

# STIFEL

## RESTAURANT INDUSTRY QUARTERLY UPDATE REPORT



[www.stifelib.com](http://www.stifelib.com)

June 2023

# Stifel Restaurant Investment Banking

June 2023

Stifel is a full-service investment bank with deep restaurant industry experience. We serve as strategic advisor to entrepreneurs, family-owned businesses, private equity groups, and leading public and private corporations in North America and international markets.

## About Our Firm

**Top 10**

Underwriter for  
Equity Offerings &  
#1 in Mid-Market <sup>(1)</sup>

**#1**

Advisor in M&A  
Transactions Under  
\$1 Billion <sup>(2)</sup>

**14**

Consumer Sector  
Managing Directors  
& Directors

**18+**

Average Years  
Experience of Senior  
Consumer Bankers

**110+**

Consumer M&A  
Transactions  
Since 2015

(1) Dealogic. Rank-eligible SEC registered IPOs and FO offerings since 2012 as of 6/21/23.

(2) M&A analytics. Ranking by deal count since 2012 as of 5/31/23.

## Stifel Restaurant Investment Banking Senior Professionals

### Contact Our Team to Find Out More:



#### CHRIS HAGAR

Managing Director, Restaurants  
(212) 847-6590  
hagarc@stifel.com



#### KELLY KNORR

Director, Restaurants  
(212) 271-3725  
knorrk@stifel.com



#### CRAIG DeDOMENICO

Managing Director, ECM  
(212) 847-6710  
dedomenicoc@stifel.com



#### ZACH ROSS

Director, ECM  
(212) 847-6437  
rossz@stifel.com



#### DEREK HERBERT

Managing Director, M&A  
(212) 847-6479  
dherbert@stifel.com



#### CHRIS AULD

Managing Director, DCM  
(212) 271-3587  
auldc@stifel.com



#### ASH BURMAN

Managing Director, London  
(+44) 207-663-3329  
ashish.burman@stifel.com



#### KEVIN HAGGARD

Managing Director, Restructuring  
(212) 895-1883  
kevin.haggard@millerbuckfire.com

# Key Highlights

## Market Overview | Notable Transactions

### Public Offerings

<b>Target:</b>	<b>CAVA</b>
<b>Deal Type:</b>	IPO
<b>Pricing Date:</b>	6/15/23
<b>Deal Size:</b>	\$365.4M
<b>Market Cap at IPO <sup>(1)</sup>:</b>	\$2.5B

Source(s): S&P Capital IQ, Pitchbook, Mergermarket.

(1) Based on fully diluted share count.

(2) FY2022 Transaction Adjusted EBITDA multiple from Darden's press release.

### Mergers & Acquisitions

<b>Target:</b>	<b>RUTH'S</b> HOSPITALITY GROUP
<b>Buyer:</b>	DARDEN
<b>Close Date:</b>	6/14/23
<b>Enterprise Value:</b>	\$713.5M
<b>EV/ EBITDA: <sup>(2)</sup></b>	9.4x

## Recent Stifel Restaurant Transactions Over Past 3 Years (Plus 7 Deals in Process)

<p>\$365,444,420</p> <p><b>CAVA</b></p> <p>Initial Public Offering Joint Bookrunning Manager June 2023</p>	<p>\$315,000,000</p> <p><b>Checkers</b> "CRAZY GOOD FOOD"</p> <p>Recapitalization</p> <p>Investment Banker for Checkers June 2023</p>	<p>\$80,212,500</p> <p><b>FIRST WATCH</b> a portfolio company of Advent International</p> <p>Follow-on Offering Joint Bookrunning Manager September 2022</p>	<p>\$1,085,600,000</p> <p><b>WESTROCK</b> COFFEE Business Combination with RIVERVIEW</p> <p>Lead Financial &amp; Capital Markets Advisor August 2022</p>	<p>\$191,578,378</p> <p><b>Portillo's</b> a portfolio company of Berkshire Partners</p> <p>Follow-on Offering Co-Manager August 2022</p>	<p>\$466,216,200</p> <p><b>Portillo's</b> a portfolio company of Berkshire Partners</p> <p>Initial Public Offering Co-Manager October 2021</p>
<p>\$195,801,300</p> <p><b>FIRST WATCH</b> The Daytime Cafe a portfolio company of Advent International</p> <p>Initial Public Offering Joint Bookrunning Manager October 2021</p>	<p>\$556,842,098</p> <p><b>Dutch Bros</b> a portfolio company of TSG CONSUMER</p> <p>Initial Public Offering Co-Manager September 2021</p>	<p>\$63,200,000</p> <p><b>Karat</b></p> <p>Initial Public Offering Left Bookrunning Manager April 2021</p>	<p>\$450,000,000</p> <p><b>olo</b></p> <p>Initial Public Offering Co-Manager March 2021</p>	<p>\$276,000,000</p> <p><b>TASTEMAKER</b> ACQUISITION</p> <p>Initial Public Offering Sole Bookrunning Manager January 2021</p>	<p><b>CORNER BAKERY</b></p> <p>Has Been Acquired by <b>Pandya Restaurant Growth Brands</b> Advisor to Seller October 2020</p>

### Prior Restaurant Clients



### Other Notable 2021 – 2023 YTD Stifel Consumer Offerings



# Market Trends

## Earnings Call Highlights



“Our Q2 consolidated revenues reached \$8.7 billion, slightly above our Q1 level and up 14% from the prior year and up 17%, when excluding more than 2% impact of FX translation. Revenue growth was primarily driven by 11% comparable sales growth, 6% net new company-operated store growth year-over-year as well as continued momentum in our global license to market. This is remarkable performance on every level, but specifically given the seasonality pressures we typically experience in Q2.” – Rachel Ruggeri, EVP, CFO & Principal Accounting Officer (5/2/23) <sup>(1)</sup>



“Our performance during the quarter demonstrated the stability of our asset-light model. Q1 marked Applebee's ninth and IHOP's eighth consecutive quarter of positive comp sales, increasing 6.1% and 8.7%, respectively. Q1 consolidated adjusted EBITDA was \$66.3 million compared to \$65.2 million for the same quarter in 2022, and we opened 21 gross new restaurants globally, demonstrating our franchisees' belief in our brands and their appetite for development. Following the quarter, we completed a \$500 million refinancing of our senior secured notes that were due in June 2024, and we reduced our debt by approximately \$200 million.” – John W. Peyton, CEO & Director (5/3/23)



