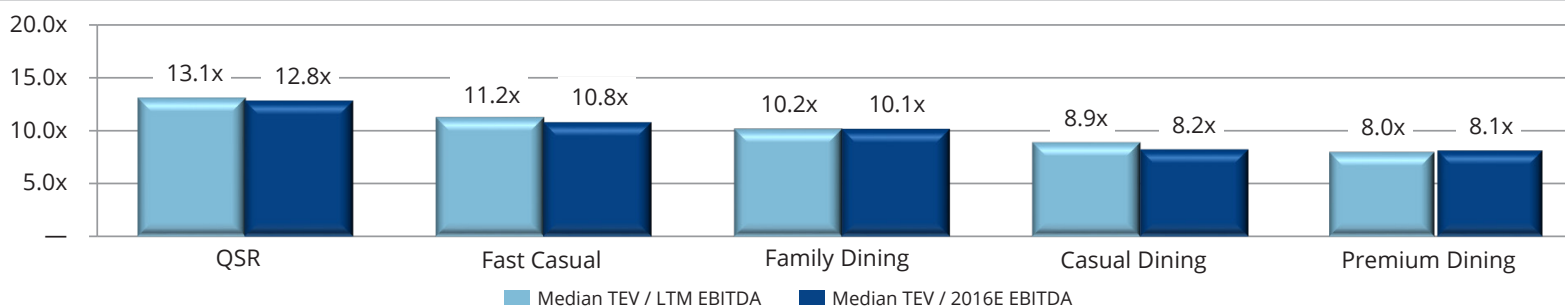




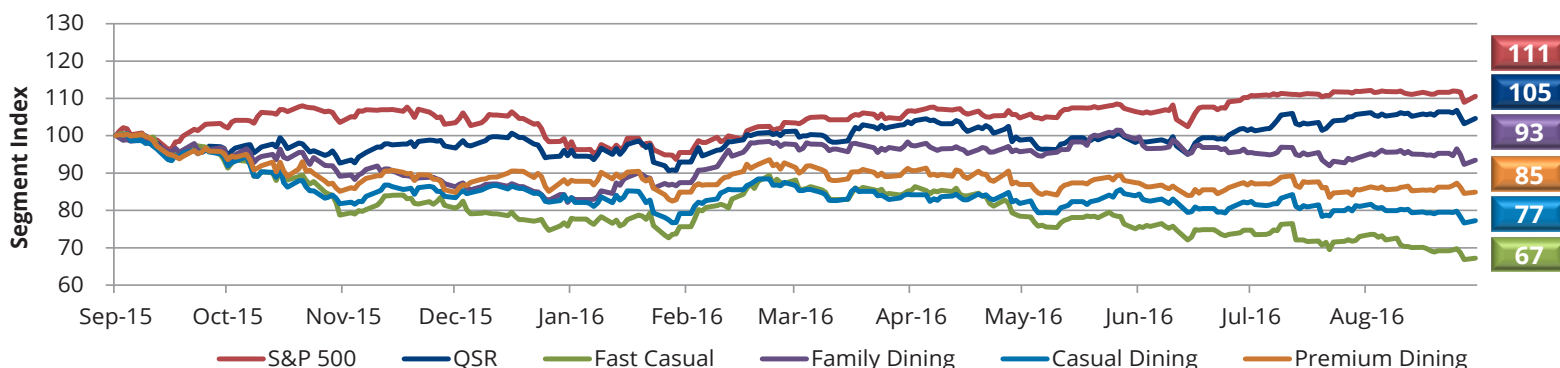
Restaurant Industry Commentary

TM Capital's restaurant indices continued to trade below the S&P 500 over the last 30 days, as the industry faced its third consecutive month of declining same-store sales and same-store traffic, 0.6% and 2.7%, respectively, according to Black Box Intelligence. Despite these trends, the U.S. Census Bureau reported that overall restaurant industry sales rose 3.3% year-to-date. We attribute the seemingly diametric nature of these statistics to two major factors: (i) the fact that major Black Box Intelligence statistics do not account for independent operators and small local chains (who we believe are gaining share) and (ii) aggressive growth in unit counts over the last few years which has diluted the pie. Restaurant M&A activity was extraordinarily robust over the last month, headlined by **Roark Capital Group's** acquisition (and **Weston Presidio's** exit) of **Jimmy John's Gourmet Sandwiches**. Additionally, **CenterOak Partners** acquired **Wetzel's Pretzels, LLC**; **L Catterton** and **Goode Partners** made strategic growth investments in **Velvet Taco** and **Silver Diner**, respectively; **Arlon Group** acquired Dallas-based pizza buffet chain **CiCi's Pizza**; and **MTY Food Group** acquired fast-casual Mexican chain **Baja Fresh Mexican Grill**.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)

