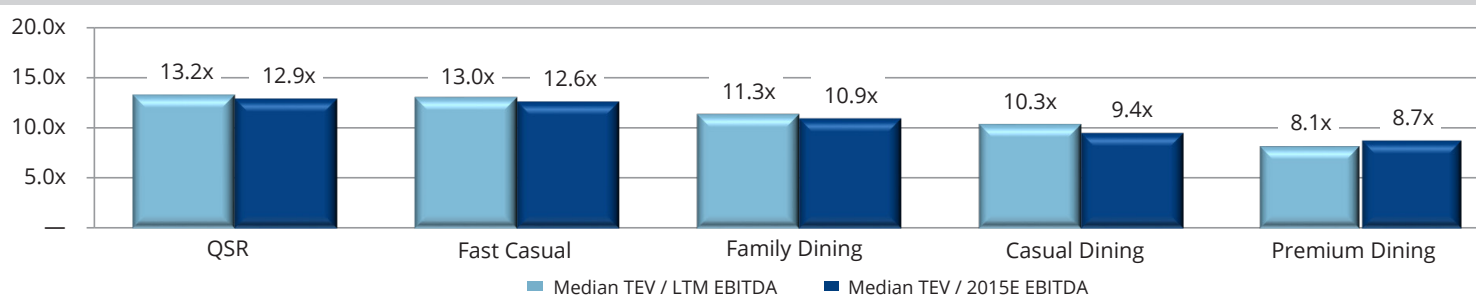




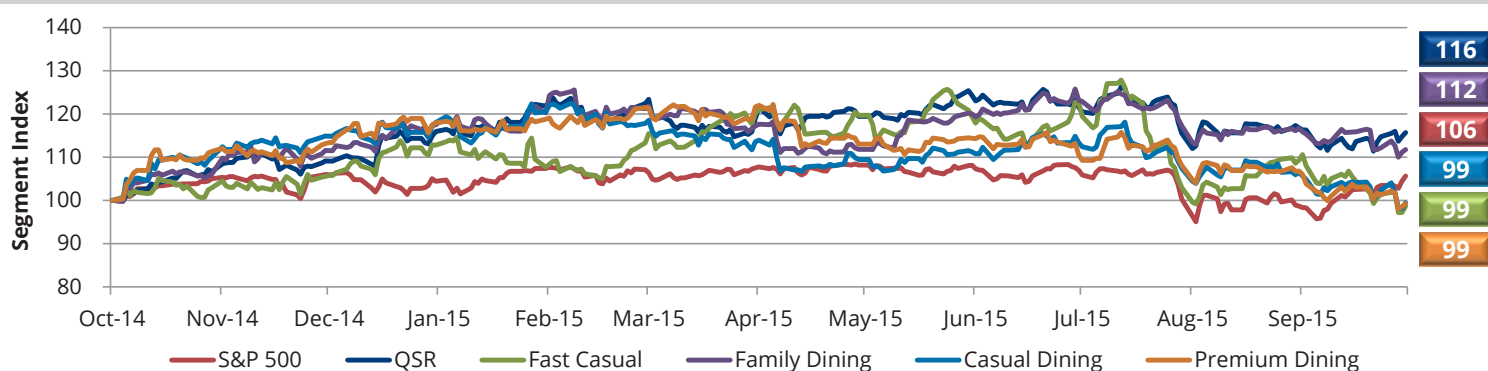
## Restaurant Industry Commentary

Same store sales grew for the fifth consecutive quarter—again, owing entirely to increases in average check size and despite declines in traffic. Reflecting investors' skepticism that diners will be forever willing to pay more, each of the restaurant segments, except family dining, has underperformed the S&P since June 2015. Despite less than stellar performance in the public markets, M&A activity remains strong—led by **YUM! Brands, Inc. (NYSE:YUM)** announcement that the company plans to spin off its China business into a new standalone entity. **Peet's Coffee & Tea, Inc.** led a flurry of activity in the coffee segment—acquiring both Seattle-based **Stumptown Coffee Roasters** and Chicago-based **Intelligentsia Coffee**. Additionally, TM Capital advised **Starbucks Corp. (NasdaqGS:SBUX)** in selling the rights to operate its Puerto Rican restaurant portfolio to **Baristas Del Caribe, LLC**—an affiliate of **Empresas Fonalledas Inc.** In the world of burgers, **Jollibee Foods Corp. (PSE:JFC)** acquired a 40% stake in **Smashburger Master LLC** for \$99 million. There was also significant activity in the Burger King and Applebee's systems, including an acquisition by **Carrols Restaurants Group, Inc. (NasdaqGS:TAST)** and divestitures of two portfolios of restaurants by **Apple Sauce, Inc.**