“I'm particularly proud of our results despite continued economic uncertainty and the return of typical first quarter seasonality. We enjoyed strength in traffic across our portfolio, notably exceeding pre-pandemic traffic levels as a company. Traffic was supported by further recovery in our CBD shops, which continue to serve as a tailwind for our business, strength in airport shops as well as strong engagement with our digital marketing promotions... Our AUVs of \$23,881 and same-store sales of 22.2% improved significantly compared to the first quarter of 2022.” – Robert D. Wright, President, CEO & Director and Steven W. Cirulis, SVP & CFO (5/4/23)

## sweetgreen

“We reported first quarter sales of \$125.1 million, representing 22% YoY growth and same store sales growth of 5%. Our same-store sales growth was driven by 2% growth in traffic and 3% of price taken in January. Total digital sales represented 61% of our Q1 revenue with approximately 2/3 of those sales coming via our own digital channels. AUVs were \$2.9 million and restaurant level margins in the quarter was 14%. Our adjusted EBITDA loss for the quarter was \$6.7 million down from a 2022 first quarter adjusted EBITDA loss of \$17 million.” – Jonathan Neman, President & CEO (5/4/23)

## Recommended Reads



*Tech Tracker: Is the Restaurant Technology Space Being Overhauled?*



*A Tale of Resilience: Restaurant Industry Shines as Uncertainty Looms*



*Franchisers, Facing Challenges to Business Model, Punch Back*



*The U.S. Restaurant Industry has Bounced Back from COVID at Every Level from Fast Food to Fine Dining*

Source(s): S&P Capital IQ, Company Earnings Call Transcripts.

(1) Starbucks operates on a October 2 Fiscal Year End. Second quarter results represent CY Q1 2023.

# Key Q1 2023 Performance Trends & Observations

## Market Commentary

- Q1 2023 restaurant industry performance largely exceeded expectations, and the outlook for 2H 2023 is cautiously optimistic
  - ▶ Same store sales were up 8% on average, driven by an increase in average check and a favorable comparable quarter
  - ▶ Unit-level margins saw substantial year-over-year improvement, as commodities have fallen and wages have moderated
- New unit development costs remain significantly above pre-COVID levels and have continued to modestly increase through the first half of the year
  - ▶ Even with these cost increases, planned new unit openings for 2023 exceed the number of units opened in 2022
  - ▶ With the continued popularity of off-premise dining, many operators are opting to reduce box size to manage cost
- The restaurant lending environment has stabilized due to improving fundamentals and greater visibility into interest rates
  - ▶ 2023 has seen an increase in refinancing transactions, both opportunistically and due to upcoming maturities
- Investor response to earnings was mixed across dining categories, with approximately half of reporting companies experiencing an increase in stock price post-earnings announcement

## Restaurant Sector Stock Performance since April 2022



Note: Source: Capital IQ as of 6/21/23.

(1) Includes: BJRI, BLMN, CAKE, CHUY, CMG, DENN, DIN, DPZ, EAT, KRUS, LOCO, MCD, NDLS, PBPB, PTLO, PZZA, QSR, SBUX, SG, SHAK, STKS, TXRH, WING, YUM.

# Industry Data

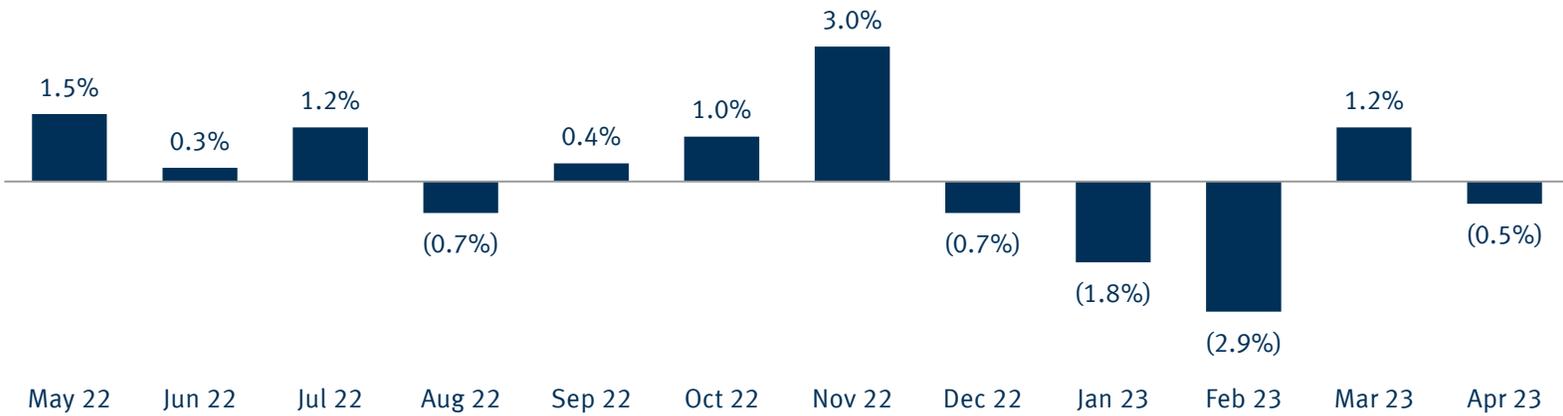
## Total Eating and Drinking Place Sales <sup>(1)</sup>

(\$ in billions)

