

Seale & Associates

Creative Solutions. Trusted Advice.



**RESTAURANT
OPERATORS
INDUSTRY**

Q3
2020

VALUATION
UPDATE

INTRODUCTION

We are pleased to share our QSR Industry Valuation Update for Q3 2020.

We at Seale & Associates are committed to provide process-driven solutions designed to optimize value and achieve our clients' strategic objectives on a range of transactions including Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures, among other corporate finance and strategy consulting services.

Over the course of 20 years we have been successfully serving clients all over the world, and we are delighted to provide investment banking advisory services to our QSR clients that are looking to grow through acquisitions or optimize their portfolio through strategic divestitures.

Sector Relevant Experience



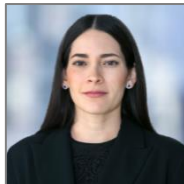
Team



Sergio García
Managing Director
O: +52 (55) 8000 7463
M: +52 (55) 5454 3152
sgarcia@sealeassociates.com



Adan E. Sierra
Managing Director
O: +1 (571) 482 3431
M: +1 (703) 795 4905
asierra@sealeassociates.com



Sofía Félix
Head of Business Development
O: +52 (55) 8000 7463
M: +52 (55) 3489 1049
sfelix@sealeassociates.com



Miguel Leal
Business Development
O: +52 (55) 8000 7463
C: +52 (55) 4381 1348
mleal@sealeassociates.com

Washington, D.C. ♦ Mexico City ♦ Miami ♦ Monterrey



KFC COSTA RICA

Target: Franchise of KFC in Costa Rica (KFC Costa Rica)

Transaction Type: Buy-side advisory

Industries: Restaurants

Geography: Costa Rica

Situation

Seale & Associates was hired as exclusive financial advisor to Investor Group Intellectiva in acquiring KFC franchise in Costa Rica, from QSR International, LLC.

Seale & Associates' Approach

Seale's professionals conducted a comprehensive analysis of the situation and determined an ideal transaction that resolved the concerns of both sides.

Outcome
















The process resulted in the acquisition of 32 KFC stores located across the Costa Rican territory.



"We are excited about the acquisition of the Costa Rica KFC franchise, a highly successful and fast-growing quick-service restaurant chain with fantastic growth prospects in a country we know very well."






















Roberto González Alcalá,
Chairman of Intellectiva

COMPARABLE PUBLIC COMPANIES – GLOBAL

Company	Country	Market Cap. US\$MM	Enterprise Value US\$MM	Revenue US\$MM	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2020		
						2018	2019	EV/EBITDA	EV/Revenue	
Alsea, S.A.B. de C.V.	 MEX	\$795	\$2,198	\$2,045	9.8%	11.0x	9.9x	5.6x	1.0x	
AmRest Holdings SE	 ESP	\$998	\$2,666	\$1,933	5.6%	16.4x	12.3x	9.8x	1.3x	
Arcos Dorados Holdings Inc.	 URY	\$850	\$2,288	\$2,414	6.4%	9.5x	9.3x	10.9x	0.9x	
Carrols Restaurant Group, Inc.	 USA	\$340	\$1,649	\$1,523	5.0%	8.0x	7.8x	8.5x	1.1x	
Café de Coral Holdings Limited	 HKG	\$1,221	\$1,511	\$1,027	8.4%	11.1x	11.6x	7.7x	1.5x	
Chipotle Mexican Grill, Inc.	 USA	\$34,784	\$36,883	\$5,619	9.9%	21.6x	25.9x	NR	6.6x	
Collins Foods Limited	 AUS	\$858	\$1,285	\$632	12.3%	9.4x	11.2x	11.2x	1.8x	
Domino's Pizza Group plc	 GBR	\$2,174	\$2,736	\$623	19.8%	15.9x	14.0x	19.0x	4.2x	
McDonald's Corporation	 USA	\$163,323	\$211,990	\$19,119	46.6%	15.7x	16.9x	20.0x	NR	
Restaurant Brands International Inc.	 CAN	\$17,432	\$31,833	\$5,210	37.2%	13.0x	13.6x	16.5x	6.1x	
Restaurant Brands New Zealand Limited	 NZL	\$982	\$1,345	\$594	13.0%	12.0x	13.6x	14.4x	2.3x	
Shake Shack Inc.	 USA	\$2,466	\$2,680	\$544	6.4%	23.9x	22.4x	NR	4.9x	
The Wendy's Company	 USA	\$4,990	\$8,462	\$1,343	28.0%	16.3x	18.3x	22.1x	6.3x	
Xiabuxiabu Catering Management	 CHN	\$1,325	\$1,482	\$747	9.4%	16.4x	11.2x	9.9x	2.0x	
Yum! Brands, Inc.	 USA	\$27,518	\$37,921	\$5,494	34.0%	18.4x	21.6x	20.3x	6.9x	
NR: Not Relevant						Mean	14.6x	14.6x	13.5x	3.4x
						Median	15.7x	13.6x	11.2x	2.1x



