



INTRODUCTION & INDUSTRY THEMES

STATE OF THE RESTAURANT, FRANCHISE & MULTI-UNIT INDUSTRIES

We are pleased to present Citizens February 2025 Restaurant, Franchise & Multi-Unit Update. This comprehensive report explores the transformative landscape of the restaurant industry as we head into 2025. We analyze the key trends affecting operators and consumers, including the rising influence of health-conscious dining, technological advancements, value wars and shifting consumer behaviors. Additionally, we will cover public equity performance, notable M&A transactions and provide insights into macroeconomic and commodity trends shaping the industry.

As the industry navigates these dynamic challenges and opportunities, we look forward to discussing how Citizens can support you in achieving your strategic objectives and driving growth in 2025 and beyond.

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CONSUMERS NOW DICTATE THE MEANING OF VALUE

- Heading into 2025, operators are increasingly adapting to a consumer-driven redefinition of value. The traditional view of value—rooted in low prices and discount promotions—is evolving. Today’s consumers prioritize more comprehensive experiences when dining out, demanding a balance of quality, variety and convenience, alongside price.
 - While price sensitivity remains a concern, it is no longer the sole driver of consumer behavior. Customers are now placing higher emphasis on quality and customization, even in traditionally price-sensitive segments like quick-service restaurants (QSRs). Chains like KFC, McDonald’s and Wendy’s have reintroduced value meal offerings to drive traffic, while other brands like CAVA are focusing on maintaining high-quality food at competitive prices, which has helped them capture traffic across all income levels.
- Significant price increases over the past few years have reached a tipping point for the industry, intensifying the competitive dynamics around ‘value wars.’ As operators strategize to secure greater share of consumer spending, the growing appeal of food-at-home (FAH) options presents a notable challenge. Over the past 16 months, the inflation rate for food-away-from-home (FAFH) has consistently exceeded that of food-at-home (FAH) by more than 300 basis points. This persistent gap underscores the pressure on restaurants to balance pricing power with perceived value to maintain competitiveness and customer traffic.
 - While inflation peaked in 2022, consumer demand for dining out has remained resilient, with FAFH expenditures outpacing FAH since the pandemic recovery (13% YoY growth in 2023 vs. 2.5% for FAH). This highlights that value perception extends beyond price, driven by factors such as quality, variety, and convenience.

NAVIGATING THE RISING TIDE OF RESTAURANT BANKRUPTCIES

- In 2024, the restaurant industry experienced a notable surge in bankruptcies, with several well-established chains grappling to stay afloat. Rising inflation, persistent increases in wages and escalating food costs, combined with a slowdown in guest traffic, have placed substantial pressure on operators, severely compressing profit margins and straining cash flows. Despite aggressive cost-cutting initiatives and efforts to enhance operational efficiencies, many chains have found it increasingly difficult to maintain profitability, particularly those that have been slow to modernize or adapt to evolving consumer preferences.
 - 2024 witnessed an unprecedented wave of restaurant bankruptcies, rivaling historical peaks outside of the extraordinary disruptions of 2020. Iconic brands that once defined the American dining experience now face existential challenges, grappling with shifting consumer preferences and an evolving competitive landscape. The accelerated pivot toward fast-casual formats and delivery-driven models has intensified pressure on legacy operators, many of which have struggled to adapt to the digital-first, convenience-focused demands of modern diners. This confluence of market dynamics underscores the critical importance of innovation and agility in navigating the structural changes reshaping the industry.
 - Notable bankruptcy filings this year included Red Lobster, TGI Fridays, Tijuana Flats, Tender Greens, Buca Di Peppo, BurgerFi, World of Beer, Rubio’s Coastal Grill and various franchisees operating in Tier I brands, highlighting the breadth of the industry’s financial distress. Additionally, major store closures among casual dining giants such as Bloomin’ Brands, TGI Fridays, Hooters and Denny’s underscore the widespread impact on the sector, as operators contend with changing dining habits and heightened operational costs.
- This wave of bankruptcies emphasizes the urgent need for restaurant operators to innovate, streamline operations and realign their strategies to better cater to shifting consumer behaviors and market dynamics.

CORPORATE FINANCE | CAPITAL MARKETS & ADVISORY | TREASURY & RISK MANAGEMENT



INDUSTRY THEMES

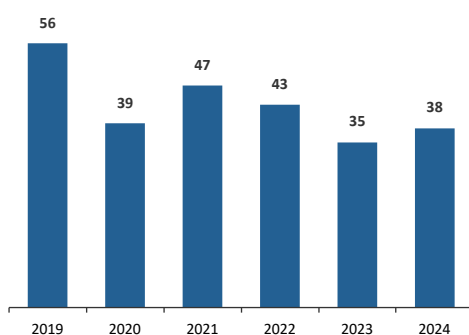
SOCIAL MEDIA'S GROWING INFLUENCE ON MODERN DINING TRENDS

- In 2024, social media remained a critical driver of consumer behavior in the restaurant industry, profoundly influencing everything from menu design to brand loyalty. Platforms like Instagram, TikTok and Facebook have become essential channels through which consumers discover and interact with restaurants, compelling operators to continuously adapt to this dynamic and rapidly evolving digital landscape to maintain relevance and competitive advantage.
 - TikTok, in particular, has solidified its role as a dominant force in social media marketing throughout 2024, with viral food trends frequently dictating which dishes and brands capture widespread consumer attention.
 - The trend towards “Instagrammable” dishes—visually striking, photogenic offerings—has pushed restaurant operators to innovate their menus, prioritizing aesthetic appeal alongside culinary quality to attract and retain customers in a visually-driven market.
 - Insights from peer-to-peer payment platforms such as Cash App have shed light on emerging dining trends. Notably, mentions of indulgent, affordable items like “sweet little treat” have surged by 500% YoY, while the “girl dinner” phenomenon—a trend promoting simplified, snack-centric meals—saw an 8,000% YoY increase in mentions. These data points highlight the speed and scale at which social media-driven trends can reshape consumer expectations and dining habits.
- Recognizing the growing influence of social media, many restaurant operators are now investing in data-driven strategies to optimize their social media campaigns. By leveraging analytics on customer interactions and engagement metrics, operators can refine their messaging and marketing efforts to more effectively target specific audiences, enhancing both brand presence and customer loyalty in an increasingly digital-first marketplace.