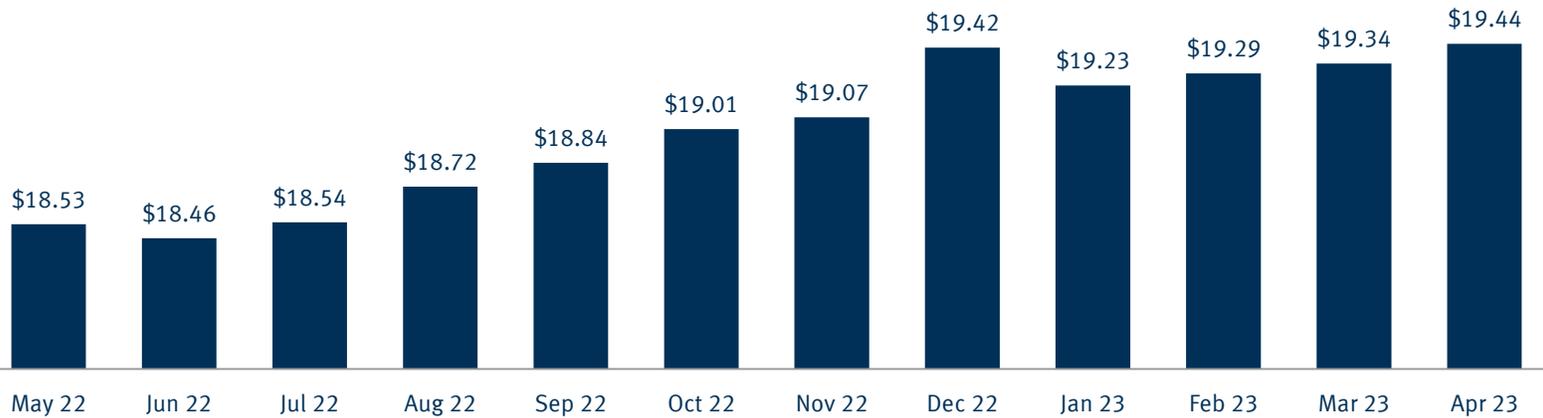
— 2019 Monthly Average



## Wholesale Food Prices (Producer Price Index – All Foods) <sup>(2)</sup>



## Average Hourly Earnings (Food and Drinking Places) <sup>(3)</sup>



(1) Source: US Census Bureau, National Restaurant Association; figures are seasonally adjusted.

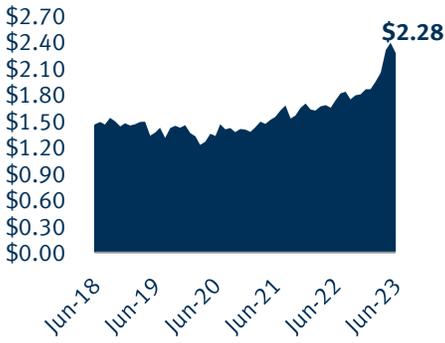
(2) Source: Bureau of Labor Statistics, National Restaurant Association.

(3) Source: Bureau of Labor Statistics.

