



# Industry Insights

## Restaurant Industry

2025 Year in Review



# Restaurant Sector Insights Overview

The U.S. macroeconomic backdrop, heading into the end of 2025, continued to challenge the restaurant sector in both the operating and deal environments. The Federal Reserve delivered three 25bps interest rate cuts in 2025 (75 bps total), with the last one signaling a “tougher rough ahead” for further reductions. This limited monetary easing, coupled with a softening labor market and rising unemployment, has stagnated growth in consumer discretionary income. Consumer spending patterns have consequently shifted: more dollars are flowing toward travel and experiences at the expense of restaurant consumption, as over 60% of travelers report being more discerning on their discretionary spend allocation to restaurants.

M&A activity in the U.S. restaurant sector showed early momentum in 2025 but slowed markedly as the year progressed. After a strong deal pace in Q1, transaction flow stalled amid tariff-related volatility from March to May, when uncertainty prompted roughly 30% of companies to pause or revisit deals. While aggregate deal value is up year-over-year, deal volume has not rebounded. Globally, first-half 2025 M&A volumes were about 10% lower than in the same period of 2024 even as total deal value rose 15%, and in the restaurant sector, total transaction count declined roughly 30%, year-over-year through late 2025. Deals are still getting done, but the market is increasingly bifurcated: acquirers have grown more selective, focusing on high-quality targets and deferring or abandoning more “marginal” transactions. In parallel, refinancing activity has accelerated as private equity sponsors seek partial liquidity through dividend recapitalizations and address looming debt maturities from pandemic-era financing, reflecting heightened pressure to optimize capital structures amid a constrained exit environment.

Despite an uptick in select headline deals, overall sector fundamentals remained subdued in 2025. U.S. restaurant performance softened as consumers pulled back: a majority of operators reported deteriorating business conditions, with nearly two-thirds of restaurants seeing declines in customer traffic this year. Many segments posted flat or negative same-store sales growth, for example fast-casual and quick-service brands struggled to boost sales amid cautious spending. Value-focused categories like casual dining managed modest gains by leveraging promotions, and affordability, against a social backdrop to sustain traffic. In this environment, investor focus and valuations have become increasingly polarized. Scaled, franchise-driven restaurant brands remain strongly favored by buyers and continue to command premium deal multiples. Franchise assets are attractive for their asset-light, scalable models and predictable cash flows, and investors are paying up for growth-oriented platforms in resilient or culturally relevant niches. For instance, Crumbl Cookies, Dave’s Hot Chicken, Shipley Donuts, and Pura Vida Miami, four high-growth concepts, each secured significant investments from high-caliber private equity firms to fuel nationwide expansion. In contrast, smaller independent operators lacking scale, proven portability or differentiated positioning have faced a more cautious valuation environment, as acquirers prioritize proven concepts with strong unit economics.

As of the date of this report, the median Last Twelve Months (LTM) Enterprise Value (EV)/EBITDA multiple for public equities across the U.S. restaurant sector was 8.5x. The S&P Restaurant Index has increased 11.4% in the last 12 months, performing below the S&P 500 by 48.6%.

This report aims to synthesize the spectrum of macro and sector-specific data into meaningful trends and insights, focusing on key themes, issues and go-forward opportunities. We hope you continue to find this report (and future editions) to be a useful source of information.

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**Executive Summary**



Tightened consumer spending against elevated price environment directly impacting restaurant traffic



Restaurant and grocery inflation costs continue to moderate



AI and digitally-enabled concepts are winning the consumer while harvesting data insights

