



# Seale & Associates

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# 25 years

RESTAURANT FRANCHISE  
INDUSTRY  
Q4 2024  
VALUATION UPDATE



# Introduction

We are pleased to share our Restaurant Franchise Industry Multiples Valuation Update for Q4 2024.

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.



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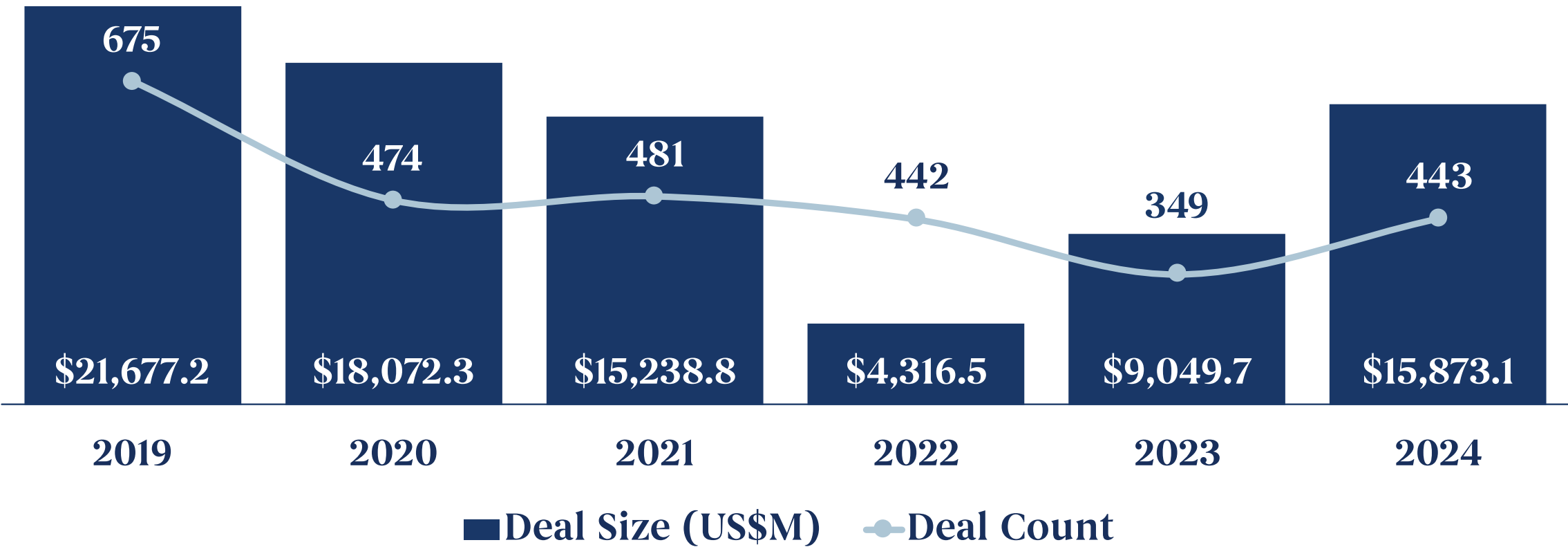