# Industry Data

## Historical Commodity Prices

 **BEEF PRICES**



 **CHICKEN PRICES**



 **PORK PRICES**



 **COFFEE PRICES**



 **MILK PRICES**



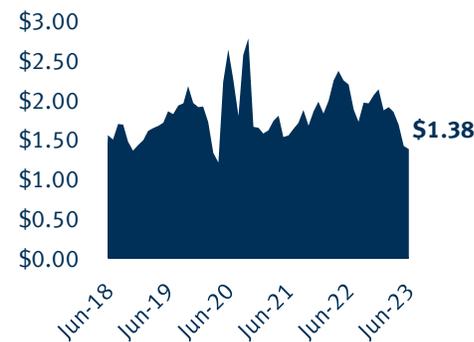
 **SUGAR PRICES**



 **EGGS PRICES**



 **CHEESE PRICES**



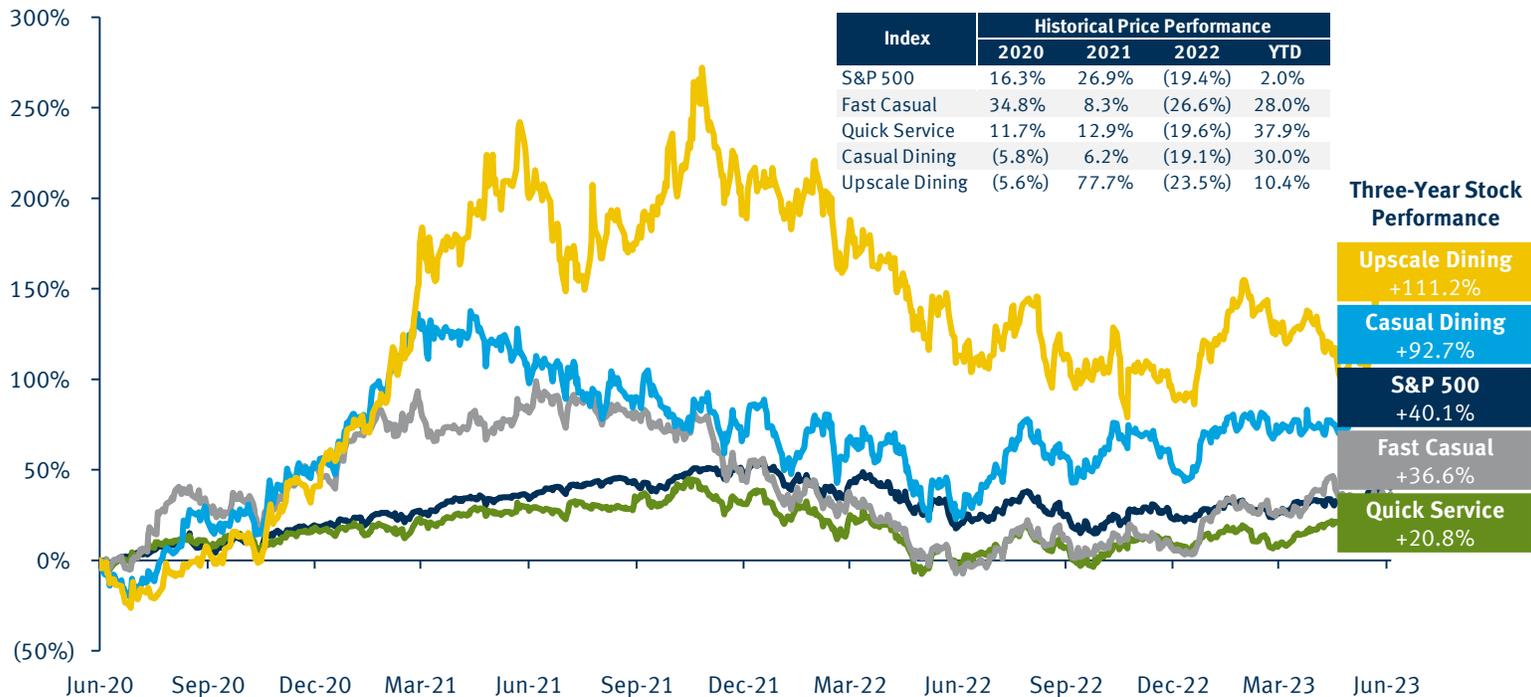
 **WHEAT PRICES**



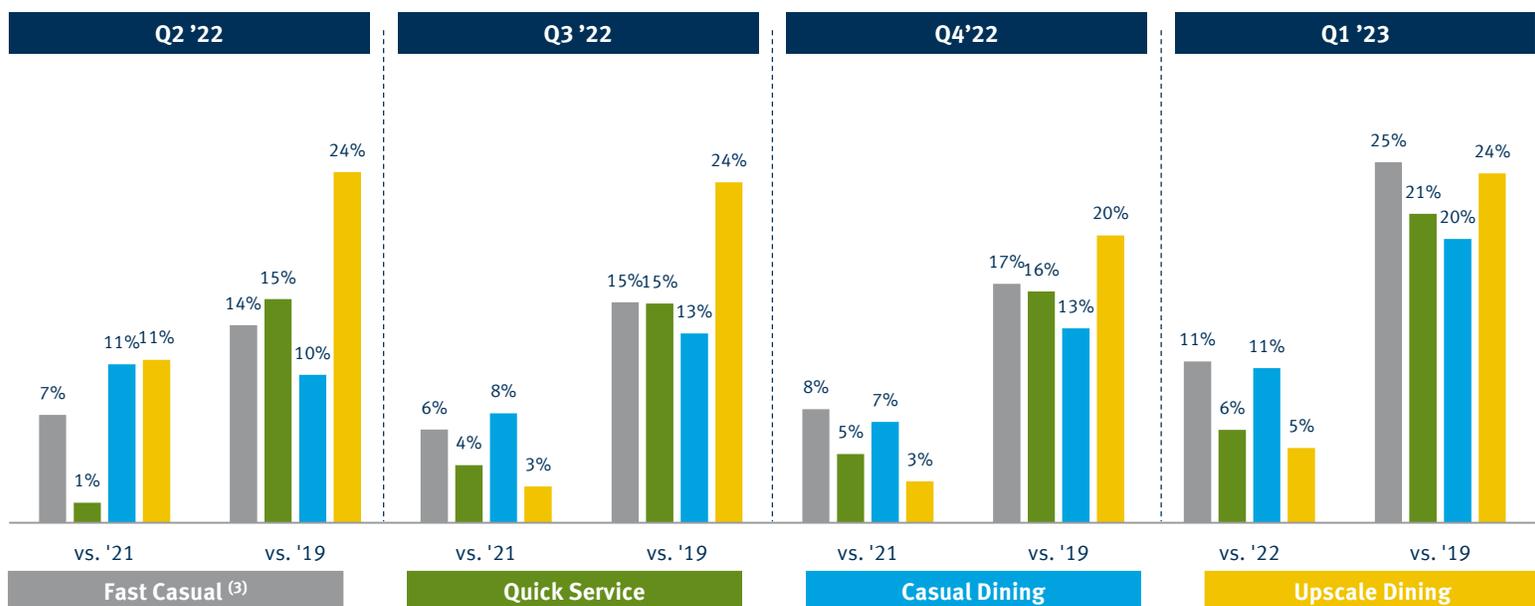
Source: Capital IQ as of 6/21/23.

# Trading Performance

## Industry Data | Three-Year Stock Performance (1)



## Industry Data | Same-Store Sales Performance (2)



Source(s): S&P Capital IQ, Company filings and Wall Street research.

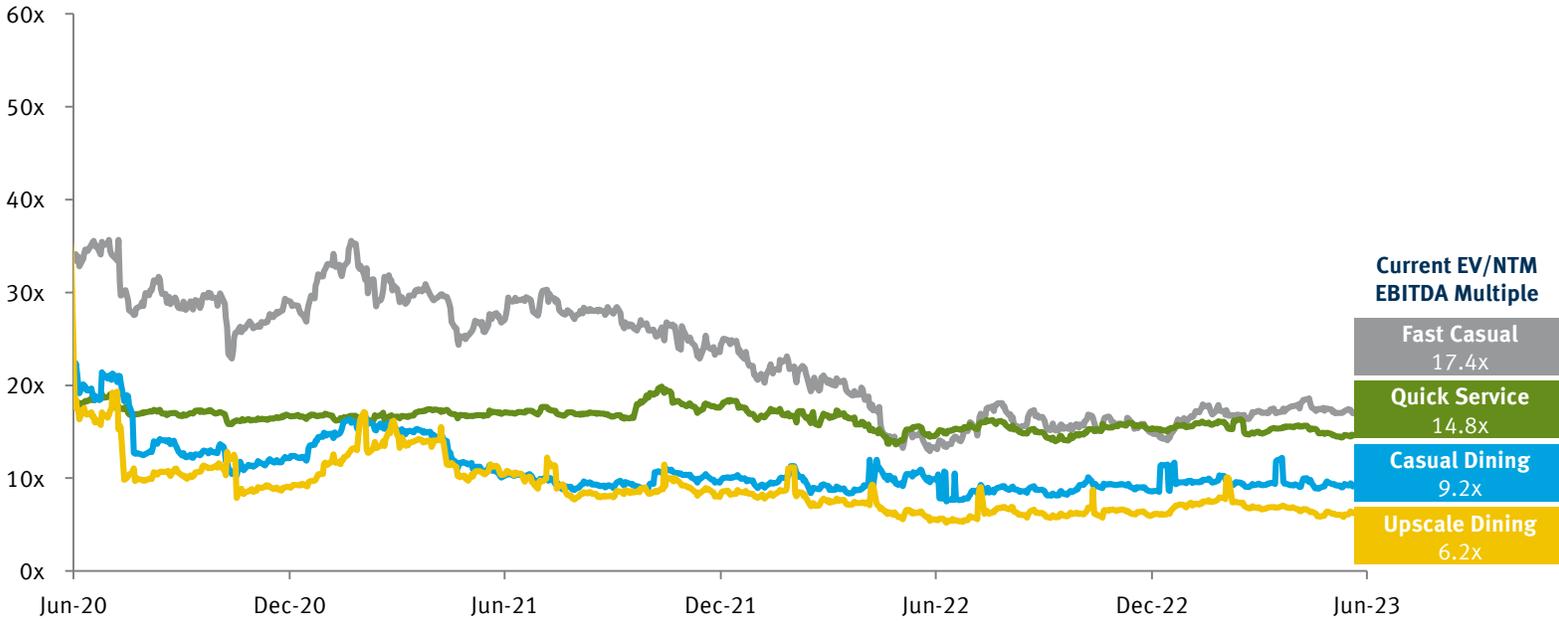
(1) Note: Stifel restaurant indices calculated based on equal weight. As of 6/21/23. See page 12 for further details on indices.

