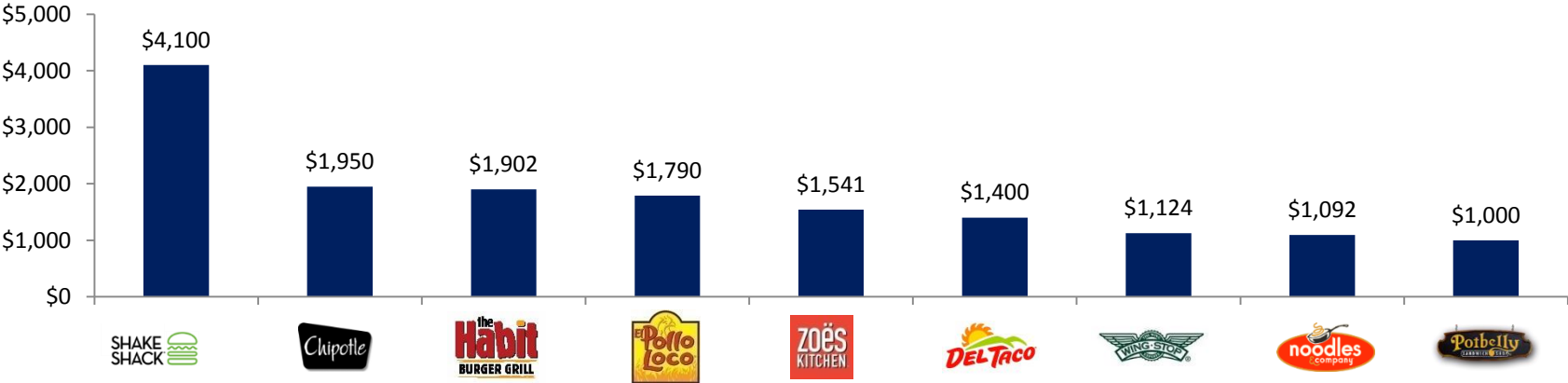
Source: Public Company Filings.
As of Q2 2018.

Fast Casual Snapshot (continued)

YTD Same-Store-Sales Growth



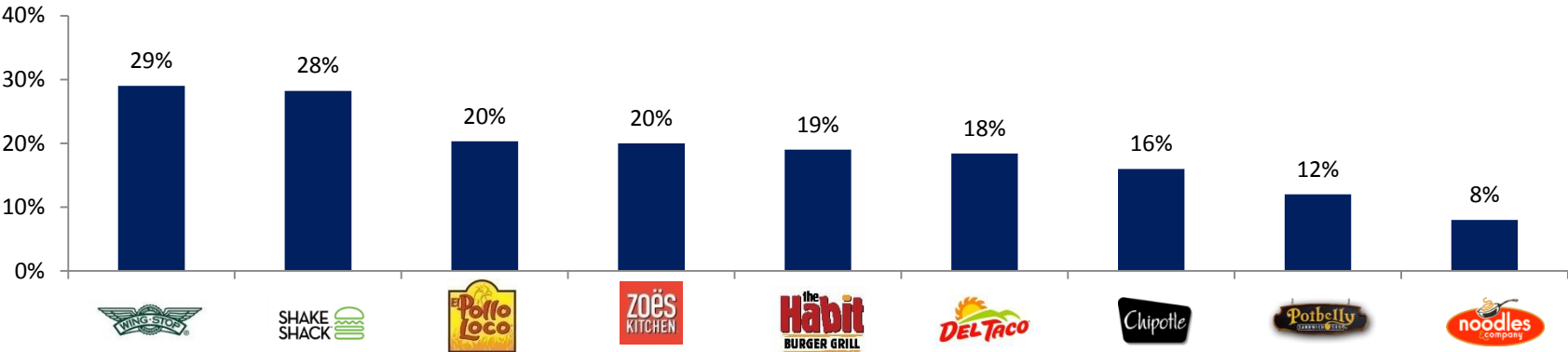
Average Unit Volume (\$ in thousands)



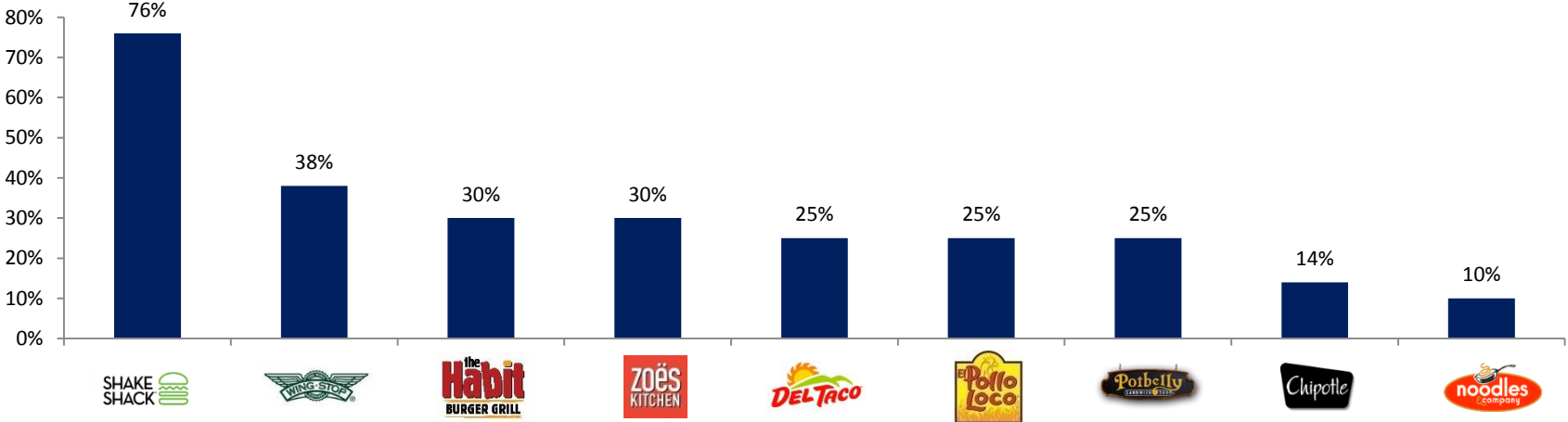
Source: Public Company Filings & Wall Street Research.
As of Q2 2018.

