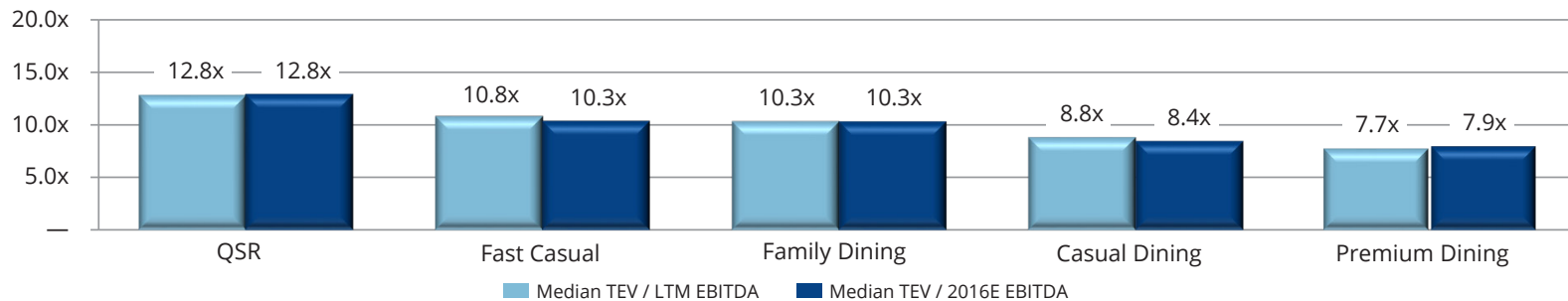




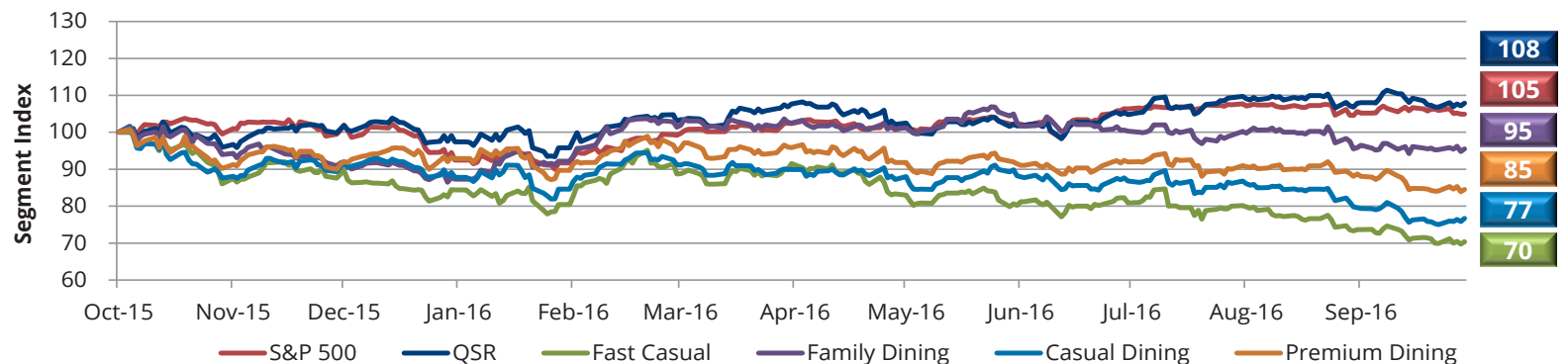
Restaurant Industry Commentary

TM Capital's restaurant indices continued to trade below the S&P 500 over the last 30 days—the fourth consecutive month of declining same-store sales and same-store traffic (1.1% and 3.5%, respectively), according to Black Box Intelligence. As we suggested late last year, the companies doing the best job of bucking these trends are those who are leading the industry in developing and leveraging technology. For example, **Domino's Pizza, Inc. (NYSE:DPZ)** is adeptly using its proprietary mobile app, helping to drive a 13% increase in same-store sales during the Company's most recently ended third quarter. Similarly, **Starbucks Corporation (NasdaqGS:SBUX)**, continues to drive traffic via its proprietary, loyalty-focused mobile app, reporting 18% year-over-year growth in Q3 2016. On the other end of the spectrum, an oversupply of locations, coupled with competition from restaurant alternatives, is driving some industry shake-out, highlighted by a number of recent bankruptcy filings. Driven by many of these factors, industry M&A remains robust. Last month's M&A highlights include **Red Lobster's** sale of a minority stake to its supplier and owner of **Chicken of the Sea**, **Thai Union Group**; the acquisition of **Twin Peaks Restaurants** by the system's largest franchisee, **La Cima Restaurants, LLC**; and the acquisition of Chicago staple, **Lou Malnati's Pizzeria** by **BDT Capital Partners**—the family office of Byron Trott.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)

