TM capital
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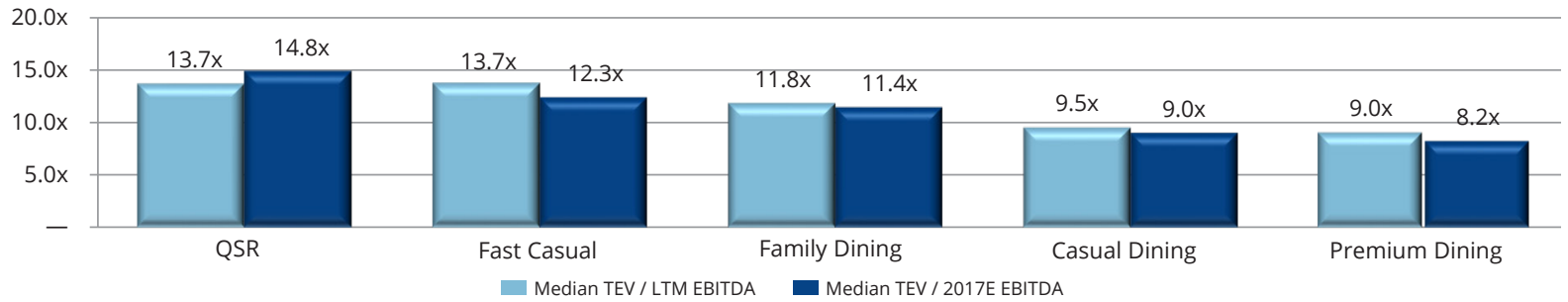
Restaurant Monthly
June 2017

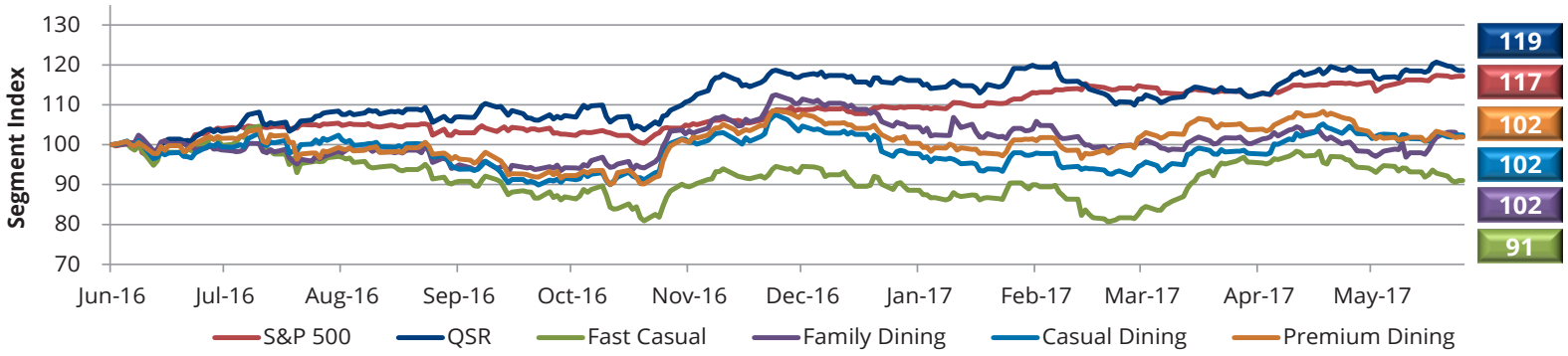
Restaurant Industry Commentary

With the exception of QSR, TM Capital's restaurant indices traded below the S&P 500 over the last 30 days, while same-store sales and same-store traffic continued their respective patterns of decline (1.1% and 3.0%). General overdevelopment, in addition to the proliferation of meal delivery services and hyper-local concepts is, in our opinion, putting increased pressure on the chains typically tracked in these surveys. Additionally, it is worth noting that Chipotle has finally lapped its first "crisis" quarter – skewing TM Capital's fast casual same store sales index upwards. In M&A news, **Ignite Restaurant Group's (OTCPK:IRGT.Q)** bankruptcy sale is generating competitive interest – with **Landry's** lobbing in a bid in an attempt to usurp stalking horse, **Kelly Companies of Southern California**. Additionally, **NPC International** recently won the title of largest **Wendy's (NasdaqGS:WEN)** franchisee, with its acquisition of 140 units previously owned by **DavCo**, from Wendy's corporate.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