Fast Casual Snapshot (continued)

Restaurant-Level EBITDA Margin



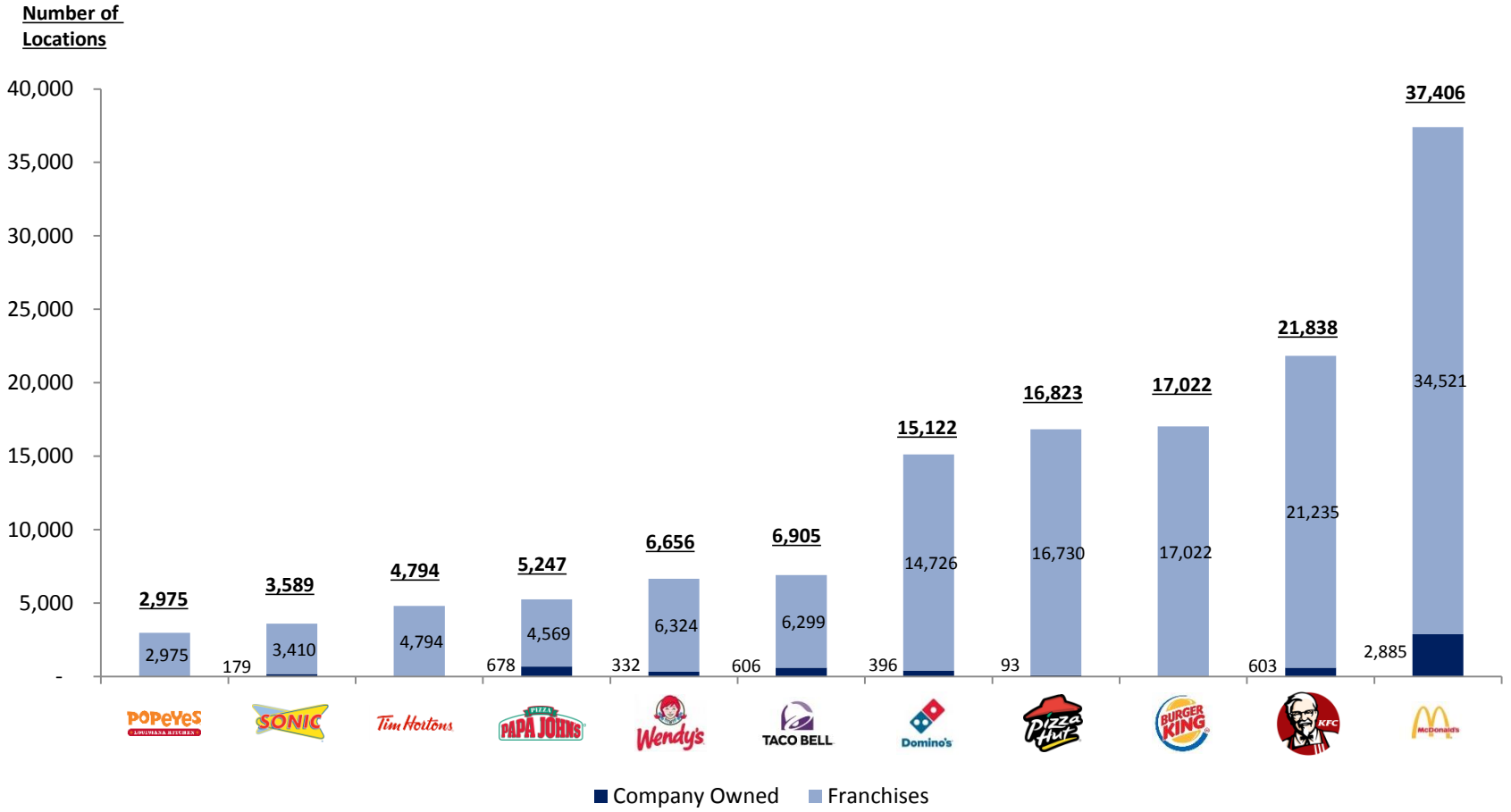
Cash-on-Cash Return



Source: Public Company Filings & Wall Street Research.
As of Q2 2018.

