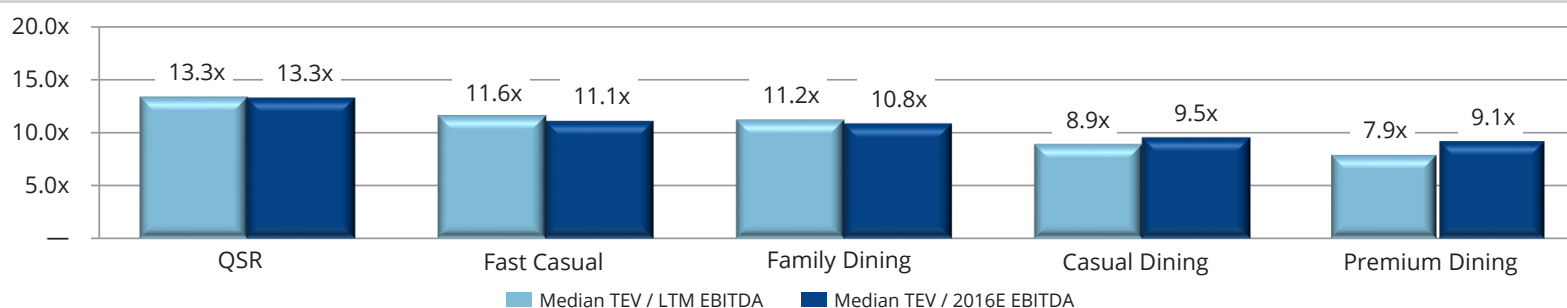




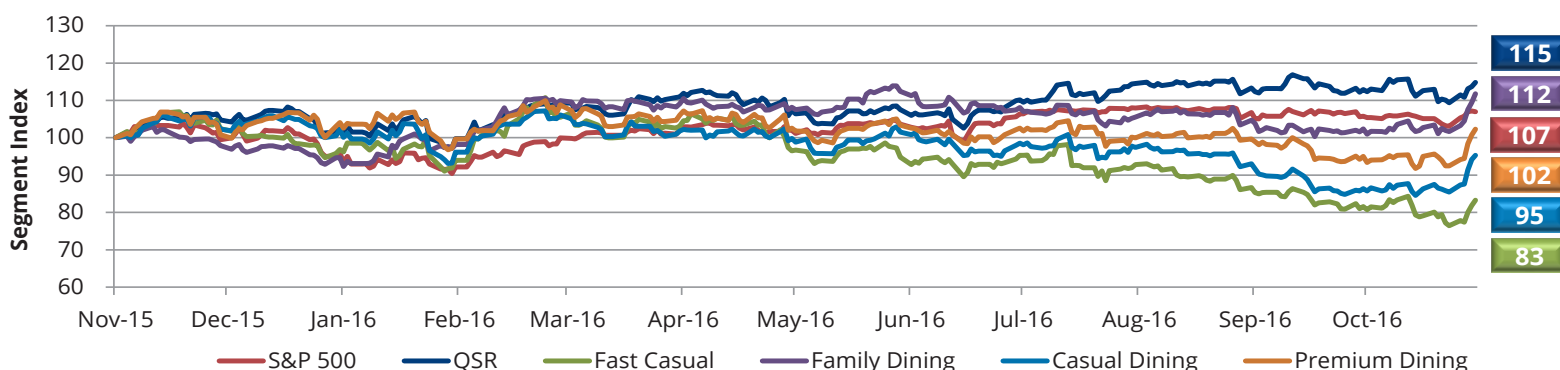
Restaurant Industry Commentary

After trading down over the last few months, restaurant stocks gained significant ground following the election—with the most significant increases coming in the Premium and Casual Dining segments, which both outpaced the S&P by 12% over the last 30 days. Much of the increased sector optimism can be attributed to potential tax cuts, which would likely lead to incremental spending at restaurants. Despite the market's forward looking stance, present performance remains soft—Black Box Intelligence reports that same-store sales and same-store traffic declined by 0.9% and 3.4%, respectively, this past month. M&A activity and investment activity were strong as Goode Partners LLC acquired **Stonefire Grill, Inc.**; **Veggie Grill** raised \$20 million of growth capital from **Brentwood Associates**; **Restaurant Brands New Zealand** acquired **Pacific Island Restaurants** from **Nimes Capital, LLC**; and **Tilman Fertitta** announced plans to acquire **BR Guest Hospitality** from **Starwood Capital Group**.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)

