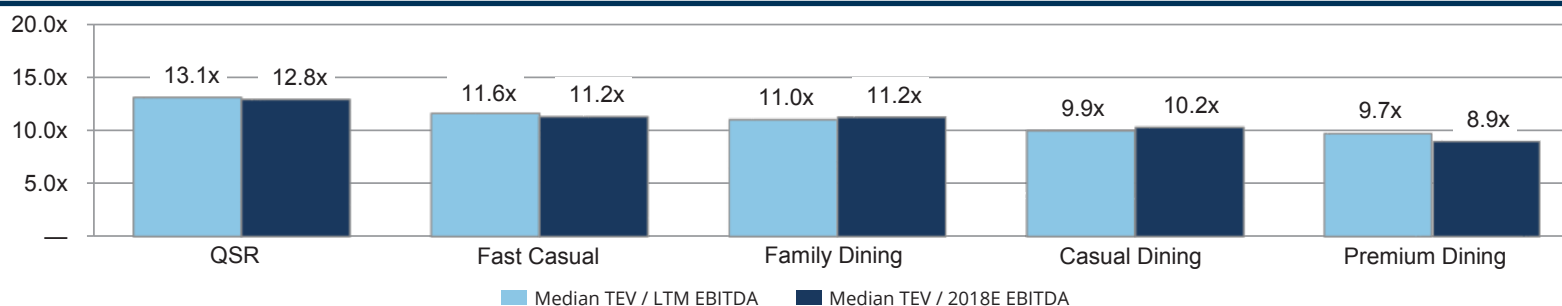


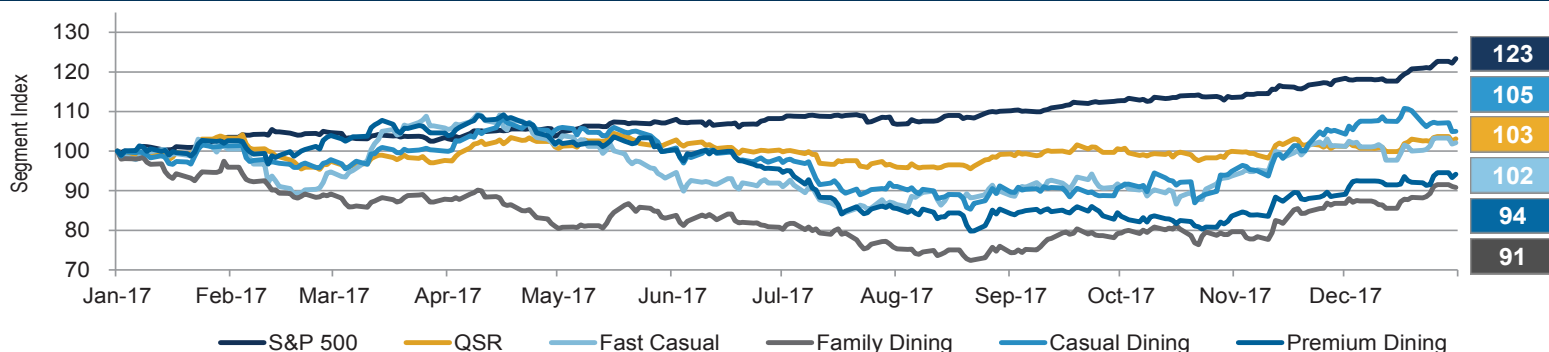
## Restaurant Industry Commentary

TM Capital's restaurant indices, except for Fast Casual and Family, traded below the S&P 500 over the last 30 days, while same-store sales marginally increased by 0.3% and same-store traffic declined by 1.8%. As chains battle traffic declines, we expect that the underperformers will be faced with some difficult strategic decisions. For example, Toronto-based **Freshii Inc. (TSE:FRIL)**, the health-oriented fast casual franchise with 300 locations, continues to urge **Subway** to explore a partnership that would enable franchisees (following the closure of more than 900 locations in 2017) to convert to Freshii restaurants. M&A activity continues to be strong - with the \$305 million sale of **Qdoba Restaurant Corporation** to **Apollo Global Management's** at the tail end of 2017 and the recent acquisition of **Captain D's** by **Sentinel Capital Partners**.