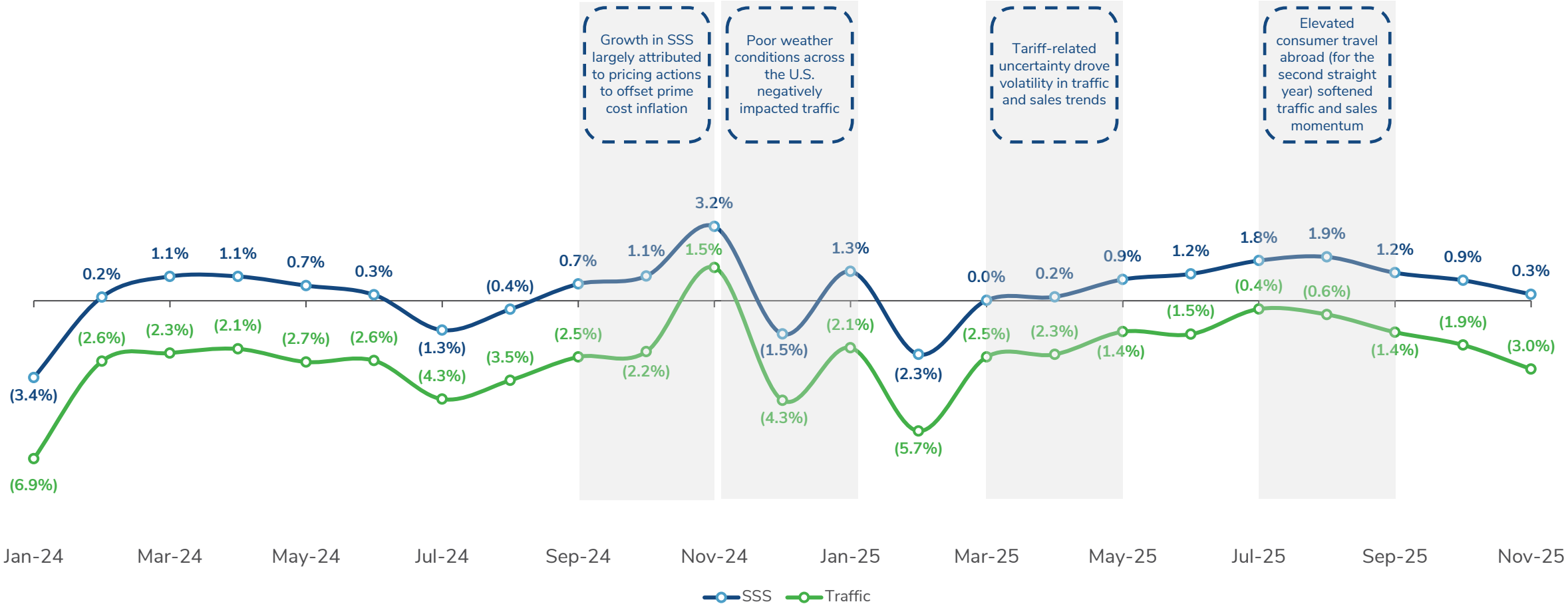


Continued bifurcation in M&A market, favoring differentiated, scalable and asset light concepts



Private credit capturing share of debt financing opportunities as bank appetite remains lukewarm

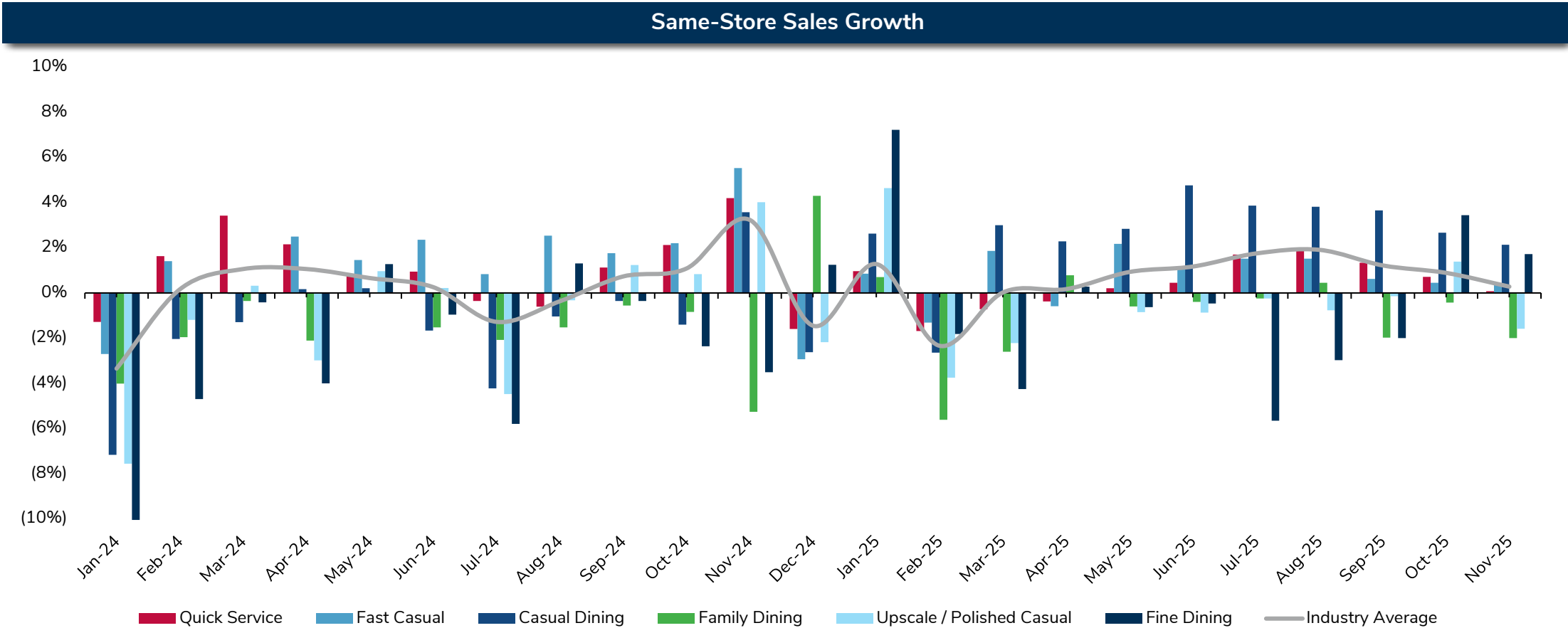
# Challenging Traffic Environment Persists



