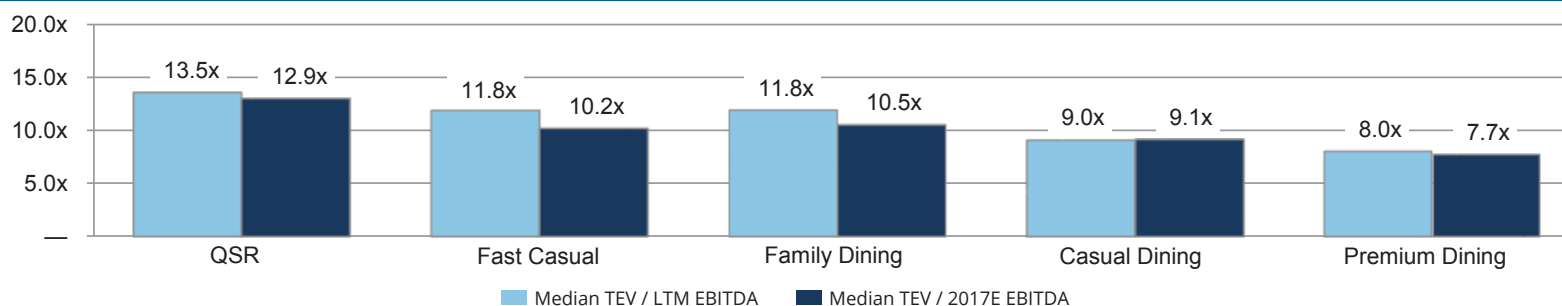


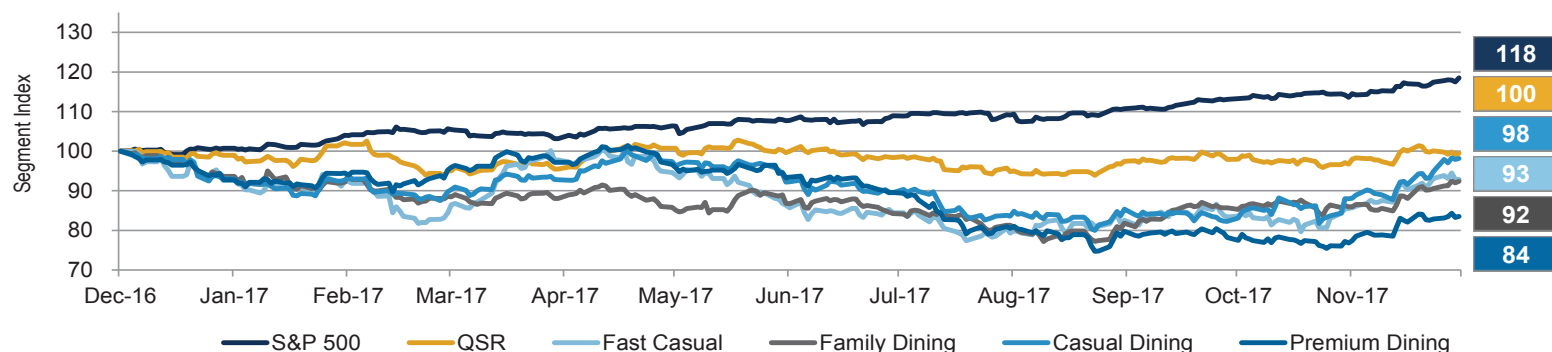
Restaurant Industry Commentary

TM Capital's restaurant indices, except for Casual, traded below the S&P 500 over the last 30 days, while same-store sales marginally decreased by 0.04% and same-store traffic declined by 2.5%. 2017 marked a great year for M&A in the restaurant industry, with private equity firms eager to invest and strategic companies making acquisitions in their search for more growth. We expect M&A activity to remain strong in 2018, with **Jack in the Box (NASDAQ:JACK)** agreeing to sell its fast-casual **Qdoba Restaurant Corp.** to **Apollo Global Management** for \$305 million. Canadian restaurant franchisor **MTY Food Group (TSX:MTY)** ended the year with an acquisition of **Imvescor Restaurant Group (TSX:IRG)**, meaning the combined franchisors will control more than 5,700 units across 75 brands. With an implied Enterprise Value of \$214 million, the total consideration represents an EBITDA multiple of 16.3x.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