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



## Public Market Performance (Latest Twelve Months)

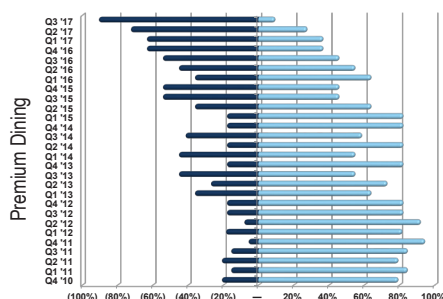
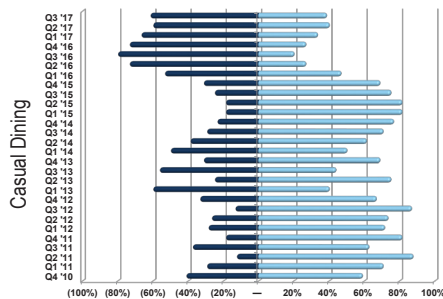
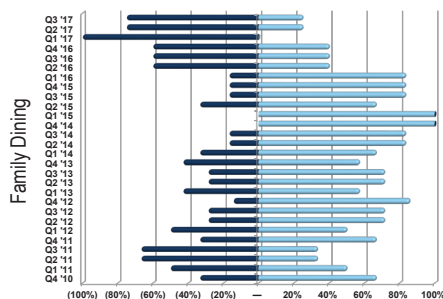
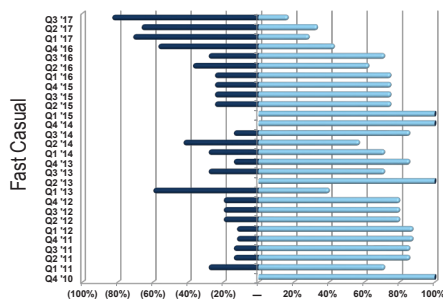
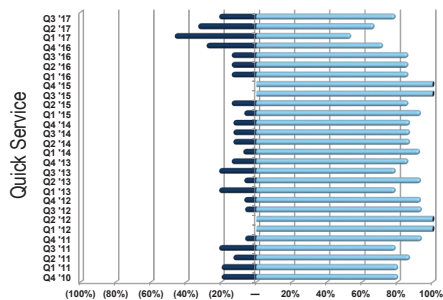


## Recent Restaurant M&A Activity

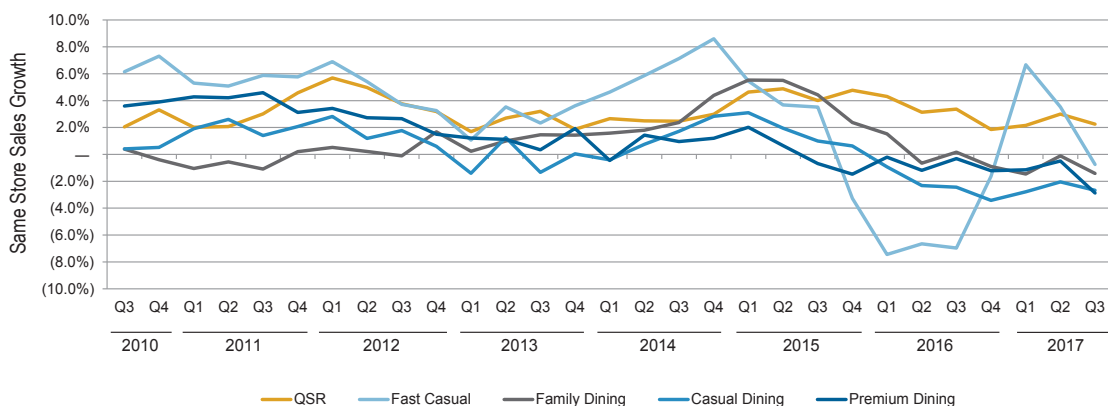
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple		Industry Segment
01/10/2018	15 Wendy's Restaurant in Florida	Gold Coast Holdings Restaurants	NA	NA	/ NA	QSR
01/10/2018	52 Wendy's Restaurants in Southern California	WKS Restaurant Corporation	NA	NA	/ NA	QSR
01/09/2018	Growth Investment in MOD Pizza	PWP Growth Equity & Fidelity Management & Research	NA	NA	/ NA	Fast Casual
12/19/2017A	Qdoba Restaurant Corporation	Apollo Global Management, LLC (NYSE:APO)	\$305.0	\$48.0	/ 6.4x	Fast Casual
12/18/2017	Captain D's, LLC	Sentinel Capital Partners, LLC	NA	NA	/ NA	Family
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

## Quarterly Gainers & Decliners 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 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  
**PRG PATINA RESTAURANT GROUP**

**BACK BAY RESTAURANT GROUP**  
HAS SOLD  
**Atlantic Fish, American Fare, and Coach Grill**  
TO  
**TAVISTOCK GROUP**

**BACK BAY RESTAURANT GROUP**  
HAS SOLD  
**PAPA RAZZI TRATTORIA BAR**  
TO  
**NHC**

**Arby's**  
A SUBSIDIARY OF  
**TRIARC**  
HAS ACQUIRED  
**RTM RESTAURANT GROUP**

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