# Restaurant Franchise Industry Overview, M&A Trends and Market Intelligence

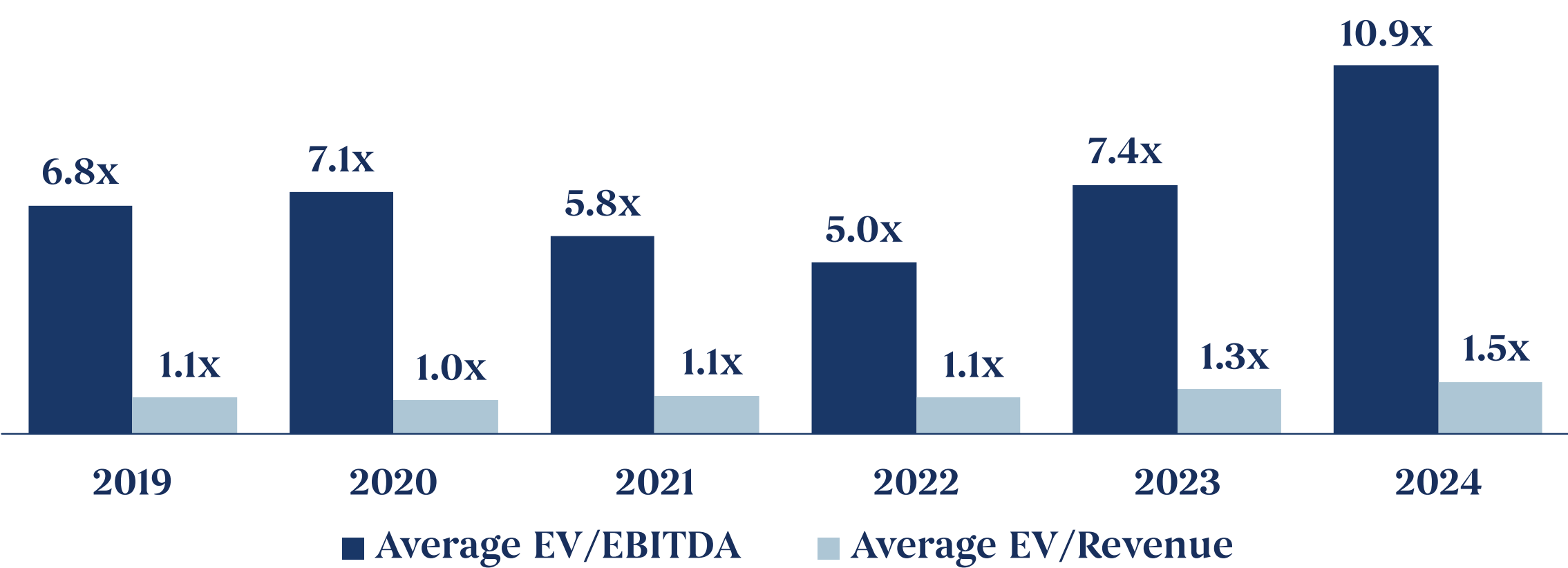
## Restaurant Franchise Industry

- The global restaurant franchise market is continuing its robust growth, with sales projected to reach **US\$1.1 trillion in 2024**, marking a significant milestone for the industry
- Restaurants are increasingly adopting **technology** to enhance efficiency and customer experience. This includes **digital ordering, loyalty programs, AI-driven menu recommendations**, and **POS system upgrades**
- Consumers are **prioritizing** experiences over goods, which benefits the restaurant industry. There is a noticeable shift towards value-conscious dining, with many opting for quick-service restaurants (QSRs) and casual dining over fine dining to manage costs
- After a slow period in 2022 and 2023, **M&A activity** in the restaurant sector is **rebounded** in 2024. There is pent-up demand from both buyers and sellers, driven by the need for consolidation and scale
- The industry **remains highly competitive**, with established players like McDonald's, KFC, and Subway holding substantial market shares. These companies continue to innovate and adapt to maintain their dominance

Restaurant Franchise Industry M&A Deal Size and Volume







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



Source: National Restaurants Association, Bank of America, KPMG

# Franchises Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Alsea, S.A.B. de C.V.		MEX	\$1,689	\$4,046	\$3,791	21.1%	6.3x	6.0x	5.0x		1.1x
AmRest Holdings SE		ESP	\$976	\$2,443	\$2,647	15.8%	7.1x	6.3x	5.9x		0.9x
Arcos Dorados Holdings Inc.		URY	\$1,534	\$3,129	\$4,470	15.0%	6.6x	5.9x	4.7x		0.7x
Bloomin' Brands, Inc.		USA	\$1,036	\$3,370	\$3,950	16.3%	6.0x	5.9x	5.2x		0.9x
Brinker International, Inc.		USA	\$5,877	\$7,870	\$4,826	15.1%	6.2x	6.6x	10.8x		1.6x
CMR, S.A.B. de C.V.		MEX	\$39	\$116	\$177	11.3%	21.5x	5.5x	5.8x		0.7x
create restaurants holdings inc.		JPN	\$1,566	\$1,878	\$971	17.2%	39.5x	16.5x	11.3x		1.9x
Restaurant Brands International Inc.		CAN	\$21,099	\$37,697	\$8,406	30.8%	15.3x	16.6x	14.6x		4.5x
Skylark Holdings Co., Ltd.		JPN	\$3,545	\$3,951	\$2,551	18.2%	17.6x	14.4x	8.5x		1.5x
Yum! Brands, Inc.		USA	\$37,440	\$48,953	\$7,549	35.9%	19.6x	19.9x	18.1x		6.5x
Excluded from mean and median						Mean	11.8x	7.2x	7.2x		1.5x
						Median	11.2x	6.5x	7.2x		1.3x