Quick Service Snapshot

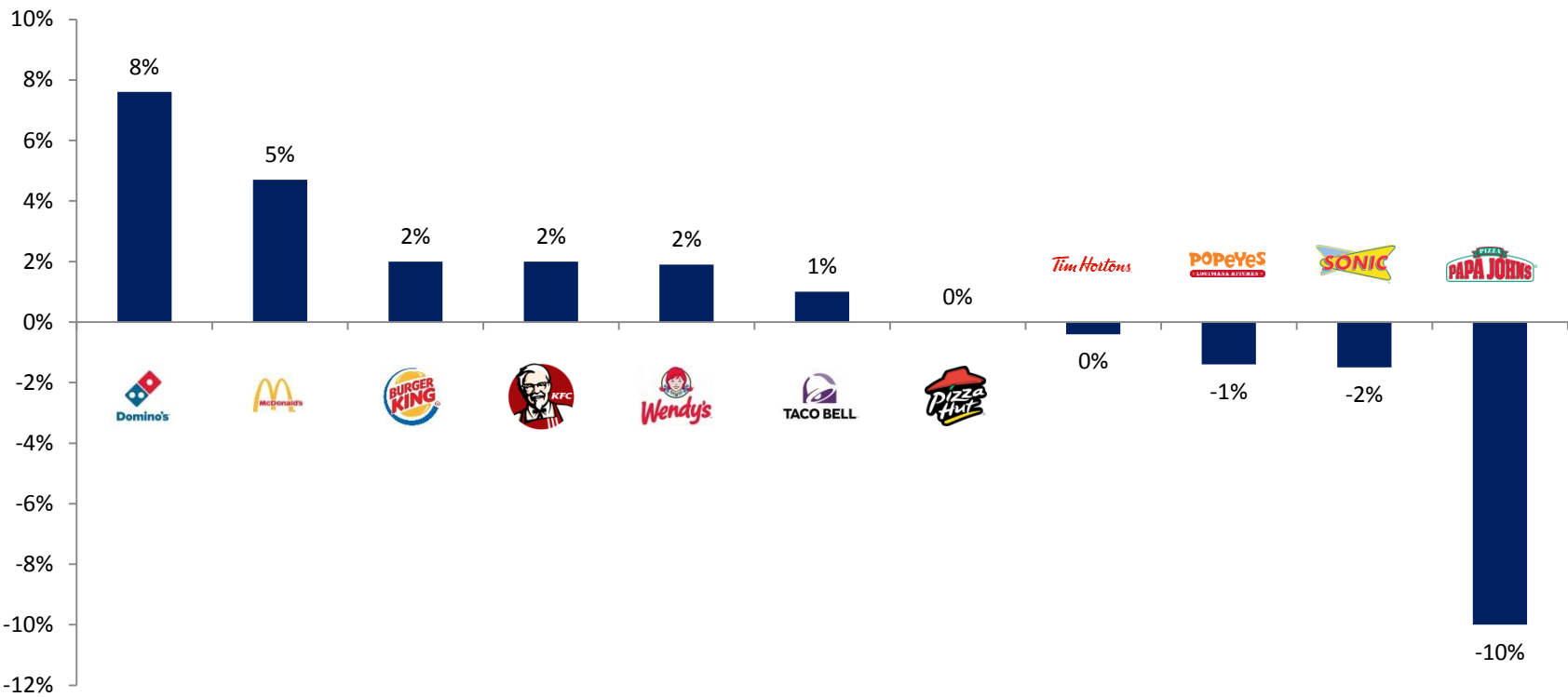
Company-Owned / Franchise Locations



Source: Public Company Filings.
As of Q2 2018.

Quick Service Snapshot (continued)

YTD Same-Store-Sales Growth



Source: Public Company Filings & Wall Street Research.
As of Q2 2018.

Selected Public Trading Comparables

Selected Public Trading Comparables

(\$ in millions)

| Company Name | Market Cap | Enterprise Value | Enterprise Value / | | | Forward P/E Ratio | Gross Margin % | EBITDA Margin % |
|--|----------------|------------------|--------------------|--------------|--------------|-------------------|----------------|-----------------|
| | | | Revenue | EBITDA | EBIT | | | |
| Fast Casual | | | | | | | | |
| Chipotle Mexican Grill, Inc. | \$14,404 | \$13,830 | 3.0x | 28.3x | 44.7x | 50.0x | 32% | 10% |
| Wingstop Inc. | \$1,898 | \$2,115 | 18.4x | 47.6x | 52.2x | 75.8x | 74% | 39% |
| Shake Shack Inc. | \$1,697 | \$1,676 | 4.1x | 26.3x | 43.5x | 96.9x | 39% | 16% |
| Fiesta Restaurant Group, Inc. | \$789 | \$859 | 1.3x | 15.5x | 42.9x | 35.0x | 21% | 8% |
| Del Taco Restaurants, Inc. | \$513 | \$672 | 1.4x | 10.8x | 17.1x | 21.2x | 26% | 13% |
| Bojangles', Inc. | \$544 | \$665 | 1.2x | 9.9x | 13.2x | 19.1x | 19% | 12% |
| Noodles & Company | \$504 | \$563 | 1.2x | 18.5x | 84.1x | 118.7x | 16% | 7% |
| El Pollo Loco Holdings, Inc. | \$483 | \$556 | 1.3x | 9.5x | 13.7x | 17.7x | 23% | 14% |
| The Habit Restaurants, Inc. | \$333 | \$352 | 1.0x | 13.1x | 66.0x | 263.4x | 18% | 7% |
| Potbelly Corporation | \$351 | \$317 | 0.7x | 9.3x | 33.7x | 33.3x | 30% | 8% |
| Zoe's Kitchen, Inc. | \$263 | \$308 | 0.9x | 17.2x | NM | NM | 17% | 5% |
| Fast Casual Median | \$513 | \$665 | 1.3x | 15.5x | 43.2x | 42.5x | 23% | 10% |
| Mass Casual | | | | | | | | |
| Darden Restaurants, Inc. | \$14,183 | \$14,962 | 1.9x | 13.8x | 18.9x | 20.6x | 22% | 13% |
| Texas Roadhouse, Inc. | \$4,785 | \$4,646 | 2.0x | 15.4x | 22.7x | 26.7x | 19% | 13% |
| Cracker Barrel Old Country Store, Inc. | \$3,635 | \$3,860 | 1.3x | 10.0x | 13.1x | 15.6x | 35% | 13% |
| Brinker International, Inc. | \$1,921 | \$3,417 | 1.1x | 8.3x | 13.1x | 11.6x | 17% | 13% |
| Bloomin' Brands, Inc. | \$1,777 | \$2,845 | 0.7x | 7.6x | 15.3x | 13.7x | 16% | 9% |
| Dine Brands Global, Inc. | \$1,419 | \$2,731 | 4.6x | 14.6x | 17.5x | 12.5x | 53% | 31% |
| The Cheesecake Factory Incorporated | \$2,338 | \$2,443 | 1.1x | 10.6x | 17.9x | 19.9x | 42% | 10% |
| BJ's Restaurants, Inc. | \$1,489 | \$1,580 | 1.5x | 12.8x | 29.7x | 32.3x | 17% | 11% |
| Denny's Corporation | \$965 | \$1,280 | 2.2x | 12.9x | 17.4x | 21.4x | 37% | 17% |
| Biglari Holdings Inc. | \$610 | \$793 | 1.0x | 47.1x | NM | 0.0x | 18% | 2% |
| Red Robin Gourmet Burgers, Inc. | \$530 | \$739 | 0.5x | 5.6x | 20.1x | 19.0x | 21% | 10% |
| Chuy's Holdings, Inc. | \$462 | \$452 | 1.2x | 12.0x | 23.5x | 23.0x | 17% | 10% |
| Luby's, Inc. | \$63 | \$106 | 0.3x | 110.8x | NM | 0.0x | 28% | 0% |
| Kona Grill, Inc. | \$33 | \$61 | 0.4x | 8.7x | NM | 0.0x | 13% | 4% |
| Famous Dave's of America, Inc. | \$59 | \$54 | 1.0x | 9.0x | 15.3x | 18.6x | 29% | 11% |
| Mass Casual Median | \$1,419 | \$1,580 | 1.1x | 12.0x | 17.7x | 18.6x | 21% | 11% |