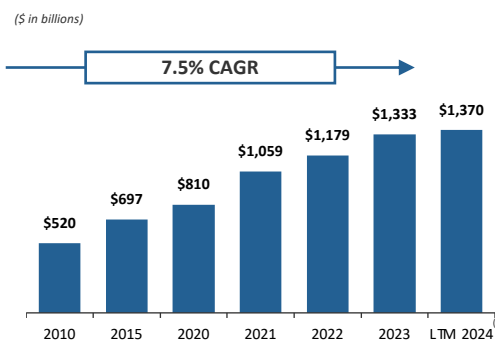
RESTAURANT MENUS EVOLVING WITH CONSUMER PREFERENCES

- As the restaurant industry moves into 2025, consumer preferences are evolving rapidly, reshaping how operators design menus, deliver service and create dining experiences. Health and wellness have emerged as cornerstone priorities, with diners increasingly seeking meals that balance nutrition, quality and flavor. Beyond individual dietary choices, there is a growing focus on sustainability and ethical practices, driving demand for restaurants to align with broader societal values such as eco-friendly sourcing and waste reduction. At the same time, convenience and customization remain critical, as consumers favor options tailored to their unique lifestyles and preferences.
 - Health-conscious dining is a dominant trend, with consumers prioritizing high-protein, low-sugar, and nutrient-dense options. Restaurants that demonstrate a commitment to sustainability and locally sourced ingredients are increasingly favored, reflecting a stronger alignment with environmental and community values.
- Amid broader shifts in dietary and environmental consciousness, the emergence of GLP-1 medications represents a developing factor influencing dining behaviors. These medications, widely utilized for weight management, have been associated with changes in consumption patterns for certain users. While recent surveys indicate that 63% of GLP-1 users are dining out less frequently and 61% are reducing their take-out orders, these data points warrant careful interpretation. The broader impact on the restaurant industry remains inconclusive, as anecdotal evidence suggests the effect may be more nuanced than the headlines imply. Notably, operators with a focus on health-conscious, customizable offerings—such as Chipotle and Cava—appear well-positioned to navigate this shift. Innovative responses, such as Smoothie King’s introduction of GLP-1-friendly menu items, highlight the industry’s capacity to adapt effectively to emerging trends. While the ultimate implications of these medications for the sector remain uncertain, concepts emphasizing health-conscious, customizable offering have a strategic advantage in capturing this segment of demand.

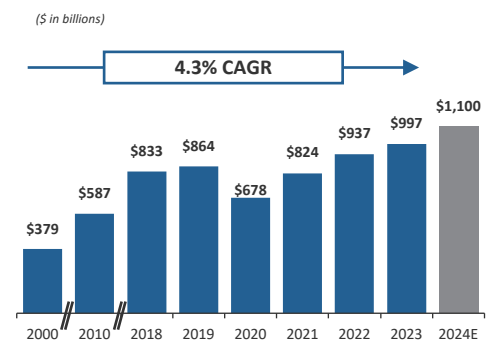
RESTAURANT M&A ACTIVITY



FOOD-AWAY-FROM-HOME (FAFH) GROWTH



RESTAURANT INDUSTRY GROWTH



Sources: Bloomberg, USDA, National Restaurant Association, S&P Capital IQ, Wall Street Equity Research, NoBullEconomics, Statista, CNBC, The Food Institute
 1) As of October 2024



INSIGHTS FROM THE C-SUITE: KEY COMMENTARY

NOTABLE RECENT COMMENTARY FROM RESTAURANT EXECUTIVES



December 2024

“So we've been at a 21% off-premise sales mix now for quarter after quarter, probably 6 quarters in a row now. So it's very, very stable. Of that mix about 40% of that 21% is delivery, which, to your point, is exclusive through DoorDash. That continues to be a very valuable relationship for us. **It means that we only take about 2% to 3% pricing on our delivery, which is a competitive advantage,** certainly. DoorDash has fully integrated the rewards program, so you can redeem rewards or sign up for the program directly through DoorDash. So that channel has remained very, very consistent. You can feed a family of 4 with 2 entrees and an appetizer, complementary beverage and you're paying about \$20 a person for your family and to get a burrito these days with extra protein delivered is about \$20. So, the value is there, and it's great quality. So, I would anticipate that, that level of off-premise is sustainable for the long term.”

– David Gordon, President



December 2024

“So, we've definitely started to surgical value offers. So, through our digital channels, we're definitely targeting customers who we have done the analytics to show they need some sort of incentive to come in as frequently as we want them to come in. We've started to do things like Chicken Sundays, where we're giving a free chicken sandwich with a certain level of purchase. And that's a strategic decision that we made because we have the best chicken sandwich in the industry, and a lot of people don't even know we have a chicken sandwich. So, driving trial of items that people aren't aware of is going to create lifetime value. So, we've done some value offerings. We just haven't done like a blanket national value play. And I don't think that's going to be in our strategy moving forward.”

– Robert Lynch, Chief Executive Officer & Director



November 2024

“Digital mix, now over 55%, grew 3 percentage points over the previous quarter on expanding kiosk and click-and-collect channels. **In the U.S., limited time offers underperformed expectations due to a more intense competitive environment,** particularly within the chicken QSR category. **In Q4, the team will focus on strengthening its value proposition** and has recently introduced boneless innovation, like Original Recipe chicken tenders. Additionally, the team will capitalize on the success of the KFC Rewards membership growth, which has contributed to digital sales growth over 20% from last year.”

