



Seale & Associates

RESTAURANT FRANCHISE INDUSTRY
VALUATION UPDATE
Q1 2025

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Introduction

We are pleased to share our Restaurant Franchise Industry Valuation Multiples Update for Q1 2025.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in 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 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



James A. Seale | President
jseale@sealeassociates.com



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



Robert Whitney | Managing Director
rwhitney@sealeassociates.com



Sergio Garcia del Bosque | Managing Director
sgarcia@sealeassociates.com



Carlos Hernandez Goudet | Managing Director
chernandez@sealeassociates.com



Alejandro Montemayor | Vice President
amontemayor@sealeassociates.com



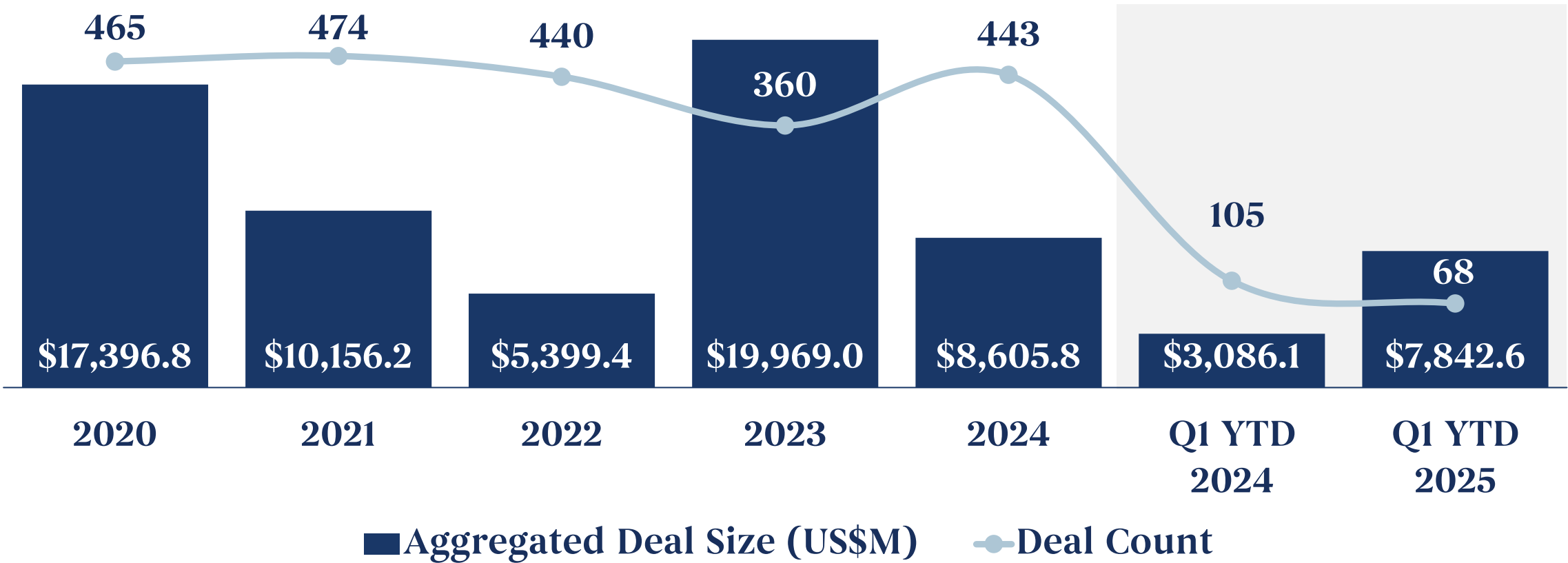
Armando Rios | Vice President
arios@sealeassociates.com