QSR – Q3 GLOBAL TRANSACTIONS

Date	Target	Country	Description	Seller	Buyer	Additional Notes
Sep-20	Cote Restaurants Limited	GBR	Operates French style brasseries		 Partners Group <small>REALIZING POTENTIAL IN PRIVATE MARKETS</small>	-
Sep-20	Napa River Grill Louisville LLC	USA	Owens and operates a restaurant		Craft Culture Concepts, LLC	-
Sep-20	Gaming Cafe, LLC	USA	Operates a full-service café	Gaming Cafe, LLC		-
Sep-20	Chick-fil-A, Inc.	USA	Comprises a franchise of Chick-fil-A			Acquired for US \$2.1 million
Sep-20	POKAWA SAS	FRA	Operates a chain of fast-casual restaurants for poke bowls			-
Sep-20	Rôtisserie Joliette inc.	CAN	Operates a take-out restaurant			-
Aug-20	Red Lobster Seafood Co., LLC	USA	Operates seafood-buying restaurants			Acquired a 75.0% stake
Aug-20	The Johnny Rockets Group, Inc.	USA	Owens and operates a chain of restaurants			Acquired for US\$24.6 million. EV/Revenue: 0.1x
Aug-20	DP Poland plc	POL	Develops and operates Domino's Pizza stores under master franchise agreement in Poland			-
Aug-20	Oversea Enterprise Berhad	MYS	Operates a chain of Chinese restaurants		ND	EV/Revenue: 1.7x
Aug-20	Southern Deli Holdings, LLC	USA	Owens and operates McAlister's Deli franchises	Southern Deli Holdings, LLC	DMAC-SD, LLC	Acquired a 15.0% stake for US\$0.1 million
Jul-20	Healthy Color S.R.L.	ITA	Owens and operates a fast food restaurant		ND	Acquired a 33.0% stake
Jul-20	Pronto Restaurant	USA	Provides dining services	Pronto Restaurant	BG Media, Inc.	-
Jul-20	KFC Korea Co., Ltd.	KOR	Operates a chain of restaurants	KG F&B Co., Ltd.		Acquired for US\$5.9 million
Jul-20	Restaurante Madero Durski Ltda	BRA	Owens and operates a casual and fast-casual dining restaurant chain	Joá Investimentos S.A.	ND	-
Jul-20	Toast & Berry	USA	Operates as a restaurant that offers breakfast, brunch, and lunch			-



ND: Not Disclosed



REPRESENTATIVE GLOBAL ENGAGEMENTS

Honeywell
has sold
TENSOR
to

GE Power Systems


has acquired



has acquired



has acquired



has sold
 **JAMES BURN INTERNATIONAL**
to

and
JBI Holding SAS




has been acquired by



has partnered with

a subsidiary of
FEMSA


has acquired



has acquired







acquired
The Zinc Recycling Business
of



has been acquired by
FEMSA

Grupo Educativo IEJV
UNIVERSIDAD JOSÉ VASCONCELOS

has been acquired by
NACER GLOBAL


a subsidiary of

has sold
HTPG
to
 and 


has been recapitalized by


tyco
has sold the North American guarding business of

to
GARDA


Engineers & Constructors
has acquires



has been acquired by



has sold
SENSI CARE and **ALOE VESTA**
to



has been acquired by
COLFAX


sold
Cosmoceol Química
to

a business unit of
ICL

intelectiva
acquired

KFC Costa Rica
from
QSR


sold its concrete pumping business to



acquired
  
dealerships from



Holding company of
sanfer
acquired a majority stake in



has been acquired by



Grupo Galaz, S.A de C.V.
has been acquired by






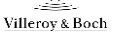
acquired
Workshop and store in Mexico City from



has been acquired by



merged its beverage division with

FEMSA


sold
Its sanitaryware businesses
ST. THOMAS CREATIONS
and

to


Seale & Associates

Creative Solutions. Trusted Advice.

Since 1999, **Seale & Associates** has been the trusted advisor to respected public and private companies from around the world. Seale is a global investment bank with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting with a track record of success in a diverse range of industries. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex transactions.

ADVISOR TO LEADING COMPANIES WORLDWIDE

CONTACT INFORMATION



Headquarters
901 N. Glebe Road
Suite 500
Arlington, Virginia
+1 (703) 294 6770



Latin America Office
Av. Ejército Nacional 769
2nd floor
Mexico City
+52 (55) 8000 7463

Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

Washington, D.C. | Miami | Mexico City | Monterrey

Contact Information

James A. Seale
President

jseale@sealeassociates.com

Brett M. Carmel
Senior Managing Director
bcarmel@sealeassociates.com

Felipe Bueno Viesca
Senior Director
fbueno@sealeassociates.com

Sergio Garcia del Bosque
Managing Director
sgarcia@sealeassociates.com

Adan Sierra
Managing Director
asierra@sealeassociates.com

Carlos Hernandez
Managing Director
chernandez@sealeassociates.com

Alejandro Montemayor
Senior Associate
amontemayor@sealeassociates.com

Armando Rios
Associate
arios@sealeassociates.com

Aaron Garcia
Analyst
agarcia@sealeassociates.com

Sofia Felix
Business Development
sfelix@sealeassociates.com

Miguel Leal
Business Development
mleal@sealeassociates.com

Alejandro Salinas
Junior Analyst
asalinas@sealeassociates.com

Andre Leroy
Junior Analyst
lleroy@sealeassociates.com

Daniela Aldasoro
Junior Analyst
daldasoro@sealeassociates.com

Jose Pablo Arronte
Junior Analyst
jarronte@sealeassociates.com

Regina Labardini
Junior Analyst
rlabardini@sealeassociates.com

www.sealeassociates.com