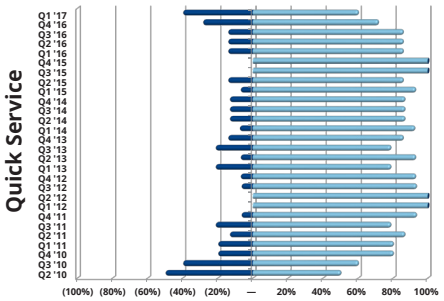
Recent Restaurant M&A Activity

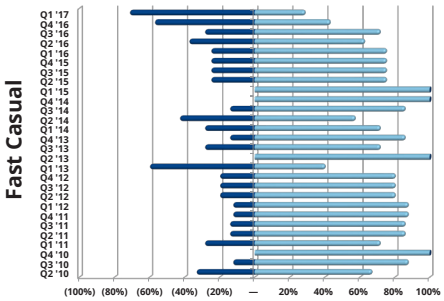
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
06/06/2017	The Antler's Restaurant, LLC	4B's Holdings, Inc.	NA	NA	/	NA	Casual
06/01/2017	140 Wendy's Restaurants	NPC International Inc.	NA	NA	/	NA	QSR
05/30/2017	Tony's Seafood Restaurant	Hog Island Oyster Co.	NA	NA	/	NA	Casual
05/24/2017	Max Brenner International Inc.	Israeli Max Brenner Franchisees	$5.0	NA	/	NA	Casual
05/22/2017	PizzaRev	Cleveland Avenue LLC	NA	NA	/	NA	Fast Casual
05/22/2017	Baker Bros. American Deli	FGR Food Corporation	NA	NA	/	NA	Fast Casual
05/22/2017A	Elephant Bar Restaurant, Inc.	SBR, LLC	NA	NA	/	NA	Casual
05/18/2017A	38 Pizza Hut Restaurants in Canada	Franchise Management Inc.	NA	NA	/	NA	QSR
05/18/2017	Tava Kitchen	Curry Up Now	NA	NA	/	NA	Fast Casual
05/16/2017	Minority Investment in Salt & Straw	Union Square Hospitality Group	NA	NA	/	NA	Casual

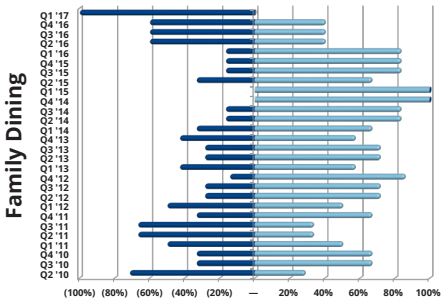
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

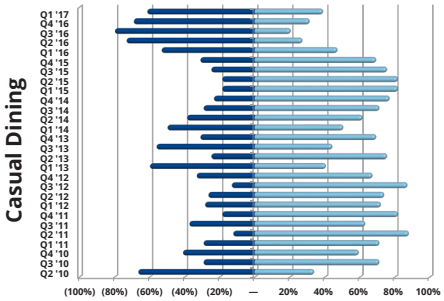
Quarterly Gainers & Decliners by Price Point

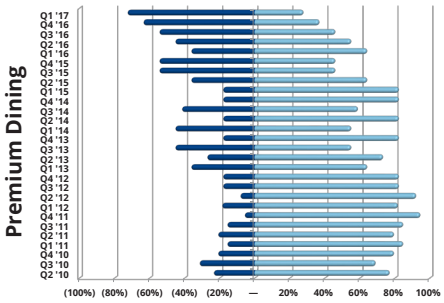
Decliners / Gainers



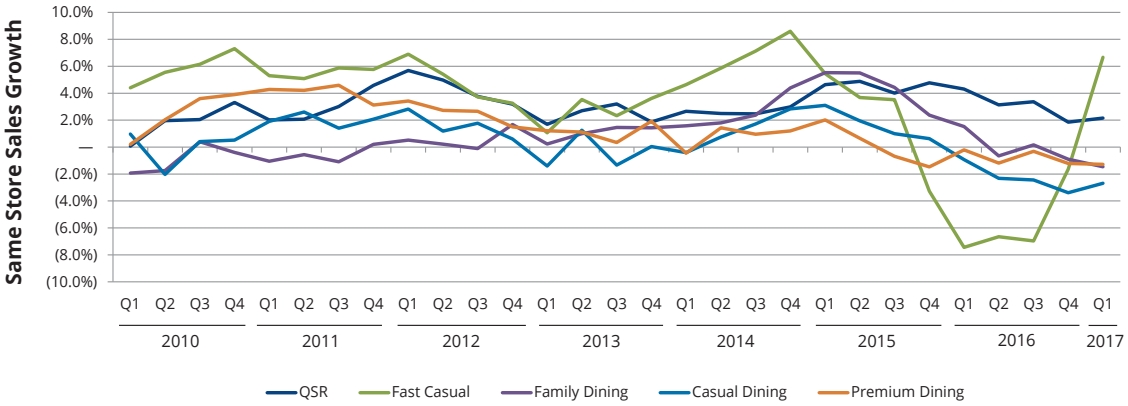








Same Store Sales by Price Point



Selected TM Capital Restaurant Experience

STARBUCKS®
has sold the exclusive rights to operate
Starbucks Puerto Rico
to
Baristas Del Caribe, LLC
an affiliate of
Empresas Fonalledas Inc.

Burger King Coldco
a portfolio company of
PNC Riverarch Capital
has sold a portfolio of restaurants to
Burger Gulf Coast, LLC

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

Smith & Wollensky
has been acquired by
Bunker Hill Capital
and
Patina Restaurant Group

Back Bay Restaurant Group
has sold
Atlantic Fish, Joe's American Bar & Grill, Alex & Ani's, Coach Grill
to
Tavistock Group

Back Bay Restaurant Group
has sold
Papa Razzi Trattoria • Bar
to
NHC

Arby's
a subsidiary of
TRIARC
has acquired
RTM Restaurant Group

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