Restaurant Franchise Industry Overview

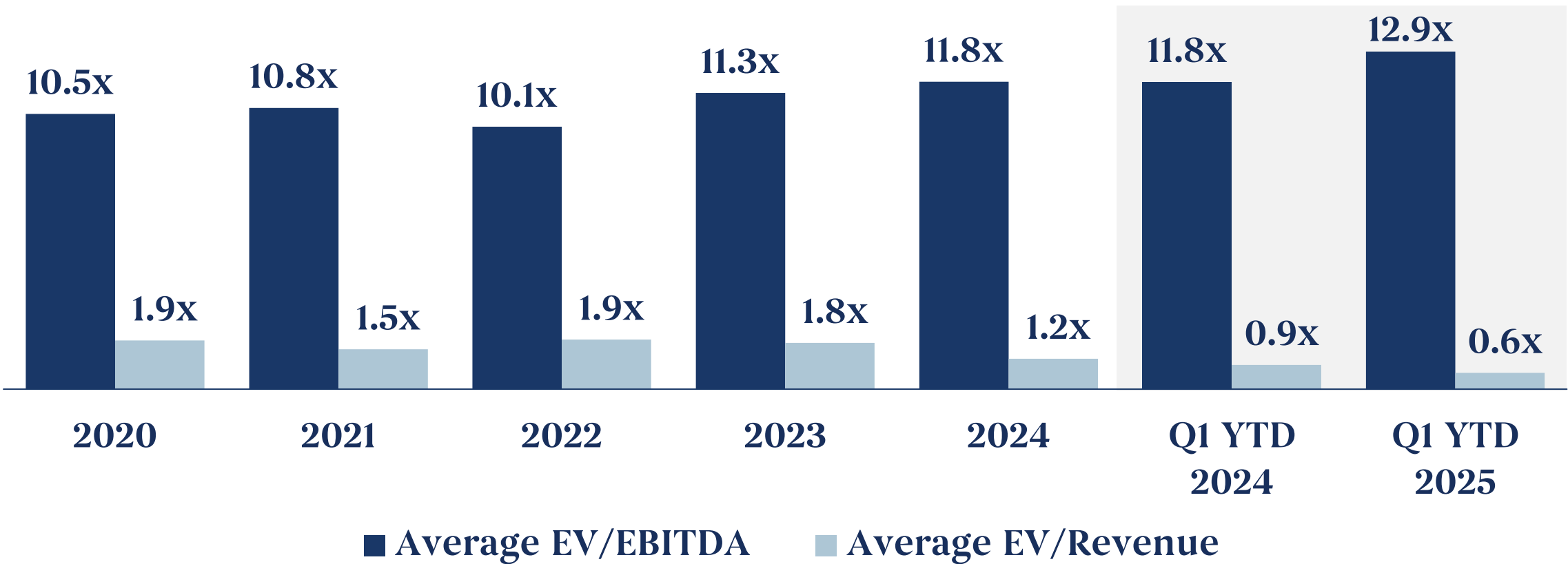
M&A Trends and Market Intelligence

- **The global quick-service restaurant (QSR) market is projected to reach approximately US\$1.1T in 2025 and expand to about US\$1.6T by 2030,** representing a **CAGR of 8.4%** over the forecast period. This growth trajectory highlights the sector’s growing importance in delivering accessible, scalable foodservice models, especially as **urbanization and time-constrained lifestyles fuel demand** worldwide
- Market **expansion is being driven by evolving consumer preferences** that prioritize **convenience, customization, and health-conscious options.** Brands are responding with menu innovations, transparent labeling, and enhanced ordering flexibility. At the same time, rapid growth in drive-thru and off-premise dining formats is helping operators serve high-volume traffic with greater operational efficiency
- **Operators are embracing digital transformation** across the value chain, from AI-powered drive-thrus and mobile ordering apps to loyalty programs and kitchen automation. While large franchise systems continue to scale, **independent QSRs are** also gaining share by **leveraging niche cuisines and localized branding strategies**
- **The M&A landscape in the restaurant franchise space remains cautious** but strategic as operators contend with inflation, labor constraints, and shifting consumer traffic patterns. **Activity is concentrated among franchisors pursuing scale, operational synergies, and portfolio diversification,** with a focus on brands that demonstrate strong unit economics and consistent customer loyalty
- **Private equity and strategic buyers continue to show interest in QSR platforms** with streamlined operations, tech-forward infrastructure, and international growth potential

Restaurant Franchise Industry M&A Deal Size and Volume









Restaurant Franchise Industry M&A Average EV/EBITDA and EV/Revenue







Franchises Global Comparable Public Companies (1/2)