Source: Peakstone & Capital IQ, As of 8/24/2018.

Selected Public Trading Comparables (continued)

| Selected Public Trading Comparables | | | | | | | | |
|--------------------------------------|----------------|---------------------|--------------------|--------------|--------------|----------------------|-------------------|--------------------|
| <i>(\$ in millions)</i> | Market Cap | Enterprise Value | Enterprise Value / | | | Forward P/E Ratio | Gross Margin % | EBITDA Margin % |
| Company Name | | | Revenue | EBITDA | EBIT | | | |
| Fine Dining | | | | | | | | |
| Ruth's Hospitality Group, Inc. | \$936 | \$983 | 2.3x | 14.2x | 18.8x | 22.1x | 27% | 16% |
| Del Frisco's Restaurant Group, Inc. | \$325 | \$370 | 1.0x | 10.3x | 31.5x | 31.5x | 22% | 10% |
| The ONE Group Hospitality, Inc. | \$83 | \$93 | 1.2x | 15.6x | 32.4x | 0.0x | 23% | 7% |
| Fine Dining Median | \$325 | \$370 | 1.2x | 14.2x | 31.5x | 22.1x | 23% | 10% |
| Coffee and Other | | | | | | | | |
| Starbucks Corporation | \$71,044 | \$75,872 | 3.1x | 14.1x | 18.2x | 20.6x | 30% | 21% |
| Dunkin' Brands Group, Inc. | \$5,998 | \$8,693 | 9.9x | 17.3x | 18.9x | 25.9x | 83% | 55% |
| Jamba, Inc. | \$203 | \$194 | 2.5x | 53.8x | NM | 0.0x | 54% | 5% |
| Coffee and Other Median | \$5,998 | \$8,693 | 3.1x | 17.3x | 18.6x | 20.6x | 54% | 21% |
| Quick Service | | | | | | | | |
| McDonald's Corporation | \$123,391 | \$152,770 | 7.1x | 15.2x | 17.7x | 20.3x | 50% | 46% |
| YUM! Brands, Inc. | \$26,506 | \$35,849 | 6.2x | 18.5x | 20.5x | 24.0x | 46% | 34% |
| Restaurant Brands International Inc. | \$14,639 | \$27,897 | 5.5x | 12.8x | 14.0x | 21.9x | 54% | 43% |
| Domino's Pizza, Inc. | \$12,118 | \$15,433 | 5.0x | 26.6x | 28.2x | 33.5x | 29% | 19% |
| The Wendy's Company | \$4,256 | \$6,864 | 5.5x | 17.1x | 25.3x | 29.0x | 50% | 32% |
| Jack in the Box Inc. | \$2,414 | \$3,410 | 2.5x | 10.5x | 14.2x | 20.7x | 28% | 23% |
| Papa John's International, Inc. | \$1,351 | \$1,925 | 1.1x | 11.2x | 15.2x | 31.8x | 20% | 10% |
| Sonic Corp. | \$1,236 | \$1,915 | 4.4x | 13.1x | 17.8x | 21.8x | 63% | 34% |
| Carrols Restaurant Group, Inc. | \$582 | \$827 | 0.7x | 8.7x | 21.1x | 43.0x | 18% | 8% |
| Quick Service Median | \$4,256 | \$6,864 | 5.0x | 13.1x | 17.8x | 24.0x | 46% | 32% |
| Restaurant Total Median | \$1,419 | \$1,580 | 1.3x | 14.2x | 18.6x | 22.1x | 23% | 11% |

Source: Peakstone & Capital IQ, As of 8/24/2018.