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



## Public Market Performance (Latest Twelve Months)



## Recent Restaurant M&A Activity

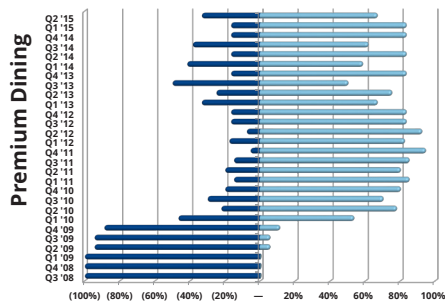
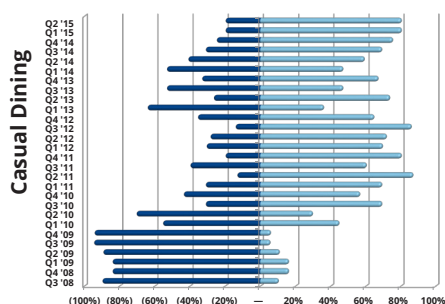
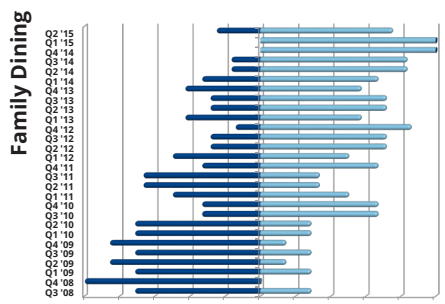
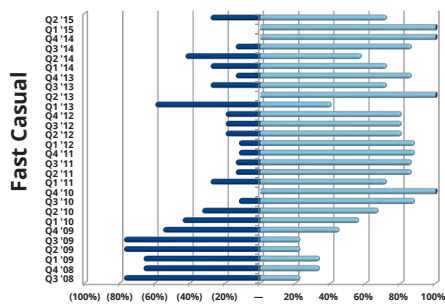
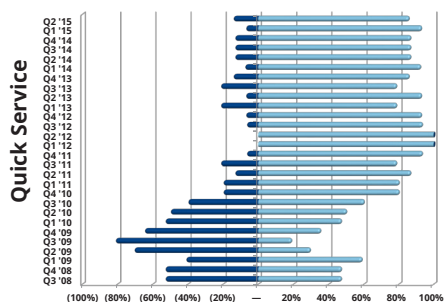
(\$ in millions)

| Closed / Announced | Target   | Acquiror   | Enterprise Value | EBITDA / Value Multiple |   |    | Industry Segment |
|--------------------|--|--|------------------|-------------------------|---|----|------------------|
| 10/30/2015A        | Intelligentsia Coffee & Tea, Inc.                    | Peet's Coffee & Tea, Inc.                          | NA               | NA                      | / | NA | QSR              |
| 10/29/2015         | Nobu Hospitality LLC                                 | Crown Resorts Limited (ASX:CWN)                    | NA               | NA                      | / | NA | Premium          |
| 10/20/2015A        | Yum! Brands, Inc. China Operations                   | Yum! China   | NA               | NA                      | / | NA | QSR              |
| 10/14/2015         | Yum! Brands, Inc. Restaurants in Chicago             | KBP Foods, LLC                                     | \$20.0           | NA                      | / | NA | QSR              |
| 10/12/2015         | Smashburger Master LLC                               | Jollibee Foods Corp. (PSE:JFC)                     | \$247.5          | NA                      | / | NA | Fast Casual      |
| 10/06/2015         | Stumptown Coffee Roasters, Inc.                      | Peet's Coffee & Tea, Inc.                          | NA               | NA                      | / | NA | QSR              |
| 10/02/2015         | 5 Burger King Restaurants                            | Carrols Restaurant Group, Inc. (NasdaqGS:TAST)     | NA               | NA                      | / | NA | QSR              |
| 09/27/2015         | Starbucks Corp. (NasdaqGS:SBUX), Puerto Rican Rights | Baristas Del Caribe, LLC; Empresas Fonalledas Inc. | NA               | NA                      | / | NA | QSR              |
| 09/09/2015         | Apple Sauce, Inc., 10 Applebee's Restaurants         | Doherty Enterprises, Inc.                          | NA               | NA                      | / | NA | Casual           |

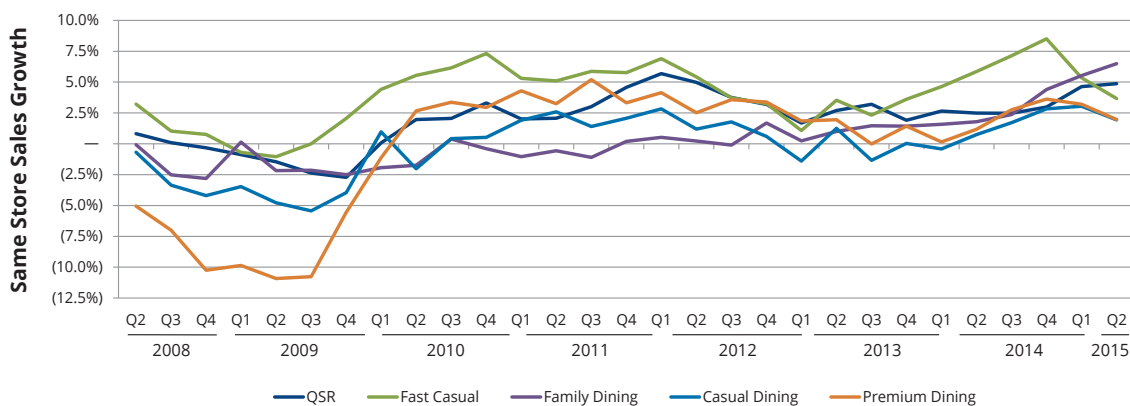
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

## Quarterly Gainers & 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 BISTRO**  
**Al's Louie's**  
**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**

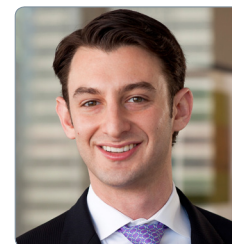
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