

## Market Insights

### Multi-Unit Restaurants, Fitness, Entertainment, & Specialty Retail | Q2 2019

*“Exiting a business successfully does not happen overnight. Most successful exits require thoughtful planning years ahead of time.” – Mike McCraw, Founders Advisors Managing Director*

## Industry Buzz

*This edition features notable quotes from the 2019 Multi-Unit Franchising Conference, held March 24<sup>th</sup> – 27<sup>th</sup> in Las Vegas, NV.*

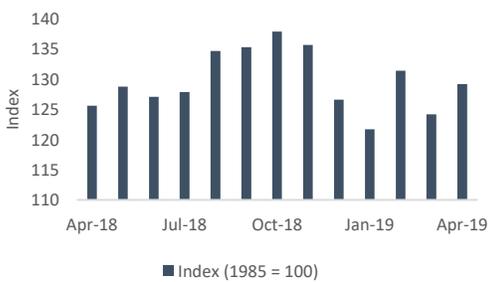
*“There are some eye-popping valuations out there today. The two major factors driving increased valuations are the historically lost cost of capital and the high supply of investor money” – Steve Romaniello, Roark Capital Group*

*“The low cost of capital is driving three franchise trends right now: brand diversification for multi-unit operators, an increasing focus on operator efficiency, and mergers and acquisitions of brands and franchisees. This ‘Goldilocks era,’ where business conditions are just right, will continue for a while longer” – Darrell Johnson, CEO of Frandata*

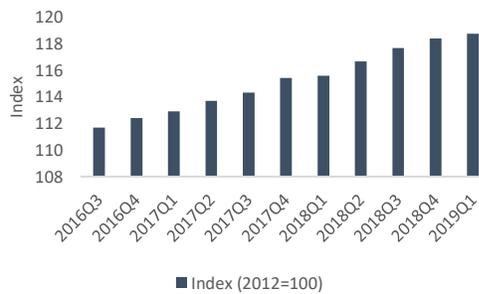
*“Good unit economics are essential in today’s market. However, potential outside investors remain more interested in top-line sales than in the business model or unit economics of franchise brands” – Aziz Hashim, NRD Capital*

## Macro Dashboard

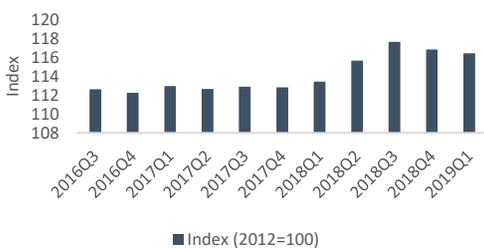
### Consumer Confidence



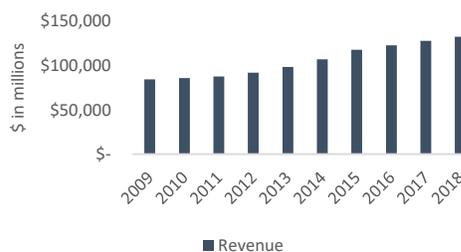
### Overall Consumer Spending



### Food Service & Accommodations Spending



### Chain Restaurants in the U.S.



## Upcoming Events

### Founders 2019 Multi-Unit Summit

Sandestin, FL  
September 25 – 27

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

Contact us to learn more

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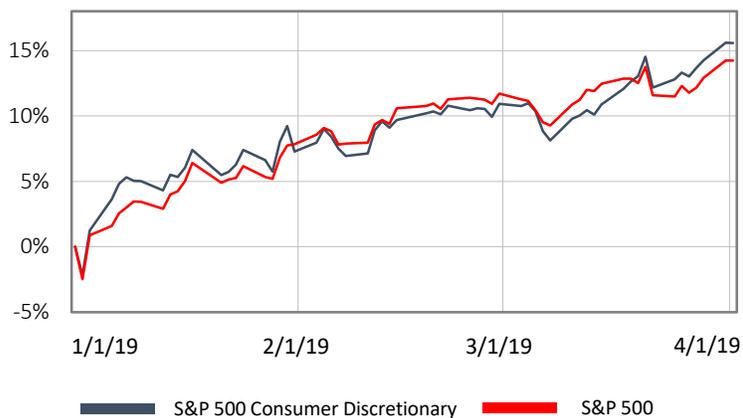
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## Consumer Multi-Unit: Lower Middle Market Themes

### Overview

- Due to uncertainty around escalating trade wars and hesitancy following three U.S. interest rate increases in 2018, Consumer M&A was down slightly in Q1 2019 in terms of deal values and volume. Global deal value was down 78% while volume was down 12% compared to Q4 2018, according to Thomson Reuters.
- Despite reduced deal-making activity, valuations remain near all-time highs. This is a positive sign which points toward a continued abundance of capital, while smaller average deal sizes signal a willingness from institutional investors to make plays in the lower middle market.