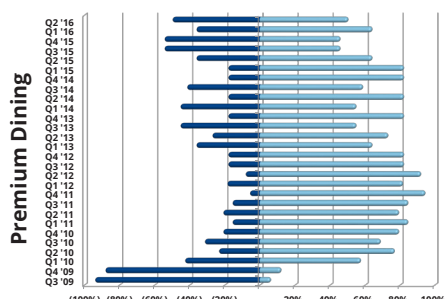
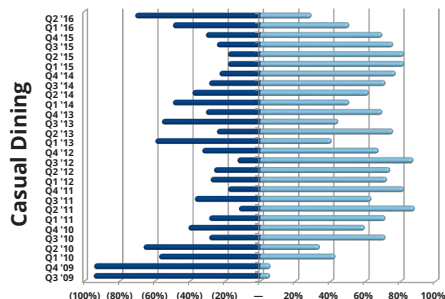
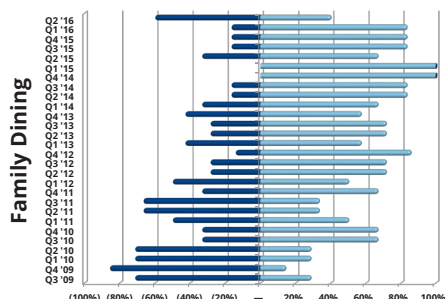
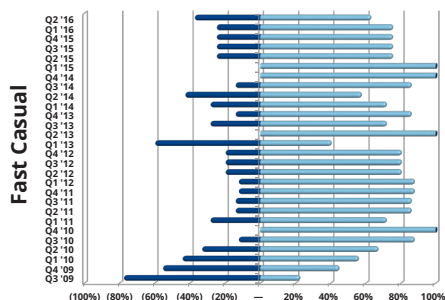
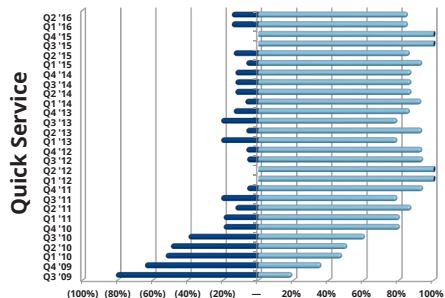


Recent Restaurant M&A Activity

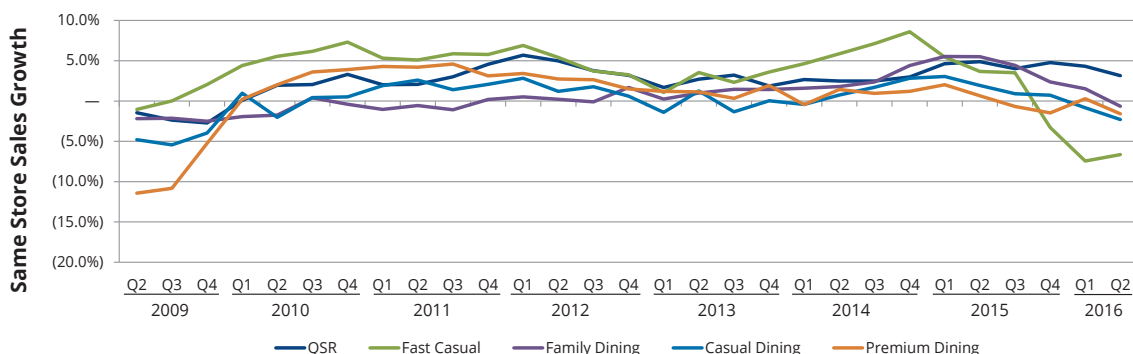
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
09/14/2016	Equity Investment in Fresh Brothers Pizza	Nolan Capital Inc.	NA	NA	/	NA	Fast Casual
09/09/2016A	Baja Fresh Mexican Grill	MTY Food Group Inc. (TSX:MTY)	\$27.0	NA	/	NA	Fast Casual
09/08/2016	Jimmy John's Gourmet Sandwiches	Roark Capital Group	NA	NA	/	NA	Fast Casual
09/08/2016	Teriyaki Madness LLC	M.H. Enterprises, Inc.	NA	NA	/	NA	Fast Casual
09/06/2016	CiCi's Pizza	Arlon Group	NA	NA	/	NA	Fast Casual
09/02/2016	Strategic Growth Investment in Velvet Taco	L Catterton	NA	NA	/	NA	Fast Casual
09/01/2016	Wetzel's Pretzel's, LLC	CenterOak Partners LLC	NA	NA	/	NA	QSR
08/24/2016	Strategic Growth Investment in Silver Diner	Goode Partners LLC	NA	NA	/	NA	Family
08/23/2016	7 Burger King Restaurants in Maine	Carrols Restaurant Group, Inc. (NasdaqGS:TAST)	NA	NA	/	NA	QSR
08/23/2016	Lucy's Retired Surfers Bar; Roux House; Schlitz & Giggles	Lava Cantina	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.

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
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

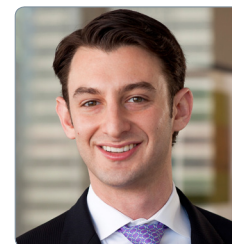
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