

## Market Insights

### Multi-Unit Restaurants, Fitness, Education, & Consumer Services | Q1 2020

*"COVID-19 is causing everyone to make business adjustments, as well as life adjustments. Business owners should prepare their enterprise for what is to come, and make decisions in a way that is responsive to both short-term and long-term challenges and opportunities."* – **Mike McCraw, Founders Advisors Managing Director**

## Industry Buzz

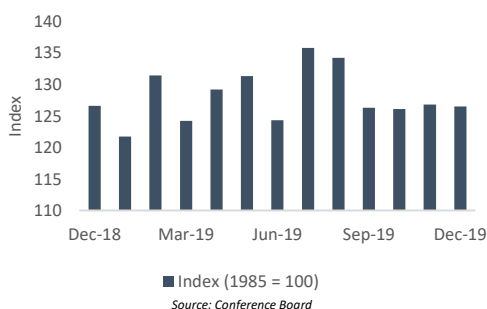
"The magnitude and persistence of its (COVID-19) overall effect on the U.S. economy remain highly uncertain and the situation remains a fluid one. Against this background, the committee judged that the risks to the U.S. outlook have changed materially. In response, we have eased the stance of monetary policy to provide some more support to the economy." – **Jerome Powell, Chair of the Federal Reserve**

"It is important for brands to invest in technology, since the expectations of today's consumer have changed significantly. If consumers have a brand's app on their phone, it is much more likely they will visit the store. – **Mark Wasilefsky, Head of Restaurant Franchise Finance at TD Bank**

"...now is the best time to put a capital structure in place that can withstand a correction, so that you are well-positioned to take advantage of the opportunities that are going to emerge." – **Rick Thompson, Head of BMO Harris Franchise Finance Group**

## Macro Dashboard

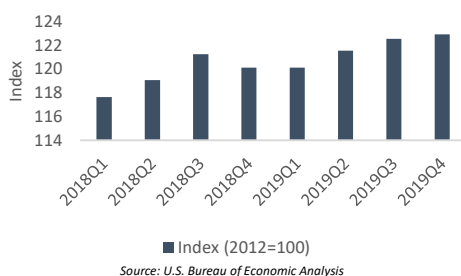
### Consumer Confidence



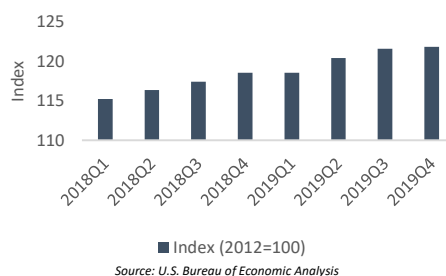
### Overall Consumer Spending



### Food Service & Accommodations Spending



### Non-Durable Goods Spending



## Coming Soon

### Founders 2020 Multi-Unit Summit

Sandestin, FL

Dates to be Announced

Meet and learn from multi-unit business owners, private equity investors, and leading industry professionals

Contact us to learn more

[Click Here](#)  
to see last year's video recap

## In This Edition

Industry Buzz &	Page
Macro Dashboard.....	1
Consumer Multi-Unit Themes.....	2
Increasing the Value of a Multi-Unit Business.....	3-4
Recent Transactions.....	5-6
Valuation / Growth Metrics.....	7-10
Operating Statistics.....	11-14
About Founders.....	15

## Multi-Unit Team Contacts

**Mike McCraw | Managing Director**  
[mmccraw@foundersib.com](mailto:mmccraw@foundersib.com)

**Nathan Kelly | Vice President**  
[nkelly@foundersib.com](mailto:nkelly@foundersib.com)

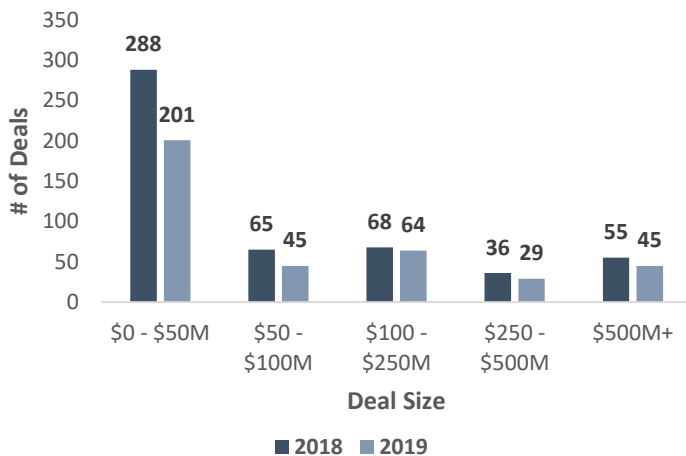
**Miller Williams | Analyst**  
[mwilliams@foundersib.com](mailto:mwilliams@foundersib.com)

# Consumer Multi-Unit: Lower Middle Market Themes

## Global Consumer M&A Overview

- Due in part to trade conflicts and recessionary warning signals, 2019 Global Consumer M&A activity was down 27% from 2018 in terms of total deal value.
- However, 2019 saw a strong finish as \$42B in deal value – 37% of the annual total – was recorded in Q4.
- While 2019 Global Consumer M&A volume was down 20% YoY, the average transaction value remained near historic highs at \$296M. This a positive sign which points toward the continued trend of institutional investors making plays in the middle market.

## Deal Volume by Transaction Size



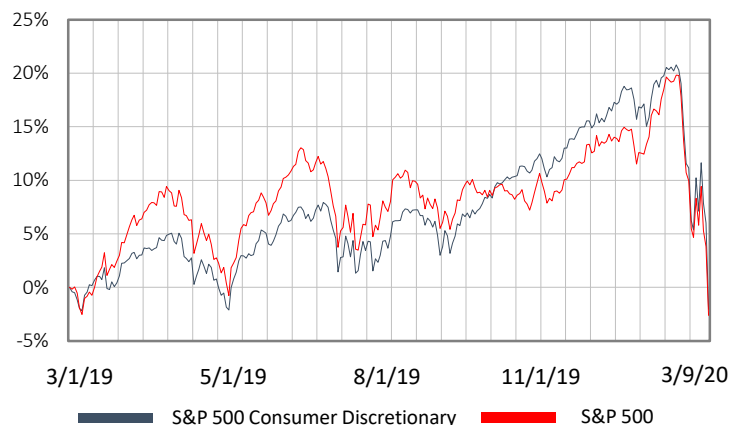
Data includes total announced deals in the Consumer sector with disclosed values. In 2019, there were 384 disclosed deals totaling \$114B.