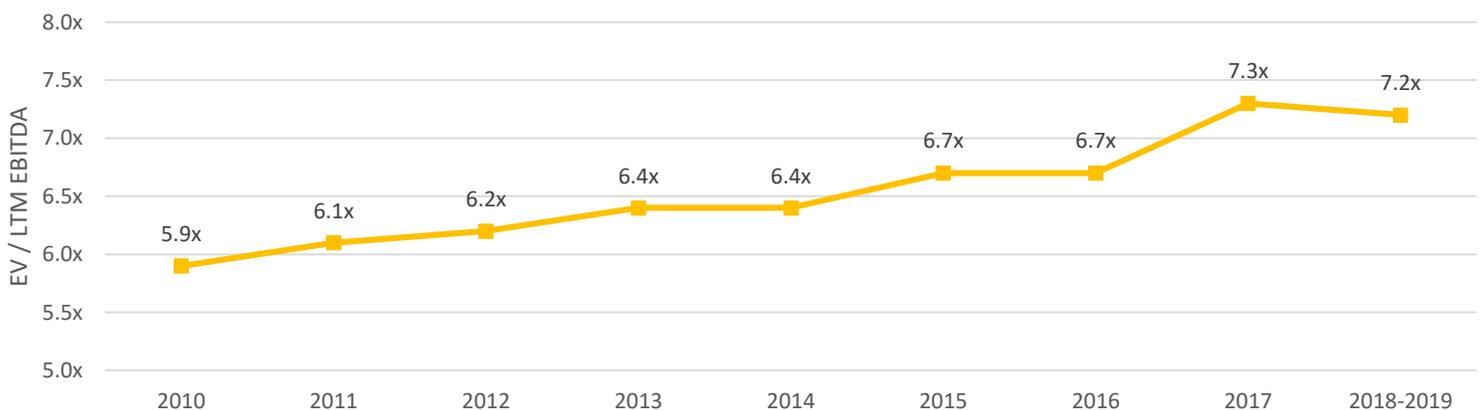
### % Change, S&P 500 Consumer Discretionary vs S&P 500



### Key Trends to Follow

- Interest Rates** – At its May 1<sup>st</sup> meeting the Fed decided to hold the interest rate steady, with no additional increases projected for 2019. Despite recent pressure from President Trump, who has called for rate cuts, Chairman Jerome Powell stated “I see us on a good path.”
- U.S. - China Trade Agreement** – The world’s two largest economies are still at a standoff over trade. Most recently, the U.S. raised tariffs on \$200 billion of Chinese goods on May 10<sup>th</sup>. China retaliated with new tariffs on \$60 billion worth of U.S. goods, which will take effect in June.
- Wage Increases** – 22 states have raised their minimum wage so far in 2019, and a bill was introduced in April by House Democrats that would raise the federal standard to \$15 by 2024. Low-skilled labor is typically one of the largest costs for consumer-facing businesses.
- Tax Cuts** – One year into the Trump tax overhaul, corporations are reassessing whether to continue the major share buybacks seen in 2018, prioritize wages increases and human capital investment, or fund geographical expansion.

### 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

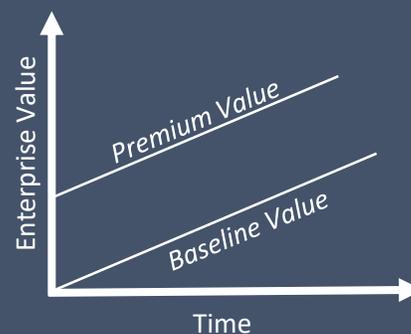


For high-growth multi-unit concepts, such as restaurants, fitness studios, and entertainment venues, access to institutional capital through partnership with a debt or equity partner is often critical for streamlining operations and strategically expanding to new locations. Whether owners are looking 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

### Same Store Sales (SSS) Growth

A simple yet important metric, SSS growth allows for top-line comparison both across years and between existing locations.

SSS growth can help gauge customer retention, the effects of new products or pricing initiatives, and the relative impact of a unit's geographic location and/or management team.

SSS growth gives insight into whether a geographic location is "saturated," and therefore, whether to open new locations in the area or invest in existing units. It's important to determine if an increase in SSS is due to an increase in customers, or an increase in amount spent per customer.

In early-stage multi-unit businesses, sales growth is driven by new unit openings. However, any geographic location will eventually reach a saturation point, so investors look for business models that can produce organic growth over the long-term. Sales growth (or lack thereof) can be heavily influenced by each industry's overall growth, but the following can be used as a general rule of thumb for SSS expectations:

Early-Stage: >15%

Mid-Stage: 5-15%

Mature: 1-5%

1. Set quarterly and annual expectations and track against these benchmarks.
2. If SSS growth is meeting or exceeding expectations, product demand is sufficient and owners should consider opening new locations.
3. When diagnosing sales growth problems, collect specific customer feedback to understand their decisions to buy or not to buy.

### Financial Preparedness

While financial preparedness may seem like an ambiguous standard, it is important to evaluate when considering whether a company will gain interest from institutional capital providers.

No matter how attractive a company's operations or products may seem on the surface, if its books are not reliable, trustworthy, and consistent, it could be overlooked or even dismissed entirely.

Being financially prepared can significantly reduce the amount of time and money spent on pre-investment "due diligence."

Internally, being financially prepared means having defined roles and responsibilities for the financial department. Depending on size, a company may need just a bookkeeper, or it may need a bookkeeping team, inside accountants, financial analysts, and/or a chief financial officer.

Externally, institutional investors look for stamps of approval in the form of professional accounting reports. Ranked in terms of "trustworthiness," a company's financial statements can be compiled, reviewed, or audited.

1. Have clearly documented accounting procedures that are followed consistently on a weekly, monthly, and annual basis.
2. Hire a 3<sup>rd</sup> party accounting firm to perform monthly and annual financial audits.
3. Though private companies are not required to use generally-accepted accounting principles (GAAP), following these procedures will provide the most financial statement visibility and allow for easy comparison to industry peers.

