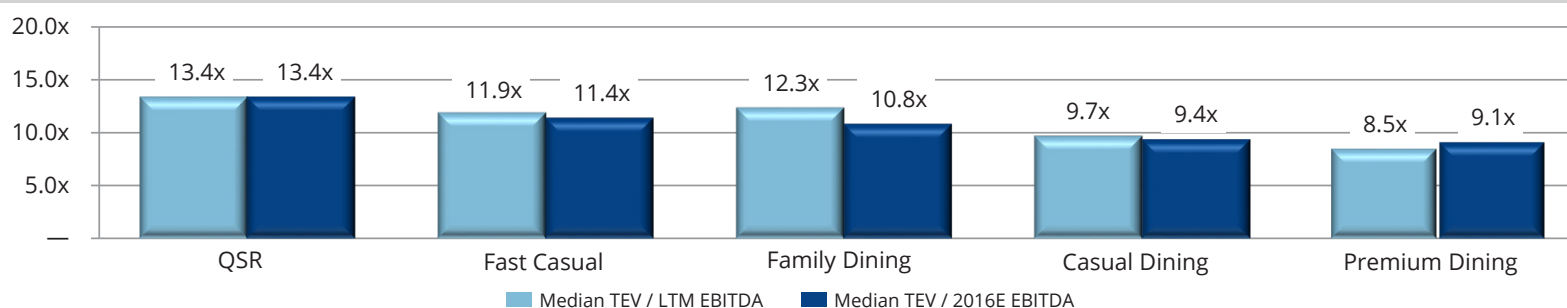




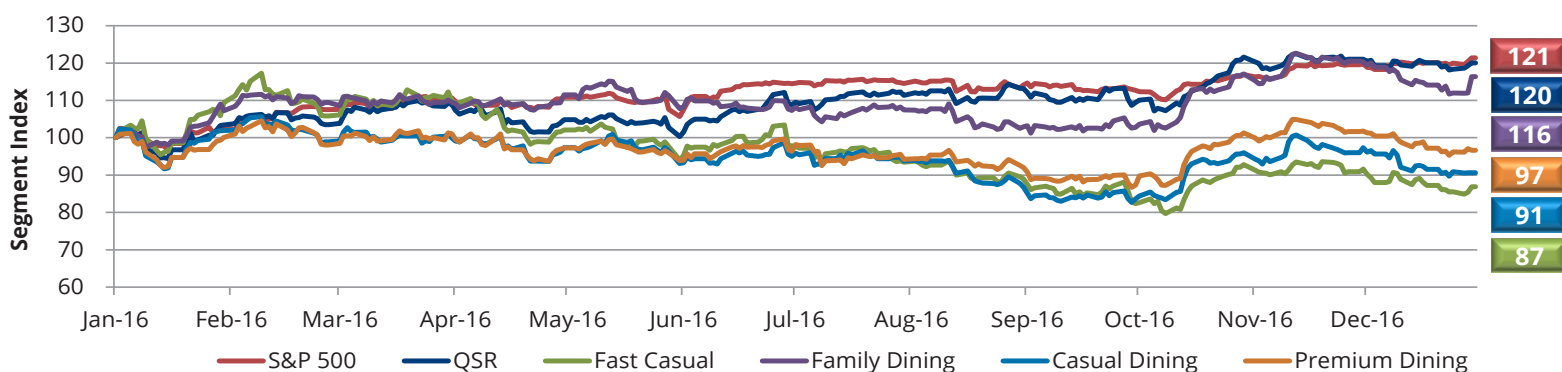
## Restaurant Industry Commentary

TM Capital's restaurant indices, with the exception of Fast Casual, traded below the S&P 500 over the last 30 days. December marked the weakest month for both same-store sales growth and same-store traffic growth in recent years, each declining 4.3% and 6.4%, respectively, according to Black Box Intelligence. While increasingly popular inexpensive dining alternatives and tightening labor markets in 2016 were not helpful to the restaurant industry, a loosening regulatory environment could drive better performance in 2017. M&A activity remained strong in the New Year. Notable transactions included **TA Associates'** acquisition of **PepperJax Grill** operator **PepperJax Development**; **GPS Hospitality's** acquisition of 194 **Burger King (NYSE:QSR)** restaurants; **Cerberus Capital Management's** acquisition of **Garden Fresh Restaurant Corp.** out of bankruptcy; as well as **Golden Gate Capital's** acquisition of the **Bob Evans** restaurant chain.