Source: Thomson Reuters

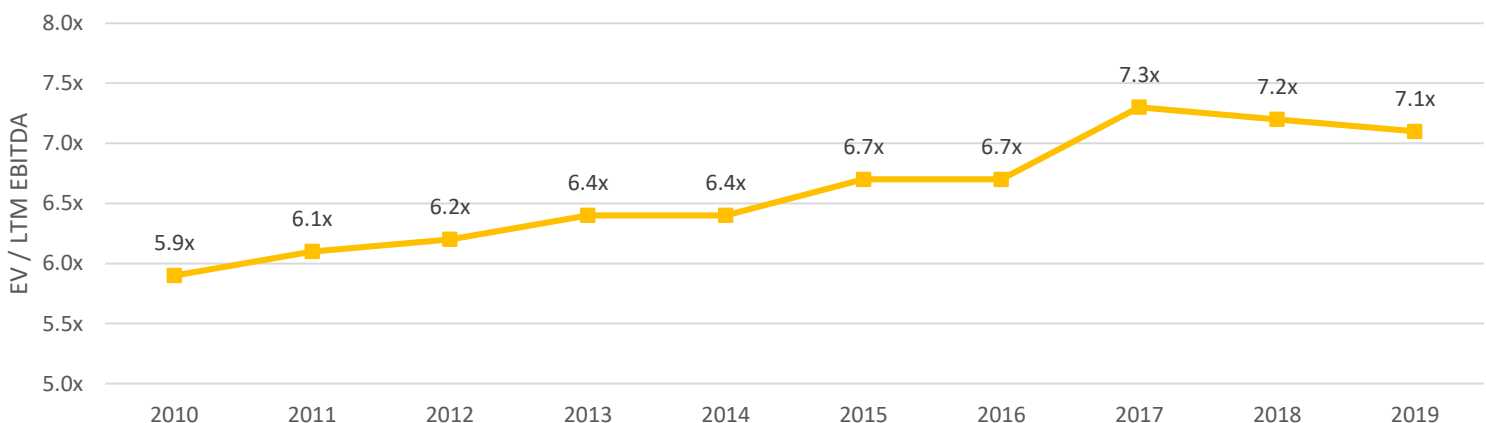
## Key Macroeconomic Factors to Follow

- COVID-19 / Interest Rates** – On Mar. 15, the Federal Reserve cut its Federal Funds Rate significantly to almost 0% in response to the growing economic threat of COVID-19. While the U.S. economic climate remains fundamentally strong, the overall effects of COVID-19 remain to be determined.
- Oil Prices** – Oil prices have fallen drastically since Saudi Arabia and Russia failed to reach a production cut agreement in early March, which poses an ongoing profitability threat to shale and other lower-margin oil producers worldwide.
- 2020 U.S. Presidential Election** – A crowded field of candidates with widely differing economic policies will look to unseat President Trump this fall in a race that could have widespread implications for the U.S. economy.

## % Change, S&P 500 Consumer Discretionary vs S&P 500



## U.S. Private Equity Lower Middle Market Transaction Multiples



Note: Lower Middle Market defined as transactions less than \$250mm

Source: GF Data

# Increasing the Value of a Multi-Unit Business

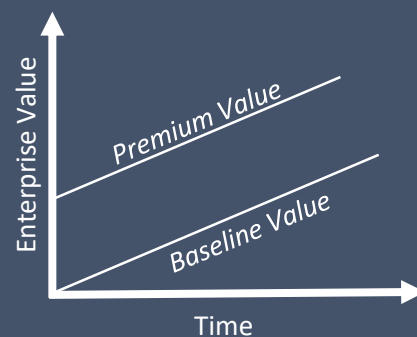


For high-growth multi-unit concepts, such as restaurants, fitness studios, education centers, and franchises, access to institutional capital through partnership with a debt or equity partner is often critical for streamlining operations and strategically expanding to new locations. Whether owners are looking to grow, recapitalize, or sell, select metrics are commonly evaluated by institutional lenders and investors. Built from our interactions with hundreds of middle-market investors each year, Founders' Financial Readiness Assessment gives an overview of the indicators we see having the greatest impact on multi-unit business valuations.

## Founders Financial Readiness Assessment

- **Same Stores Sales Growth** – Historical proof, beating expectations and franchisor benchmarks
- **Financial Preparedness** – Consistency of reporting, ability to analyze at lower levels, GAAP
- **Average Unit Volume (AUV)** – Diversification of revenue mix, length of sales cycle, size of transactions
- **EBITDA Margin** – Exceeding peer/industry benchmarks, ability to sustain, room for growth
- **Gross Profit Margin** – Accurately categorized costs, level of dependence on end market, ability to control
- **Cash on Cash Returns** – Control over buildout costs, success of marketing, ability to meet debt services
- **Per Person Average** – Ability to increase wallet share, success of sales initiatives
- **Management Team** – Understanding of weakness, delineation of responsibilities, low levels of turnover
- **Site Selection** – Ability to secure high-traffic, high-visibility locations with attractive lease terms
- **Technology Integration** – Effectiveness in minimizing disruptions and adapting to consumer preferences
- **Process Documentation** – Consistency of franchising process, employee onboarding, retention strategies
- **Talent Retention** – Retaining key management through profit interests, incentive plans, and stay bonuses

*Whether preparing for a recapitalization or outright sale, improving key performance metrics can help unlock a premium valuation for multi-unit businesses.*



Although technology continues to transform supply chains, service experiences, and product offerings of virtually all companies, these metrics will continue to function as key operational success indicators. For multi-unit operators, including franchisors and franchisees, who are preparing to grow, recapitalize, or sell, understanding these metrics can help realize the highest possible value for business owners.

# Increasing the Value of a Multi-Unit Business



## Why It's Important

## What Investors Look For

## How to Improve

### EBITDA Margin

**EBITDA Margin** is the measure of a company's operating cash flow as a percentage of its revenue. This provides a quick read on the relative profitability of different sized companies in the same industry, as well as similar sized companies in different industries.