(2) Calendar quarters. Averages are equal-weighted and exclude N.A. results. Updated on a quarterly basis. See page 12 for further details on indices.

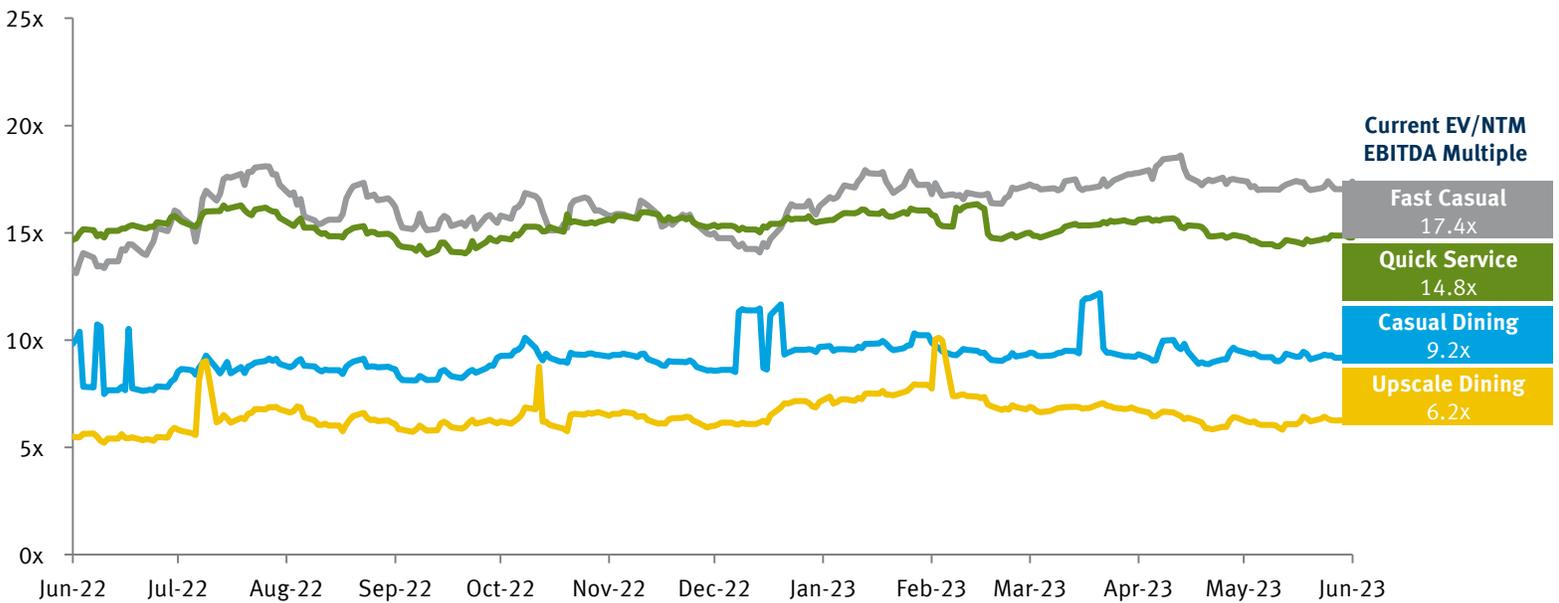
(3) Fast Casual index includes CAVA. For purposes of calculating CAVA Same-Store Sales compared to 2019, only CAVA restaurants that were open as of the beginning or during the corresponding period in 2019 are included, based on S-1 filing.

# Category Valuations

## Public Multiples for Last 3 Years | EV / NTM EBITDA Trends <sup>(1)</sup>



## Public Multiples for Last 1 Year | EV / NTM EBITDA Trends <sup>(1)</sup>



Source(s): S&P Capital IQ. As of 6/21/23.

# Public Valuations

## Public Comparables | Trading Metrics

	Stock Price		Market Value								Growth Metrics		Additional Metrics		
	% of 52-wk		Equity Value	Ent. Value	EV / Revenue		EV / EBITDA		P/E		Rev. Growth '22 - '24E	PEG 2023E	LTM Debt / EBITDA	Franchised / Total Stores	Operated / Total Stores
	6/21/23	High			2023E	2024E	2023E	2024E	2023E	2024E					
<b>Quick Service Restaurants</b>															
McDonald's	\$294.52	98.5%	\$215,027	\$248,528	9.9x	9.3x	18.6x	17.3x	26.5x	24.7x	7.3%	3.1x	3.0x	94.8%	5.2%
Starbucks	101.87	88.2%	116,777	128,856	3.5x	3.1x	17.5x	15.3x	28.0x	24.3x	12.4%	1.6x	2.5x	49.1%	50.9%
YUM! Brands	136.74	95.5%	38,299	49,673	6.8x	6.3x	19.5x	17.8x	26.6x	23.5x	7.3%	2.2x	5.0x	98.2%	1.8%
Restaurant Brands International	76.07	98.1%	34,386	46,612	6.7x	6.4x	18.4x	17.2x	24.3x	22.5x	6.0%	2.7x	5.9x	0.0%	0.0%
Domino's Pizza	323.11	75.8%	11,418	16,275	3.5x	3.4x	18.4x	17.2x	24.1x	22.0x	3.4%	2.3x	6.0x	98.6%	1.4%
The Wendy's Company	22.36	93.6%	4,712	7,438	3.4x	3.2x	13.8x	12.9x	22.6x	20.3x	4.9%	2.3x	7.0x	94.2%	5.8%
Dutch Bros	27.65	51.0%	4,530	5,047	5.2x	4.0x	39.3x	28.2x	NM	87.2x	29.9%	NM	8.8x	38.8%	61.2%
Jack in the Box	92.36	94.3%	1,883	3,555	2.1x	2.1x	10.7x	10.5x	14.7x	14.1x	0.4%	1.1x	5.3x	85.1%	14.9%
Papa John's	72.63	74.3%	2,372	3,177	1.5x	1.4x	14.3x	13.3x	25.8x	23.1x	3.7%	1.3x	3.8x	90.9%	9.1%
Carrols Restaurant Group	5.26	86.8%	334	802	0.4x	0.4x	6.9x	6.7x	NM	85.5x	4.7%	NM	5.9x	0.0%	100.0%
<b>Mean</b>		<b>85.6%</b>	<b>\$42,974</b>	<b>\$50,996</b>	<b>4.3x</b>	<b>4.0x</b>	<b>17.8x</b>	<b>15.6x</b>	<b>24.1x</b>	<b>34.7x</b>	<b>8.0%</b>	<b>2.1x</b>	<b>5.3x</b>	<b>65.0%</b>	<b>25.0%</b>
<b>Median</b>		<b>90.9%</b>	<b>\$8,065</b>	<b>\$11,856</b>	<b>3.5x</b>	<b>3.3x</b>	<b>17.9x</b>	<b>16.2x</b>	<b>25.0x</b>	<b>23.3x</b>	<b>5.5%</b>	<b>2.2x</b>	<b>5.6x</b>	<b>88.0%</b>	<b>7.5%</b>