# Franchisors Global Comparable Public Companies (1/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
BJ's Restaurants, Inc.		USA	\$802	\$1,284	\$1,357	11.9%	10.7x	9.1x	8.0x		0.9x
Chipotle Mexican Grill, Inc.		USA	\$82,227	\$85,344	\$11,314	24.9%	27.4x	25.5x	30.2x		7.5x
Cracker Barrel Old Country Store, Inc.		USA	\$1,177	\$2,417	\$3,492	8.6%	9.0x	9.2x	8.0x		0.7x
Darden Restaurants, Inc.		USA	\$21,936	\$29,750	\$11,579	19.6%	11.9x	12.7x	13.1x		2.6x
Denny's Corporation		USA	\$311	\$711	\$452	16.9%	13.8x	11.4x	9.3x		1.6x
Dine Brands Global, Inc.		USA	\$459	\$1,875	\$812	27.2%	11.2x	11.2x	8.5x		2.3x
Domino's Pizza, Inc.		USA	\$14,495	\$19,509	\$4,706	21.4%	21.4x	19.2x	19.3x		4.1x
El Pollo Loco Holdings, Inc.		USA	\$345	\$601	\$473	17.0%	7.6x	8.0x	7.5x		1.3x
Jack in the Box Inc.		USA	\$784	\$3,943	\$1,571	36.9%	8.3x	8.0x	6.8x		2.5x
McDonald's Corporation		USA	\$207,741	\$259,966	\$25,920	60.3%	17.3x	17.5x	16.6x		10.0x



# 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		Fourth Quarter Dec. 31, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Noodles & Company		USA	\$26	\$312	\$493	12.7%	8.1x	6.9x	5.0x		0.6x
Papa John's International, Inc.		USA	\$1,341	\$2,300	\$2,059	15.2%	15.7x	13.8x	7.3x		1.1x
Red Robin Gourmet Burgers, Inc.		USA	\$95	\$668	\$1,249	10.4%	5.4x	5.3x	5.2x		0.5x
Shake Shack Inc.		USA	\$5,196	\$5,721	\$1,253	18.0%	22.5x	20.4x	25.4x		4.6x
Starbucks Corporation		USA	\$103,459	\$125,746	\$36,149	27.9%	13.1x	14.6x	12.5x		3.5x
Texas Roadhouse, Inc.		USA	\$12,037	\$12,694	\$5,373	13.4%	12.9x	14.1x	17.7x		2.4x
The Wendy's Company		USA	\$3,323	\$6,939	\$2,246	23.0%	16.5x	15.7x	13.5x		3.1x
TORIDOLL Holdings Corporation		JPN	\$2,170	\$2,978	\$1,663	17.0%	10.4x	12.6x	10.5x		1.8x
Wingstop Inc.		USA	\$8,302	\$8,996	\$626	28.5%	50.6x	53.2x	50.5x		14.4x
Excluded from mean and median						Mean	12.7x	12.3x	8.8x		1.9x
						Median	12.9x	12.7x	8.5x		2.3x