### Average Unit Volume (AUV)

Average Unit Volume, which is typically reported on an annualized basis, measures the amount of top-line earnings brought in by a location. This allows for earnings comparisons across locations and between years.

While AUV is useful for revenue comparisons, it does not reflect the profitability or overall success of a business. For example, a highly-trafficked urban location paying premium rent costs may generate a higher AUV but end up less profitable than a lower-volume location.

Institutional investors are looking for businesses with minimum AUVs around \$1.0mm. Highly successful locations – such as large restaurants, health clubs, or retail outlets – can average \$3mm - \$5mm per location.

Investors also prefer businesses with consistent, predictable revenue streams on a monthly basis, which are typical for restaurants and subscription-based models such as fitness clubs.

High-growth AUVs across multiple geographic locations demonstrates a repeatable, in-demand concept.

1. Targeted marketing campaigns, special deals, and pre-opening membership sales can help a unit to open with a higher baseline AUV. This helps owners to better understand realistic growth expectations past the first year.
2. If a unit is generating above-average AUV but low profitability, investments should be considered to streamline processes and cut costs.
3. Expanding the physical capacity of a business by adding extra space, tables, chairs, etc., should be considered if demand is sufficient and it does not materially impact profitability.

## Q1 2019 Multi-Unit Transactions

Announced Date	Target	Investor(s)
3/29/2019	One World Fitness (a Planet Fitness franchisee)	 CENTREPARTNERS
3/27/2019	 KorMex Foods Inc.	 M A S RESTAURANT GROUP
3/21/2019	 airtime TRAMPOLINE & GAME PARK	 LAUNCH TRAMPOLINE PARK
3/19/2019	 PIZZA FUSION FRESH, ORGANIC EARTH FRIENDLY	 Unique
3/12/2019	 corepower YOGA	TSG CONSUMER
3/1/2019	P.F. CHANG'S	 PAULSON & CO. INC.  TRIARTISAN CAPITAL ADVISORS
2/27/2019	 Macayo's Mexican Table	 kind HOSPITALITY
2/20/2019	 lemonade SEASONAL FOOD + REFRESHMENT	 MODERN market FARM FRESH EATERY
2/20/2019	 CFH Cambridge Franchise Holdings, LLC	 CARROLS
2/12/2019	 Johnny Mac's SPORTING GOODS YOUR 'HOME TEAM' STORE	 BSN SPORTS
2/12/2019	 iMS INNOVATIVE MATTRESS SOLUTIONS	 TEMPUR
2/4/2019	 FITNESS CONNECTION	 ROARK CAPITAL GROUP
2/1/2019	 LA FITNESS	 VEREIT
1/25/2019	 FRESH	HK Xu Din Co, Limited
1/18/2019	 PLAN3T EXTREME AIR PARK	 CIRCUS OF ARTISTS
1/15/2019	 STRIDE	 XPONENTIAL FITNESS
1/8/2019	 FIREBIRDS WOOD FIRED GRILL	 J.H. WHITNEY & CO. J.H. WHITNEY CAPITAL PARTNERS, LLC

# Public Company Valuation and Growth Metrics

## FA Multi-Unit Index – Q2 2019

### 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
CMG	Chipotle Mexican Grill, Inc.	\$ 20,983	\$ 5,025	10%	8%	\$ 590	0.64	4.2x	35.6x
MTY	MTY Food Group Inc.	\$ 1,225	\$ 292	34%	30%	\$ 105	0.60	4.2x	11.7x
LOCO	El Pollo Loco Holdings, Inc.	\$ 734	\$ 439	8%	7%	\$ 59	0.32	1.7x	12.4x
TACO	Del Taco Restaurants, Inc.	\$ 805	\$ 507	6%	N/A	\$ 61	0.19	1.6x	13.1x
FRGI	Fiesta Restaurant Group, Inc.	\$ 735	\$ 685	3%	4%	\$ 61	0.21	1.1x	12.1x
NATH	Nathan's Famous, Inc.	\$ 354	\$ 100	-3%	5%	\$ 28	0.26	3.6x	12.5x
NDLS	Noodles & Company	\$ 673	\$ 457	2%	5%	\$ 26	0.08	1.5x	25.5x
HABT	The Habit Restaurants, Inc.	\$ 433	\$ 413	21%	26%	\$ 33	1.09	1.0x	13.0x
PBPB	Potbelly Corporation	\$ 376	\$ 418	-3%	7%	\$ 25	1.04	0.9x	14.9x

<b>Min</b>	\$ 354	\$ 100	-3%	4%	\$ 25	0.08	0.9x	11.7x
<b>Median</b>	\$ 734	\$ 439	6%	7%	\$ 59	0.32	1.6x	13.0x
<b>Mean</b>	\$ 2,924	\$ 927	9%	93%	\$ 110	0.49	2.2x	16.8x
<b>Max</b>	\$ 20,983	\$ 5,025	34%	659%	\$ 590	1.09	4.2x	35.6x