Many M&A transactions are based on a multiple of EBITDA. TTM EBITDA is most often used, though projected 12 month EBITDA may be used for high-growth companies.

All else equal, a higher EBITDA margin (and therefore higher EBITDA) equates to a greater enterprise value.

Investors seek a high EBITDA margin in comparison to other companies in the industry, so that they can generate the highest possible ROI.

Rather than using net income margin, EBITDA margin is useful because it compares companies with different capital investment, debt, and tax profiles on an equal basis.

Financial investors seek to understand how much cash will be available to pay down debt and grow operations, while strategic investors are focused on whether the company will be accretive or dilutive to its existing margin.

1. Decrease operating expenses by eliminating expenses, lowering personal costs, and reducing occupancy costs.
2. Sellers should identify one-time expenses captured in the TTM period and present them as positive adjustments to reflect "normalized" EBITDA.
3. If costs have been incurred as the result of new unit development, sellers may be able to negotiate to receive EBITDA credit for the future earning of these units.

### Gross Profit Margins

**Gross Profit Margin (GPM)** is the measure of a company's gross profit as a percentage of its revenue. This is the key metric for assessing a company's core business model, since it measures how efficient a company is at producing or delivering its products or services.

Companies producing similar products or services should have a comparable GPM, though GPM may vary widely by product.

Companies that can sustain an above-average GPM have a competitive advantage that will likely increase with scale.

Investors look for gross profit margins to be as high as possible. However, GPM should be relatively consistent or improving over the preceding multi-year period. If GPM fluctuates materially or is declining, this signals flawed production processes or inconsistent financial statements.

For investors considering an add-on acquisition for an existing platform, most synergies will come at the operating expense level. Therefore, GPM relative to competitors is strongly considered as a valuation factor for strategic acquirers.

1. Companies can offer higher-margin "add-ons" to their core products or services, such as high-margin beverages or desserts at restaurants, or clothing and merchandise at gyms.
2. While offering one-time deals may boost the top line, this practice will have a direct negative impact on the company's GPM.
3. Annual pricing increases can have a predictable impact to long-term GPM and may be better received by customers than one-off price increases.

### Cash on Cash Returns

**Cash on Cash Returns (CACR)** is a metric commonly analyzed for "4-wall" businesses that have a real estate component to operations.

Equal to (Annual Pre-Tax Cash Flow) / (Total Cash Invested), CACR calculates the cash earned in the current period relative to the total cash invested in the property (expressed as %).

For multi-unit companies developing new locations funded by debt, CACR on each location should be higher than the interest rate incurred on money borrowed.

While standard ROI calculations account for the total return on an investment inclusive of long-term debt, CACR provides a year-by-year measure of actual cash invested.













Investors seek to understand CACR to determine how much cash will be available from existing locations to (1) fund the next location and (2) distribute to investors.

Investors look for consistent, predictable CACR across each unit. Businesses without a long "ramp up" period to full operating capacity are attractive because new units can be opened at a faster rate (or with a lower amount of debt).

1. To increase CACR, a business must become more profitable or reduce the build-out cost for new units.
2. Multi-unit businesses with a subscription-based revenue model can improve their early-stage profitability (and therefore Year 1 CACR) by pre-registering customers to reduce the ramp up period.
3. If a business has sufficient demand and a stable business model, low CACR may be a function of too-low Average Unit Volume (AUV), so increasing the capacity of new units should be considered.

## Notable Q4 2019 Multi-Unit Transactions (\$ in mm)

### Restaurants

Announced Date	Target	Buyer	Purchase Price
10/11/2019			\$36
10/18/2019			Undisclosed
11/4/2019			Undisclosed
11/5/2019			Undisclosed
11/6/2019			\$177
12/17/2019	 (117 Locations)		\$80

### Fitness

Announced Date	Target	Buyer	Purchase Price
11/6/2019			Undisclosed
11/21/2019	 (5 Locations)		Undisclosed
11/27/2019	 (4 Locations)		Undisclosed

## Notable Q4 2019 Multi-Unit Transactions (\$ in mm)

### Retail

Announced Date	Target	Buyer	Purchase Price
10/17/2019	 Marshall's Retail Group	 WHSmith	\$400
10/28/2019	 TIFFANY & CO.	 LVMH MOËT HENNESSY · LOUIS VUITTON	\$18,074
12/19/2019	 drybar	 Helen of Troy	\$255
12/30/2019	 AMERICAN FREIGHT FURNITURE - MATTRESS	 FRANCHISE GROUP INC.	\$450

### Consumer Services

Announced Date	Target	Buyer	Purchase Price
10/8/2019	 ALLSUP'S	 yes way	Undisclosed
10/29/2019	 SKY ZONE (12 Locations)	 CIRCUS CIRCUS PURESTORY OF AWESOME	Undisclosed
12/2/2019	 christy sports Ski and Snowboard	 TZP GROUP	Undisclosed
12/10/2019	 NEW SEASONS MARKET	 GOOD FOOD HOLDINGS	Undisclosed
12/26/2019	 CHILDREN'S discovery center	 ENDEAVOR SCHOOLS	Undisclosed

# Public Company Valuation and Growth Metrics (\$ in mm)

## Restaurants - Fast Casual / QSR

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. Growth	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>CMG</b>	Chipotle Mexican Grill, Inc.	\$ 27,571	\$ 5,586	15%	6%	\$ 692	0.81	4.9x	39.8x
<b>MTY</b>	MTY Food Group Inc.	\$ 1,401	\$ 345	25%	32%	\$ 107	0.65	4.1x	13.1x
<b>LOCO</b>	El Pollo Loco Holdings, Inc.	\$ 824	\$ 441	4%	6%	\$ 59	0.98	1.9x	13.9x
<b>TACO</b>	Del Taco Restaurants, Inc.	\$ 672	\$ 513	4%	N/A	\$ 58	0.25	1.3x	11.7x
<b>FRGI</b>	Fiesta Restaurant Group, Inc.	\$ 626	\$ 669	-2%	3%	\$ 55	-0.12	0.9x	11.3x
<b>NATH</b>	Nathan's Famous, Inc.	\$ 350	\$ 104	4%	2%	\$ 28	0.39	3.4x	12.5x
<b>NDLS</b>	Noodles & Company	\$ 668	\$ 462	1%	4%	\$ 30	0.41	1.4x	22.3x
<b>HABT</b>	The Habit Restaurants, Inc.	\$ 465	\$ 446	16%	22%	\$ 34	1.10	1.0x	13.6x
<b>PBPB</b>	Potbelly Corporation	\$ 339	\$ 410	-5%	5%	\$ 21	1.34	0.8x	15.9x