	Stock Price		Market Value								Growth Metrics		Additional Metrics		
	% of 52-wk		Equity Value	Ent. Value	EV / Revenue		EV / EBITDA		P/E		Rev. Growth '22 - '24E	PEG 2023E	LTM Debt / EBITDA	Franchised / Total Stores	Operated / Total Stores
	6/21/23	High			2023E	2024E	2023E	2024E	2023E	2024E					
<b>Fast Casual Dining</b>															
Chipotle Mexican Grill	\$2,074.48	96.9%	\$57,235	\$56,172	5.7x	5.0x	29.1x	24.7x	46.6x	39.1x	13.7%	1.8x	-	0.0%	100.0%
Wingstop	191.74	85.7%	5,746	6,263	14.7x	12.9x	NM	40.6x	89.7x	76.7x	16.5%	4.5x	6.3x	97.8%	2.2%
CAVA	38.34	80.1%	4,352	4,975	NA	NA	NA	NA	NA	NA	NA	NA	-	0.0%	100.0%
Shake Shack	75.19	98.9%	3,327	3,285	3.0x	2.6x	27.7x	23.4x	NM	NM	18.6%	NM	4.2x	42.1%	57.9%
Portillo's	20.72	71.6%	1,500	1,792	2.6x	2.3x	18.7x	16.1x	67.5x	47.7x	14.9%	NM	4.8x	0.0%	100.0%
Sweetgreen	10.70	49.4%	1,193	896	1.5x	1.3x	NM	NM	NM	NM	23.0%	NM	-	0.0%	100.0%
El Pollo Loco Holdings	9.85	75.8%	355	410	0.8x	0.8x	7.0x	6.2x	13.8x	11.9x	3.5%	1.4x	1.2x	61.8%	38.2%
Potbelly	8.15	73.2%	238	234	0.5x	0.5x	8.4x	7.8x	37.1x	26.7x	1.1%	NA	1.1x	12.4%	87.6%
Noodles & Company	3.38	51.6%	157	211	0.4x	0.4x	4.8x	3.6x	21.1x	7.7x	8.5%	NA	1.7x	20.0%	80.0%
Fiesta Restaurant Group	8.76	94.4%	228	199	0.5x	0.5x	6.6x	5.1x	NA	NA	6.0%	NA	-	18.0%	82.0%
<b>Mean</b>		<b>77.8%</b>	<b>\$7,433</b>	<b>\$7,444</b>	<b>3.3x</b>	<b>2.9x</b>	<b>14.6x</b>	<b>15.9x</b>	<b>46.0x</b>	<b>35.0x</b>	<b>11.8%</b>	<b>2.6x</b>	<b>1.9x</b>	<b>25.2%</b>	<b>74.8%</b>
<b>Median</b>		<b>77.9%</b>	<b>\$1,346</b>	<b>\$1,344</b>	<b>1.5x</b>	<b>1.3x</b>	<b>8.4x</b>	<b>11.9x</b>	<b>41.9x</b>	<b>32.9x</b>	<b>13.7%</b>	<b>1.8x</b>	<b>1.2x</b>	<b>15.2%</b>	<b>84.8%</b>

Source(s): S&P Capital IQ. As of 6/21/23.

Note: Maximum threshold for EV / EBITDA NM is 45.0x, P/E NM is 100.0x, PEG is 5.0x and LTM Debt / EBITDA is 20.0x.