### 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
MCD	McDonald's Corporation	\$ 194,976	\$ 20,842	-6%	-6%	\$ 10,133	0.53	9.35x	19.2x
YUM	YUM! Brands, Inc.	\$ 41,287	\$ 5,571	-4%	-16%	\$ 1,896	0.44	7.41x	21.8x
QSR	Restaurant Brands International Inc.	\$ 31,267	\$ 5,369	11%	38%	\$ 2,126	1.40	5.82x	14.7x
DPZ	Domino's Pizza, Inc.	\$ 14,888	\$ 3,483	18%	14%	\$ 620	0.58	4.27x	24.0x
DNKN	Dunkin' Brands Group, Inc.	\$ 9,110	\$ 1,339	5%	13%	\$ 454	0.46	6.80x	20.1x
WEN	The Wendy's Company	\$ 7,678	\$ 1,290	4%	-12%	\$ 395	0.76	5.95x	19.4x
JACK	Jack in the Box Inc.	\$ 3,056	\$ 866	-17%	-10%	\$ 259	0.51	3.53x	11.8x
ARCO	Arcos Dorados Holdings Inc.	\$ 1,816	\$ 3,082	-7%	-5%	\$ 240	1.02	0.59x	7.6x
PZZA	Papa John's International, Inc.	\$ 2,389	\$ 1,522	-15%	0%	\$ 116	0.50	1.57x	20.6x
TAST	Carrols Restaurant Group, Inc.	\$ 1,217	\$ 1,199	7%	13%	\$ 92	0.27	1.02x	13.3x
FRSH	Papa Murphy's Holdings, Inc.	\$ 197	\$ 121	-16%	7%	\$ 21	0.54	1.64x	9.4x

<b>Min</b>	\$ 197	\$ 121	-17%	-16%	\$ 21	0.27	0.6x	7.6x
<b>Median</b>	\$ 7,678	\$ 1,522	-4%	0%	\$ 395	0.53	4.3x	19.2x
<b>Mean</b>	\$ 27,989	\$ 4,062	-2%	3%	\$ 1,487	0.64	4.4x	16.5x
<b>Max</b>	\$ 194,976	\$ 20,842	18%	38%	\$ 10,133	1.40	9.4x	24.0x

# Public Company Valuation and Growth Metrics

## FA Multi-Unit Index – Q2 2019

### Restaurants - Full Service

Ticker	Company Name	EV	LTM Financials				5 Year Beta	EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. Growth	EBITDA		LTM	
								Revenue	EBITDA
<b>DRI</b>	Darden Restaurants, Inc.	\$ 15,404	\$ 8,415	7%	14%	\$ 1,167	0.28	1.83x	13.2x
<b>CBRL</b>	Cracker Barrel Old Country Store, Inc.	\$ 4,268	\$ 3,078	5%	3%	\$ 385	0.46	1.39x	11.1x
<b>TXRH</b>	Texas Roadhouse, Inc.	\$ 4,233	\$ 2,520	11%	12%	\$ 290	0.59	1.68x	14.6x
<b>EAT</b>	Brinker International, Inc.	\$ 2,770	\$ 3,201	2%	2%	\$ 380	0.13	0.87x	7.3x
<b>BLMN</b>	Bloomin' Brands, Inc.	\$ 4,290	\$ 4,138	-1%	0%	\$ 382	0.30	1.04x	11.2x
<b>DIN</b>	Dine Brands Global, Inc.	\$ 3,272	\$ 830	14%	5%	\$ 228	0.51	3.94x	14.3x
<b>CAKE</b>	The Cheesecake Factory Incorporated	\$ 3,097	\$ 2,347	3%	4%	\$ 227	0.34	1.32x	13.7x
<b>DENN</b>	Denny's Corporation	\$ 1,587	\$ 626	13%	6%	\$ 101	0.18	2.53x	15.7x
<b>SHAK</b>	Shake Shack Inc.	\$ 2,048	\$ 493	29%	41%	\$ 65	1.44	4.16x	31.5x
<b>BJRI</b>	BJ's Restaurants, Inc.	\$ 1,539	\$ 1,129	7%	7%	\$ 130	0.82	1.36x	11.8x
<b>RRGB</b>	Red Robin Gourmet Burgers, Inc.	\$ 615	\$ 1,339	-4%	6%	\$ 121	0.90	0.46x	5.1x
<b>DFRG</b>	Del Frisco's Restaurant Group, Inc.	\$ 739	\$ 425	50%	9%	\$ 16	0.79	1.74x	47.7x
<b>CHUY</b>	Chuy's Holdings, Inc.	\$ 592	\$ 406	8%	14%	\$ 36	0.35	1.46x	16.5x
<b>JAX</b>	J. Alexander's Holdings, Inc.	\$ 241	\$ 245	4%	N/A	\$ 22	0.76	0.99x	10.8x
<b>SAUC</b>	Diversified Restaurant Holdings, Inc.	\$ 178	\$ 154	-4%	7%	\$ 14	1.10	1.15x	12.4x

<b>Min</b>	\$ 178	\$ 154	-4%	0%	\$ 14	0.13	0.5x	5.1x
<b>Median</b>	\$ 2,048	\$ 1,129	7%	6%	\$ 130	0.51	1.4x	13.2x
<b>Mean</b>	\$ 2,992	\$ 1,956	10%	9%	\$ 238	0.60	1.7x	15.8x
<b>Max</b>	\$ 15,404	\$ 8,415	50%	41%	\$ 1,167	1.44	4.2x	47.7x

