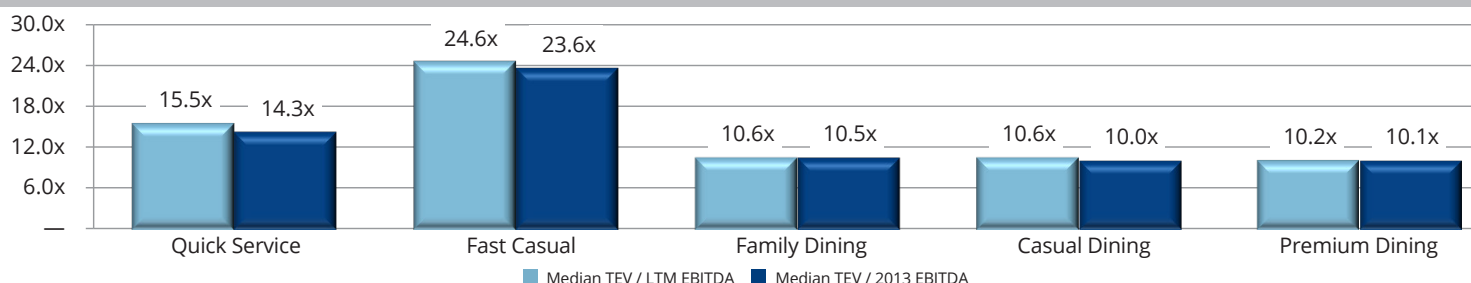


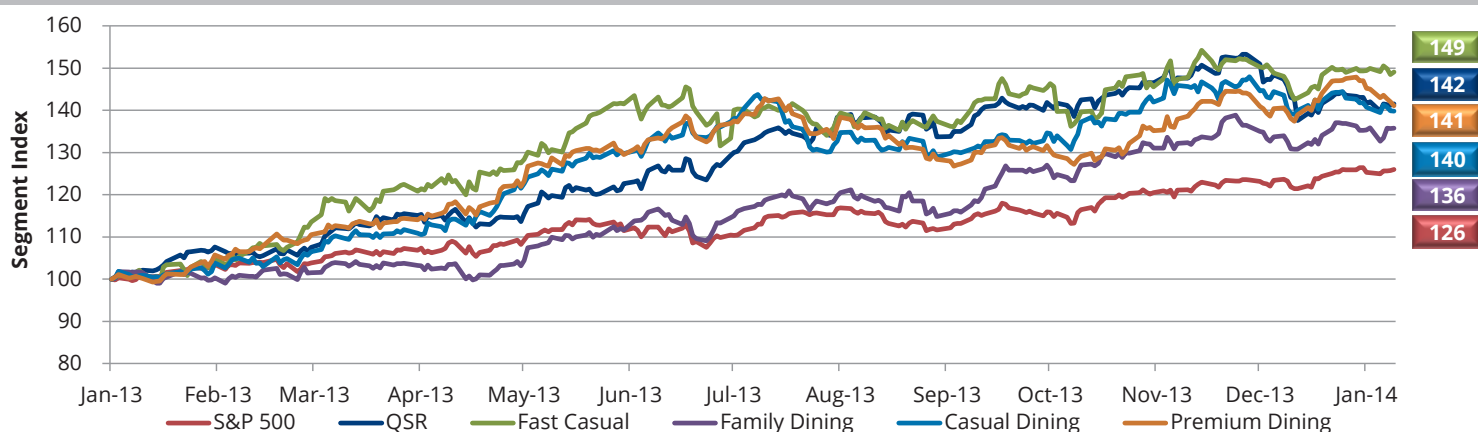
## Restaurant Industry Commentary

Following three months of consecutive growth, December delivered relatively soft performance for restaurants. Same store sales dropped 2.0% in the last month of the year, due in large part to a 4.5% decline in comparable restaurant traffic, according to Blackbox Intelligence. While these results are modestly discouraging, many operators remain bullish on calendar year 2014, attributing December's poor performance to inclement weather across the country and a late Thanksgiving's truncation of the shopping season. December and the first half of January have marked perhaps the most active two-month stretch in recent memory from an M&A perspective. Of particular note, **Apollo Global** acquired **CEC Entertainment** (Chuck E' Cheese) at an enterprise value of \$1.3 billion, or 7.6x trailing twelve months EBITDA. The QSR space, however, has continued to outshine more premium categories. **Roark Capital's** \$1.7 billion purchase of **CKE restaurants**, **TPG Growth's** acquisition of **Halifax** portfolio company **PJ United** and **United States Beef Corporation's** add-on acquisition of **The Bailey Company** headlined this activity. Public trading performance continues to demonstrate strength, with the Fast Casual segment particularly delivering outsized valuations.