# Public Valuations

## Public Comparables | Trading Metrics

	Stock Price		Market Value								Growth Metrics		Additional Metrics		
	% of 52-wk		Equity Value	Ent. Value	EV / Revenue		EV / EBITDA		P/E		Rev. Growth '22 - '24E	PEG 2023E	LTM Debt / EBITDA	Franchised / Total Stores	Operated / Total Stores
	6/21/23	High			2023E	2024E	2023E	2024E	2023E	2024E					
<b>Casual Dining</b>															
Darden Restaurants	\$166.41	98%	\$20,124	\$21,892	2.0x	1.8x	13.1x	11.9x	19.8x	18.3x	9.0%	1.5x	1.3x	NA	NA
Texas Roadhouse	109.30	94%	7,323	7,182	1.6x	1.4x	13.9x	12.2x	23.4x	20.3x	11.6%	1.6x	-	13.2%	86.8%
Bloomin' Brands	27.01	95%	2,358	3,034	0.6x	0.6x	5.4x	5.2x	8.6x	8.3x	4.6%	0.7x	1.4x	20.9%	79.1%
Dave & Buster's Entertainment	42.13	89%	1,808	2,946	1.3x	1.2x	5.4x	5.0x	11.0x	9.3x	12.0%	NA	2.5x	0.0%	100.0%
Brinker International	36.09	86%	1,599	2,528	0.6x	0.6x	6.4x	6.2x	10.1x	10.5x	4.8%	1.4x	2.9x	28.4%	71.6%
Cracker Barrel Old Country Store	93.69	77%	2,075	2,498	0.7x	0.7x	9.5x	8.5x	16.4x	14.3x	3.3%	4.2x	1.9x	0.0%	100.0%
Dine Brands Global	59.64	72%	934	2,096	2.5x	2.4x	8.3x	8.0x	9.3x	8.8x	(1.9%)	NA	6.3x	99.9%	0.1%
First Watch	16.04	85%	954	999	1.2x	1.0x	11.8x	10.5x	50.5x	42.3x	15.9%	NA	1.6x	23.6%	76.4%
Kura Sushi USA	88.96	92%	986	964	4.8x	3.8x	NM	NM	NM	NM	30.1%	NM	-	0.0%	100.0%
Denny's	12.04	92%	675	938	2.0x	1.9x	10.7x	9.9x	19.4x	17.5x	3.8%	2.2x	3.4x	95.9%	4.1%
BJ's Restaurants	31.03	86%	730	761	0.6x	0.5x	7.8x	6.8x	43.2x	26.5x	5.1%	3.5x	0.8x	0.0%	100.0%
Chuy's Holdings	40.63	94%	733	651	1.4x	1.3x	11.7x	10.8x	23.2x	21.7x	8.6%	1.5x	-	0.0%	100.0%
Red Robin Gourmet Burgers	13.42	81%	216	373	0.3x	0.3x	5.1x	4.6x	NM	NM	2.0%	NM	3.7x	18.8%	81.2%
<b>Mean</b>		<b>88%</b>	<b>\$3,117</b>	<b>\$3,605</b>	<b>1.5x</b>	<b>1.4x</b>	<b>9.1x</b>	<b>8.3x</b>	<b>21.4x</b>	<b>18.0x</b>	<b>8.4%</b>	<b>2.1x</b>	<b>2.0x</b>	<b>25.1%</b>	<b>74.9%</b>
<b>Median</b>		<b>89%</b>	<b>\$986</b>	<b>\$2,096</b>	<b>1.3x</b>	<b>1.2x</b>	<b>8.9x</b>	<b>8.2x</b>	<b>19.4x</b>	<b>17.5x</b>	<b>5.1%</b>	<b>1.6x</b>	<b>1.6x</b>	<b>16.0%</b>	<b>84.0%</b>

	Stock Price		Market Value								Growth Metrics		Additional Metrics		
	% of 52-wk		Equity Value	Ent. Value	EV / Revenue		EV / EBITDA		P/E		Rev. Growth '22 - '24E	PEG 2023E	LTM Debt / EBITDA	Franchised / Total Stores	Operated / Total Stores
	6/21/23	High			2023E	2024E	2023E	2024E	2023E	2024E					
<b>Upscale Dining</b>															
The Cheesecake Factory	\$33.88	82%	\$1,740	\$2,092	0.6x	0.6x	8.1x	7.0x	12.9x	10.5x	7.0%	1.5x	2.5x	8.6%	91.4%
The ONE Group	7.09	75%	226	250	0.7x	0.6x	4.9x	3.9x	12.9x	8.0x	18.4%	NA	2.4x	36.5%	63.5%
Ark Restaurants	18.51	82%	67	65	NA	NA	NA	NA	NA	NA	NA	NA	1.1x	0.0%	100.0%
<b>Mean</b>		<b>79%</b>	<b>\$983</b>	<b>\$1,171</b>	<b>0.6x</b>	<b>0.6x</b>	<b>6.5x</b>	<b>5.4x</b>	<b>12.9x</b>	<b>9.2x</b>	<b>12.7%</b>	<b>1.5x</b>	<b>2.5x</b>	<b>22.6%</b>	<b>77.4%</b>
<b>Median</b>		<b>79%</b>	<b>\$983</b>	<b>\$1,171</b>	<b>0.6x</b>	<b>0.6x</b>	<b>6.5x</b>	<b>5.4x</b>	<b>12.9x</b>	<b>9.2x</b>	<b>12.7%</b>	<b>1.5x</b>	<b>2.5x</b>	<b>22.6%</b>	<b>77.4%</b>
<b>Overall Mean</b>		<b>84%</b>	<b>\$16,069</b>	<b>\$18,624</b>	<b>2.8x</b>	<b>2.6x</b>	<b>13.2x</b>	<b>12.6x</b>	<b>27.0x</b>	<b>26.7x</b>	<b>9.6%</b>	<b>2.1x</b>	<b>2.9x</b>	<b>37.2%</b>	<b>59.7%</b>
<b>Overall Median</b>		<b>86%</b>	<b>\$1,846</b>	<b>\$2,737</b>	<b>1.6x</b>	<b>1.4x</b>	<b>11.2x</b>	<b>10.5x</b>	<b>23.2x</b>	<b>21.7x</b>	<b>7.3%</b>	<b>1.7x</b>	<b>2.5x</b>	<b>20.9%</b>	<b>76.4%</b>

Source(s): S&P Capital IQ. As of 6/21/23.

Note: Maximum threshold for EV / EBITDA NM is 45.0x, P/E NM is 100.0x, PEG is 5.0x and LTM Debt / EBITDA is 20.0x.