– David Gibbs, Chief Executive Officer & Director



October 2024

“I think our U.S. business has done a really nice job of kind of responding to the heightened expectations from customers around value and affordability with the \$5 meal. And then as Chris talked about, really combining that with great marketing execution through things like the Collector's Edition or as we saw in early October, LTO events or menu excitement like the Chicken Big Mac. **And that's where we kind of get that 1 plus 1 equal to 3 outcome, which is more customers visiting and more of those customers spending more in those visits, driving check and, obviously, profitability.** Two of those things that I think are really important is for the first time in over a year, we gained share with lower-income consumers. And we also saw that customers that were buying that \$5 meal were also visiting us more frequently. So, if you think about us getting back to guest count-led growth, I think, certainly, those things were starting to come to life.”

– Ian Borden, Global Chief Financial Officer & Executive VP












RESTAURANT INDUSTRY INSIGHTS

FEBRUARY 2025

Citizens

SELECT M&A ACTIVITY

SELECTED RECENT RESTAURANT M&A TRANSACTIONS – LATEST TWELVE MONTHS

Announced Date	Target	Acquiror	Enterprise Value	EV / LTM EBITDA	Target Business Description
December 2024			—	—	Fast-casual restaurant chain specializing in "better burgers" made with premium, all-natural Angus beef across 85 locations in 15 states
December 2024		Florida Burger	—	—	Casual dining pizza chain specializing in authentic, coal-fired pizza cooked in high-temperature ovens across 50+ locations in 6 states
November 2024		Blackstone	~\$8,000MM	—	Leading franchisor of sub sandwich restaurants with 3,000+ locations in 50 states
November 2024			—	—	Operator of Pizzerias across 25 locations along the West Coast with a focus on using fresh and "better-for-you" ingredients
September 2024			—	—	Fast-casual chain offering multi-cuisine menu items with fresh, farm-to-table ingredients across 28 locations
September 2024			—	—	Fast-casual chain offering "better-for-you" menu items such as acai bowls, fruit bowls, smoothies and juices across 200+ locations
August 2024			—	—	Fast-casual chain offering customizable, "monster-sized" Tex-Mex cuisine across 60+ locations
July 2024			\$350MM	—	High-growth baked goods chain specializing in serving fresh cookies and other deserts across 300+ locations
July 2024			\$605MM	10.3x	Casual dining restaurant serving freshly sourced Tex-Mex cuisine across 100+ locations
July 2024		Elite Restaurant Group	—	—	Operator of a chain of pizza restaurants providing an affordable and quick pizza experience with ~500 locations
May 2024			—	—	Multi-brand fast-casual operator that owns and manages 22 units under the Mediterranean Kitchen and Hot Chicken Takeover brand names
April 2024		Blackstone	~\$2,000MM	—	Leading franchisor of fast-casual cafes across 1,400 locations in 44 states offering "better-for-you" menu items

RESTAURANT INDUSTRY INSIGHTS

FEBRUARY 2025



Citizens

RELEVANT DATA POINTS (SAME-STORE SALES DATA)