# Public Company Valuation and Growth Metrics

## FA Multi-Unit Index – Q2 2019

### Fitness Clubs

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev.	5yr Rev.	EBITDA	5 Year Beta	LTM	
				Growth	CAGR			Revenue	EBITDA
<b>PLNT</b>	Planet Fitness, Inc.	\$ 7,299	\$ 557	24%	N/A	\$ 236	0.69	13.1x	30.9x
<b>BFIT</b>	Basic-Fit N.V.	\$ 2,248	\$ 460	23%	0%	\$ 137	0.61	4.9x	16.4x
<b>CLUB</b>	Town Sports International Holdings, Inc.	\$ 908	\$ 453	10%	-1%	\$ 52	1.60	2.0x	17.3x
<b>YOGA</b>	YogaWorks, Inc.	\$ 3	\$ 60	9%	N/A	\$ (8)	N/A	0.1x	N/A
<b>Min</b>		\$ 3	\$ 60	9%	-1%	\$ (8)	0.61	0.1x	N/A
<b>Median</b>		\$ 1,578	\$ 456	17%	0%	\$ 95	0.69	3.4x	16.9x
<b>Mean</b>		\$ 2,614	\$ 382	17%	0%	\$ 104	0.97	5.0x	16.1x
<b>Max</b>		\$ 7,299	\$ 557	24%	0%	\$ 236	1.60	13.1x	30.9x

### Entertainment / Experiential

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev.	5yr Rev.	EBITDA	5 Year Beta	LTM	
				Growth	Growth			Revenue	EBITDA
<b>LYV</b>	Live Nation Entertainment, Inc.	\$ 15,185	\$ 11,033	11%	11%	\$ 685	1.14	1.4x	22.2x
<b>MTN</b>	Vail Resorts, Inc.	\$ 10,247	\$ 2,126	8%	13%	\$ 649	0.66	4.8x	15.8x
<b>SIX</b>	Six Flags Entertainment Corporation	\$ 7,447	\$ 1,463	5%	6%	\$ 628	1.12	5.1x	11.9x
<b>AMC</b>	AMC Entertainment Holdings, Inc.	\$ 11,474	\$ 5,278	2%	14%	\$ 693	1.00	2.2x	16.6x
<b>CNK</b>	Cinemark Holdings, Inc.	\$ 7,614	\$ 3,156	6%	3%	\$ 681	0.81	2.4x	11.2x
<b>FUN</b>	Cedar Fair, L.P.	\$ 4,562	\$ 1,361	2%	4%	\$ 480	0.62	3.4x	9.5x
<b>PLAY</b>	Dave & Buster's Entertainment, Inc.	\$ 2,398	\$ 1,265	11%	15%	\$ 276	1.04	1.9x	8.7x
<b>ISCA</b>	International Speedway Corporation	\$ 1,881	\$ 675	1%	2%	\$ 201	0.84	2.8x	9.4x
<b>MCS</b>	The Marcus Corporation	\$ 1,643	\$ 674	8%	N/A	\$ 134	0.64	2.4x	12.3x
<b>IMAX</b>	IMAX Corporation	\$ 1,465	\$ 370	-7%	5%	\$ 108	1.09	4.0x	13.5x
<b>TRK</b>	Speedway Motorsports, Inc.	\$ 881	\$ 494	8%	1%	\$ 132	1.04	1.8x	6.7x
<b>RDI</b>	Reading International, Inc.	\$ 769	\$ 295	3%	3%	\$ 45	1.21	2.6x	17.3x
<b>Min</b>		\$ 769	\$ 295	-7%	1%	\$ 45	0.62	1.4x	6.7x
<b>Median</b>		\$ 3,480	\$ 1,313	5%	5%	\$ 378	1.02	2.5x	12.1x
<b>Mean</b>		\$ 5,464	\$ 2,349	5%	7%	\$ 393	0.93	2.9x	12.9x
<b>Max</b>		\$ 15,185	\$ 11,033	11%	15%	\$ 693	1.21	5.1x	22.2x

# Public Company Valuation and Growth Metrics

## FA Multi-Unit Index – Q2 2019

### Grocery

Ticker	Company Name	EV	LTM Financials					EV Multiples	
			Revenue	YoY Rev. Growth	5yr Rev. Growth	EBITDA	5 Year Beta	LTM	
								Revenue	EBITDA
<b>KR</b>	The Kroger Co.	\$ 35,021	\$ 121,162	-1%	4%	\$ 5,222	0.64	0.3x	6.7x
<b>SFM</b>	Sprouts Farmers Market, Inc.	\$ 4,197	\$ 5,334	11%	16%	\$ 348	0.48	0.8x	12.0x
<b>SPTN</b>	SpartanNash Company	\$ 1,238	\$ 8,065	1%	18%	\$ 197	1.21	0.2x	6.3x
<b>IMKT.A</b>	Ingles Markets, Incorporated	\$ 1,452	\$ 4,158	2%	2%	\$ 245	0.62	0.3x	5.9x
<b>WMK</b>	Weis Markets, Inc.	\$ 1,198	\$ 3,510	1%	5%	\$ 172	0.08	0.3x	7.0x
<b>SFS</b>	Smart & Final Stores, Inc.	\$ 2,060	\$ 4,770	3%	8%	\$ 155	1.85	0.4x	13.3x
<b>Min</b>		\$ 1,198	\$ 3,510	-1%	2%	\$ 155	0.08	0.2x	5.9x
<b>Median</b>		\$ 1,756	\$ 5,052	2%	7%	\$ 221	0.63	0.3x	6.8x
<b>Mean</b>		\$ <b>7,528</b>	\$ <b>24,500</b>	<b>3%</b>	<b>9%</b>	\$ <b>1,057</b>	<b>0.81</b>	<b>0.4x</b>	<b>8.5x</b>
<b>Max</b>		\$ 35,021	\$ 121,162	11%	18%	\$ 5,222	1.85	0.8x	13.3x

