

Introduction

We are pleased to share our Restaurant Franchise Industry Multiples Valuation Update for Q1 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 23+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Restaurant Franchise Industry clients that 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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SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

KFC COSTA RICA

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

TRANSACTION TYPE: Buy-side advisory INDUSTRIES: Restaurant Franchise

GEOGRAPHY: Costa Rica

SITUATION

Seale & Associates was engaged by Grupo Inversor Intelectiva, 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 Intelectiva 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 Intelectiva'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 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 Intelectiva, S.A.P.I. de C.V.

Franchisees Global Comparable Public Companies

Company		Country	Market ntry Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
Company							2021	2022	EV/ EBITDA	EV/ Revenue
Alsea, S.A.B. de C.V.	Alsea	MEX	\$1,950	\$4,424	\$3,529	20.4%	10.4x	6.3x	5.7x	1.2x
AmRest Holdings SE	AmRest	ESP	\$959	\$2,387	\$2,588	9.6%	12.6x	7.1x	5.8x	0.9x
Arcos Dorados Holdings Inc.	Arcos Dorados	URY	\$1,624	\$2,910	\$3,619	10.6%	15.3x	6.6x	6.2x	0.8x
Bloomin' Brands, Inc.	BLOOMIN' BRANDS	USA	\$2,247	\$4,330	\$4,417	11.7%	11.1x	6.0x	6.1x	1.0x
Brinker International, Inc.	B A I N K E A INTERNATIONAL	USA	\$1,674	\$3,944	\$3,976	7.7%	9.5x	6.2x	7.2x	1.0x
Carrols Restaurant Group, Inc.		USA	\$121	\$1,415	\$1,730	3.1%	7.3x	8.6x	7.9x	0.8x
Café de Coral Holdings Limited	大京学 Café DE CORAL ®	HKG	\$769	\$989	\$960	5.9%	11.3x	7.9x	6.4x	1.0x
CMR, S.A.B. de C.V.	CMR	MEX	\$87	\$186	\$172	11.6%	105.3x	21.5x	5.2x	1.0x
Collins Foods Limited	COLLINS FOODS LIMITED	AUS	\$653	\$1,115	\$788	11.1%	11.2x	9.5x	9.0x	1.3x
Create Restaurants Holdings, Inc.	C 2	JPN	\$1,597	\$2,039	\$869	NM	29.1x	39.7x	NM	2.5x
International Meal Company Alimentação S.A.	imc	BRA	\$109	\$292	\$424	5.5%	25.6x	8.6x	5.8x	0.7x
Restaurant Brands International Inc.	restaurant brands international	CAN	\$20,677	\$35,709	\$6,505	34.0%	18.1x	15.3x	16.5x	5.5x
Restaurant Brands New Zealand Limited Restaurant Restaurant Restaurant BRANDS		NZL	\$525	\$1,130	\$823	11.0%	17.2x	13.2x	9.8x	1.4x
Skylark Holdings Co., Ltd.	美 雲雀國際	JPN	\$2,961	\$4,410	\$2,303	12.4%	12.3x	17.6x	15.6x	1.9x
Yum! Brands, Inc.	Yum!	USA	\$36,997	\$49,265	\$6,842	34.0%	21.5x	19.6x	20.5x	7.2x
Excluded from mean and median NM - Not Meaningful				4		Mean Median	12.4x 11.3x	11.0x 8.6x	8.6x 7.2x	1.2x 1.0x

Franchisors Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
Company							2021	2022	EV/ EBITDA	EV/ Revenue
BJ's Restaurants, Inc.	BJS RESTAURANT BREWHOUSE	USA	\$686	\$1,193	\$1,284	5.3%	10.5x	22.5x	9.1x	0.9x
Chipotle Mexican Grill, Inc.	POT MINISTRAL PROPERTY OF THE	USA	\$47,186	\$50,018	\$8,635	17.0%	33.1x	41.4x	25.5x	5.8x
Chuy's Holdings, Inc.		USA	\$645	\$763	\$422	10.9%	9.2x	12.9x	10.7x	1.8x
Cracker Barrel Old Country Store, Inc.	Gacker Garrel OU DE COUNTRY STORE	USA	\$2,516	\$3,682	\$3,394	6.7%	19.5x	55.0x	10.7x	1.1x
Darden Restaurants, Inc.	DARDEN	USA	\$18,884	\$24,543	\$10,322	14.7%	13.0x	19.7x	12.9x	2.4x
Denny's Corporation	Denny's	USA	\$630	\$1,036	\$456	17.3%	15.7x	53.6x	12.1x	2.3x
Dine Brands Global, Inc.	DI NE BRANDS	USA	\$1,063	\$2,536	\$909	23.6%	12.5x	17.1x	11.8x	2.8x
Domino's Pizza, Inc.		USA	\$11,685	\$16,877	\$4,537	18.2%	24.5x	25.3x	18.7x	3.7x
El Pollo Loco Holdings, Inc.	Pollo	USA	\$352	\$584	\$470	9.5%	10.5x	10.6x	8.5x	1.2x
Jack in the Box Inc.	in the box	USA	\$1,804	\$4,820	\$1,650	19.3%	9.4x	8.8x	8.3x	2.9x
McDonald's Corporation	M	USA	\$204,534	\$250,741	\$23,183	52.7%	17.4x	19.2x	18.2x	10.8x
Noodles & Company	noodles	USA	\$225	\$491	\$509	5.6%	9.5x	14.3x	7.7x	1.0x