## Current Restaurant Valuations by Price Point (TEV / EBITDA)



## Public Market Performance (Latest Twelve Months)



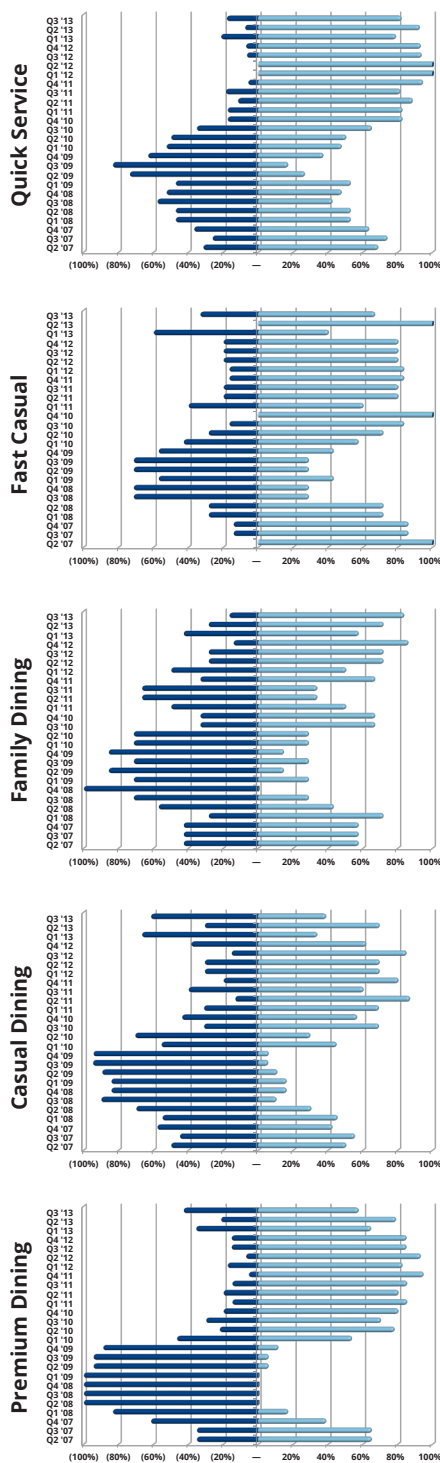
## Recent Restaurant M&A Activity

(\$ in millions)