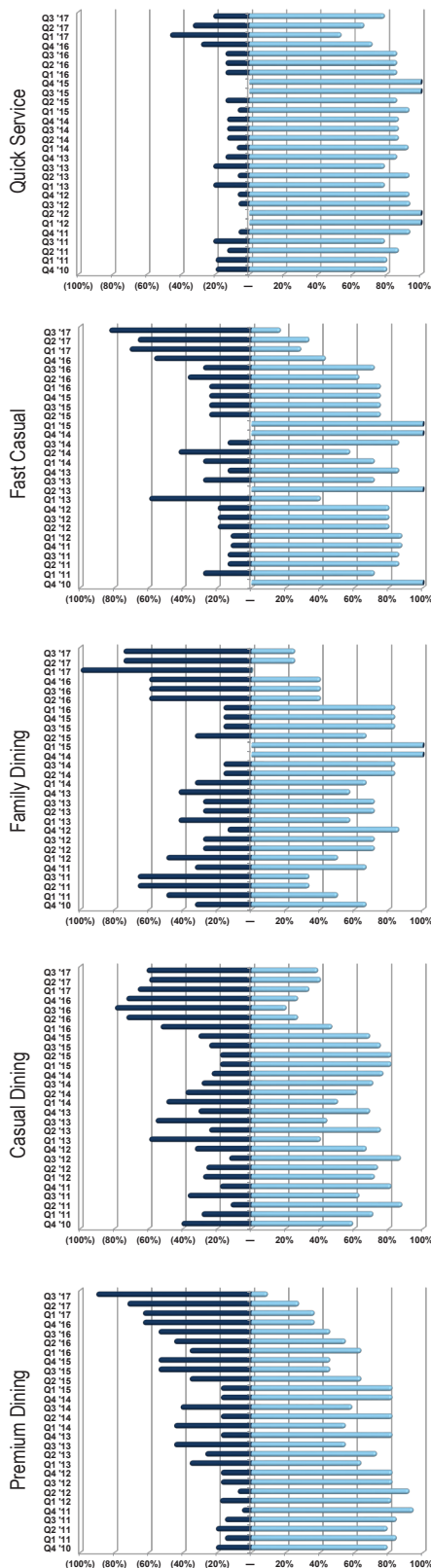
Recent Restaurant M&A Activity

Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
12/19/2017A	Qdoba Restaurant Corporation	Apollo Global Management, LLC (NYSE:APO)	\$305.0	\$48.0	/	6.4x	Fast Casual
12/12/2017	Imvescor Restaurant Group Inc. (TSX:IRG)	MTY Food Group Inc. (TSX:MTY)	\$214.0	\$13.1	/	16.3x	Casual
12/12/2017	6 Ruth Chris Franchised Units in Hawaii	Ruth's Hospitality Group, Inc. (NasdaqGS:RUTH)	\$35.0	NA	/	NA	Premium
12/06/2017A	57 Wendy's Restaurants	Meritage Hospitality Group Inc. (OTCPK:MHGU)	NA	NA	/	NA	QSR
11/30/2017	Terra Preta	Carl's Prime	NA	NA	/	NA	Casual
11/29/2017	FILL Restaurant & Bar	Charleston Hospitality Group	NA	NA	/	NA	Casual
11/28/2017A	Buffalo Wild Wings (NasdaqGS:BWLD)	Arby's Restaurant Group	\$2,900.0	\$259.0	/	11.2x	Casual
11/09/2017	Strategic Growth Investment in Milk Bar	RSE Ventures	NA	NA	/	NA	Casual
11/08/2017A	Au Bon Pain Corporation	Panera Bread Company	NA	NA	/	NA	Casual
11/07/2017	57 Taco Bell Restaurants	Undisclosed Buyer	NA	NA	/	NA	QSR

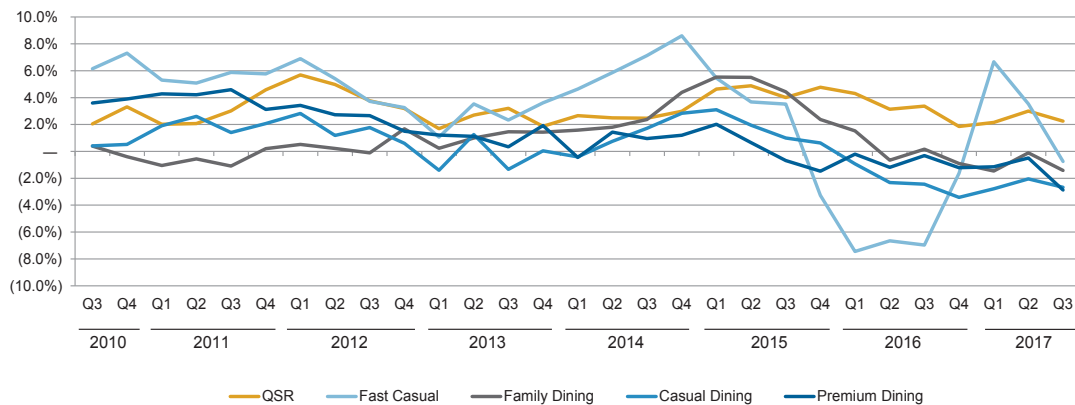
Quarterly Gainers & Decliners by Price Point

Same Store Sales by Price Point

Decliners / Gainers



Same Store Sales Growth



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 Fonalladas Inc.

BURGER KING Oldco
A PORTFOLIO COMPANY OF
PNC RIVERARCH CAPITAL
HAS SOLD A PORTFOLIO OF RESTAURANTS TO
Burger Gulf Coast, LLC

BURGER KING Oldco
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 Oldco
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, PAPA JOHN'S, 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

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