### 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.	\$ 40,876	\$ 59,619	26%	10%	\$ 3,618	-0.28	0.7x	11.3x
<b>CASY</b>	Casey's General Stores, Inc.	\$ 6,157	\$ 8,302	15%	3%	\$ 547	0.44	0.7x	11.3x
<b>SUN</b>	Sunoco LP	\$ 6,083	\$ 16,937	34%	30%	\$ 644	0.83	0.4x	9.5x
<b>MUSA</b>	Murphy USA Inc.	\$ 3,491	\$ 12,375	11%	-5%	\$ 426	0.75	0.3x	8.2x
<b>GTY</b>	Getty Realty Corp.	\$ 1,740	\$ 138	11%	6%	\$ 93	0.64	12.6x	18.7x
<b>TA</b>	TravelCenters of America LLC	\$ 2,454	\$ 6,244	17%	-5%	\$ 92	1.75	0.4x	26.8x
<b>Min</b>		\$ 1,740	\$ 138	11%	-5%	\$ 92	-0.28	0.3x	8.2x
<b>Median</b>		\$ 4,787	\$ 10,339	16%	5%	\$ 486	0.69	0.5x	11.3x
<b>Mean</b>		\$ <b>10,134</b>	\$ <b>17,269</b>	<b>19%</b>	<b>6%</b>	\$ <b>903</b>	<b>0.69</b>	<b>2.5x</b>	<b>14.3x</b>
<b>Max</b>		\$ 40,876	\$ 59,619	34%	30%	\$ 3,618	1.75	12.6x	26.8x

# Public Company Operating Statistics

## FA Multi-Unit Index – Q2 2019

### 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
CMG	Chipotle Mexican Grill, Inc.	\$ 20,983	67%	33%	10%	2%	12%	5%
MTY	MTY Food Group Inc.	\$ 1,225	17%	83%	0%	0%	36%	2%
LOCO	El Pollo Loco Holdings, Inc.	\$ 734	78%	22%	8%	0%	13%	5%
TACO	Del Taco Restaurants, Inc.	\$ 805	74%	26%	13%	4%	12%	6%
FRGI	Fiesta Restaurant Group, Inc.	\$ 735	79%	21%	12%	3%	9%	6%
NATH	Nathan's Famous, Inc.	\$ 354	58%	42%	14%	0%	28%	5%
NDLS	Noodles & Company	\$ 673	84%	16%	10%	0%	6%	12%
HABT	The Habit Restaurants, Inc.	\$ 433	82%	18%	10%	0%	8%	5%
PBPB	Potbelly Corporation	\$ 376	71%	29%	11%	0%	6%	10%

<b>Min</b>	\$ 354	17%	16%	0%	0%	6%	2%
<b>Median</b>	\$ 734	74%	26%	10%	0%	12%	5%
<b>Mean</b>	\$ 2,924	68%	32%	10%	1%	14%	6%
<b>Max</b>	\$ 20,983	84%	83%	14%	4%	36%	12%

### 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
MCD	McDonald's Corporation	\$ 194,976	48%	52%	10%	0%	49%	4%
YUM	YUM! Brands, Inc.	\$ 41,287	52%	48%	16%	0%	34%	6%
QSR	Restaurant Brands International Inc.	\$ 31,267	42%	58%	22%	0%	40%	6%
DPZ	Domino's Pizza, Inc.	\$ 14,888	72%	28%	11%	0%	18%	6%
DNKN	Dunkin' Brands Group, Inc.	\$ 9,110	48%	52%	18%	0%	34%	8%
WEN	The Wendy's Company	\$ 7,678	53%	47%	17%	0%	31%	10%
JACK	Jack in the Box Inc.	\$ 3,056	59%	41%	11%	0%	30%	4%
ARCO	Arcos Dorados Holdings Inc.	\$ 1,816	88%	12%	7%	0%	8%	3%
PZZA	Papa John's International, Inc.	\$ 2,389	77%	23%	9%	0%	8%	5%
TAST	Carrols Restaurant Group, Inc.	\$ 1,217	83%	17%	10%	4%	8%	9%
FRSH	Papa Murphy's Holdings, Inc.	\$ 197	43%	57%	40%	0%	17%	4%

<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

## FA Multi-Unit Index – Q2 2019

### 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.	\$ 15,404	78%	22%	8%	3%	14%	1%
<b>CBRL</b>	Cracker Barrel Old Country Store, Inc.	\$ 4,268	66%	34%	25%	0%	13%	1%
<b>TXRH</b>	Texas Roadhouse, Inc.	\$ 4,233	82%	18%	7%	1%	11%	2%
<b>EAT</b>	Brinker International, Inc.	\$ 2,770	84%	16%	5%	0%	12%	3%
<b>BLMN</b>	Bloomin' Brands, Inc.	\$ 4,290	84%	16%	7%	0%	9%	7%
<b>DIN</b>	Dine Brands Global, Inc.	\$ 3,272	55%	45%	20%	0%	27%	8%
<b>CAKE</b>	The Cheesecake Factory Incorporated	\$ 3,097	59%	41%	14%	0%	10%	5%
<b>DENN</b>	Denny's Corporation	\$ 1,587	65%	35%	11%	0%	16%	4%
<b>SHAK</b>	Shake Shack Inc.	\$ 2,048	62%	38%	13%	0%	13%	5%
<b>BJRI</b>	BJ's Restaurants, Inc.	\$ 1,539	83%	17%	6%	0%	12%	4%
<b>RRGB</b>	Red Robin Gourmet Burgers, Inc.	\$ 615	80%	20%	11%	3%	9%	2%
<b>DFRG</b>	Del Frisco's Restaurant Group, Inc.	\$ 739	81%	19%	16%	2%	4%	36%
<b>CHUY</b>	Chuy's Holdings, Inc.	\$ 592	84%	16%	7%	1%	9%	6%
<b>JAX</b>	J. Alexander's Holdings, Inc.	\$ 241	63%	37%	8%	0%	9%	4%
<b>SAUC</b>	Diversified Restaurant Holdings, Inc.	\$ 178	85%	15%	5%	0%	9%	11%