RESTAURANT SAME-STORE SALES DATA

	2021				2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Chicken															
KFC	14.0%	11.0%	4.0%	4.0%	1.0%	(7.0%)	2.0%	1.0%	2.0%	5.0%	0.0%	0.0%	(7.0%)	(5.0%)	(5.0%)
Popeyes	0.9%	(2.5%)	(4.5%)	(1.8%)	(4.6%)	0.1%	1.3%	1.5%	3.4%	4.2%	5.6%	5.8%	6.2%	0.6%	(3.8%)
MEAN	7.5%	4.3%	(0.3%)	1.1%	(1.8%)	(3.5%)	1.7%	1.3%	2.7%	4.6%	2.8%	2.9%	(0.4%)	(2.2%)	(4.4%)
Coffee/Snack															
Dutch Bros. Coffee	N/A	N/A	7.3%	10.1%	6.0%	(3.3%)	1.7%	(0.6%)	(2.0%)	3.8%	4.0%	5.0%	10.0%	4.1%	2.7%
Starbucks	9.0%	83.0%	22.0%	18.0%	12.0%	9.0%	11.0%	10.0%	12.0%	7.0%	8.0%	5.0%	(3.0%)	(2.0%)	(6.0%)
Tim Horton's	(2.3%)	27.6%	8.9%	10.3%	8.4%	12.2%	9.8%	9.4%	13.8%	11.4%	6.8%	8.4%	6.9%	4.6%	2.3%
MEAN	3.4%	55.3%	12.7%	12.8%	8.8%	6.0%	7.5%	6.3%	7.9%	7.4%	6.3%	6.1%	4.6%	2.2%	(0.3%)
Mexican															
Del Taco	9.1%	17.8%	1.8%	0.0%	2.5%	3.5%	5.2%	3.0%	3.2%	1.7%	(1.5%)	2.2%	(1.4%)	(3.9%)	(3.9%)
Taco Bell	9.0%	21.0%	5.0%	8.0%	5.0%	8.0%	7.0%	11.0%	9.0%	4.0%	8.0%	3.0%	2.0%	5.0%	4.0%
MEAN	9.1%	19.4%	3.4%	4.0%	3.8%	5.8%	6.1%	7.0%	6.1%	2.9%	3.3%	2.6%	0.3%	0.6%	0.1%
Pizza															
Domino's	13.4%	3.5%	(1.9%)	1.0%	(3.6%)	(2.9%)	2.0%	0.9%	3.6%	0.1%	(0.6%)	2.8%	5.6%	4.8%	3.0%
Papa John's	26.2%	5.2%	6.9%	11.1%	1.9%	0.9%	(0.8%)	1.1%	0.0%	(1.4%)	2.9%	1.8%	(1.8%)	(3.6%)	(5.6%)
Pizza Hut	16.0%	4.0%	2.0%	1.0%	(6.0%)	(4.0%)	1.0%	4.0%	8.0%	1.0%	0.0%	(4.0%)	(6.0%)	(1.0%)	(1.0%)
Pizza Inn	(3.1%)	0.0%	25.0%	31.0%	22.8%	0.0%	12.5%	8.4%	15.6%	9.0%	6.8%	7.0%	(1.9%)	N/A	(2.1%)
MEAN	13.1%	3.2%	8.0%	11.0%	3.8%	(1.5%)	3.7%	3.6%	6.8%	2.2%	2.3%	1.9%	(1.0%)	0.1%	(1.4%)
Burger															
Burger King	6.6%	13.0%	(1.6%)	1.8%	(0.5%)	0.4%	4.0%	5.0%	8.7%	8.3%	6.6%	6.4%	3.9%	0.1%	(0.4%)
Good Times Burgers & Frozen Custard	22.9%	2.9%	(0.2%)	5.9%	(0.9%)	1.6%	5.9%	3.0%	7.6%	2.1%	2.4%	4.1%	0.9%	5.8%	(0.1%)
Habit Burger Grill	13.0%	31.0%	11.0%	11.0%	3.0%	(4.0%)	(1.0%)	(1.0%)	0.0%	0.0%	(5.0%)	(5.0%)	(8.0%)	(6.0%)	(5.0%)
Jack in the Box	20.6%	10.2%	0.1%	1.2%	(0.8%)	(0.6%)	4.0%	7.8%	9.5%	7.9%	3.9%	0.8%	(2.5%)	(2.2%)	(2.1%)
McDonald's	13.6%	25.9%	9.6%	7.5%	3.5%	3.7%	6.1%	10.3%	12.6%	10.3%	8.1%	4.3%	2.5%	(0.7%)	0.3%
Wendy's	13.5%	16.1%	2.1%	6.1%	2.4%	2.3%	6.4%	5.9%	7.2%	4.9%	2.2%	0.9%	0.6%	0.6%	0.2%
MEAN	15.0%	16.5%	3.5%	5.6%	1.1%	0.6%	4.2%	5.2%	7.6%	5.6%	3.0%	1.9%	(0.4%)	(0.4%)	(1.2%)
MEAN TOTAL QSR	11.4%	16.9%	5.7%	7.4%	3.1%	1.2%	4.6%	4.7%	6.7%	4.7%	3.4%	2.9%	0.4%	0.1%	(1.3%)
Fast Casual															
BurgerFi	4.0%	44.0%	8.0%	0.0%	(5.0%)	(4.0%)	(7.0%)	(9.0%)	(4.0%)	(9.0%)	(11.0%)	(9.0%)	(13.0%)	N/A	N/A
Cava	N/A	N/A	N/A	N/A	N/A	13.3%	9.2%	14.8%	28.4%	18.2%	14.1%	11.4%	2.3%	14.4%	18.1%
Chipotle	17.2%	31.2%	15.1%	15.2%	9.0%	10.1%	7.6%	5.6%	10.9%	7.4%	5.0%	8.4%	7.0%	11.1%	6.0%
El Pollo Loco	7.4%	21.0%	9.3%	11.0%	7.8%	7.5%	3.8%	4.7%	0.8%	(3.4%)	0.8%	0.9%	5.1%	4.5%	2.7%
Firehouse Subs	23.9%	N/A	N/A	15.2%	4.5%	(1.2%)	0.3%	1.0%	6.7%	2.6%	3.9%	3.8%	0.3%	(0.1%)	(5.2%)
Fuzzy's Taco Shop	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(5.0%)	(3.1%)	(9.8%)	(7.5%)	(9.6%)
Noodles & Company	10.7%	56.8%	16.3%	22.1%	6.4%	5.1%	2.1%	8.7%	6.4%	(5.5%)	(3.7%)	(4.2%)	(5.4%)	2.0%	(3.3%)
Pie Five	(21.0%)	0.0%	18.0%	15.0%	21.4%	0.0%	7.6%	6.3%	8.1%	0.6%	1.2%	0.8%	(6.4%)	N/A	(8.7%)
Portillo's	0.8%	26.1%	6.8%	10.3%	8.2%	1.9%	5.8%	6.0%	9.1%	5.9%	3.9%	4.4%	(1.2%)	(0.6%)	(0.9%)
Potbelly	(3.1%)	70.0%	33.7%	33.8%	24.4%	17.2%	15.0%	18.9%	22.2%	12.9%	8.0%	6.3%	(0.2%)	0.4%	(1.8%)
Shake Shack	5.7%	52.7%	24.8%	20.8%	10.3%	10.1%	6.3%	5.1%	10.3%	3.0%	2.3%	2.8%	1.6%	4.0%	4.4%
Sweetgreen	(26.0%)	N/A	N/A	36.0%	35.0%	16.0%	6.0%	4.0%	5.0%	3.0%	4.0%	6.0%	5.0%	9.0%	6.0%
Wingstop	20.7%	2.1%	3.9%	7.5%	1.2%	(3.3%)	6.9%	8.7%	20.1%	16.8%	15.3%	21.2%	21.3%	28.7%	20.9%
MEAN	3.7%	33.8%	15.1%	17.0%	11.2%	6.1%	5.3%	6.2%	10.3%	4.4%	3.0%	3.8%	0.5%	6.0%	2.4%

Sources: Restaurant Research LLC, S&P Capital IQ, Technomic and Company Filings

RESTAURANT INDUSTRY INSIGHTS

FEBRUARY 2025



RELEVANT DATA POINTS (SAME-STORE SALES DATA)

RESTAURANT SAME-STORE SALES DATA (CONT.)