Selected U.S. Restaurant Industry Transactions

Selected Restaurant Transactions

| Date | Target | Size (\$mm) | Buyers / Investors | EV / EBITDA | Transaction Comments |
|------------|--|-------------|---|-------------|--|
| 08/17/2018 | Zoe's Kitchen, Inc. (NYSE:ZOES) | \$300 | Cava Group, Inc. | 16.7x | Cava Group, Inc. entered into a definitive agreement to acquire Zoe's Kitchen, Inc. (NYSE:ZOES) for approximately \$250 million on August 16, 2018. The parties expect the merger to close in the fourth quarter of 2018. |
| 08/02/2018 | Jamba, Inc. (NasdaqGM:JMBA) | \$214 | FOCUS Brands Inc. | 56.8x | Focus Brands Inc. ("FBI") entered into a definitive agreement to acquire Jamba Inc. (Nasdaq:JMBA) for approximately \$210 million on August 1, 2018. |
| 08/01/2018 | 46 Chili's Restaurant Properties in Florida, Texas and 15 Other States | \$150 | Four Corners Property Trust, Inc. (NYSE:FCPT) | - | Four Corners Property Trust, Inc. (NYSE:FCPT) signed a definitive agreement to acquire 48 Chili's Restaurant Properties in Florida, Texas and 15 other states from Brinker Property Corporation and Brinker Propco Florida, Inc. for approximately \$160 million on August 1, 2018. |
| 05/07/2018 | Barteca Restaurant Group, LLC | \$325 | Del Frisco's Restaurant Group, Inc. (NasdaqGS:DFRG) | 10.3x | Del Frisco's Restaurant Group, Inc. (NasdaqGS:DFRG) entered into a definitive agreement to acquire Barteca Restaurant Group, LLC for approximately \$330 million on May 6, 2018. |
| 03/08/2018 | Bravo Brio Restaurant Group, Inc. | \$102 | Spice Private Equity AG (SWX:SPCE) | 3.8x | Spice Private Equity AG (SWX:SPCE) ('Spice') entered into an agreement to acquire Bravo Brio Restaurant Group, Inc. (NasdaqGS:BBRG) ('Bravo Brio') for \$63.3 million on March 7, 2018. |
| 02/20/2018 | Fogo de Chão, Inc. | \$598 | Rhone Capital, L.L.C. | 10.6x | Rhone Capital V L.P., a fund managed by Rhone Capital, L.L.C. entered into an agreement to acquire Fogo de Chao, Inc. (NasdaqGS:FOGO) for approximately \$450 million on February 20, 2018. |
| 02/13/2018 | Smashburger Master LLC | \$100 | Jollibee Worldwide Pte. Ltd. | - | Jollibee Worldwide Pte. Ltd. agreed to acquire additional 45% stake in SJBF LLC for \$100 million on February 13, 2018. Post transaction, Jollibee Worldwide will hold 85% stake in SJBF LLC. |
| 12/19/2017 | Qdoba Restaurant Corporation | \$305 | Apollo Global Management, LLC | - | Apollo Global Management, LLC entered into a stock purchase agreement to acquire Qdoba Restaurant Corporation from Jack in the Box Inc. for approximately \$310 million on December 19, 2017. |
| 11/28/2017 | Buffalo Wild Wings, Inc. | \$2,892 | Arby's Restaurant Group, Inc. | 11.2x | Arby's Restaurant Group Inc. ('Arby's') entered into a definitive agreement to acquire Buffalo Wild Wings Inc. from Marcato International Master Fund Ltd, Marcato Special Opportunities Master Fund LP, funds managed by Marcato Capital Management LP and other shareholders for \$2.5 billion on November 27, 2017. |
| 11/03/2017 | Six Hawaii Ruth Chris Steak House Locations in Hawaii | \$35 | RCSH Operations, Inc. | - | RCSH Operations, Inc. entered into an asset purchase agreement to acquire six franchised Ruth Chris Steak House restaurants in Hawaii from Desert Island Restaurants, LLC for \$35 million on November 2, 2017. |
| 10/16/2017 | Ruby Tuesday, Inc. (NYSE:RT) | \$362 | NRD Capital Management, LLC | 8.5x | A fund managed by NRD Capital Management, LLC signed an agreement to acquire Ruby Tuesday, Inc. (NYSE:RT) from BlackRock, Inc. (NYSE:BLK), Leon Capital Group LLC, Donald Smith & Co., Inc., The Vanguard Group, Inc., Dimensional Fund Advisors L.P., and others for approximately \$150 million on October 16, 2017. |
| 10/05/2017 | Uncle Julio's Corporation | - | L Catterton | - | L Catterton agreed to acquire Uncle Julio's Corporation from J.H. Whitney & Co., LLC on October 5, 2017. |
| 09/06/2017 | Homestyle Dining, LLC | \$11 | FAT Brands Inc. (NasdaqCM:FAT) | - | FAT Brands Inc. entered into an agreement to acquire Homestyle Dining, LLC (doing business as Ponderosa Steakhouse and Bonanza Steakhouse) for \$10.5 million on September 6, 2017. Once the deal has closed, Ponderosa and Bonanza will be added to FAT Brands's existing portfolio of brands that includes Fatburger, Buffalo's Cafe and Buffalo's Express. |
| 08/21/2017 | Ruby Tuesday, Inc. 21 Properties | \$28 | - | - | An unknown buyer entered into an contract to acquire 21 properties from Ruby Tuesday, Inc. (NYSE:RT) for \$28.2 million. |
| 08/04/2017 | Ninety Nine Restaurant, Inc. | \$199 | J. Alexander's LLC | 6.6x | J. Alexander's LLC entered into a definitive agreement to acquire Ninety Nine Restaurant, Inc. from O'Charley's Inc. for approximately \$200 million on August 4, 2017. On completion, Ninety Nine Restaurant will become a wholly-owned subsidiary of J. Alexander's Holdings, LLC. |
| 06/06/2017 | Ignite Restaurant Group Inc., Substantially all Assets | \$168 | Kelly Companies of Southern California, LLC | - | Kelly Companies of Southern California, LLC signed an agreement to acquire substantially all of the assets from Ignite Restaurant Group, Inc. (OTCPK:IRGT) for \$168 million on June 5, 2017. |
| 05/01/2017 | 16 Bob Evans Restaurant Properties | \$35 | Four Corners Property Trust, Inc. (NYSE:FCPT) | - | Four Corners Property Trust, Inc. (NYSE:FCPT) acquired 16 Bob Evans Restaurants properties in a sale-leaseback transaction for \$35.1 million on May 1, 2017. |
| 04/05/2017 | Panera Bread Company (NasdaqGS:PNRA) | \$7,699 | JAB Holdings B.V. | 18.7x | JAB Holdings B.V. entered into a definitive merger agreement to acquire Panera Bread Company (NasdaqGS:PNRA) from Ron Shaich and other shareholders for \$7.3 billion on April 5, 2017. Post-closing, Panera Bread will be privately held and continue to be operated independently by the Panera Bread's management team. The deal is expected to close during the third quarter of 2017. |
| 04/04/2017 | Guckenheimer Services, LLC | \$225 | ISS A/S (CPSE:ISS) | - | ISS A/S (CPSE:ISS) reached an agreement to acquire Guckenheimer Services, LLC from Jeanie Ritchie and others for approximately \$230 million, on a debt and cash free basis, on April 3, 2017. |
| 03/27/2017 | Cheddar's Casual Cafe, Inc. | \$780 | Darden Restaurants, Inc. (NYSE:DRI) | 10.4x | Darden Restaurants, Inc. (NYSE:DRI) entered into an agreement and plan of merger to acquire Cheddar's Casual Cafe, Inc. from Oak Investment Partners and L Catterton for \$780 million on a cash-free and debt-free basis on March 27, 2017. |

