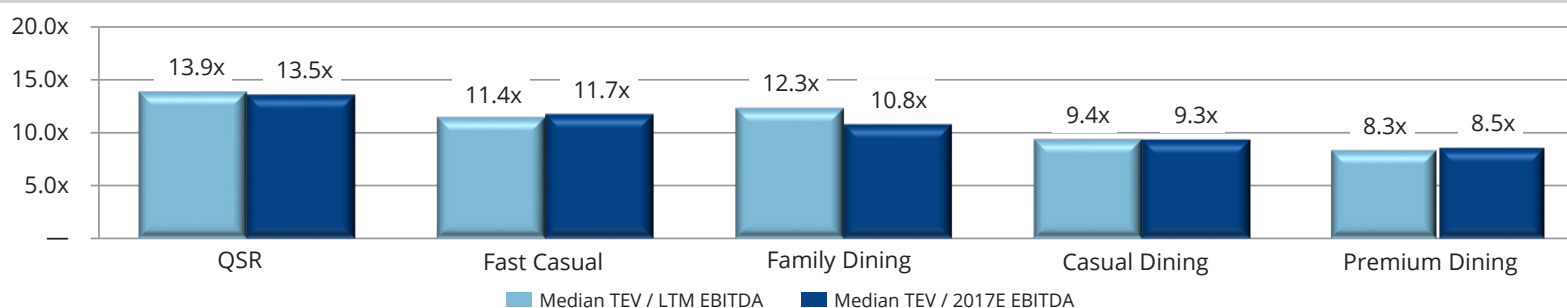




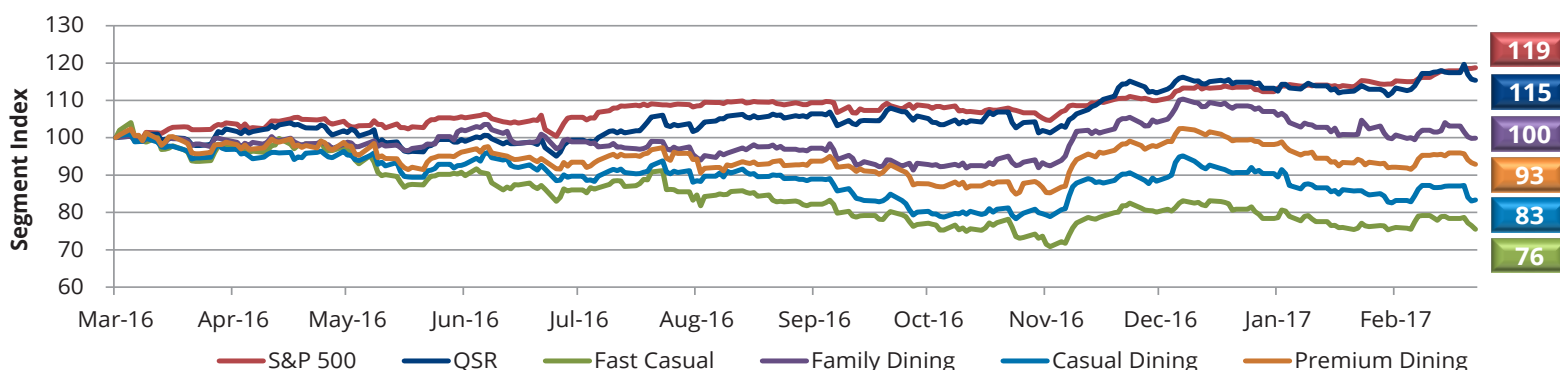
## Restaurant Industry Commentary

TM Capital's restaurant indices traded below the S&P 500 over the last 30 days. While same-store sales growth was flat and same-store traffic growth declined 2.5%, January marked a break from ten consecutive months of negative same-store sales growth, according to Black Box Intelligence. We are particularly optimistic about the potential for another strong year of M&A activity. Most notably, **Restaurant Brands International Inc. (NYSE:QSR)** has agreed to acquire **Popeyes Louisiana Kitchen, Inc. (NasdaqGS:PLKI)**, highlighting the **3G Capital** backed Company's ambition to build a growth oriented multi-brand platform. The addition of Popeyes, which has significant white space in which to expand both domestically and internationally, could provide a meaningful opportunity for franchisees seeking growth, further enhancing the attractiveness of the RBI system.