<b>Min</b>	\$ 339	\$ 104	-5%	2%	\$ 21	-0.12	0.8x	11.3x
<b>Median</b>	\$ 668	\$ 446	4%	6%	\$ 55	0.65	1.4x	13.6x
<b>Mean</b>	\$ 3,657	\$ 997	7%	10%	\$ 121	0.64	2.2x	17.1x
<b>Max</b>	\$ 27,571	\$ 5,586	25%	32%	\$ 692	1.34	4.9x	39.8x

## Restaurants - Fast Food

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. CAGR	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>MCD</b>	McDonald's Corporation	\$ 208,759	\$ 21,077	0%	-5%	\$ 10,496	0.41	9.90x	19.9x
<b>YUM</b>	YUM! Brands, Inc.	\$ 41,166	\$ 5,597	-2%	-3%	\$ 2,009	0.26	7.36x	20.5x
<b>QSR</b>	Restaurant Brands International Inc.	\$ 33,204	\$ 5,603	5%	36%	\$ 2,212	1.13	5.93x	15.0x
<b>DPZ</b>	Domino's Pizza, Inc.	\$ 15,708	\$ 3,551	10%	13%	\$ 646	0.54	4.42x	24.3x
<b>DNKN</b>	Dunkin' Brands Group, Inc.	\$ 9,148	\$ 1,370	4%	13%	\$ 471	0.48	6.68x	19.4x
<b>WEN</b>	The Wendy's Company	\$ 8,562	\$ 1,345	7%	-9%	\$ 402	0.75	6.37x	21.3x
<b>JACK</b>	Jack in the Box Inc.	\$ 3,184	\$ 950	9%	-9%	\$ 264	0.17	3.35x	12.1x
<b>ARCO</b>	Arcos Dorados Holdings Inc.	\$ 2,809	\$ 2,958	-8%	-5%	\$ 267	1.27	0.95x	10.5x
<b>PZZA</b>	Papa John's International, Inc.	\$ 2,898	\$ 1,510	-13%	-1%	\$ 117	0.53	1.92x	24.8x
<b>TAST</b>	Carrols Restaurant Group, Inc.	\$ 1,552	\$ 1,369	19%	16%	\$ 71	0.62	1.13x	21.9x

<b>Min</b>	\$ 1,552	\$ 950	-13%	-9%	\$ 71	0.17	0.9x	10.5x
<b>Median</b>	\$ 8,855	\$ 2,234	4%	-2%	\$ 436	0.53	5.2x	20.2x
<b>Mean</b>	\$ 32,699	\$ 4,533	3%	5%	\$ 1,695	0.62	4.8x	19.0x
<b>Max</b>	\$ 208,759	\$ 21,077	19%	36%	\$ 10,496	1.27	9.9x	24.8x



# Public Company Valuation and Growth Metrics (\$ in mm)

## Restaurants - Full Service

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. CAGR	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>DRI</b>	Darden Restaurants, Inc.	\$ 20,198	\$ 8,666	4%	6%	\$ 1,048	0.3	2.3x	19.3x
<b>CBRL</b>	Cracker Barrel Old Country Store, Inc.	\$ 4,894	\$ 3,087	1%	3%	\$ 397	0.4	1.6x	12.3x
<b>TXRH</b>	Texas Roadhouse, Inc.	\$ 4,938	\$ 2,637	10%	11%	\$ 304	0.5	1.9x	16.2x
<b>EAT</b>	Brinker International, Inc.	\$ 4,093	\$ 3,329	5%	2%	\$ 377	0.2	1.2x	10.9x
<b>BLMN</b>	Bloomin' Brands, Inc.	\$ 4,461	\$ 4,139	0%	-1%	\$ 396	0.3	1.2x	11.3x
<b>DIN</b>	Dine Brands Global, Inc.	\$ 3,335	\$ 897	21%	7%	\$ 248	0.5	3.7x	13.5x
<b>CAKE</b>	The Cheesecake Factory Incorporated	\$ 2,871	\$ 2,374	2%	4%	\$ 221	0.6	1.2x	13.0x
<b>DENN</b>	Denny's Corporation	\$ 1,645	\$ 541	-14%	3%	\$ 91	0.1	3.0x	18.1x
<b>SHAK</b>	Shake Shack Inc.	\$ 2,827	\$ 567	32%	40%	\$ 71	1.2	5.0x	40.0x
<b>BJRI</b>	BJ's Restaurants, Inc.	\$ 1,408	\$ 1,151	5%	7%	\$ 123	0.6	1.2x	11.5x
<b>RRGB</b>	Red Robin Gourmet Burgers, Inc.	\$ 1,148	\$ 1,319	-4%	4%	\$ 100	1.2	0.9x	11.5x
<b>CHUY</b>	Chuy's Holdings, Inc.	\$ 626	\$ 421	6%	12%	\$ 37	0.4	1.6x	16.9x
<b>JAX</b>	J. Alexander's Holdings, Inc.	\$ 233	\$ 247	3%	4%	\$ 24	0.7	0.9x	9.5x
<b>SAUC</b>	Diversified Restaurant Holdings, Inc.	\$ 176	\$ 157	1%	5%	\$ 13	1.6	1.1x	13.4x

<b>Min</b>	\$ 176	\$ 157	-14%	-1%	\$ 13	0.05	0.9x	9.5x
<b>Median</b>	\$ 2,849	\$ 1,235	4%	5%	\$ 172	0.49	1.4x	13.2x
<b>Mean</b>	\$ 3,775	\$ 2,109	5%	8%	\$ 246	0.61	1.9x	15.5x
<b>Max</b>	\$ 20,198	\$ 8,666	32%	40%	\$ 1,048	1.64	5.0x	40.0x