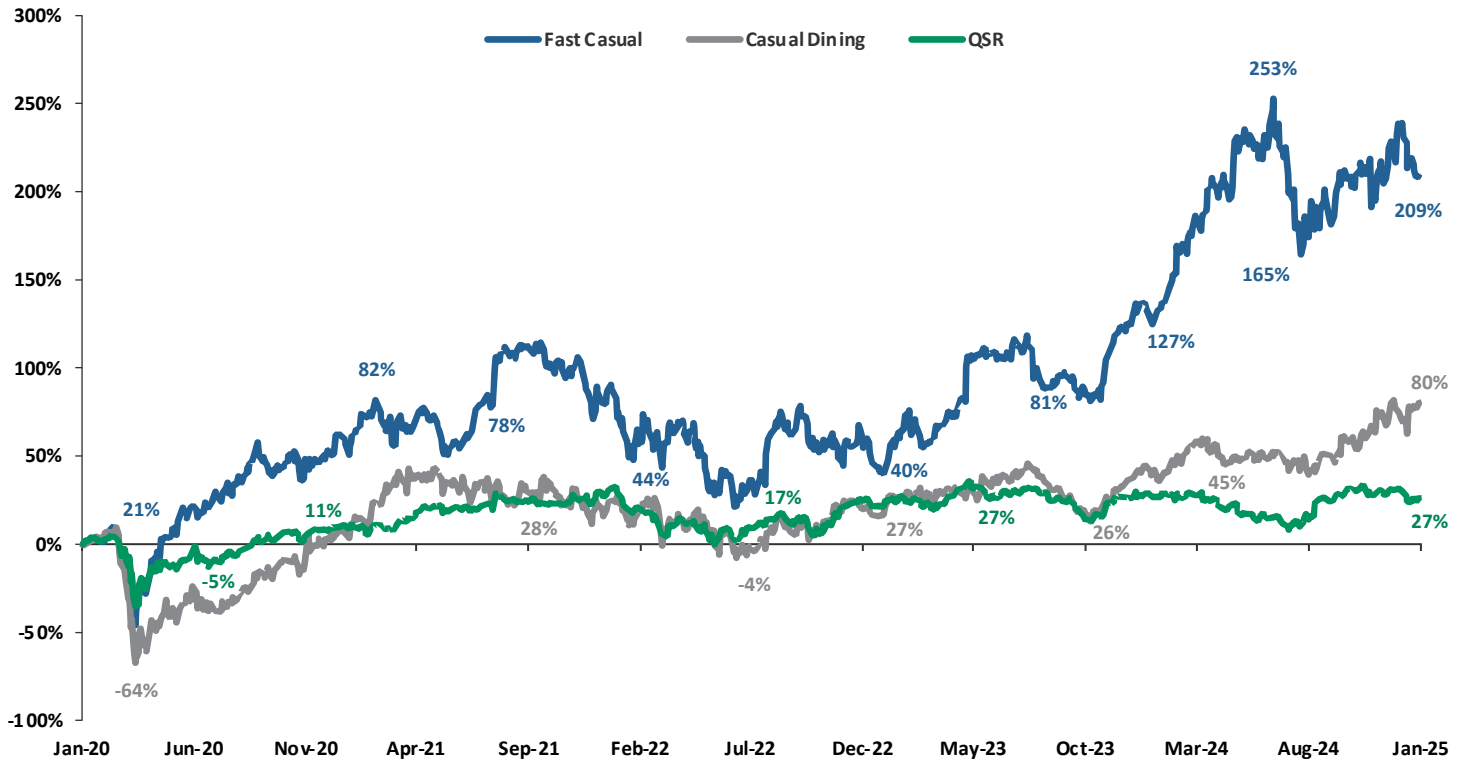
	2021				2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Family Dining															
Cracker Barrel	(8.6%)	0.0%	19.0%	25.9%	10.9%	0.0%	7.1%	8.4%	7.4%	2.4%	(0.5%)	1.2%	(1.5%)	0.4%	2.9%
Denny's	(9.7%)	117.0%	50.2%	49.0%	23.3%	2.5%	1.5%	2.0%	8.4%	3.0%	1.8%	1.3%	(1.3%)	(0.6%)	(0.1%)
First Watch	N/A	N/A	46.2%	36.7%	27.2%	13.4%	12.0%	7.7%	12.9%	7.8%	4.8%	5.0%	0.5%	(0.3%)	(1.9%)
IHOP	(0.9%)	120.1%	40.1%	39.2%	18.1%	3.6%	1.9%	2.0%	8.7%	2.1%	2.0%	1.6%	(1.7%)	(1.4%)	(2.1%)
Keke's Breakfast Cafe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(5.0%)	(3.1%)	(3.6%)	(4.6%)	(1.0%)
MEAN	(6.4%)	79.0%	38.9%	37.7%	19.9%	4.9%	5.6%	5.0%	9.4%	3.8%	0.6%	1.2%	(1.5%)	(1.3%)	(0.4%)
Casual Dining															
Anthony's	N/A	N/A	N/A	N/A	13.0%	3.0%	3.0%	1.0%	3.0%	1.0%	(5.0%)	(3.0%)	(2.0%)	N/A	N/A
Applebee's	11.9%	102.2%	27.7%	34.8%	14.3%	1.8%	3.8%	1.7%	6.1%	(1.0%)	(2.4%)	(0.5%)	(4.6%)	(1.8%)	(5.9%)
Bad Daddy's Burger Bar	9.1%	61.4%	22.8%	24.0%	15.5%	5.3%	3.7%	2.4%	4.6%	(1.4%)	(4.9%)	(6.2%)	(3.2%)	1.2%	3.2%
BJ's Restaurants	(13.0%)	121.9%	41.8%	45.6%	33.9%	11.7%	8.9%	6.6%	9.0%	4.7%	0.4%	0.6%	(1.7%)	(0.6%)	1.7%
Bonfish	(2.9%)	141.2%	36.6%	39.0%	21.3%	(1.1%)	(0.9%)	0.5%	5.2%	0.5%	(0.5%)	(3.0%)	(4.9%)	(2.0%)	(4.1%)
Bubba's 33	24.1%	115.4%	25.6%	30.8%	21.3%	8.1%	6.2%	6.6%	8.7%	3.9%	4.8%	3.3%	3.5%	5.5%	5.3%
Carrabba's Italian Grill	8.9%	84.3%	28.8%	24.4%	11.5%	(1.0%)	0.7%	2.8%	6.7%	3.5%	3.0%	2.5%	0.4%	2.0%	(1.5%)
Cheesecake Factory	2.8%	150.0%	41.1%	33.8%	20.7%	4.7%	1.1%	4.0%	5.7%	1.5%	2.4%	2.5%	(0.6%)	1.4%	1.6%
Chili's Grill & Bar	0.6%	62.1%	13.8%	11.5%	9.9%	0.1%	3.4%	7.5%	9.1%	6.0%	6.0%	5.1%	3.6%	1.5%	13.9%
Chuy's	(3.2%)	60.0%	20.5%	20.8%	11.4%	1.7%	2.6%	3.4%	8.0%	3.2%	2.0%	0.3%	(5.2%)	(2.0%)	N/A
Darden Other Business	(36.9%)	160.7%	65.8%	42.9%	55.2%	18.5%	7.6%	7.1%	11.7%	2.2%	1.7%	(1.1%)	(2.6%)	(1.1%)	(1.8%)