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



### Public Market Performance (Latest Twelve Months)

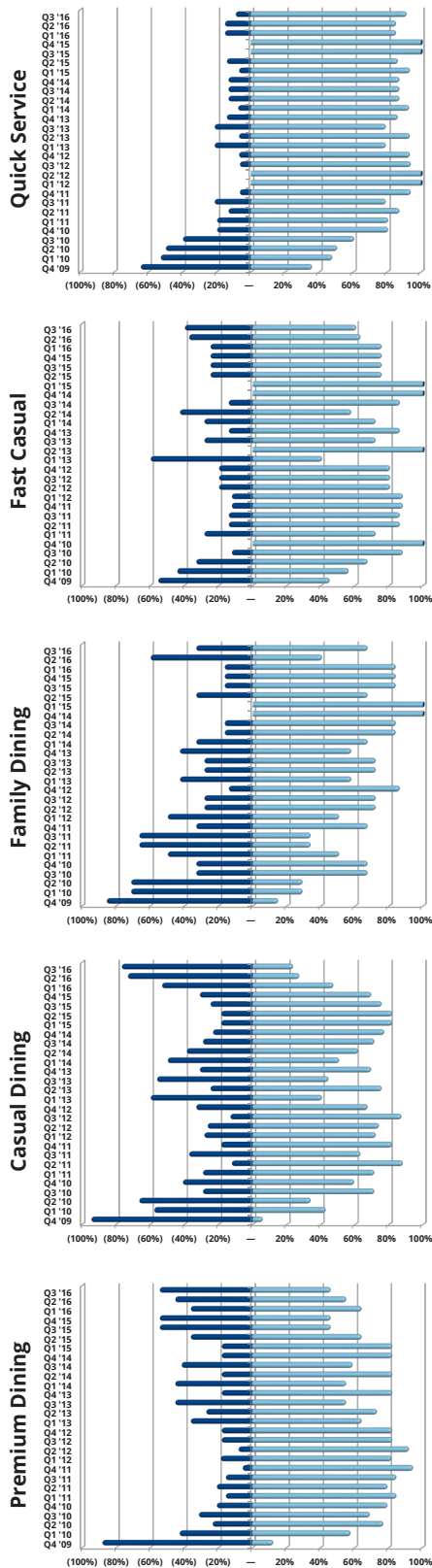


### Recent Restaurant M&A Activity

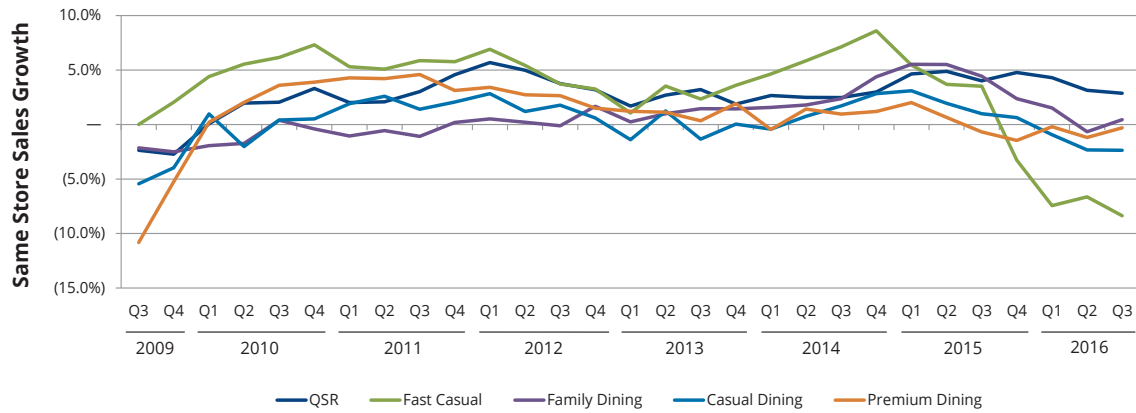
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
01/24/2017A	Bob Evans Restaurants	Golden Gate Capital	\$565.0	NA	/	NA	Family
01/12/2017	Angelo's Pizzeria	Greenfield Farms Food, Inc. (OTCPK:GRAS)	NA	NA	/	NA	Casual
01/10/2017	Minority Investment in The Kebab Shop	AP Franchised Concepts	NA	NA	/	NA	Fast Casual
01/10/2017	Pizza Patrón	Charles Loflin (Pizza Patrón Franchisee)	NA	NA	/	NA	QSR
01/10/2017	10 Burger King Restaurants in Tennessee	Cambridge Franchise Holdings, LLC	NA	NA	/	NA	QSR
01/10/2017	Cardinal Bar Madison	Nomad World Pub	NA	NA	/	NA	Casual
01/09/2017A	Garden Fresh Restaurant Corp.	Cerberus Capital Management, L.P.	NA	NA	/	NA	Casual
01/04/2017	Uptown Subs	Deco Pizzeria, LLC	NA	NA	/	NA	Casual
01/03/2017	Rita's Water Ice Franchise Company, LLC	Argosy Capital ; MTN Capital Partners LLC	NA	NA	/	NA	Casual
12/27/2016	Queen City Seafood Grill	G&M Restaurants LLC	NA	NA	/	NA	Casual

## 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> A FRANCHISE OF THE BURGER KING CORPORATION	 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> TRATTORIA • BAR to 	 a subsidiary of <b>TRIARC</b> has acquired 

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