## Early Education Facility Operators

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. CAGR	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>BFAM</b>	Bright Horizons Family Solutions Inc.	\$ 9,704	\$ 2,062	8%	9%	\$ 377	0.30	4.7x	25.7x
<b>OM:ACAD</b>	AcadeMedia AB (publ)	\$ 1,593	\$ 1,291	6%	N/A	\$ 116	1.53	1.2x	13.7x
<b>GEM</b>	G8 Education Limited	\$ 1,055	\$ 644	7%	14%	\$ 123	0.72	1.6x	8.5x
<b>SEHK:1317</b>	China Maple Leaf Educational Systems Limited	\$ 676	\$ 219	17%	24%	\$ 83	1.25	3.1x	8.1x
<b>ASX:TNK</b>	Think Childcare Limited	\$ 190	\$ 81	35%	46%	\$ 12	0.27	2.3x	15.9x
<b>SGX:CNE</b>	MindChamps PreSchool Limited	\$ 112	\$ 40	46%	38%	\$ 7	0.39	2.8x	15.2x
<b>TSE:6189</b>	Global Kids Company Corp.	\$ 91	\$ 190	17%	N/A	\$ 9	0.99	0.5x	10.1x
<b>ASX:MFD</b>	Mayfield Childcare Limited	\$ 42	\$ 25	14%	N/A	\$ 4	0.53	1.7x	9.6x

<b>Min</b>	\$ 42	\$ 25	6%	9%	\$ 4	0.27	0.5x	8.1x
<b>Median</b>	\$ 433	\$ 204	15%	24%	\$ 48	0.62	2.0x	11.9x
<b>Mean</b>	\$ 1,683	\$ 569	19%	26%	\$ 92	0.75	2.2x	13.4x
<b>Max</b>	\$ 9,704	\$ 2,062	46%	46%	\$ 377	1.53	4.7x	25.7x



# Public Company Valuation and Growth Metrics (\$ in mm)

## Fitness Clubs

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. CAGR	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>PLNT</b>	Planet Fitness, Inc.	\$ 8,279	\$ 625	25%	N/A	\$ 267	0.59	13.2x	31.1x
<b>BFIT</b>	Basic-Fit N.V.	\$ 3,354	\$ 515	26%	N/A	\$ 149	0.71	6.5x	22.5x
<b>CLUB</b>	Town Sports International Holdings, Inc.	\$ 839	\$ 464	7%	0%	\$ 46	1.34	1.8x	18.3x
<b>Min</b>		\$ 839	\$ 464	7%	0%	\$ 46	0.59	1.8x	18.3x
<b>Median</b>		\$ 3,354	\$ 515	25%	0%	\$ 149	0.71	6.5x	22.5x
<b>Mean</b>		\$ 4,157	\$ 535	19%	0%	\$ 154	0.88	7.2x	23.9x
<b>Max</b>		\$ 8,279	\$ 625	26%	0%	\$ 267	1.34	13.2x	31.1x

## Entertainment / Experiential

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. CAGR	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>LYV</b>	Live Nation Entertainment, Inc.	\$ 18,454	\$ 11,260	7%	10%	\$ 769	1.13	1.6x	24.0x
<b>MTN</b>	Vail Resorts, Inc.	\$ 12,424	\$ 2,319	15%	13%	\$ 707	0.73	5.4x	17.6x
<b>SIX</b>	Six Flags Entertainment Corporation	\$ 6,060	\$ 1,496	3%	5%	\$ 658	0.96	4.1x	9.2x
<b>AMC</b>	AMC Entertainment Holdings, Inc.	\$ 10,887	\$ 5,437	-1%	15%	\$ 712	0.68	2.0x	15.3x
<b>CNK</b>	Cinemark Holdings, Inc.	\$ 6,605	\$ 3,293	4%	5%	\$ 704	0.64	2.0x	9.4x
<b>FUN</b>	Cedar Fair, L.P.	\$ 4,993	\$ 1,467	11%	5%	\$ 506	0.58	3.4x	9.9x
<b>PLAY</b>	Dave & Buster's Entertainment, Inc.	\$ 3,278	\$ 1,339	8%	14%	\$ 278	0.81	2.4x	11.8x
<b>MCS</b>	The Marcus Corporation	\$ 1,440	\$ 753	13%	N/A	\$ 142	0.53	1.9x	10.1x
<b>IMAX</b>	IMAX Corporation	\$ 1,074	\$ 380	-3%	5%	\$ 114	1.01	2.8x	9.4x
<b>TRK</b>	Trakcja PRkil S.A.	\$ 106	\$ 386	2%	0%	\$ (47)	0.55	0.3x	N/A
<b>RDI</b>	Reading International, Inc.	\$ 668	\$ 283	-8%	2%	\$ 41	0.99	2.4x	16.3x
<b>Min</b>		\$ 106	\$ 283	-8%	0%	\$ (47)	0.53	0.3x	N/A
<b>Median</b>		\$ 4,993	\$ 1,467	4%	5%	\$ 506	0.73	2.4x	10.1x
<b>Mean</b>		\$ 5,999	\$ 2,583	5%	7%	\$ 417	0.78	2.6x	11.9x
<b>Max</b>		\$ 18,454	\$ 11,260	15%	15%	\$ 769	1.13	5.4x	24.0x

# Public Company Valuation and Growth Metrics (\$ in mm)

## Grocery

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. CAGR	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>KR</b>	The Kroger Co.	\$ 43,819	\$ 120,989	-3%	3%	\$ 5,138	0.68	0.4x	8.5x
<b>SFM</b>	Sprouts Farmers Market, Inc.	\$ 3,534	\$ 5,539	9%	14%	\$ 334	0.44	0.6x	10.6x
<b>SPTN</b>	SpartanNash Company	\$ 1,469	\$ 8,435	5%	3%	\$ 148	1.48	0.2x	9.9x
<b>IMKT.A</b>	Ingles Markets, Incorporated	\$ 1,615	\$ 4,219	2%	2%	\$ 257	0.54	0.4x	6.3x
<b>WMK</b>	Weis Markets, Inc.	\$ 1,078	\$ 3,534	1%	5%	\$ 172	0.03	0.3x	6.3x
<b>Min</b>		\$ 1,078	\$ 3,534	-3%	2%	\$ 148	0.03	0.2x	6.3x
<b>Median</b>		\$ 1,615	\$ 5,539	2%	3%	\$ 257	0.54	0.4x	8.5x
<b>Mean</b>		\$ 10,303	\$ 28,543	3%	5%	\$ 1,210	0.63	0.4x	8.3x
<b>Max</b>		\$ 43,819	\$ 120,989	9%	14%	\$ 5,138	1.48	0.6x	10.6x