Dave & Buster's	(70.0%)	(35.0%)	3.6%	0.0%	10.9%	9.6%	13.3%	19.0%	(4.1%)	(6.3%)	(7.8%)	(7.0%)	(5.6%)	(6.3%)	TBA
FAT Brands Inc.	8.7%	54.6%	17.3%	0.0%	16.8%	5.6%	7.0%	2.7%	4.3%	1.9%	1.3%	(0.6%)	(4.0%)	(1.6%)	(2.7%)
Gen Korean BBQ	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.4%	(1.2%)	(1.7%)	(1.8%)	(5.6%)	(9.6%)
Kona Grill	26.6%	160.6%	36.8%	50.2%	21.9%	3.7%	(3.6%)	(7.6%)	(4.3%)	(1.5%)	1.1%	(3.9%)	(9.7%)	(14.0%)	(17.0%)
Kura Sushi	(60.2%)	456.0%	291.4%	154.3%	182.9%	65.3%	27.6%	6.9%	17.4%	10.3%	6.5%	3.8%	3.0%	60.0%	(3.1%)
LongHorn Steakhouse	(12.6%)	107.5%	47.0%	31.2%	31.6%	10.6%	4.2%	7.3%	10.8%	7.1%	8.1%	4.9%	2.3%	4.0%	3.7%
Maggiano's	(29.6%)	147.9%	62.6%	78.1%	50.5%	30.1%	18.2%	21.2%	21.6%	9.1%	2.6%	6.7%	1.7%	2.5%	4.2%
North Italia	5.0%	182.0%	38.0%	37.0%	32.0%	12.0%	10.0%	9.0%	9.0%	8.0%	8.0%	7.0%	3.0%	2.0%	2.0%
Olive Garden	(25.8%)	61.9%	37.1%	29.3%	29.9%	6.5%	2.3%	7.6%	12.3%	4.4%	6.1%	4.1%	(1.8%)	(1.5%)	(2.9%)
Outback	4.1%	65.8%	18.3%	20.7%	9.2%	(1.1%)	2.3%	0.9%	4.9%	0.6%	(1.1%)	(0.3%)	(1.2%)	(0.1%)	(1.3%)
Pinstripes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.9%	0.4%	(2.4%)	(9.4%)
Red Robin	10.0%	66.3%	34.3%	40.1%	19.7%	6.7%	5.3%	2.5%	8.6%	1.5%	(3.4%)	(2.7%)	(6.5%)	(0.8%)	0.6%
Texas Roadhouse	18.5%	80.2%	30.2%	33.1%	16.0%	7.6%	8.2%	7.3%	12.9%	9.1%	8.4%	10.2%	8.7%	9.4%	8.7%
MEAN	(5.9%)	114.6%	44.8%	37.2%	29.5%	9.5%	6.1%	5.5%	7.8%	3.0%	1.6%	1.2%	(1.2%)	2.2%	(0.7%)
Fine Dining															
Darden Fine Dining	(45.2%)	143.6%	84.6%	61.6%	85.8%	34.5%	7.6%	5.9%	11.7%	(1.9%)	(2.8%)	(1.7%)	(2.3%)	(2.6%)	(6.0%)
Fleming's	(2.3%)	182.6%	59.6%	71.1%	45.7%	6.0%	1.3%	3.1%	3.6%	(2.5%)	(4.1%)	(0.3%)	(2.0%)	(1.1%)	1.2%
STK	20.8%	725.7%	130.6%	113.5%	66.5%	19.8%	3.5%	0.0%	5.3%	(6.8%)	(5.5%)	(4.3%)	(6.8%)	(10.6%)	(11.1%)
MEAN	(8.9%)	350.6%	91.6%	82.1%	66.0%	20.1%	4.1%	3.0%	6.9%	(3.7%)	(4.1%)	(2.1%)	(3.7%)	(4.8%)	(5.3%)

