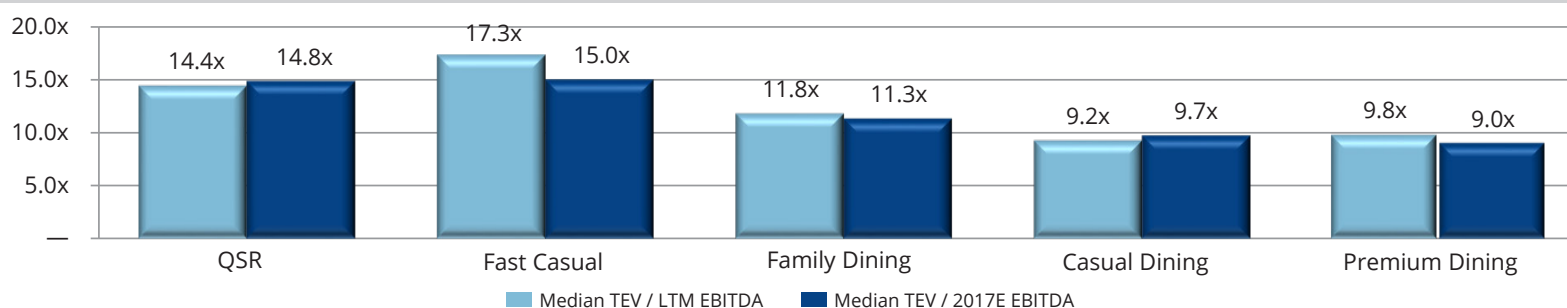




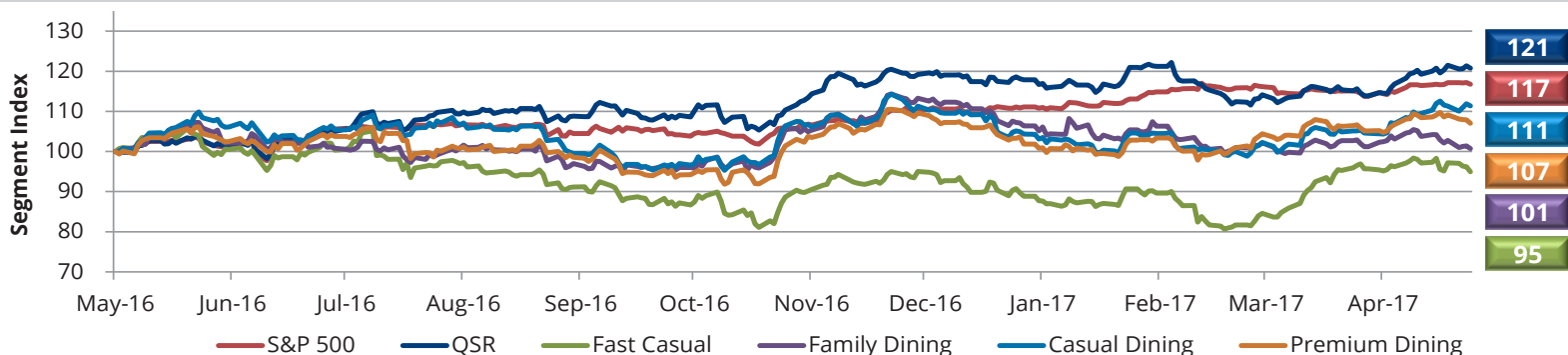
## Restaurant Industry Commentary

TM Capital's restaurant indices outpaced the S&P 500 over the last 30 days, with the exception of Family and Premium Dining, while same-store sales and same-store traffic growth declined by 1.0% and 3.3%. As national restaurant operators struggle to drive traffic, the divergence between these operators and their still growing (but smaller), "platform potential" counterparts is stark. Recent M&A activity tells this story in spades, as private equity snaps up investments in businesses with untapped growth potential and larger operators struggle to protect their market share. Along these lines, M&A activity was strong in May, including the acquisition of **Mountain Mike's Pizza** by a **Levine Leichtman Capital Partners** led investment group, as well as **Balmoral Funds'** and **Gala Capital Partners'** acquisition of **Mooyah**.