# Restaurant Franchises – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-24*		IND	<b>KKR</b> , a global investment firm, acquired a stake in <b>Rebel Foods</b> , a leading internet restaurant company		-	NA	-	-	-
Nov-24*		USA	<b>Blackstone</b> , a global investment firm, acquired a majority stake in <b>Jersey Mike's Franchise Systems</b> , a prominent fast-casual submarine sandwich chain		-	50.0%>	\$8,000.0	-	-
Nov-24		USA	<b>Flynn Group</b> , America's largest franchise operator, acquired <b>32 Wendy's restaurants</b> in the Indianapolis area, expanding its domestic Wendy's portfolio to 309 locations across seven states and Washington, D.C.		-	100.0%	-	-	-
Nov-24*	Brazil operations of Bloomin Brands Inc	BRA	<b>Vinci Partners Investments</b> , a Brazilian investment firm, acquired a stake in <b>Bloomin' Brands Inc.'s Brazil operations</b> , which manage a portfolio of restaurant brands from Blooming Brands			67.0%	-	6.5x	-
Oct-24*		HKG	<b>Trustar Capital</b> , a private equity firm, acquired a stake in <b>McDonald's China Management</b> , which oversees the brand's operations and franchise network in mainland China and Hong Kong		-	19.2%	-	-	-
Oct-24	 <b>23.5 Degrees</b>	GBR	<b>Starbucks Corporation</b> , a global coffeehouse chain, acquired <b>23.5 Degrees</b> , its largest UK franchisee operating 113 stores, to expand its company-operated store portfolio			100.0%	-	-	-
Oct-24	New Jersey Perkins Restaurant	USA	<b>IHOP Restaurants</b> , a global pancake house and breakfast chain, acquired a <b>Perkins Restaurant in Forked River, New Jersey</b> , to convert the location into a new IHOP restaurant			100.0%	-	-	-
*Announced transactions pending approval and other customary closing conditions							Mean	6.5x	-
							Median	6.5x	-



# 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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# Global M&A Representative Engagements

<div><p>has been acquired by</p><div><p>HERITAGE DISTRIBUTION HOLDINGS</p></div></div>	<div><div><p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p></div><p>has sold a controlling interest to</p><div></div></div>	<div><div><p>ZN ZINC NACIONAL</p></div><p>has sold</p><div><p>GSDK</p></div><p>Zinc Oxide Corporation a subsidiary of</p><div><p>Korea Zinc</p></div></div>	<div><div><p>Electrolux PROFESSIONAL</p></div><p>has acquired</p><div><p>unified brands a DOVER company</p></div><p>from</p><div></div></div>	<div><div><p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p></div><p>has been acquired by</p><div><p>ENSTRUCTURE</p></div></div>	<div><div><p>Oxbow</p></div><p>Oxbow's Senior Subordinated debt issued by</p><div><p>H.J. BAKER ESTABLISHED 1850</p></div><p>was refinanced by</p><div></div></div>	<div><div><p>Hertz</p></div><p>has acquired</p><div></div></div>
<div><div><p>Standex</p></div><p>has sold</p><div><p>Enginetics</p></div><p>to</p><div></div></div>	<div><div><p>ITT</p></div><p>has sold</p><div><p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p></div><p>and</p><div><p>CMC Cleveland Motion Controls</p></div><p>to</p><div></div></div>	<div><div><p>Honeywell</p></div><p>has sold</p><div><p>TENSOR</p></div><p>to</p><div><p>GE Power Systems</p></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><div><p>Triumph Processing - Embee Division</p></div><p>to</p><div></div></div>	<div><div><p>TRIUMPH™</p></div><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><div></div></div>	<div><div><p>Rheem</p></div><p>has acquired</p><div></div></div>	<div><div><p>GRACE</p></div><p>has sold its GRACE Membranes business</p><div><p>UOP</p></div><p>a subsidiary of</p><div></div></div>
<div><div><p>convatec — forever caring —</p></div><p>has sold</p><div><p>SENSI CARE</p></div><p>and</p><div><p>ALOE VESTA™</p></div><p>to</p><div></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>MobileView</p></div><p>to</p><div><p>SAFE FLEET Driving Safety Forward™</p></div></div>	<div><div><p>United Technologies</p></div><p>has sold</p><div><p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p></div><p>to</p><div></div></div>	<div><div><p>LOCKHEED MARTIN</p></div><p>has sold</p><div><p>Commercial Flight Training Business</p></div><p>to</p><div></div></div>	<div><div><p>FLOWSERVE</p></div><p>has sold</p><div><p>D&amp;B</p></div><p>to</p><div><p>DB DaviesBaird</p></div></div>	<div><div><p>KBR</p></div><p>has acquired</p><div><p>Wabi Wabi Development Corporation</p></div></div>	<div><div><p>HARRISON GYPSUM, LLC</p></div><p>has been recapitalized by</p><div></div></div>