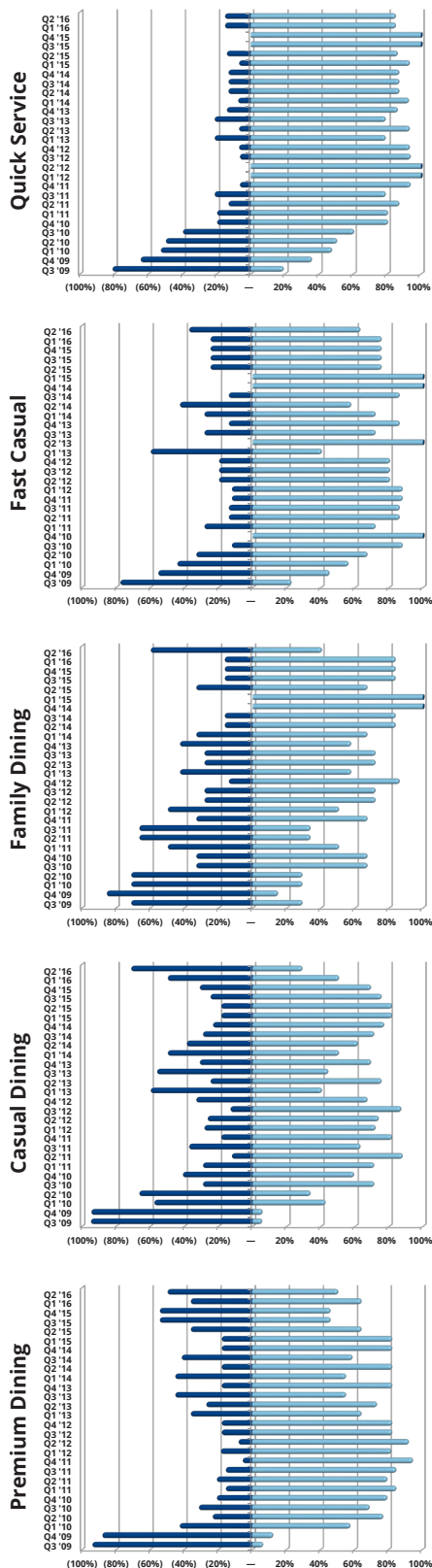


Recent Restaurant M&A Activity

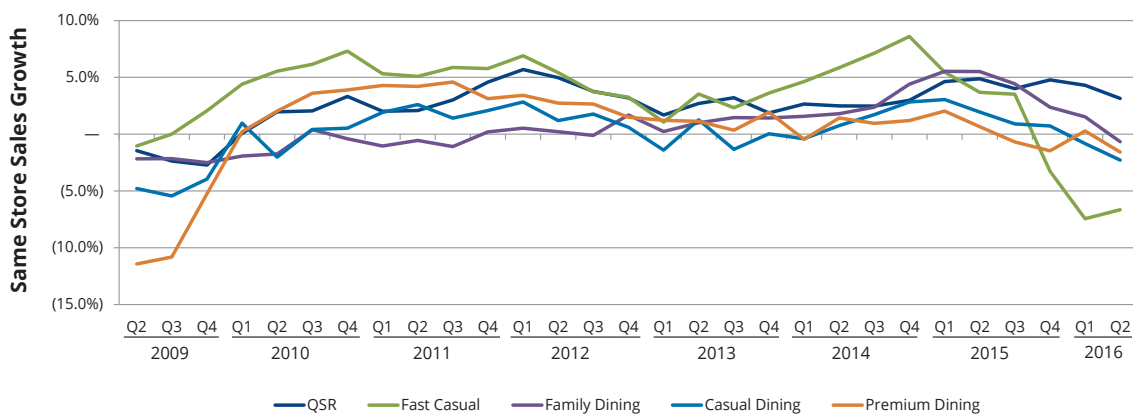
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
10/12/2016	Growth Investment in Joe & the Juice	General Atlantic	NA	NA	/	NA	Fast Casual
10/12/2016	Minority Stake in Red Lobster Master Holdings, L.P.	Thai Union Group Public Company Limited (SET:TU)	\$1,173.0	\$144.0	/	8.1x	Casual
10/11/2016	Green Café Management, Inc.	Hargett Hunter Capital Partners	NA	NA	/	NA	Fast Casual
10/10/2016A	Twin Peaks Restaurants	La Cima Restaurants, LLC	NA	NA	/	NA	Casual
10/05/2016	Assets of Fox & Hound and Champpps	Fun Eats and Drinks LLC	NA	NA	/	NA	Casual
10/04/2016	3 Burger King Restaurants in North Carolina	Carrols Restaurant Group, Inc. (NasdaqGS:TAST)	NA	NA	/	NA	QSR
09/29/2016	Second Round of Funding in Starbird	Dollaryhyde Investment Group III	NA	NA	/	NA	Fast Casual
09/28/2016A	Assets of Cosi Inc.	AB Value Management LLC and Milfam LLC	NA	NA	/	NA	Fast Casual
09/26/2016	Minority Investment in Dos Toros	GrowthPoint Partners	NA	NA	/	NA	Fast Casual
09/22/2016	Lou Malnati's Pizzeria	BDT Capital Partners	NA	NA	/	NA	Family

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** **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

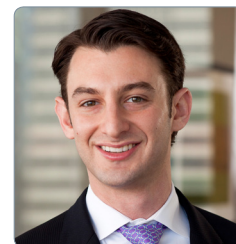
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