## C-Store

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. Growth	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>ATD.B</b>	Alimentation Couche-Tard Inc.	\$ 45,689	\$ 57,469	-2%	9%	\$ 3,706	-0.05	0.8x	12.3x
<b>CASY</b>	Casey's General Stores, Inc.	\$ 7,670	\$ 8,302	0%	2%	\$ 606	0.55	0.9x	12.7x
<b>SUN</b>	Sunoco LP	\$ 6,136	\$ 16,375	2%	21%	\$ 591	0.82	0.4x	10.4x
<b>MUSA</b>	Murphy USA Inc.	\$ 4,131	\$ 12,101	-3%	-4%	\$ 423	0.77	0.3x	9.8x
<b>GTY</b>	Getty Realty Corp.	\$ 1,789	\$ 140	4%	7%	\$ 95	0.58	12.8x	18.9x
<b>TA</b>	TravelCenters of America Inc.	\$ 2,397	\$ 6,128	0%	-5%	\$ 101	1.93	0.4x	23.7x
<b>Min</b>		\$ 1,789	\$ 140	-3%	-5%	\$ 95	-0.05	0.3x	9.8x
<b>Median</b>		\$ 5,134	\$ 10,202	0%	4%	\$ 507	0.68	0.6x	12.5x
<b>Mean</b>		\$ 11,302	\$ 16,753	0%	5%	\$ 920	0.77	2.6x	14.6x
<b>Max</b>		\$ 45,689	\$ 57,469	4%	21%	\$ 3,706	1.93	12.8x	23.7x

# Public Company Operating Statistics (\$ in mm)

## Restaurants - Fast Casual / QSR

Ticker	Company Name	EV	LTM Financials					
			COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
<b>CMG</b>	Chipotle Mexican Grill, Inc.	\$ 27,571	66%	34%	11%	3%	12%	3%
<b>MTY</b>	MTY Food Group Inc.	\$ 1,401	17%	83%	0%	Undisclosed	31%	4%
<b>LOCO</b>	El Pollo Loco Holdings, Inc.	\$ 824	78%	22%	8%	Undisclosed	13%	4%
<b>TACO</b>	Del Taco Restaurants, Inc.	\$ 672	76%	24%	13%	4%	11%	5%
<b>FRGI</b>	Fiesta Restaurant Group, Inc.	\$ 626	79%	21%	12%	4%	8%	4%
<b>NATH</b>	Nathan's Famous, Inc.	\$ 350	60%	40%	13%	Undisclosed	27%	5%
<b>NDLS</b>	Noodles & Company	\$ 668	83%	17%	10%	Undisclosed	6%	5%
<b>HABT</b>	The Habit Restaurants, Inc.	\$ 465	83%	17%	10%	Undisclosed	8%	3%
<b>PBPB</b>	Potbelly Corporation	\$ 339	72%	28%	11%	Undisclosed	5%	4%

<b>Min</b>	\$ 339	17%	17%	0%	0%	5%	3%
<b>Median</b>	\$ 668	76%	24%	11%	0%	11%	4%
<b>Mean</b>	\$ 3,657	68%	32%	10%	1%	14%	4%
<b>Max</b>	\$ 27,571	83%	83%	13%	4%	31%	5%

## Restaurants - Fast Food

Ticker	Company Name	EV	LTM Financials					
			COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
<b>MCD</b>	McDonald's Corporation	\$ 208,759	47%	53%	11%	Undisclosed	50%	4%
<b>YUM</b>	YUM! Brands, Inc.	\$ 41,166	50%	50%	16%	Undisclosed	36%	5%
<b>QSR</b>	Restaurant Brands International Inc.	\$ 33,204	42%	58%	22%	Undisclosed	39%	7%
<b>DPZ</b>	Domino's Pizza, Inc.	\$ 15,708	72%	28%	11%	Undisclosed	18%	5%
<b>DNKN</b>	Dunkin' Brands Group, Inc.	\$ 9,148	48%	52%	17%	Undisclosed	34%	6%
<b>WEN</b>	The Wendy's Company	\$ 8,562	54%	46%	16%	Undisclosed	30%	10%
<b>JACK</b>	Jack in the Box Inc.	\$ 3,184	64%	36%	8%	Undisclosed	28%	5%
<b>ARCO</b>	Arcos Dorados Holdings Inc.	\$ 2,809	89%	11%	7%	Undisclosed	9%	5%
<b>PZZA</b>	Papa John's International, Inc.	\$ 2,898	76%	24%	10%	Undisclosed	8%	4%
<b>TAST</b>	Carrols Restaurant Group, Inc.	\$ 1,552	85%	15%	10%	4%	5%	9%

<b>Min</b>	\$ 185	20%	16%	0%	0%	7%	0%
<b>Median</b>	\$ 452	74%	26%	10%	0%	12%	1%
<b>Mean</b>	\$ 2,038	68%	32%	10%	1%	15%	2%
<b>Max</b>	\$ 13,999	84%	80%	14%	4%	39%	5%