Sources: Restaurant Research LLC, S&P Capital IQ, Technomic and Company Filings

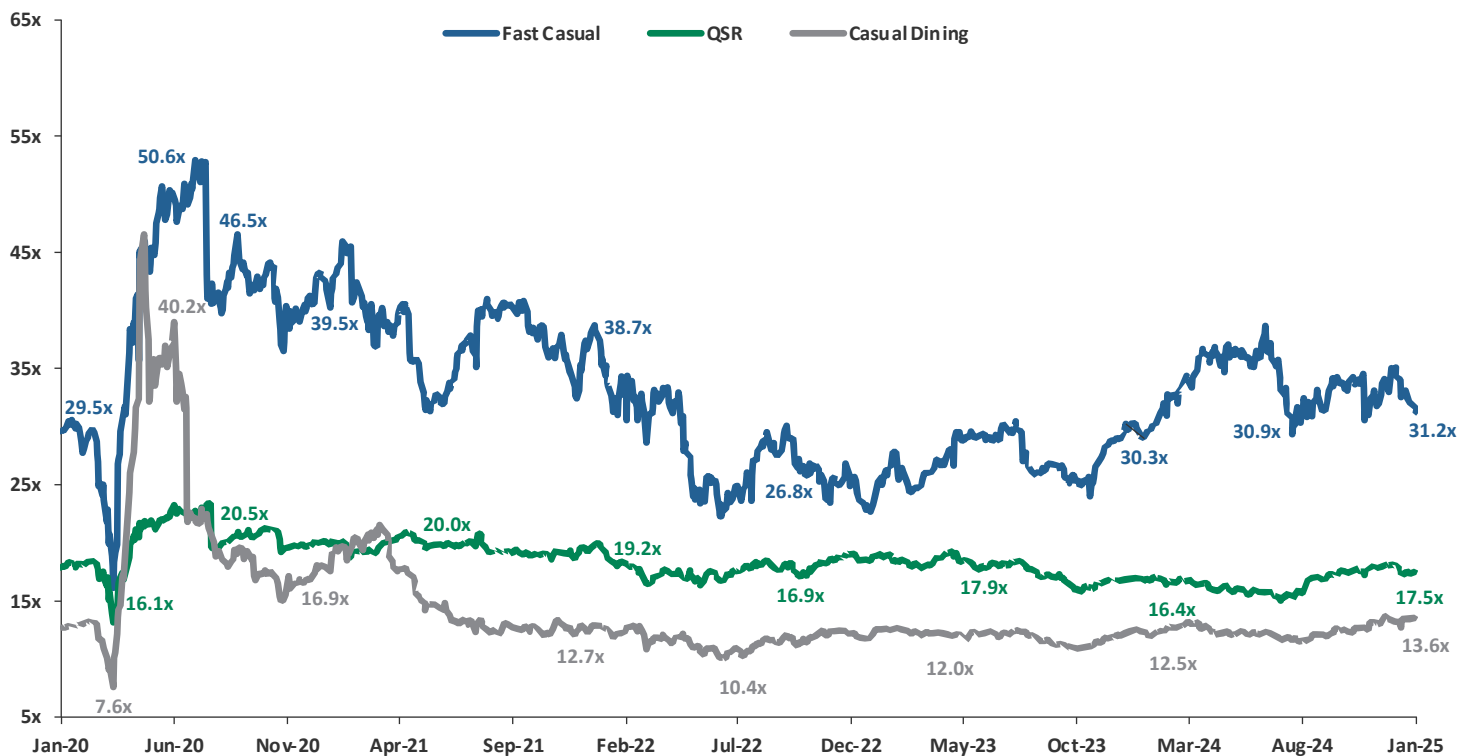


PUBLIC MARKET PERSPECTIVE: EQUITY PERFORMANCE

5-YEAR EQUITY PERFORMANCE (SHARE PRICE PERFORMANCE)



5-YEAR FORWARD EV / EBITDA MULTIPLES



Sources: S&P Capital IQ (as of 1/22/25)
 Note: Indices represent Market Capitalization-weighted average Enterprise Value / NTM EBITDA
 Fast Casual includes CMG, CAVA, LOCO, NDLS, PBPB, PTLO, SG, SHAK, WING, FAT, KRUS, GTIM, RAVE
 QSR includes DPZ, JACK, DNU, MCD, NATH, PZZA, QSR, WEN, YUM, SBUX, BROS
 Casual Dining includes BJRI, BLMN, EAT, PLAY, RRGB, TXRH, CAKE, DRI, CBRL, FWRG, DENN, BH.A, STKS, ARKR, GENK, DIN

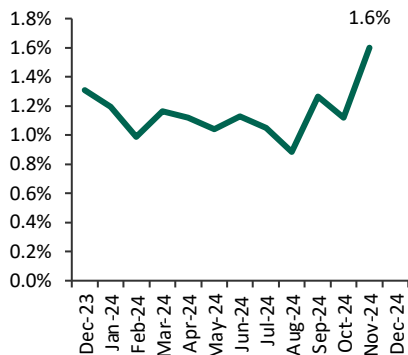


SELECT MACROECONOMIC AND COMMODITIES TRENDS

SELECT MACROECONOMIC DATA TRENDS

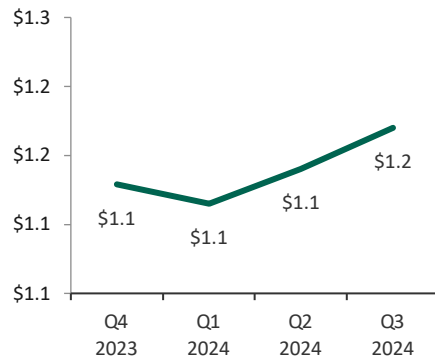
FOOD-AT-HOME CPI

(% YoY change)



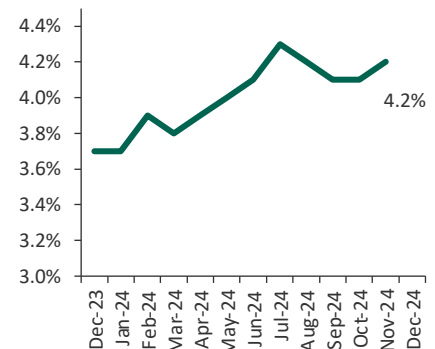
U.S. CREDIT CARD BALANCES

(\$ trillions)



