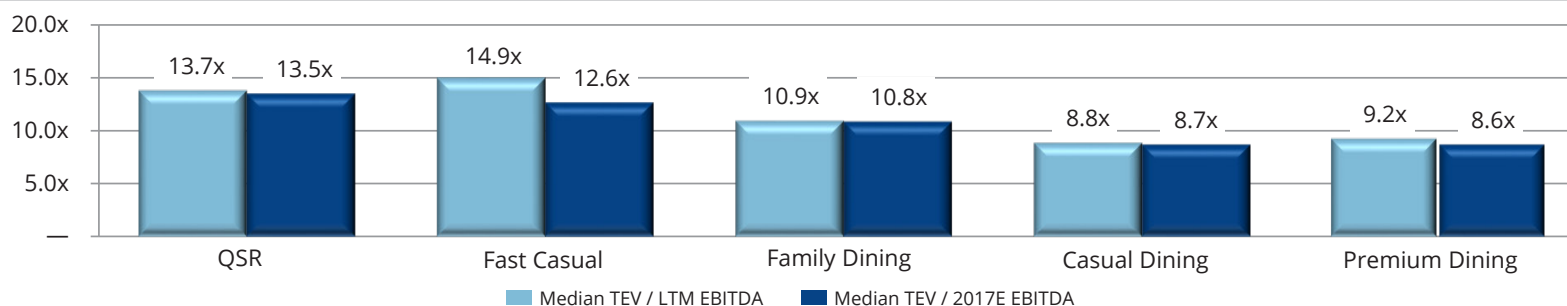




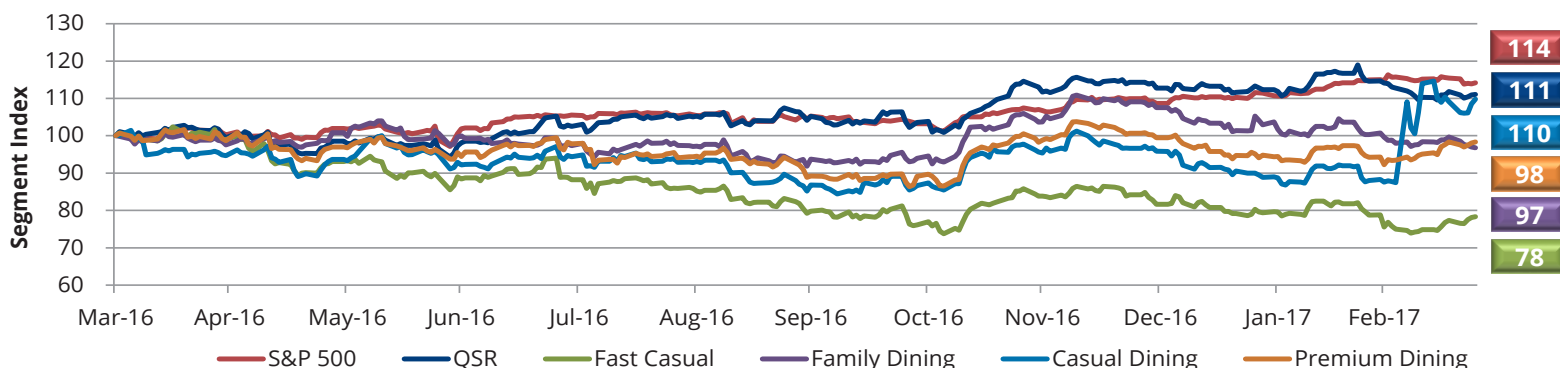
## Restaurant Industry Commentary

TM Capital's restaurant indices traded below the S&P 500 over the last 30 days. Additionally, same-store sales and same-store traffic declined by 3.7% and 5.0%, respectively, per Black Box Intelligence—illustrating that the January uptick may have been an aberration rather than a turning point. Despite this ongoing trend, M&A activity is strong. Sentinel Capital just announced the sale of **Checkers Drive-In Restaurants** to **Oak Hill Capital** for \$525 million, and **Ruby Tuesday (NYSE:RT)** recently announced that it is exploring a possible sale. As evidenced by transactions like **Golden Gate Capital's** acquisitions of **Bob Evans Restaurants** and **Red Lobster**, buyers are often willing to look past lackluster performance when there is real estate value to be unlocked. We expect the market's reaction to Ruby Tuesday and its \$600 million real estate portfolio to be no exception.