# Public Company Operating Statistics (\$ in mm)

## Restaurants - Full Service

Ticker	Company Name	EV	LTM Financials					
			COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
<b>DRI</b>	Darden Restaurants, Inc.	\$ 20,198	78%	22%	9%	3%	12%	5%
<b>CBRL</b>	Cracker Barrel Old Country Store, Inc.	\$ 4,894	65%	35%	26%	Undisclosed	13%	3%
<b>TXRH</b>	Texas Roadhouse, Inc.	\$ 4,938	82%	18%	7%	1%	12%	2%
<b>EAT</b>	Brinker International, Inc.	\$ 4,093	84%	16%	5%	Undisclosed	11%	5%
<b>BLMN</b>	Bloomin' Brands, Inc.	\$ 4,461	84%	16%	7%	Undisclosed	10%	7%
<b>DIN</b>	Dine Brands Global, Inc.	\$ 3,335	57%	43%	19%	Undisclosed	28%	8%
<b>CAKE</b>	The Cheesecake Factory Incorporated	\$ 2,871	59%	41%	15%	Undisclosed	9%	4%
<b>DENN</b>	Denny's Corporation	\$ 1,645	68%	32%	15%	2%	17%	4%
<b>SHAK</b>	Shake Shack Inc.	\$ 2,827	63%	37%	13%	Undisclosed	12%	3%
<b>BJRI</b>	BJ's Restaurants, Inc.	\$ 1,408	84%	16%	6%	Undisclosed	11%	4%
<b>RRGB</b>	Red Robin Gourmet Burgers, Inc.	\$ 1,148	80%	20%	12%	3%	8%	4%
<b>CHUY</b>	Chuy's Holdings, Inc.	\$ 626	84%	16%	7%	1%	9%	4%
<b>JAX</b>	J. Alexander's Holdings, Inc.	\$ 233	63%	37%	7%	Undisclosed	10%	3%
<b>SAUC</b>	Diversified Restaurant Holdings, Inc.	\$ 176	86%	14%	6%	Undisclosed	8%	8%

<b>Min</b>	\$ 176	57%	14%	5%	0%	8%	2%
<b>Median</b>	\$ 2,849	79%	21%	8%	0%	11%	4%
<b>Mean</b>	\$ 3,775	74%	26%	11%	1%	12%	4%
<b>Max</b>	\$ 20,198	86%	43%	26%	3%	28%	8%

## Early Education Facility Operators

Ticker	Company Name	EV	LTM Financials					
			COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
<b>BFAM</b>	Bright Horizons Family Solutions Inc.	\$ 9,704	75%	25%	11%	Undisclosed	18%	3%
<b>OM:ACAD</b>	AcadeMedia AB (publ)	\$ 1,593	71%	29%	16%	Undisclosed	9%	6%
<b>GEM</b>	G8 Education Limited	\$ 1,055	67%	33%	1%	Undisclosed	19%	4%
<b>SEHK:1317</b>	China Maple Leaf Educational Systems Limited	\$ 676	53%	47%	15%	2%	38%	1%
<b>ASX:TNK</b>	Think Childcare Limited	\$ 190	4%	NSD	71%	1%	15%	9%
<b>SGX:CNE</b>	MindChamps PreSchool Limited	\$ 112	49%	51%	49%	2%	18%	8%
<b>TSE:6189</b>	Global Kids Company Corp.	\$ 91	88%	12%	8%	Undisclosed	5%	6%
<b>ASX:MFD</b>	Mayfield Childcare Limited	\$ 42	0%	NSD	72%	Undisclosed	17%	4%

<b>Min</b>	\$ 42	0%	12%	1%	0%	5%	1%
<b>Median</b>	\$ 433	60%	40%	15%	0%	18%	5%
<b>Mean</b>	\$ 1,683	51%	49%	30%	0%	17%	5%
<b>Max</b>	\$ 9,704	88%	100%	72%	0%	38%	9%

# Public Company Operating Statistics (\$ in mm)

## Fitness Clubs

			LTM Financials					
Ticker	Company Name	EV	COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
PLNT	Planet Fitness, Inc.	\$ 8,279	45%	55%	13%	2%	43%	5%
BFIT	Basic-Fit N.V.	\$ 3,354	19%	81%	24%	5%	29%	9%
CLUB	Town Sports International Holdings, Inc.	\$ 839	26%	74%	64%	1%	10%	6%
	Min	\$ 839	19%	55%	13%	1%	10%	5%
	Median	\$ 3,354	26%	74%	24%	2%	29%	6%
	Mean	\$ 4,157	30%	70%	34%	2%	27%	6%
	Max	\$ 8,279	45%	81%	64%	5%	43%	9%

## Entertainment / Experiential

			LTM Financials					
			COGS as	Gross	SG&A as	Sales/Mktg as	EBITDA	Debt as
Ticker	Company Name	EV	% of Revenue	Margin	% of Revenue	% of Revenue	Margin	% of EBITDA
LYV	Live Nation Entertainment, Inc.	\$ 17,102	73%	27%	20%	Undisclosed	7%	5%
MTN	Vail Resorts, Inc.	\$ 11,343	57%	43%	12%	Undisclosed	31%	2%
SIX	Six Flags Entertainment Corporation	\$ 6,709	48%	52%	8%	5%	44%	4%
AMC	AMC Entertainment Holdings, Inc.	\$ 11,001	83%	17%	4%	Undisclosed	13%	14%
CNK	Cinemark Holdings, Inc.	\$ 6,858	51%	49%	28%	Undisclosed	21%	5%
FUN	Cedar Fair, L.P.	\$ 5,105	51%	49%	14%	Undisclosed	34%	4%
PLAY	Dave & Buster's Entertainment, Inc.	\$ 2,906	71%	29%	7%	1%	21%	6%
MCS	The Marcus Corporation	\$ 1,537	57%	43%	16%	3%	19%	4%
IMAX	IMAX Corporation	\$ 1,352	45%	55%	33%	-1%	30%	0%
TRK	Trakcja PRKił S.A.	\$ 90	106%	-6%	4%	Undisclosed	-9%	-
RDI	Reading International, Inc.	\$ 687	79%	21%	7%	Undisclosed	14%	10%

# Public Company Operating Statistics (\$ in mm)

## Grocery

Ticker	Company Name	EV	LTM Financials					
			COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
<b>KR</b>	The Kroger Co.	\$ 43,819	78%	22%	18%	1%	4%	4%
<b>SFM</b>	Sprouts Farmers Market, Inc.	\$ 3,534	67%	33%	27%	Undisclosed	6%	3%
<b>SPTN</b>	SpartanNash Company	\$ 1,469	86%	14%	14%	Undisclosed	2%	5%
<b>IMKT.A</b>	Ingles Markets, Incorporated	\$ 1,615	76%	24%	21%	Undisclosed	6%	3%
<b>WMK</b>	Weis Markets, Inc.	\$ 1,078	73%	27%	22%	Undisclosed	5%	1%