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



### Public Market Performance (Latest Twelve Months)

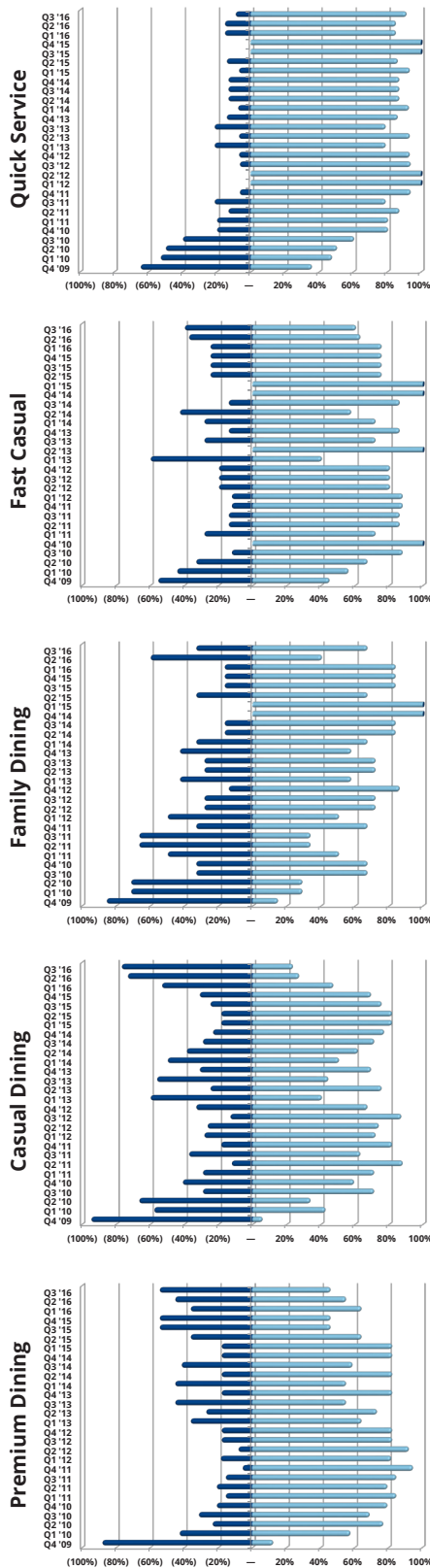


### Recent Restaurant M&A Activity

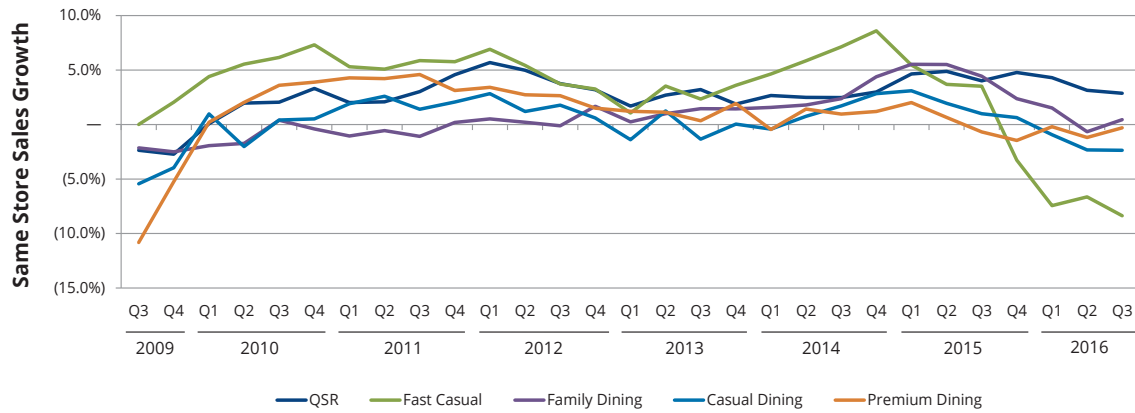
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
02/23/2017	The Soda Shop LLC	Four Foods Group Holdings, LLC	NA	NA	/	NA	Casual
02/22/2017A	6 Papa Murphy's Stores in Denver	Barren Troy Holdings	NA	NA	/	NA	Casual
02/21/2017A	Popeyes Louisiana Kitchen, Inc. (NasdaqGS:PLKI)	Restaurant Brands International Inc. (NYSE:QSR)	\$1,815.5	\$88.7	/	20.5x	QSR
02/20/2017	30 Wendy's Restaurants in Virginia	Delight Restaurant Group	NA	NA	/	NA	QSR
02/13/2017	Portfolio of KFC Stores In Kansas	FQSR, LLC	NA	NA	/	NA	QSR
02/09/2017A	69 Wendy's Restaurants in Midwest and Mid-Atlantic States	Meritage Hospitality Group Inc. (OTCPK:MHGUG)	NA	NA	/	NA	QSR
02/06/2017A	Yobe Frozen Yogurt	ARC Group, Inc. (OTCPK:ARCK)	NA	NA	/	NA	Fast Casual
02/06/2017	8 Arby's Units in Pennsylvania & New York	AR Group of Restaurants, Inc.	NA	NA	/	NA	QSR
02/06/2017A	222 Public House, LLC	Angry Troll Brewing	NA	NA	/	NA	Casual
02/01/2017	TAO Group LLC	The Madison Square Garden Company (NYSE:MSG)	\$315.1	NA	/	NA	Premium

## Quarterly Gainers & Losers by Price Point

### Decliners / Gainers



## Same Store Sales by Price Point



## Selected TM Capital Restaurant Experience

 <b>STARBUCKS®</b> has sold the exclusive rights to operate <b>Starbucks Puerto Rico</b> to <b>Baristas Del Caribe, LLC</b> an affiliate of <b>Empresas Fonalledas Inc.</b>	 a portfolio company of  has sold a portfolio of restaurants to <b>Burger Gulf Coast, LLC</b>	 a portfolio company of  has acquired  <b>FAST FOOD ENTERPRISES #2, LLC</b> <small>A FRANCHISE OF THE BURGER KING CORPORATION</small>	 has acquired  a portfolio company of <b>EQUICORP Partners.</b>
 has been acquired by <b>BUNKER HILL CAPITAL</b> and 	 has sold  to <b>TAVISTOCK GROUP</b>	 has sold  <b>PAPA • RAZZI</b> <b>TRATTORIA • BAR</b> to 	 a subsidiary of <b>TRIARC</b> has acquired 

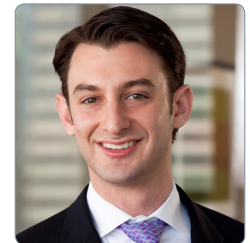
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