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025 EV/ EBITDA		EV/ Revenue
							2023	2024			
Alsea		MEX	\$1,712	\$3,864	\$3,954	10.2%	6.0x	5.9x	9.6x		1.0x
AmRest		ESP	\$950	\$2,566	\$2,793	16.6%	6.3x	6.6x	5.5x		0.9x
Arcos Dorados		URY	\$1,698	\$3,282	\$4,465	13.3%	5.9x	5.7x	5.5x		0.7x
Bloomin' Brands		USA	\$609	\$2,829	\$3,931	14.3%	5.9x	5.6x	5.0x		0.7x
Brinker International		USA	\$6,619	\$8,459	\$5,131	16.3%	6.6x	7.7x	10.1x		1.6x
CMR		MEX	\$30	\$106	\$178	16.8%	5.5x	4.4x	3.6x		0.6x

Franchises Global Comparable Public Companies (2/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025 EV/ EBITDA	
							2023	2024	EV/ EBITDA	EV/ Revenue
create restaurants		JPN	\$1,834	\$2,175	\$1,044	15.3%	16.5x	12.4x	13.6x	2.1x
Restaurant Brands International		CAN	\$21,657	\$37,981	\$8,776	30.3%	16.6x	15.9x	14.3x	4.3x
Skylark Holdings		JPN	\$4,556	\$5,895	\$2,786	17.6%	14.4x	8.8x	12.0x	2.1x
Yum! Brands		USA	\$43,919	\$55,493	\$7,738	36.2%	19.9x	18.6x	19.8x	7.2x
■ Excluded from mean						Mean	10.4x	9.7x	10.6x	1.2x
						Median	6.5x	7.1x	9.8x	1.3x





Franchisors Global Comparable Public Companies (1/2)

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025	
							2023	2024	EV/ EBITDA	EV/ Revenue
BJ's Restaurants, Inc.		USA	\$778	\$1,253	\$1,357	12.5%	9.1x	8.4x	7.4x	0.9x
Chipotle Mexican Grill, Inc.		USA	\$68,051	\$71,169	\$11,487	25.2%	25.5x	31.2x	24.6x	6.2x
Cracker Barrel Old Country Store, Inc.		USA	\$864	\$2,037	\$3,506	8.7%	9.2x	7.4x	6.7x	0.6x
Darden Restaurants, Inc.		USA	\$24,338	\$31,946	\$11,762	19.8%	12.7x	11.8x	13.7x	2.7x
Denny's Corporation		USA	\$189	\$595	\$454	16.4%	11.4x	9.4x	8.0x	1.3x
Dine Brands Global, Inc.		USA	\$364	\$1,803	\$821	25.1%	11.2x	9.2x	8.7x	2.2x
Domino's Pizza, Inc.		USA	\$15,759	\$20,770	\$4,734	21.7%	19.2x	21.2x	20.2x	4.4x
El Pollo Loco Holdings, Inc.		USA	\$307	\$567	\$476	17.0%	8.0x	7.7x	7.0x	1.2x
Jack in the Box Inc.		USA	\$513	\$3,611	\$1,553	36.6%	8.0x	7.6x	6.4x	2.3x
McDonald's Corporation		USA	\$223,176	\$274,045	\$25,707	61.0%	17.5x	16.5x	17.5x	10.7x














Source: Capital IQ

Franchisors Global Comparable Public Companies (2/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2025 EV/ EBITDA		EV/ Revenue
							2023	2024			
Noodles & Company		USA	\$50	\$342	\$493	13.1%	6.9x	5.4x	5.3x		0.7x
Papa John's International, Inc.		USA	\$1,344	\$2,293	\$2,064	15.2%	13.8x	10.2x	7.3x		1.1x
Red Robin Gourmet Burgers, Inc.		USA	\$62	\$617	\$1,249	10.5%	5.1x	4.7x	4.7x		0.5x
Shake Shack Inc.		USA	\$3,534	\$4,047	\$1,283	18.5%	20.4x	21.9x	17.0x		3.2x
Starbucks Corporation		USA	\$111,423	\$133,377	\$36,347	27.0%	14.6x	11.9x	13.6x		3.7x
Texas Roadhouse, Inc.		USA	\$11,073	\$11,700	\$5,373	14.6%	14.1x	18.1x	14.9x		2.2x
The Wendy's Company		USA	\$2,933	\$6,575	\$2,235	23.8%	15.7x	12.6x	12.4x		2.9x
TORIDOLL Holdings Corporation		JPN	\$2,366	\$3,185	\$1,791	17.0%	12.6x	11.4x	10.5x		1.8x
Wingstop Inc.		USA	\$6,466	\$7,415	\$651	29.7%	53.2x	72.8x	38.3x		11.4x
■ Excluded from mean						Mean	12.3x	11.5x	11.4x		1.8x
						Median	12.7x	11.4x	10.5x		2.2x