Franchisors Global Comparable Public Companies (Continued)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
oompany .							2021	2022	EV/ EBITDA	EV/ Revenue
Papa John's International, Inc.	PAPA JOHNS	USA	\$2,597	\$3,375	\$2,102	9.6%	20.0x	20.6x	13.7x	1.6x
Red Robin Gourmet Burgers, Inc.	Red Robin.	USA	\$229	\$837	\$1,267	4.3%	6.8x	14.2x	5.8x	0.7x
Ruth's Hospitality Group, Inc.		USA	\$524	\$767	\$506	15.0%	8.3x	15.1x	6.7x	1.5x
Shake Shack Inc.	SHAKE SHACK*	USA	\$2,182	\$2,616	\$900	5.4%	25.0x	50.0x	21.3x	2.9x
Starbucks Corporation		USA	\$119,677	\$140,247	\$32,914	18.2%	17.3x	21.9x	15.7x	4.3x
Texas Roadhouse, Inc.		USA	\$7,244	\$7,841	\$4,015	11.4%	16.1x	23.5x	14.7x	2.0x
The Wendy's Company		USA	\$4,619	\$8,154	\$2,096	22.4%	20.5x	18.4x	16.2x	3.9x
TORIDOLL Holdings Corporation TOR		⇒ JPN	\$1,782	\$2,499	\$1,344	14.0%	10.1x	13.4x	13.4x	1.9x
Xiabuxiabu Catering Management (China) Holdings Co., Ltd.		CHN	\$989	\$1,127	\$687	2.4%	9.3x	11.9x	38.1x	1.7×
Wingstop Inc.	WING STOP	USA	\$5,502	\$6,048	\$358	29.1%	66.1x	68.6x	56.2x	16.9x
Excluded from mean and median						Mean Median	13.1x 11.5x	16.1x 16.1x	11.5x 11.8x	2.3x 1.9x

Restaurant Franchise - Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Aquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23	JUICE BAR	USA	Operates and franchises juice bars	Main Soule 120 co.	-	100.0%	-	-	-
Mar-23	OISHI GROUP	THA	Operates Japanese restaurants internationally	ThaiBev	-	20.3%	\$129.5	8.8x	1.5x
Mar-23	Domino's Pizza Deutschland GmbH	DEU	Operates pizza stores in Germany	Domino's Pizza Enterprises Limited		33.3%	\$95.2	-	-
Mar-23	CHOZEN Authentic Asian Food	GBR	Operates Asian cuisine restaurants	CHOPSTI NOODLE BAR	-	100.0%	-	-	-
Feb-23	LOTTERIA 👨	JPN	Operates a chain of fast food restaurants	ZÉNSHO	LOTTE	100.0%	-	-	-
Feb-23	SAAD	USA	Operates fast food supply chain restaurants	MOHR CAPITAL	-	100.0%	-	-	-
Feb-23	S U 도날드	KOR	Operates a chain of fast food restaurants in South Korea	Dongwon	M	100.0%	-	-	-
Jan-23	chicco di caffè	DEU	Operates a chain of coffee bars	wisag	-	100.0%	-	-	-
Jan-23	KFC Korea Co. Ltd	KOR	Operates a chain of fast food restaurants	ORCHESTRA PRIVATE EQUITY	Smart Insu Co. Ltd.	32.6%	\$14.7	-	-
Jan-23	KFC Korea Co. Ltd	KOR	Operates a chain of fast food restaurants	ORCHESTRA PRIVATE EQUITY	KG Suning Life Co. Ltd.	67.4%	\$30.5	-	-
Jan-23	Barack Group of Companies	GBR	Operates KFC restaurants across England	TAHIR GROUP	-	100.0%	-	-	-

Representative Global Engagements

































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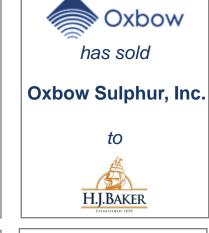


















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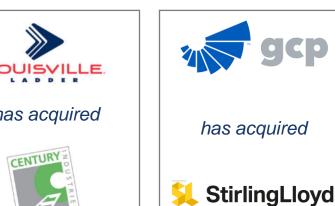
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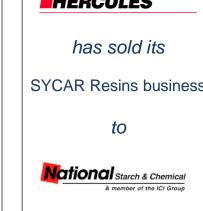
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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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Founded in 1999, Seale & Associates is a leading global investment bank with extensive experience in mergers and acquisitions and corporate finance advisory services. Seale has an outstanding track record closing hundreds of sell-side and buy-side transactions, more than US\$50 billion in value, across a wide range of industries around the world. Our professionals are trusted advisors maintaining the highest quality and utmost integrity.

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...as well as with many funds, family-offices and privately





















































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