<b>Min</b>	\$ 178	55%	15%	5%	0%	4%	1%
<b>Median</b>	\$ 2,048	80%	20%	8%	0%	11%	4%
<b>Mean</b>	\$ <b>2,992</b>	<b>74%</b>	<b>26%</b>	<b>11%</b>	<b>1%</b>	<b>12%</b>	<b>7%</b>
<b>Max</b>	\$ 15,404	85%	45%	25%	3%	27%	36%

# Public Company Operating Statistics

## FA Multi-Unit Index – Q2 2019

### Fitness Clubs

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
PLNT	Planet Fitness, Inc.	\$ 7,299	45%	55%	13%	2.2%	42%	5%
BFIT	Basic-Fit N.V.	\$ 2,248	19%	81%	26%	4.9%	30%	3%
CLUB	Town Sports International Holdings, Inc.	\$ 908	37%	63%	51%	0.6%	12%	16%
YOGA	YogaWorks, Inc.	\$ 3	40%	60%	74%	0.0%	-14%	0%

<b>Min</b>	\$ 3	19%	55%	13%	0%	-14%	0%
<b>Median</b>	\$ 1,578	39%	61%	39%	1%	21%	4%
<b>Mean</b>	\$ 2,614	<b>35%</b>	<b>65%</b>	<b>41%</b>	<b>2%</b>	<b>18%</b>	<b>6%</b>
<b>Max</b>	\$ 7,299	45%	81%	74%	5%	42%	16%

### Entertainment / Experiential

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
LYV	Live Nation Entertainment, Inc.	\$ 15,185	74%	26%	20%	0.3%	6%	6%
MTN	Vail Resorts, Inc.	\$ 10,247	57%	43%	12%	0.0%	31%	2%
SIX	Six Flags Entertainment Corporation	\$ 7,447	48%	52%	9%	4.7%	43%	4%
AMC	AMC Entertainment Holdings, Inc.	\$ 11,474	84%	16%	3%	0.0%	13%	15%
CNK	Cinemark Holdings, Inc.	\$ 7,614	51%	49%	28%	0.0%	22%	5%
FUN	Cedar Fair, L.P.	\$ 4,562	52%	48%	14%	0.0%	35%	3%
PLAY	Dave & Buster's Entertainment, Inc.	\$ 2,398	71%	29%	8%	0.8%	22%	1%
ISCA	International Speedway Corporation	\$ 1,881	53%	47%	16%	0.0%	30%	1%
MCS	The Marcus Corporation	\$ 1,643	55%	45%	16%	3.5%	20%	4%
IMAX	IMAX Corporation	\$ 1,465	45%	55%	33%	0.0%	29%	1%
TRK	Speedway Motorsports, Inc.	\$ 881	53%	47%	21%	0.0%	27%	2%
RDI	Reading International, Inc.	\$ 769	78%	22%	8%	0.0%	15%	10%

<b>Min</b>	\$ 769	45%	16%	3%	0%	6%	1%
<b>Median</b>	\$ 3,480	54%	46%	15%	0%	24%	4%
<b>Mean</b>	\$ 5,464	<b>60%</b>	<b>40%</b>	<b>16%</b>	<b>1%</b>	<b>24%</b>	<b>4%</b>
<b>Max</b>	\$ 15,185	84%	55%	33%	5%	43%	15%

# Public Company Operating Statistics

## FA Multi-Unit Index – Q2 2019

### 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.	\$ 35,021	78%	22%	18%	0.6%	4%	3%
<b>SFM</b>	Sprouts Farmers Market, Inc.	\$ 4,197	66%	34%	27%	0.0%	7%	5%
<b>SPTN</b>	SpartanNash Company	\$ 1,238	86%	14%	12%	0.5%	2%	4%
<b>IMKT.A</b>	Ingles Markets, Incorporated	\$ 1,452	76%	24%	21%	0.0%	6%	4%
<b>WMK</b>	Weis Markets, Inc.	\$ 1,198	73%	27%	22%	0.3%	5%	1%
<b>SFS</b>	Smart & Final Stores, Inc.	\$ 2,060	82%	18%	17%	0.9%	3%	10%

<b>Min</b>	\$ 1,198	66%	14%	12%	0%	2%	1%
<b>Median</b>	\$ 1,756	77%	23%	19%	0%	5%	4%
<b>Mean</b>	\$ <b>7,528</b>	<b>77%</b>	<b>23%</b>	<b>20%</b>	<b>0%</b>	<b>5%</b>	<b>4%</b>
<b>Max</b>	\$ 35,021	86%	34%	27%	1%	7%	10%