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



### Public Market Performance (Latest Twelve Months)

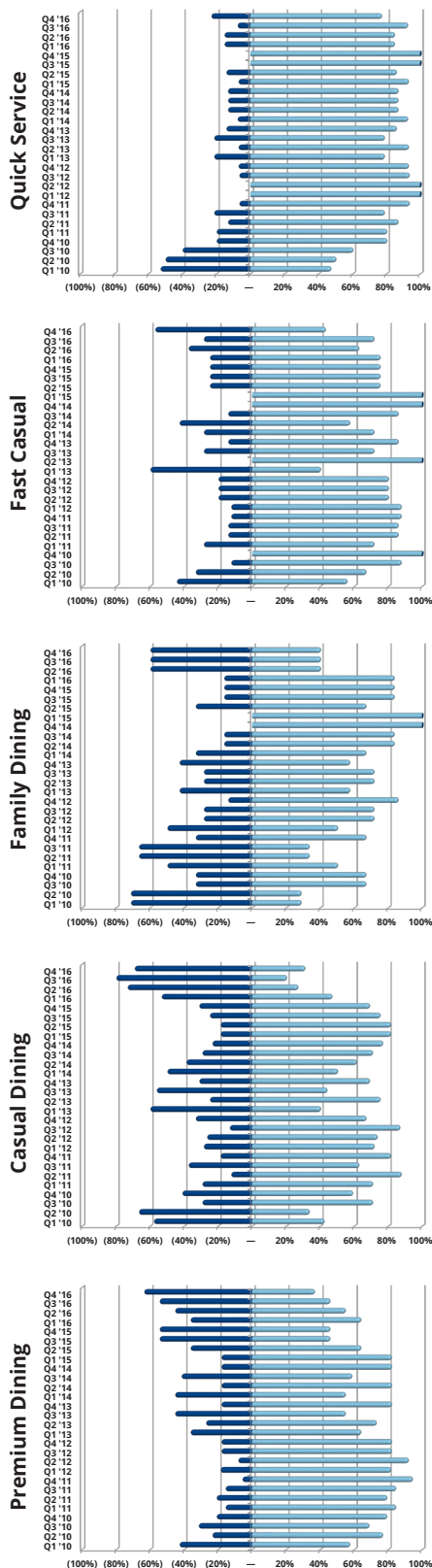


### Recent Restaurant M&A Activity

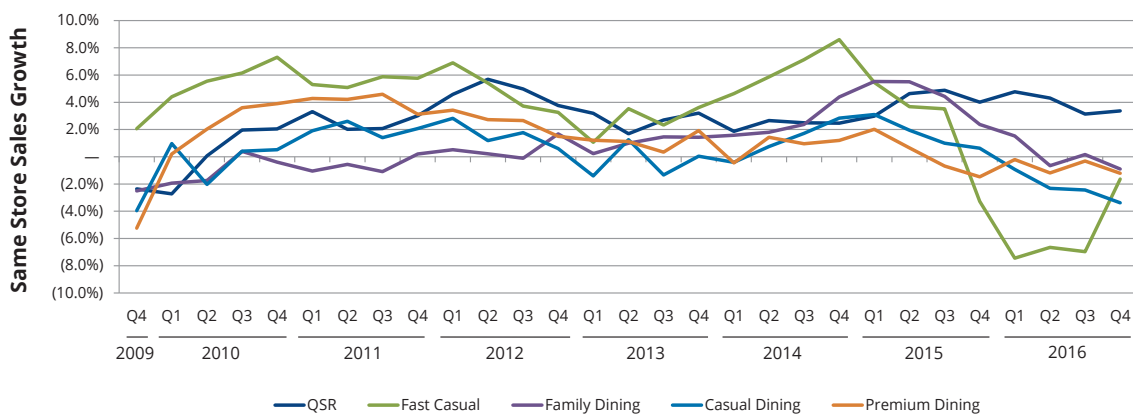
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple				Industry Segment
05/08/2017A	The WORKS Gourmet Burger Bistro Inc.	MTY Food Group Inc. (TSX:MTY)	NA	NA	/	NA	NA	Casual
05/08/2017	Les Restaurants Giorgio (Amérique) Ltée	MTY Food Group Inc. (TSX:MTY)	NA	NA	/	NA	NA	Premium
05/08/2017	16 Pizza Hut locations in Southern New Jersey	Undisclosed Buyer	NA	NA	/	NA	NA	QSR
05/04/2017	3 Del Taco Restaurants in Atlanta	Undisclosed Buyer	NA	NA	/	NA	NA	QSR
05/03/2017	Mooyah Franchise, LLC	Balmoral Funds LLC; Gala Capital Partners, LLC	NA	NA	/	NA	NA	Fast Casual
04/25/2017	45 Outback Restaurants in AZ, CO, NV and NM	Cerca Trova Restaurant Concepts LLC	NA	NA	/	NA	NA	Premium
04/20/2017	8 Outback Restaurants and 1 Carrabba's Unit	Evergreen Restaurant Group LLC	NA	NA	/	NA	NA	Premium
04/20/2017A	Mountain Mike's Pizza	Group Led by Levine Leichtman Capital Partners	NA	NA	/	NA	NA	Casual
04/19/2017A	Osha Restaurants in California	Food Capitals (USA), Inc.	\$8.5	NA	/	NA	NA	Casual
04/18/2017	Minority Investment in Torchy's Tacos	General Atlantic	NA	NA	/	NA	NA	Fast Casual

## 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 MARKET, American Pie, and 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**

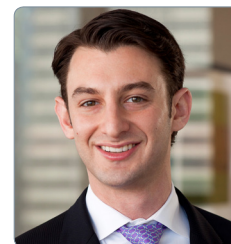
## TM Capital's Restaurant Contacts



**James S. Grien**  
Managing Director  
jgrien@tmcapital.com  
404-995-6235



**Craig M. Gibson**  
Managing Director  
cgibson@tmcapital.com  
617-259-2204



**Philip S. Krieger**  
Principal  
pkrieger@tmcapital.com  
404-995-6242

**New York**  
641 Lexington Avenue  
30th Floor  
New York, NY 10022  
Tel: 212.809.1360

**Boston**  
201 Washington Street  
32nd Floor  
Boston, MA 02108  
Tel: 617.259.2200

**Atlanta**  
1230 Peachtree Street NE  
Suite 550  
Atlanta, GA 30309  
Tel: 404.995.6230



www.tmcapital.com