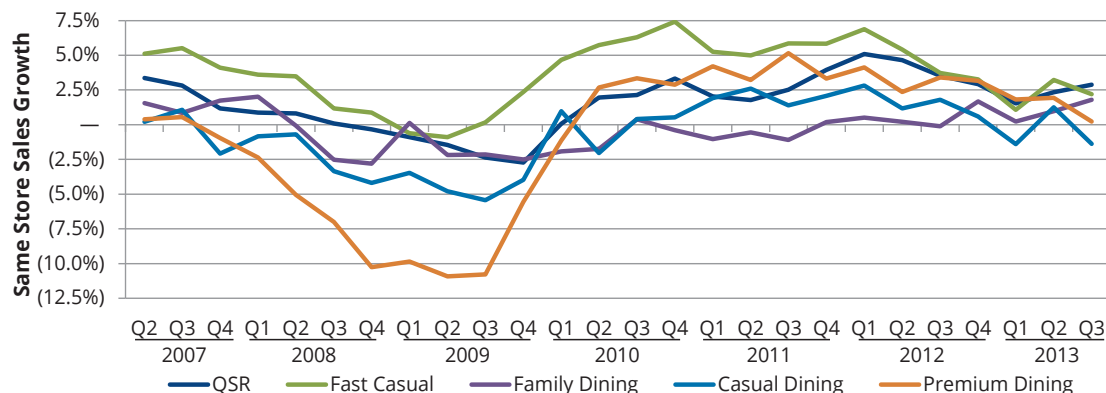
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple	Industry Segment
1/16/2014A	CEC Entertainment (Chuck E Cheese)	Apollo Global Management	\$1,295.5	\$170.46 / 7.6x	Family
12/5/2013A	Dallas Spoon	Chanticleer Holdings	NA	NA / NA	Premium
11/21/2013A	The Wendy's Company, 38 Wendy's Locations	Richard Holland	NA	NA / NA	QSR
01/09/2014	PJ United	TPG Growth	NA	NA / NA	QSR
01/06/2014	Lonestar Steakhouse & Saloon	Day Star Restaurant Group	NA	NA / NA	Casual
12/27/2013	The Wendy's Company, 30 Wendy's Locations	HAZA Foods, LLC	NA	NA / NA	QSR
12/26/2013	CKE Restaurants Inc.	Roark Capital Group	\$1,700.0	NA / NA	QSR
12/18/2013	The Bailey Company (47 Arby's restaurants)	United States Beef Corporation	NA	NA / NA	QSR
12/18/2013	10 Subway Sandwich Shops	Rottinghaus Company, Inc.	NA	NA / NA	QSR
12/16/2013	Mad Greens Corporation	AC Restaurant Group	NA	NA / NA	Fast Casual
12/09/2013	The Wendy's Company, 54 Wendy's Locations	NPC International	\$31.3	NA / NA	QSR
12/02/2013	Captain D's	Centre Partners	NA	NA / NA	QSR
10/23/2013	The ONE Group	Committed Capital Acquisition Corp. (OTCPK:STKS)	NA	NA / NA	Premium
10/07/2013	The Wendy's Company, 24 Wendy's Locations	Cedar Enterprises	\$12.5	NA / NA	QSR

## Quarterly Gainers & Losers by Price Point

### Decliners / Gainers



## Same Store Sales by Price Point



## Recent TM Capital Restaurant Experience

**Burger King Coldco**  
a portfolio company of  
**PNC RIVERARCH CAPITAL**  
has acquired  
**FAST FOOD ENTERPRISES #2, LLP**  
A FRANCHISE OF THE BURGER KING CORPORATION

**PNC RIVERARCH CAPITAL**  
has acquired  
**Burger King Coldco**  
a portfolio company of  
**EQUICORP Partners**

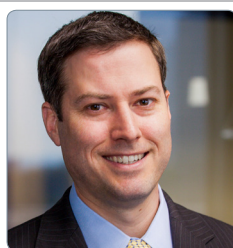
**BACK BAY RESTAURANT GROUP**  
has sold  
**Atlantic Fish, Jaws, and Coach Grill**  
to  
**TAVISTOCK GROUP**

**BACK BAY RESTAURANT GROUP**  
has sold  
**PAPA RAZZI TRATTORIA BAR**  
to  
**NHC**

**Arbys**  
a subsidiary of  
**TRIARC**  
has acquired  
**RTM RESTAURANT GROUP**

**Smith & Wollensky**  
has been acquired by  
**BUNKER HILL CAPITAL**  
and  
**PRG PATINA RESTAURANT GROUP**

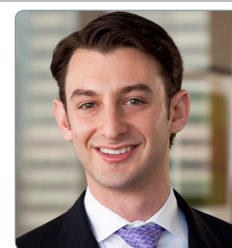
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## About TM Capital

TM Capital Corp. is a partner-owned investment banking firm based in New York, Boston and Atlanta, which has completed over 250 transactions with a combined value in excess of \$14 billion. Since 1989, we have advised clients navigating a full range of critical transactions, including complex mergers, acquisitions, debt and equity financings, minority and majority recapitalizations, restructurings, and advisory services including takeover defense, fairness and solvency opinions, valuations, as well as litigation support. We have built deep industry expertise in key sectors and our team regularly publishes research highlighting current and emerging trends in targeted industries and markets. TM Capital is a member firm of M&A International Inc., the world's leading alliance of mid-market investment banks with over 600 M&A professionals in 41 countries. Members have closed over 1,300 transactions totaling more than \$75 billion in value over the past five years. For more information, visit [www.tmcapital.com](http://www.tmcapital.com).

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