Source: Black Box Intelligence

# Restaurant Sector Monthly SSS Trends

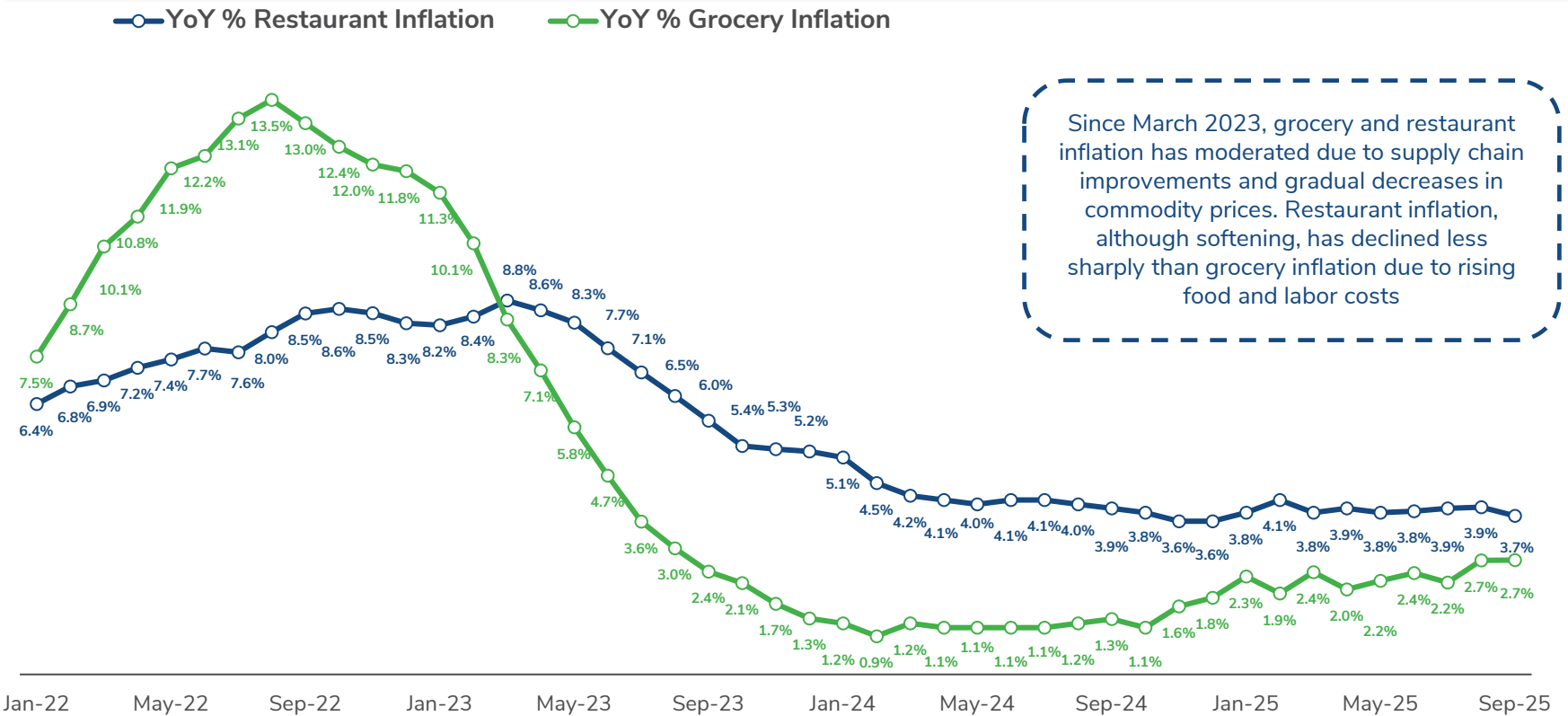
Improving SSS in Casual, Fast Casual, and Quick Service categories underscore consumer preference for value and convenience, while recent gains in Fine Dining suggest a rebound at the premium end, even as other upscale segments remain under pressure