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



## Public Market Performance (Latest Twelve Months)

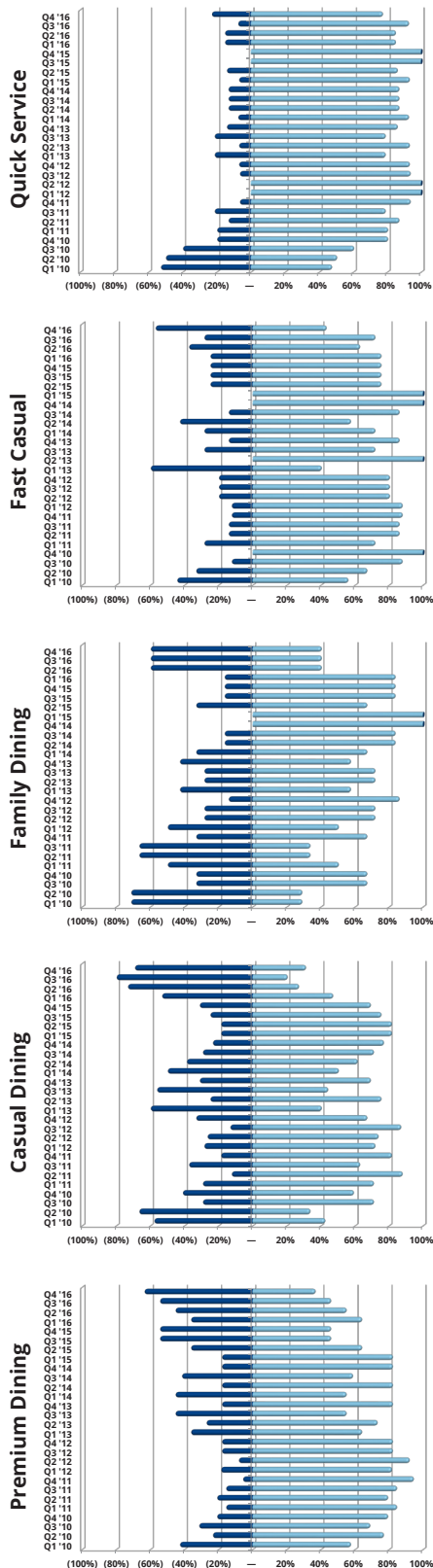


## Recent Restaurant M&A Activity

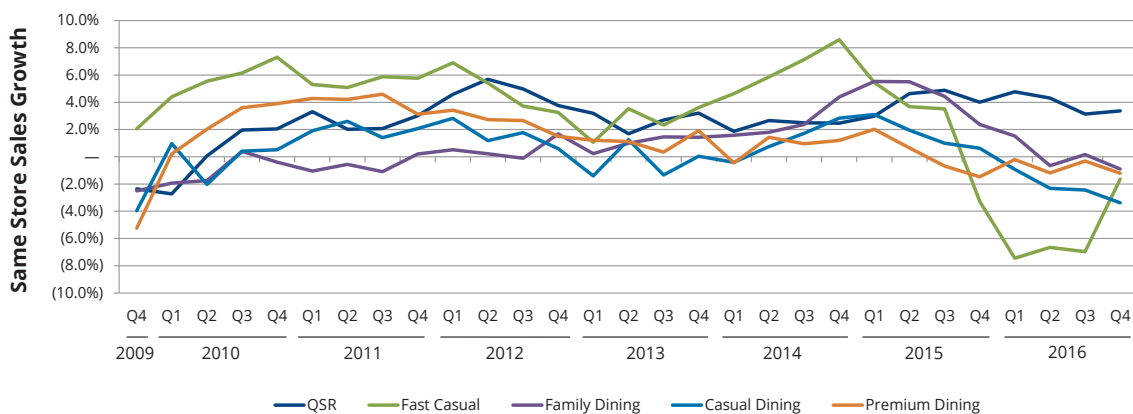
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
03/23/2017	Checkers Drive-In Restaurants, Inc.	Oak Hill Capital	NA	NA	/	NA	QSR
03/09/2017A	62 Wendy's Restaurants	NPC Quality Burgers, Inc.	\$52.6	NA	/	NA	QSR
02/23/2017	The Soda Shop LLC	Four Foods Group Holdings, 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	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:MHGU)	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

## Quarterly Gainers & Losers 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  
**BRG PATINA RESTAURANT GROUP**

**BACK BAY RESTAURANT GROUP**  
has sold  
**Atlantic Fish**  
**AMERICAN BRAWLER**  
**Red Lobster**  
**Coach Grill**  
to  
**TAVISTOCK GROUP**

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

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

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