# M&A Transactions

## Selected Recent Restaurant M&A Transactions - Latest Twelve Months

Date		Acquiror	Target	Enterprise	
Ann.	Effect.			Value	Target Type
6/12/23	6/12/23	Sam Nazarian (SBE Hospitality Group)	NextBite	-	Technology
6/7/23	-	Flynn Restaurant Group	260 Pizza Hut restaurants in Australia	-	Franchisee
6/4/23	6/4/23	Papa John's International	Drake Food Service (91 Papa John's locations in the UK)	-	Franchisee
5/10/23	5/10/23	Meritage Hospitality Group	25 Wendy's restaurants in North Carolina	-	Franchisee
5/4/23	5/4/23	Shift4Payments	Focus POS Systems	\$45.0	Technology
5/3/23	6/14/23	Darden Restaurants	Ruth's Hospitality Group	713.5	Branded / Franchisor
4/27/23	4/27/23	SPB Hospitality	The Krystal Company	-	Branded / Franchisor
4/27/23	4/27/23	L Catterton	Urban Egg (minority investment)	-	Branded / Franchisor
4/12/23	4/12/23	Craveworthy Brands	Mongolian Concepts	-	Branded / Franchisor
4/5/23	-	Toridoll Holdings	Fulham Shore	116.8	Branded / Franchisor
3/23/23	3/23/23	Garnett Station Partners	Firebirds Wood Fired Grill	-	Branded / Franchisor
3/21/23	3/21/23	ItsaCheckmate	Open Tender	-	Technology
2/27/23	2/27/23	Xperience XRG Restaurant Group	Rio Mambo Tex Mex y Mas	-	Branded / Franchisor
2/27/23	2/27/23	Xperience XRG Restaurant Group	The Rim	-	Branded / Franchisor
1/10/23	1/10/23	Crux Capital	HTeaO Franchising	-	Branded / Franchisor
1/24/23	1/24/23	Zenchef	Formitable	-	Technology
1/18/23	1/18/23	PG Growth Opportunities	Wild Eggs	-	Branded / Franchisor
12/19/22	12/19/22	VersiTech	Ordyx	-	Technology
12/19/22	2/22/23	Foodtastic <sup>(1)</sup>	Freshii	55.0	Branded / Franchisor
12/18/22	12/18/22	Gala Capital Partners	Rusty Tacos	-	Branded / Franchisor
12/15/22	12/15/22	MTY Food Group	Sauce Pizza & Wine	10.8	Branded / Franchisor
12/12/22	12/12/22	YTG Enterprises	Nick the Greek	-	Branded / Franchisor
12/4/22	12/13/22	Dine Brands	Fuzzy's Taco Shop	80.0	Branded / Franchisor
12/2/22	2/22/23	Foodtastic	Quesada Burritos & Tacos	-	Branded / Franchisor
11/22/22	12/24/21	FAT Brands	Native Grill & Wings	20.0	Branded / Franchisor
11/1/22	11/1/22	CoverManager	Seatris	-	Technology
11/1/22	12/7/22	MTY Food Group	Wetzel's Pretzels	207.0	Branded / Franchisor
9/26/22	9/26/22	Houchens Industries	10 Locations of Slim Chickens	-	Franchisee
9/18/22	9/18/22	Alia Corp.	20 New McDonald's locations in Columbus, GA	-	Franchisee
9/8/22	9/8/22	Centerbridge Partners, Manna Tree Partners, HumanCo	True Food Kitchen (minority stake)	100.0	Branded / Franchisor
8/9/22	9/27/22	MTY Food Group	BBQ Holdings	197.6	Branded / Franchisor
8/9/22	9/29/22	Modern Market / Butterfly Equity	Qdoba	-	Branded / Franchisor
7/25/22	7/25/22	Consortium of investors including: GV, Simon Property Group, Restaurant Brands International, Rich Products Ventures, Kroger	Kitchen United (minority stake)	100.0	Technology
7/22/22	7/22/22	Ampex Brands	Bellagreen Holdings	-	Branded / Franchisor
7/21/22	7/21/22	Chipotle Mexican Grill	Hyphen (minority stake)	-	Technology
7/20/22	7/20/22	Gala Capital Partners	Dunn Bros Coffee	-	Branded / Franchisor
7/18/22	7/18/22	CRM & Bonus	ChefsClub	-	Technology

Sources: S&P Capital IQ, Mergermarket, news articles, press releases.

(1) Foodtastic/ Freshii transaction Enterprise Value based on Freshii press release with valuation of \$74.4 million CAD, translated to USD at 0.73216626 (CAD/USD).

# Restaurant Investment Banking Quarterly Update Report

June 2023

## Footnote Details & Disclosure

Indices for Three-Year Stock Chart and EV / NTM EBITDA Trend Charts:

- Fast Casual Index: CMG, FRGI, LOCO, NDLS, PBPB, PTLO, SG, SHAK and WING.
- Quick Service Index: BROS, DPZ, JACK, MCD, PZZA, QSR, SBUX, TAST, WEN and YUM.
- Casual Dining Index: BJRI, BLMN, CBRL, CHUY, DENN, DIN, DRI, EAT, FWRG, KRUS, PLAY, RRGB and TXRH.
- Upscale Dining Index: ARKR, CAKE and STKS.

Same-Store Sales Performance indices:

- Fast Casual: CAVA, CMG, FRGI (Pollo Tropical), LOCO, NDLS, PBPB, PTLO, SHAK, SG, WING, YUM (Habit Grill).
- Quick Service: BROS, DPZ, JACK (Del Taco, Jack in the Box), MCD, PZZA, QSR (Burger King, Firehouse Subs, Popeye's, Tim Horton's), SBUX, WEN and YUM (KFC, Pizza Hut, Taco Bell).
- Casual Dining: BJRI, BLMN (Outback), CBRL, CHUY, DENN, DIN (Applebee's, IHOP), DRI (Longhorn, Olive Garden, Darden Other Business), EAT (Chili's, Maggiano's), FWRG, KRUS, PLAY, RRGB and TXRH (Bubba's 33, Texas Roadhouse).
- Upscale Dining: ARKR, BLMN (Bonefish Grill, Carrabba's, Fleming's), CAKE (Cheesecake Factory, North Italia), DRI (Darden Fine Dining), RUTH and STKS (Kona Grill, STK).

# STIFEL

Stifel collectively refers to Stifel, Nicolaus & Company, Incorporated and other affiliated broker-dealer subsidiaries of Stifel Financial Corp. The information and statistical data contained herein have been obtained from sources that Stifel believes are reliable, but Stifel makes no representation or warranty as to the accuracy or completeness of any such information or data and expressly disclaims any and all liability relating to or resulting from your use of these materials. The information and data contained herein are current only as of the date(s) indicated, and Stifel has no intention, obligation, or duty to update these materials after such date(s). These materials do not constitute an offer to sell or the solicitation of an offer to buy any securities, and Stifel is not soliciting any action based on this material. Stifel may be a market-maker in certain of these securities, and Stifel may have provided investment banking services to certain of the companies listed herein. Stifel and/or its respective officers, directors, employees, and affiliates may at any time hold a long or short position in any of these securities and may from time-to-time purchase or sell such securities. This material was prepared by Stifel Investment Banking and is not the product of the Stifel Research Department. It is not a research report, and should not be construed as such. This material may not be distributed without Stifel's prior written consent.

Copyright 2023 Stifel, Nicolaus & Company, Incorporated. All rights reserved.