Source: Capital IQ & Wall Street Research.

Selected U.S. Restaurant Industry Transactions (continued)

Selected Restaurant Transactions

| Date | Target | Size (\$mm) | Buyers / Investors | EV / EBITDA | Transaction Comments |
|------------|---|-------------|--|-------------|--|
| 03/23/2017 | Checkers Drive-In Restaurants, Inc. | \$525 | Oak Hill Capital Partners | - | Oak Hill Capital Partners along with the management of Checkers Drive-In Restaurants, Inc. entered into a definitive agreement to acquire Checkers Drive-In Restaurants, Inc. from Sentinel Capital Partners for approximately \$530 million on March 23, 2017. |
| 03/09/2017 | Valenti Mid-Atlantic Management LLC, 62 Wendy's Restaurants | \$53 | NPC Quality Burgers, Inc. | - | NPC Quality Burgers, Inc. ("NPC") entered into an agreement to acquire 62 Wendy's restaurants from Valenti Mid-Atlantic Management, LLC for \$52.6 million on March 9, 2017. The units to be acquired are located in Pennsylvania. The transaction, which is subject to approval of The Wendy's Company, is expected to close in late April 2017. |
| 02/21/2017 | Popeyes Louisiana Kitchen, Inc. | \$1,827 | Restaurant Brands International Inc. (NYSE:QSR) | 20.5x | Restaurant Brands International Inc. (NYSE:QSR) signed a definitive agreement to acquire Popeyes Louisiana Kitchen, Inc. (NasdaqGS:PLKI) for \$1.7 billion on February 21, 2017. Following the closing of the transaction, Popeyes will continue to be managed independently in the United States, while benefitting from the global scale and resources of RBI. |
| 02/01/2017 | TAO Group LLC | \$206 | The Madison Square Garden Company (NYSE:MSG) | - | The Madison Square Garden Company (NYSE:MSG) acquired 62.5% stake in TAO Group from Marc Packer, Rich Wolf, Noah Tepperberg, Jason Strauss and others for approximately \$210 million on January 31, 2017. |
| 01/24/2017 | Bob Evans Farms, LLC | \$565 | Golden Gate Capital | - | Golden Gate Capital signed a definitive agreement to acquire Bob Evans Restaurants from Bob Evans Farms, Inc. (NasdaqGS:BOBE) for approximately \$570 million on January 24, 2017. |
| 12/20/2016 | Garden Fresh Restaurant Corp. | \$98 | Cortland Capital Market Services LLC | - | Cortland Capital Market Services LLC along with other lenders entered in an agreement to acquire Garden Fresh Restaurant Corp. for \$97.9 million on December 20, 2016. |
| 11/25/2016 | Reins International (USA) Co. Ltd. | \$87 | REINS international inc. | - | REINS international inc. agreed to acquire Reins International (USA) Co Ltd for \$87 million on November 25, 2016. REINS international inc. will acquire 13.5 million shares of Reins International (USA) Co Ltd. |
| 11/10/2016 | Portfolio of Sixteen KFC Restaurant Properties | \$21 | Four Corners Property Trust, Inc. (NYSE:FCPT) | - | Four Corners Property Trust, Inc. (NYSE:FCPT) acquired Portfolio of Sixteen KFC Restaurant Properties for \$21.1 million on November 10, 2016. |
| 10/26/2016 | Pacific Island Restaurants, Inc. | \$105 | Restaurant Brands New Zealand Limited (NZSE:RBD) | 5.5x | Restaurant Brands New Zealand Ltd. (NZSE:RBD) entered into an agreement to acquire Pacific Island Restaurants, Inc. from Nimes Capital, LLC for approximately \$110 million on October 26, 2016. |
| 10/24/2016 | Two Darden-Leased Restaurant Properties | \$25 | - | - | Four Corners Property Trust, Inc. (NYSE:FCPT) sold Two Darden-Leased Restaurant Properties for \$24.8 million on October 24, 2016. Four Corners Property sold an Olive Garden restaurant property in Pembroke Pines, Florida and a Bahama Breeze restaurant property in Tampa, Florida. |