<b>Min</b>	\$ 1,078	67%	14%	14%	0%	2%	1%
<b>Median</b>	\$ 1,615	76%	24%	21%	0%	5%	3%
<b>Mean</b>	\$ 10,303	76%	24%	20%	0%	5%	3%
<b>Max</b>	\$ 43,819	86%	33%	27%	1%	6%	5%

## C-Store

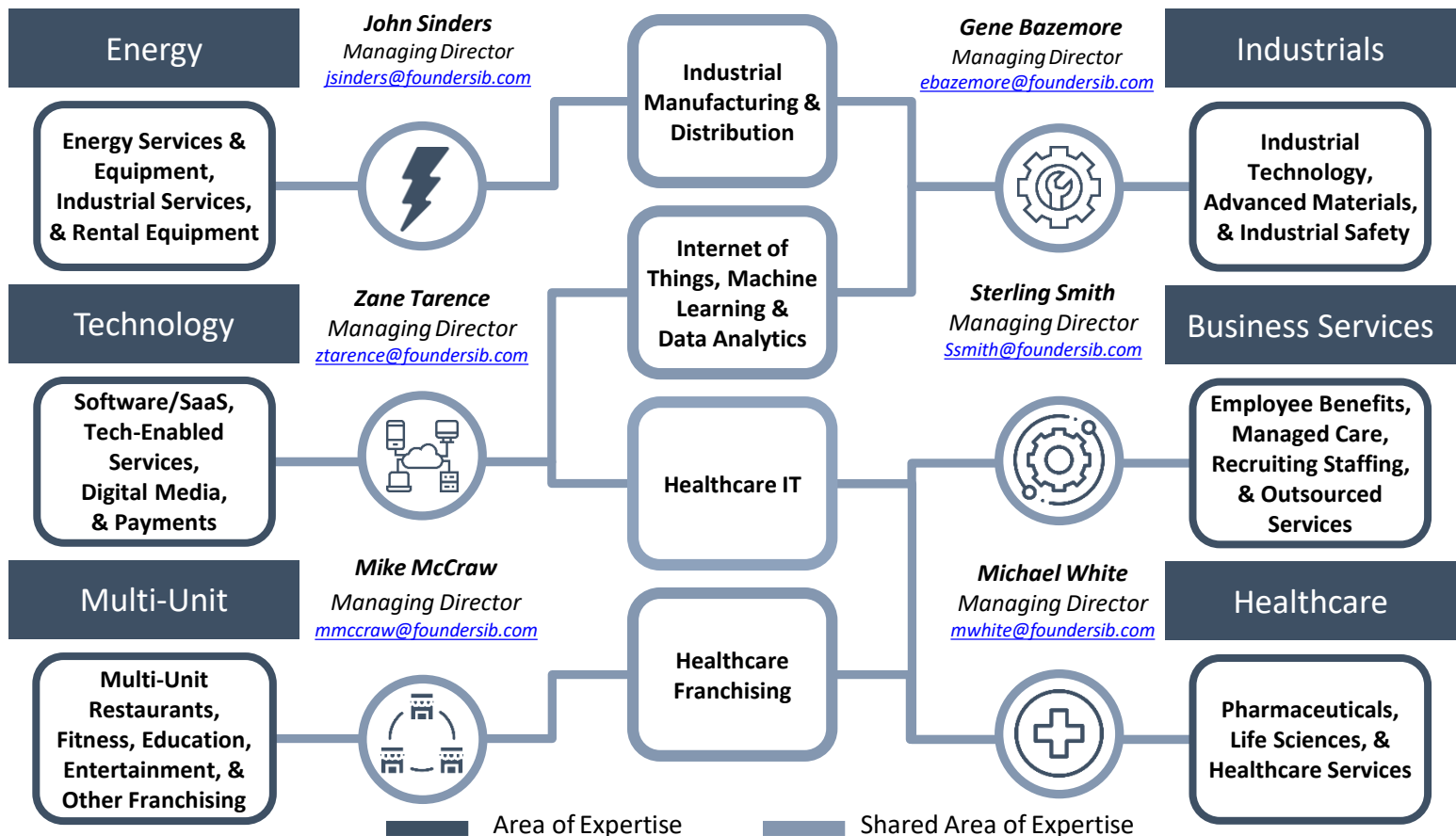
Ticker	Company Name	EV	LTM Financials					
			COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
<b>ATD.B</b>	Alimentation Couche-Tard Inc.	\$ 45,689	84%	16%	10%	Undisclosed	6%	2%
<b>CASY</b>	Casey's General Stores, Inc.	\$ 7,670	75%	25%	17%	Undisclosed	7%	2%
<b>SUN</b>	Sunoco LP	\$ 6,136	93%	7%	2%	Undisclosed	4%	6%
<b>MUSA</b>	Murphy USA Inc.	\$ 4,131	95%	5%	1%	Undisclosed	3%	3%
<b>GTY</b>	Getty Realty Corp.	\$ 1,789	18%	82%	11%	Undisclosed	68%	5%
<b>TA</b>	TravelCenters of America LLC	\$ 2,397	92%	8%	7%	Undisclosed	2%	8%

<b>Min</b>	\$ 1,789	18%	5%	1%	0%	2%	2%
<b>Median</b>	\$ 5,134	88%	12%	8%	0%	5%	4%
<b>Mean</b>	\$ 11,302	76%	24%	8%	0%	15%	4%
<b>Max</b>	\$ 45,689	95%	82%	17%	0%	68%	8%

## About Founders Advisors

*Founders Advisors (Founders) is a merger, acquisition, & strategic advisory firm serving lower middle-market companies. Our focus is on multi-unit, industrials, energy, health care, business services, and technology companies throughout the United States. Our skilled professionals, proven expertise, and process-based solutions help companies access growth capital, make acquisitions, and/or prepare for and execute liquidity events to achieve specific financial goals.*

## Industry Coverage



### Birmingham

2204 Lakeshore Drive, Suite 425  
Birmingham, AL 35209-8855  
Phone: 205.949.2043

### Dallas

180 State Street, Suite 225  
Southlake, TX 76092  
Phone: 214.295.1055

### Houston

4265 San Felipe Street, Suite 1100  
Houston, TX 77027  
Phone: 346.326.1782