U.S. UNEMPLOYMENT RATE

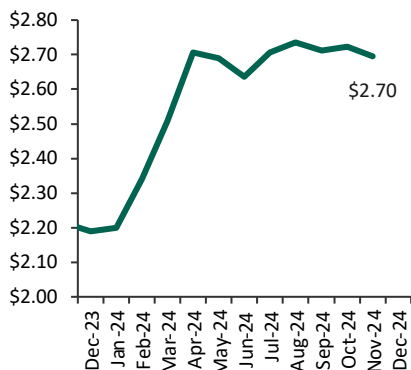
(%)



SELECT COMMODITY PRICE TRENDS

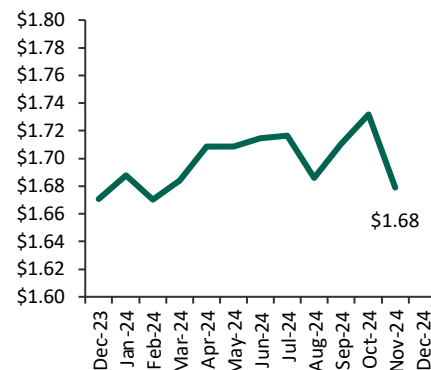
BEEF

(\$ per pound)



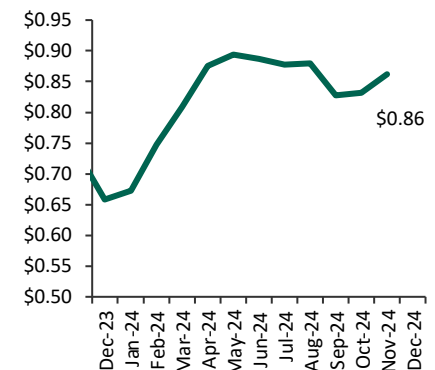
CHICKEN

(\$ per pound)



PORK

(\$ per pound)



WHEAT

(\$ per bushel)



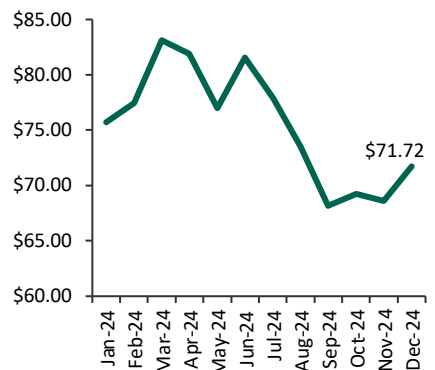
CORN

(\$ per bushel)



CRUDE OIL

(\$ per barrel)



Source(s): Federal Reserve Bank of St. Louis, Federal Reserve Bank of New York, Bureau of Labor Statistics, Macrotrends, Trading Economics
 Note: Reflects latest available data

CITIZENS BANK RESTAURANT COVERAGE

WHO WE ARE

The Citizens Restaurant, Franchise & Multi-unit team provides deep industry knowledge and customized solutions to meet the financial and strategic needs of clients. The team’s experienced bankers understand the complex needs of companies operating across the industry. As a growth-oriented institution, we provide a full suite of financing solutions and investment banking services.

- Dedicated industry coverage focused on capital markets and M&A advice, execution and idea generation for clients in the Restaurant, Franchise & Multi-unit space
- Capital markets expertise ranging from traditional commercial lending products to institutional market alternatives
- Comprehensive market insights, including industry outlook, M&A activity, valuation trends, leverage and pricing and structures for recent sector financings
- Long-term relationships with blue-chip private equity firms and family offices

WE PROVIDE OUR CLIENTS WITH A FULL SUITE OF CAPITAL MARKETS SOLUTIONS



Debt Capital Markets



M&A Advisory



Equity Capital Markets



Financial Sponsor Coverage



Corporate Banking

SELECTED RECENT SECTOR EXPERIENCE

<p>A PORTFOLIO COMPANY OF</p> <p>ORANGEWOOD</p> <p>\$541,675,000 SENIOR CREDIT FACILITIES Left Lead Arranger, Joint Bookrunner, and Administrative Agent</p>	<p>A FRANCHISEE OF WINGSTOP</p> <p>HAS BEEN ACQUIRED BY</p> <p>Financial Advisor to the Buyer</p>	<p>DIVERSIFIED RESTAURANT GROUP</p> <p>\$620,000,000 SENIOR CREDIT FACILITIES Left Lead Arranger and Administrative Agent</p>	<p>HAS BEEN ACQUIRED BY</p> <p>(Flynn Fitness Group) Financial Advisor to the Buyer</p>	<p>\$1,350,000,000 SENIOR CREDIT FACILITIES Joint Lead Arranger and Joint Bookrunner</p>
<p>A FRANCHISEE OF</p> <p>HAS COMPLETED THE SALE OF RESTAURANTS TO</p> <p>ABTB ATLANTA LLC & JAI TACO ATLANTA LLC Financial Advisor to the Seller</p>	<p>RESTAURANT GROUP A PORTFOLIO COMPANY OF</p> <p>\$326,900,000 SENIOR CREDIT FACILITIES Co-Lead Arranger, Joint Bookrunner, and Syndication Agent</p>	<p>A FRANCHISEE OF</p> <p>HAS BEEN ACQUIRED BY</p> <p>Financial Advisor to the Buyer</p>	<p>\$65,000,000 SENIOR CREDIT FACILITIES Sole Lead Arranger, Sole Bookrunner, and Administrative Agent</p>	<p>A PORTFOLIO COMPANY OF</p> <p>HAS COMPLETED A RECAPITALIZATION Financial Advisor to the Seller</p>

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CORPORATE FINANCE | CAPITAL MARKETS & ADVISORY | TREASURY & RISK MANAGEMENT