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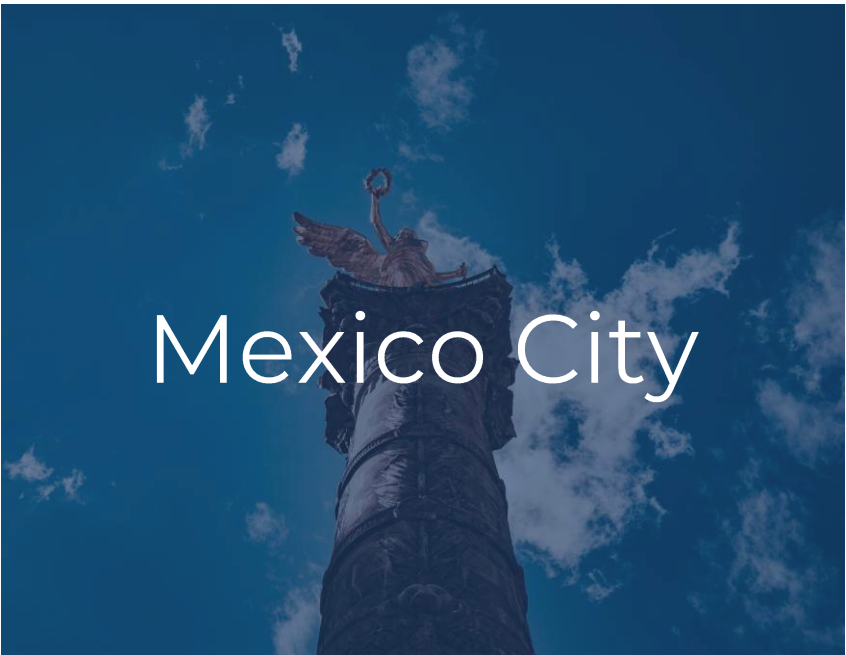
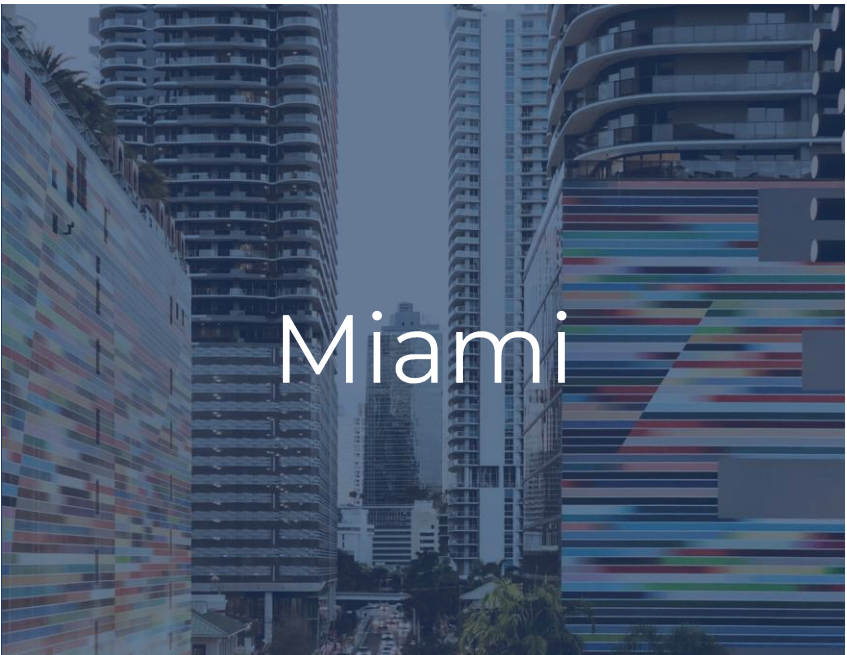


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25

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