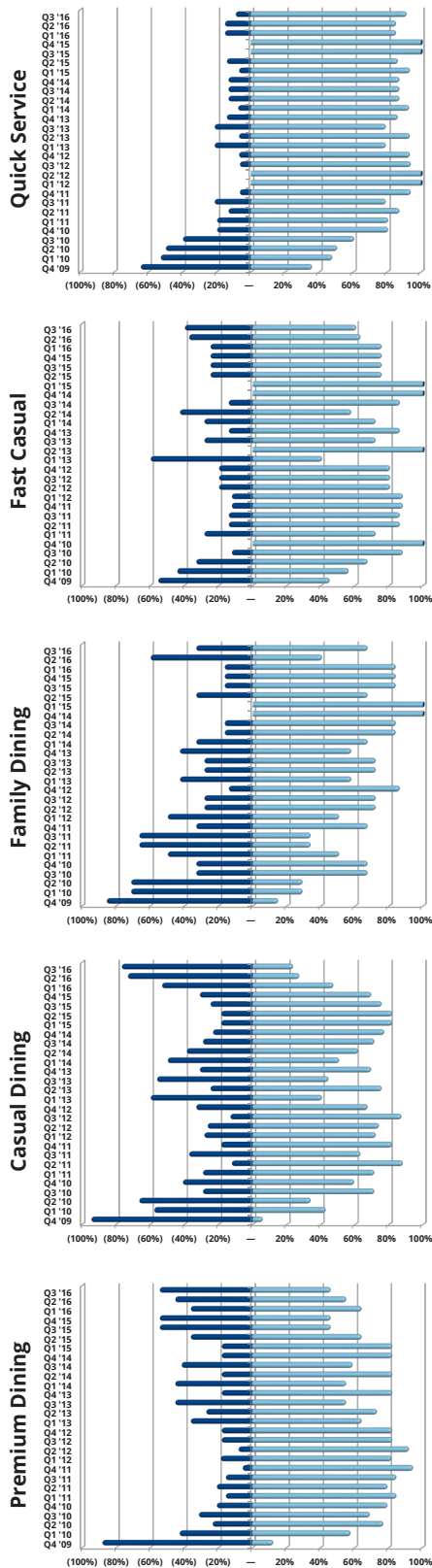


Recent Restaurant M&A Activity

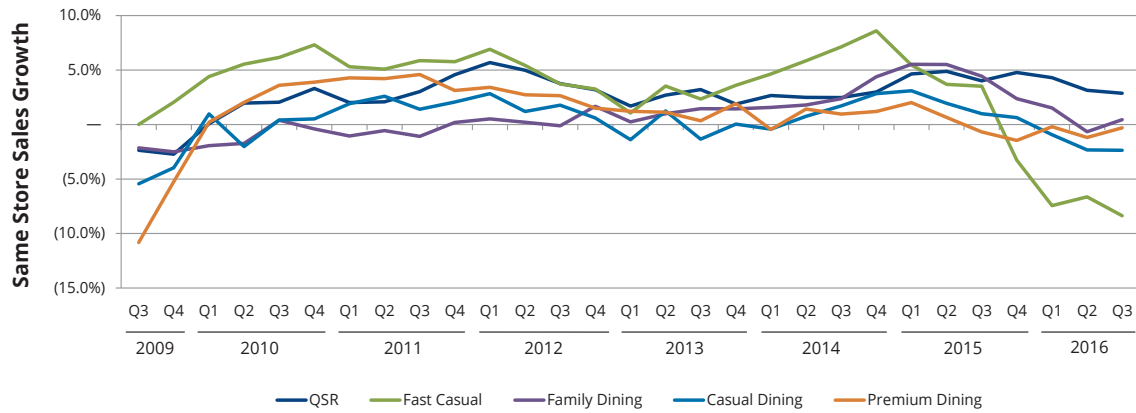
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
11/15/2016	Growth Funding in &pizza	AVALT	NA	NA	/	NA	Fast Casual
11/08/2016A	BR Guest Hospitality	Tilman J. Fertitta	NA	NA	/	NA	Casual
11/01/2016	Series A Financing in Ando	Forerunner Ventures	NA	NA	/	NA	Casual
11/01/2016	11 Chili's Franchises in Idaho, Montana & Washington	Paradigm Restaurants LLC	NA	NA	/	NA	Casual
10/31/2016	Twin Peaks Restaurants	La Cima Restaurants, LLC	NA	NA	/	NA	Casual
10/26/2016A	Pacific Island Restaurants, Inc.	Restaurant Brands New Zealand, Ltd. (NZSE:RBD)	\$105.0	\$19.1	/	5.5x	QSR
10/26/2016	Investment Funding in Veggie Grill	Brentwood Associates	NA	NA	/	NA	Fast Casual
10/24/2016A	Dick's Wings in Jacksonville & Ponta Vedra	ARC Group, Inc. (OTCPK:ARCK)	NA	NA	/	NA	Casual
10/24/2016	Stonefire Grill, Inc.	Goode Partners LLC	NA	NA	/	NA	Casual
10/20/2016	7 Old Chicago Pizza & Taproom Locations	CraftWorks Restaurants & Brewery, Inc.	NA	NA	/	NA	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.	 a portfolio company of has sold a portfolio of restaurants to Burger Gulf Coast, LLC	 a portfolio company of has acquired FAST FOOD ENTERPRISES #2, LLC <small>A FRANCHISE OF THE BURGER KING CORPORATION</small>	 has acquired a portfolio company of EQUICORP Partners.
 has been acquired by BUNKER HILL CAPITAL and 	 has sold to TAVISTOCK GROUP	 has sold PAPA • RAZZI TRATTORIA • BAR to 	 a subsidiary of TRIARC has acquired

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