| 10/10/2016 | Red Lobster Master Holdings, L.P. | \$575 | Thai Union Group Public Company Limited (SET:TU) | 8.8x | Thai Union Group Public Company Limited (SET:TU) entered into securities purchase agreement to acquire 25% stake in Red Lobster Master Holdings, L.P. from funds managed by Golden Gate Private Equity, Inc. and others for approximately \$580 million on October 10, 2016. |
| 09/27/2016 | Last Call Guarantor, LLC | \$30 | Fun Eats and Drinks LLC | - | Fun Eats and Drinks LLC entered into an agreement to acquire substantially all assets of Last Call Guarantor on September 29, 2016. |
| 09/21/2016 | Lou Malnati's | - | BDT Capital Partners, LLC | - | BDT Capital Partners has agreed to take a significant stake in Chicago pizza restaurant chain Lou Malnati's in a deal that's expected to close in early October. |
| 09/08/2016 | Jimmy John's Franchise, LLC | - | Roark Capital Group | - | Roark Capital Group acquired majority stake in Jimmy John's Franchise, LLC from Weston Presidio and others on September 8, 2016. Jimmy John Liautaud founder of Jimmy John's Franchise, LLC will remain chairman, and James North will remain president and CEO. |
| 09/07/2016 | Cicis | - | The Arlon Group | - | The Arlon Group has acquired the pizza buffet chain Cicis on September 7, 2016. Terms of the deal were not disclosed. Senior management, led by Cicis CEO Darin Harris, will remain with the Coppell, Texas-based operator, which has 440 locations in 33 states. |
| 09/02/2016 | Wetzel's Pretzels, LLC | - | CenterOak Partners LLC | - | CenterOak Equity Fund I, L.P. managed by CenterOak Partners LLC acquired an unknown majority stake in Wetzel's Pretzels, LLC from Levine Leichtman Capital Partners on September 1, 2016. Bill Phelps will continue to be the Chief Executive Officer of Wetzel's Pretzels. |
| 08/24/2016 | Seven Burger King Restaurants in Portland, Maine | - | Carrols Restaurant Group, Inc. (NasdaqGS:TAST) | - | Carrols Restaurant Group, Inc. (NasdaqGS:TAST) acquired seven Burger King Restaurants in Portland, Maine on August 23, 2016. |
| 06/29/2016 | The Wendy's Company, 39 Wendy's Restaurants | \$37 | NPC Quality Burgers, Inc. | - | NPC Quality Burgers, Inc. entered into an asset purchase agreement to acquire 39 Wendy's Restaurants from Wendy's International, LLC for \$36.6 million on June 24, 2016. |
| Q2 2016 | Pepper Jax Grill | - | TA Associates | - | Pepper Jax Grill was acquired by TA Associates on [TBU] for an undisclosed sum. Peakstone acted as exclusive advisor to Pepper Jax Grill. |
| 05/25/2016 | Kahala Corp. (OTCPK:KAHL) | \$302 | MTY Food Group Inc. (TSX:MTY) | - | MTY Food Group Inc. (TSX:MTY) entered into an agreement to acquire Kahala Corp. (OTCPK:KAHL) from Delavaco Group, Serruya Private Equity, and others for approximately \$300 million in cash and stock on May 25, 2016. The transaction is expected to be immediately accretive. |
| 05/09/2016 | Krispy Kreme Doughnuts, Inc. (NYSE:KKD) | \$1,348 | Cotton Parent, Inc. | 18.1x | Cotton Parent, Inc. entered into a definitive merger agreement to acquire Krispy Kreme Doughnuts, Inc. (NYSE:KKD) for \$1.3 billion in cash on May 8, 2016. Under the terms of agreement Cotton Parent, Inc. will pay \$21 per share. Krispy Kreme may be required to pay Cotton a termination fee of \$42 million. At the close of the transaction, Krispy Kreme will be privately owned and will continue to be independently operated from Krispy Kreme's current headquarters in Winston-Salem, N.C. |
| 03/22/2016 | Bellacino's Pizza & Grinders | - | Healthy & Tasty Brands Corporation (OTCPK:GRLT) | - | Healthy & Tasty Brands Corporation (OTCPK:GRLT) entered into an agreement to acquire Bellacino's Pizza & Grinders on March 22, 2016. Following the acquisition, Bellacino's Pizza & Grinders will rename as SOONER BREAD COMPANY. |