### C-Store

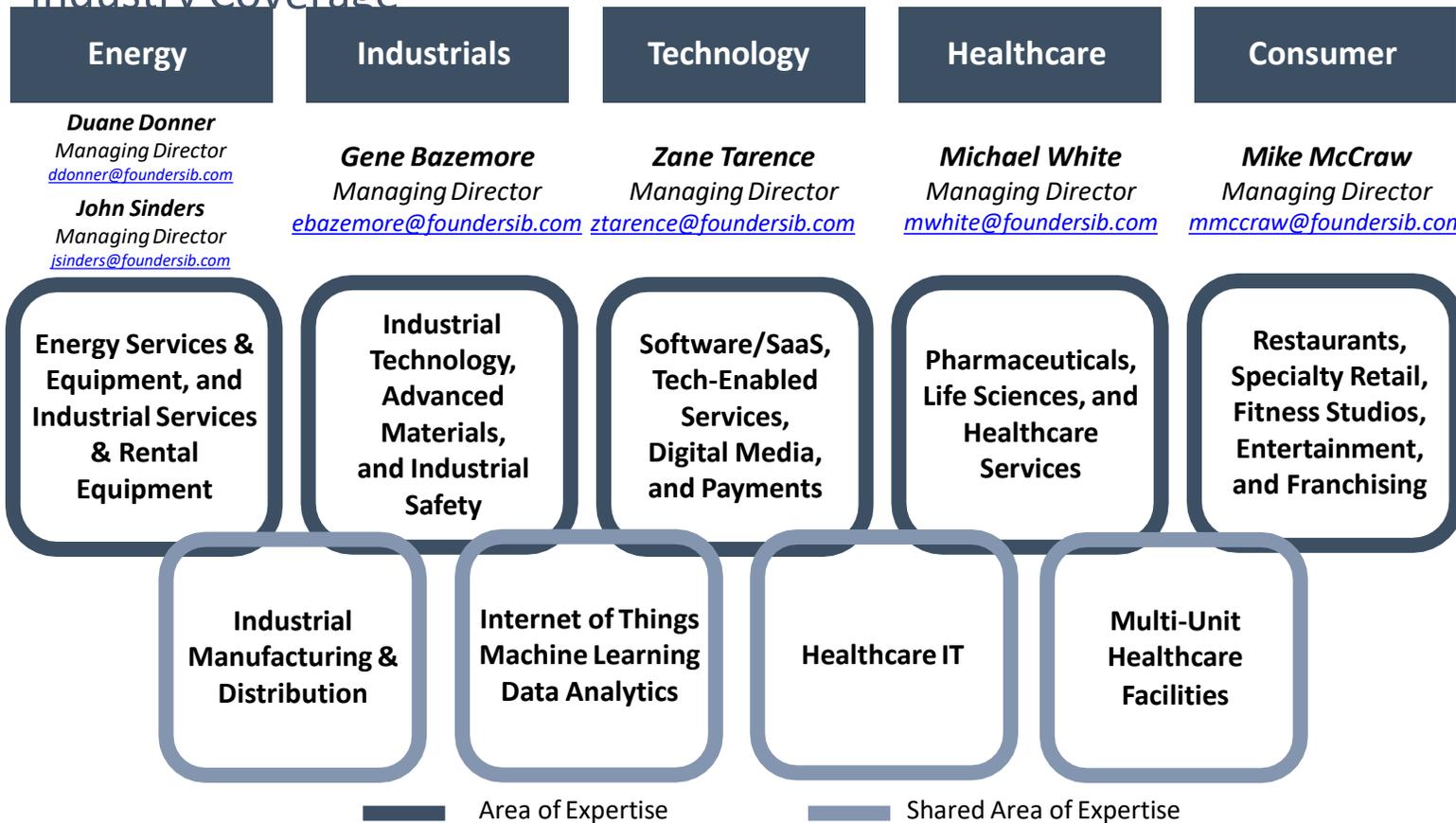
Ticker	Company Name	EV	LTM Financials					
			COGS as % of Revenue	Gross Margin	SG&A as % of Revenue	Sales/Mktg as % of Revenue	EBITDA Margin	Debt as % of EBITDA
<b>ATD.B</b>	Alimentation Couche-Tard Inc.	\$ 40,876	85%	15%	9%	0.0%	6%	2%
<b>CASY</b>	Casey's General Stores, Inc.	\$ 6,157	77%	23%	16%	0.0%	7%	2%
<b>SUN</b>	Sunoco LP	\$ 6,083	93%	7%	1%	0.0%	4%	6%
<b>MUSA</b>	Murphy USA Inc.	\$ 3,491	95%	5%	1%	0.0%	3%	2%
<b>GTY</b>	Getty Realty Corp.	\$ 1,740	18%	82%	11%	0.0%	67%	5%
<b>TA</b>	TravelCenters of America LLC	\$ 2,454	92%	8%	7%	0.0%	1%	25%

<b>Min</b>	\$ 1,740	18%	5%	1%	0%	1%	2%
<b>Median</b>	\$ 4,787	88%	12%	8%	0%	5%	4%
<b>Mean</b>	\$ <b>10,134</b>	<b>77%</b>	<b>23%</b>	<b>8%</b>	<b>0%</b>	<b>15%</b>	<b>7%</b>
<b>Max</b>	\$ 40,876	95%	82%	16%	0%	67%	25%

# About Founders Advisors

Founders Advisors (Founders) is a merger, acquisition & strategic advisory firm serving lower middle-market companies. Founders' focus is on consumer, industrials, energy, healthcare, and technology companies throughout the United States. Founders' 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.

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