Restaurant Franchises – Global Transactions (1/2)

The table below highlights selected global M&A transactions during Q1 2025, illustrating strategic acquisitions focused on scale, product diversification, or geographic expansion within the sector

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-25		USA	Roark Capital Management , a private equity firm, acquired Dave's Hot Chicken Franchise , an operator of fast-casual restaurant franchises		-	ND	\$1,000.0	-	-
Mar-25		FRA	Cherry Equity Partners , an investment holding company, acquired Le Bistrot De Pierre , an operator of French-style casual dining restaurants		-	ND	-	-	-
Mar-25		USA	Pacific General Capital Management , an investment holding company, acquired Lenwich Holdings , an operator of sandwich-focused fast-casual restaurants		-	ND	-	-	-
Feb-25		CHN	Restaurant Brands International , an operator of global quick-service restaurant brands, acquired Burger King (China) , an operator of fast-food restaurants			ND	\$158.0	-	-
Feb-25		HKG	Toridoll Holding Limited , an operator of global foodservice brands, agreed to acquire Tam Jai International , an operator of noodle-based fast-casual restaurants	Toridoll Holding Limited		25.7%	\$70.4	8.2x	0.5x
Feb-25		KOR	Hanwha Hotels & Resorts , an operator of hospitality and foodservice businesses, acquired Ourhome , a provider of food distribution and catering services		-	58.6%	\$777.2	10.9x	0.7x

Source: Capital IQ, Companies' Press Releases, Merger Market

Restaurant Franchises – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Feb-25*		NLD	Prosus , a manager of global consumer internet investments, agreed to acquire Just Eat Takeaway.com , an operator of online food delivery platforms		-	100.0%	\$4,738.0	-	-
Jan-25		GBR	Auctor Holding , an investment holding company, acquired Tortilla Mexican Grill , an operator of fast-casual Mexican restaurants			20.0%	-	-	-
Jan-25		ESP	Rodilla Sanchez , an operator of restaurant chains, acquired Hamburguesa Nostra , an operator of premium hamburger restaurants		-	20.0%	-	-	-

*Announced transactions pending approval and other customary closing conditions

ND: Not Disclosed

KFC COSTA RICA

TARGET

Franchise of KFC in Costa Rica (KFC Costa Rica)

TRANSACTION TYPE

Buy-side advisory

INDUSTRIES

Restaurant Franchises

GEOGRAPHY

Costa Rica

SITUATION

Seale & Associates was engaged by Grupo Inversor Intellectiva, a Mexican investment group with diversified interests in media, energy, and real estate, to advise them on the acquisition of the Costa Rican KFC franchise, which was being sold under an auction process.

SEALE & ASSOCIATES' APPROACH

Seale advised Grupo Intellectiva during each step of the acquisition process. First, Seale helped design a non-binding indication of interest that incentivized the seller to complete stores that were under development while mitigating the buyer's risk. This incentive made the seller choose Grupo Intellectiva's indication of interest over another that offered a higher upfront value. Second, Seale proved to be invaluable during negotiations, ensuring that all their clients' needs were met under an open, amicable, and direct discussion setting at all times.

OUTCOME

The process resulted in the acquisition of 32 KFC stores located across the Costa Rican territory. Further, both buyers and sellers developed a good relationship that is expected to create attractive joint investment opportunities in the future.

“We look forward to working with them on our M&A and corporate finance initiatives in the future”



“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.

We received valuable advice and exceptional service from our advisors at Seale & Associates, and we look forward to working with them on our M&A and corporate finance initiatives in the future.”

Roberto González Alcalá
President of Grupo Inversor Intellectiva, S.A.P.I. de C.V.