Source: Capital IQ & Wall Street Research.













Selected U.S. Restaurant Industry Transactions (continued)

Selected Restaurant Transactions

| Date | Target | Size (\$mm) | Buyers / Investors | EV / EBITDA | Transaction Comments |
|------------|--|-------------|--|-------------|--|
| 03/21/2016 | 13 Red Robin Franchised Restaurants in Texas | - | Red Robin Gourmet Burgers Inc. (NasdaqGS:RRGB) | - | Red Robin Gourmet Burgers Inc. (NasdaqGS:RRGB) acquired 13 Red Robin Franchised Restaurants in Texas from Cowboy Red, L.C, Cowgirl Red, LLC, and Texas Red Real Estate, Ltd. and Robert Y Reynolds and Carolyn Frost Keenan on March 21, 2016. |
| 03/09/2016 | TH & I Corporation | \$1 | AP Company USA Inc. | - | AP Company USA Inc. acquired TH & I Corporation for \$1.4 million on March 1, 2016. Purchase price will be paid on the last day of March 2016. |
| 03/04/2016 | CulinArt Inc. | - | Compass Group USA, Inc. | - | Compass Group USA, Inc. acquired CulinArt Inc. on March 4, 2016. CulinArt's management will be retained as part of the merger. CulinArt had revenues of \$265 million in 2015. |
| 03/03/2016 | Twelve Restaurants Located in Central Pennsylvania | - | Carrols Restaurant Group, Inc. (NasdaqGS:TAST) | - | Carrols Restaurant Group, Inc. (NasdaqGS:TAST) acquired twelve restaurants located in central Pennsylvania on February 23, 2016. |
| 02/22/2016 | 19 Casual and Polished-Casual Dining Restaurants in Midwest and Mid-Atlantic States | - | Meritage Hospitality Group Inc. (OTCPK:MHGU) | - | Meritage Hospitality Group Inc. (OTCPK:MHGU) entered into an agreement to acquire 19 Casual and Polished-Casual Dining Restaurants in Midwest and Mid-Atlantic States on February 22, 2016. The deal is subject to due diligence including debt and financing agreements and it is expected to close in summer 2016. |
| 02/12/2016 | The Fresh Diet, Inc. | \$9 | New Fresh Co., LLC | - | New Fresh Co., LLC signed a letter of intent to acquire 90% stake in The Fresh Diet, Inc. from Innovative Food Holdings, Inc. (OTCPK:IVFH) for \$8.7 million on February 9, 2016. |
| 02/10/2016 | 10 Central Ohio Restaurants | - | Long John Silver's, LLC | - | Long John Silver's, LLC acquired 10 Central Ohio restaurants on February 10, 2016. Long John Silver's, LLC will use this market for product testing and training. |
| 01/11/2016 | 42 BURGER KING Restaurants and 5 All-in-One Convenience Stores in Tennessee, Arkansas, Mississippi | - | Cambridge Franchise Holdings, LLC | - | Cambridge Franchise Holdings acquired 42 BURGER KING® restaurants and 5 All-in-One convenience stores in Tennessee, Arkansas and Mississippi from Mirabile Investment Corp on January 11, 2016. |
| 01/06/2016 | Sincerely Yogurt, Inc. | - | Ablak Holdings, LLC | - | Ablak Holdings, LLC acquired the assets of Sincerely Yogurt, Inc. from Michael Mathias, Craig Cozza and Fernando Esquivel on January 1, 2016. Sincerely Yogurt generated sales of \$6 million for the year ended on December 31, 2015. |
| 01/05/2016 | Airport Shoppes Corp. and International Meal Company DR S.R.L. and Inversiones Llers S.A. | \$50 | Management Group Investor, LLC | - | Management Group Investor, LLC agreed to acquire Airport Shoppes Corp. and International Meal Company DR S.R.L. and Inversiones Llers S.A. from International Meal Company Alimentação S.A. (BOVESPA:MEAL3) for approximately \$49.3 million on January 5, 2016. |
| 12/18/2015 | \$210.5 million pool of restaurants | - | Golden Gate Capital | - | Golden Gate Capital acquired \$210.5 million pool of restaurants from VEREIT, Inc. (NYSE:VER) on December 18, 2015. |
| 12/18/2015 | Famous Dave's of America Inc., Seven Locations In Chicago Area | \$1 | Elliott Baum | - | Elliott Baum entered into an asset purchase agreement to acquire seven restaurant locations from Famous Dave's of America Inc. (NasdaqGS:DAVE) for \$1.15 million on December 14, 2015. |
| 12/15/2015 | EBC Public House, Inc. | \$1 | Evans Brewing Company Inc. | - | Evans Brewing Company Inc. entered into an agreement to acquire EBC Public House, Inc. from Michael J. Rapport for \$1 million on December 10, 2015. Under the terms of the deal, Evans Brewing Company will issue 1 million Series A Preferred Stock. |
| 12/09/2015 | 41 Burger King Locations across Indiana, Kentucky, Michigan and New Jersey | - | Carrols Restaurant Group, Inc. (NasdaqGS:TAST) | - | Carrols Restaurant Group, Inc. (NasdaqGS:TAST) acquired 41 Burger King Restaurants across Indiana, Kentucky, Michigan and New Jersey on December 9, 2015. |
| 11/16/2015 | Vetri Family of Restaurants | - | Urban Outfitters Inc. (NasdaqGS:URBN) | - | Urban Outfitters Inc. (NasdaqGS:URBN) entered into an agreement to acquire substantially all The Vetri Family group of restaurants from Marc Vetri and Jeff on November 16, 2015. Vetri, the boutique Italian restaurant that was their first business when it opened on Spruce Street in 1998, will not be included in the sale. Vetri's restaurants could become part of Urban Outfitters' lifestyle village in Devon. Vetri Family will become a subsidiary of Urban Outfitters Inc., known as URBN. No branding or logo modifications are planned, and no employee moves are expected. Marc and Jeff shall join Urban Outfitters. The deal is expected to be completed by the end of the year. |
| 11/09/2015 | Houlihan's Restaurants, Inc. | - | York Capital Management | - | York Capital Management, Michael Archer and members of the management team agreed to acquire Houlihan's Restaurants, Inc. from Marathon Fund Limited Partnership V, fund of Goldner Hawn Johnson & Morrison Inc. on November 9, 2015. |
| 11/05/2015 | Ruby Tuesday, Inc., Eight Corporate-Owned Lime Fresh Mexican Grill Locations in Florida | \$6 | Rubio's Restaurants, Inc. | - | Rubio's Restaurants, Inc. entered into an agreement eight corporate-owned Lime Fresh Mexican Grill locations in Florida from Ruby Tuesday, Inc. (NYSE: RT) for approximately \$6.3 million on November 5, 2015. The deal is subject to customary closing conditions, including obtaining certain consents and permits, and is expected to for January of 2016. Melissa Calandrucio and Liz DiTrapano, LLC acted as public relation officer for the transaction. |
| 11/03/2015 | Golden Gate Bread, LLC, 2 Panera Bakery Cafes | - | Flynn Restaurant Group LLC | - | Flynn Restaurant Group acquired 2 Panera Bakery Cafes from Golden Gate Bread, LLC on November 3, 2015. |

Source: Capital IQ & Wall Street Research.

Commitment to the Restaurant Industry

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|--|---|---|--|---|---|---|
| <p>Fast Casual Concept</p> <p>Pending</p> |  |  |  |  |  |  |
| <p>Fast Casual Concept</p> <p>Pending</p> |  |  |  |  |  |  |
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Peakstone Momentum

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|   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |  Strategic Investor Financial Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |  M&A Advisor PEAKSTONE |
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|  Financial Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |  M&A Advisor PEAKSTONE |   M&A Advisor PEAKSTONE |

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About Peakstone

Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com.

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