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 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>GE Power Systems</p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p> <p>to</p> 	 <p>has acquired</p> 	 <p>has sold its GRACE Membranes business</p>  <p>a subsidiary of</p> 
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JAMES A. SEALE

President and Founder | Washington, DC

+1 (703) 623-9253

32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University
University of Virginia - JD
University of Kentucky - BS in Accounting



SERGIO GARCIA DEL BOSQUE

Managing Director | Mexico City, Mexico

+52 (55) 8000-7463

16+ years of global M&A experience
IPADE - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



CARLOS HERNANDEZ GOUDET

Managing Director | San Luis Potosi, Mexico

+1 (571) 482-3432

15+ years of global M&A experience
Columbia Business School - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



BRETT M. CARMEL

Senior Managing Director and Co-founder | Miami, FL

+1 (703) 294-6530

25+ years of global M&A experience and Professor of M&A at Johns Hopkins University
The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors



ROBERT E. WHITNEY

Managing Director | Washington, DC

+1 (703) 801-8939

19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services
University of Richmond - BS Business Administration in Accounting

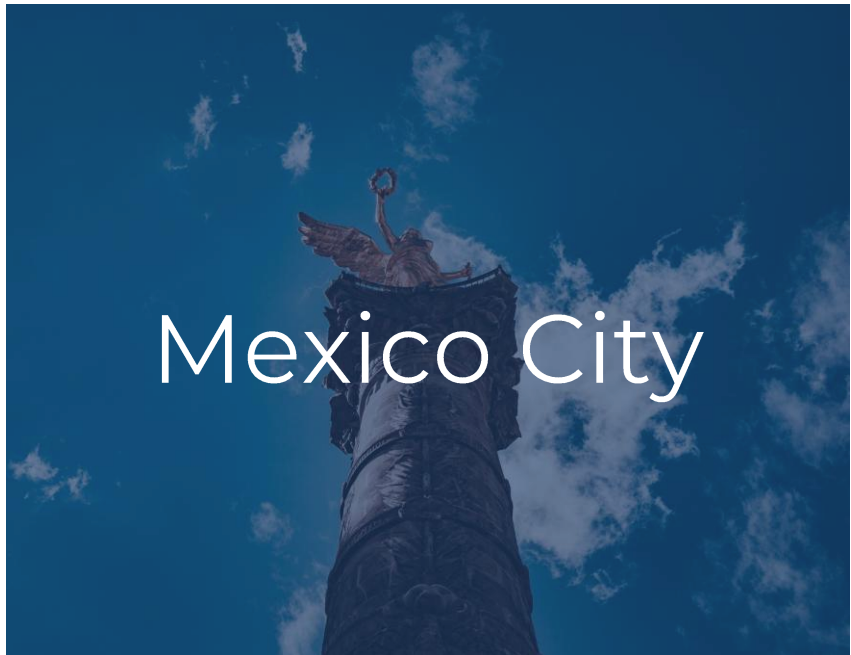
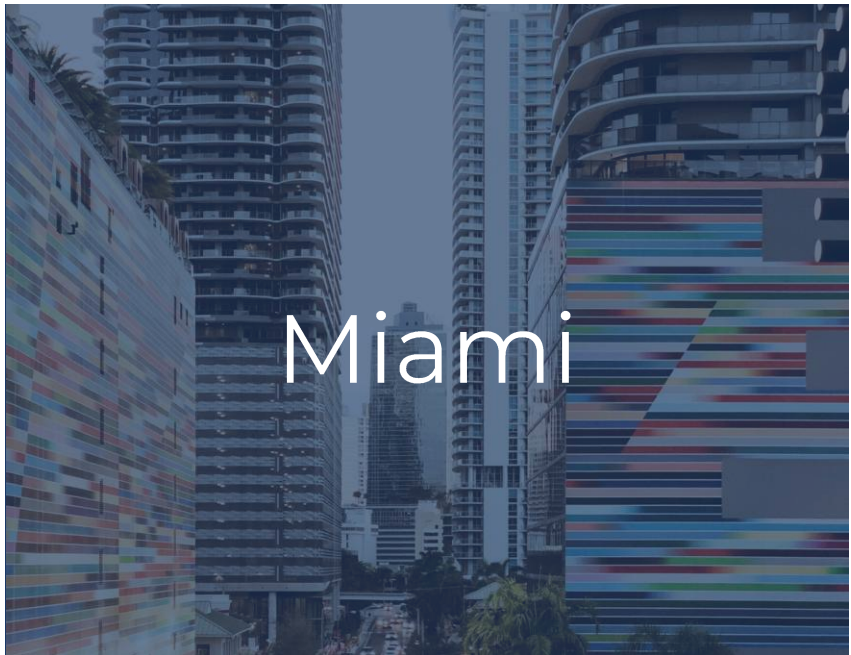


FELIPE BUENO

Senior Director | Monterrey, Mexico

+52 (84) 4432-4444

32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings

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