Source: Black Box Intelligence November 25' (Filters: Location Type: Nation; Cuisine: All Cuisines, Metric: Total Sales; Calculation: Median)

# Restaurant and Grocery Inflation Normalize as the Gap Closes

## Restaurant and Grocery YoY Price Inflation



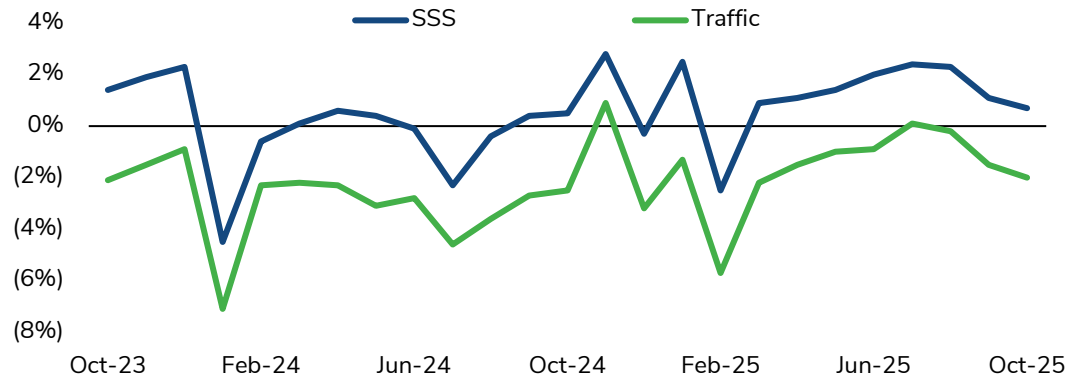
## The Gap Narrows

- ❑ The gap between restaurant and grocery inflation has narrowed by nearly 300bps since January 2024 due to rising grocery costs. The increase in grocery costs is primarily attributable to tariffs imposed on goods that the U.S. imports from nations facing higher levies
- ❑ Over the past five years, the average restaurant has experienced a 35% rise in food and labor costs
- ❑ 50% of restaurants plan to raise menu prices further if inflation persists. It is estimated that, to maintain a modest 5% profit margin, the average restaurant would need to raise prices upwards of 30% from where they were on 2019 menus

Sources: Federal Reserve Economic Data, CBS News, National Restaurant Association, Business Insider

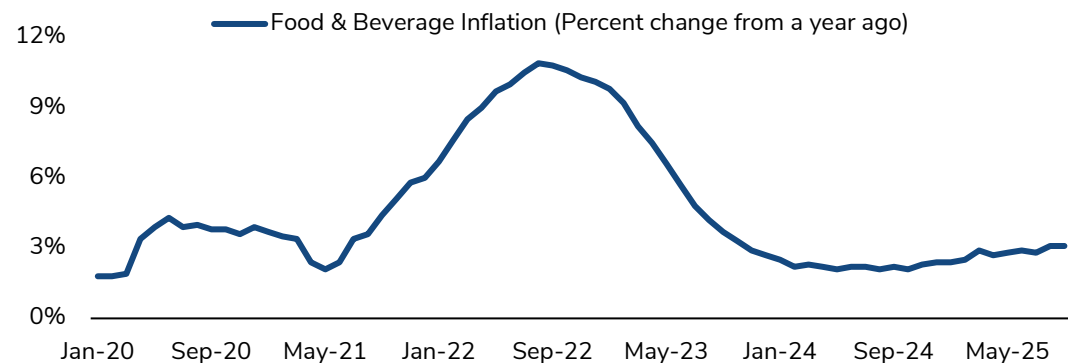
# Sales Growth Remains Positive Despite Traffic Declines and Ongoing Cost Pressure

## Sales Growth Outpaces Traffic Decline in U.S. Restaurants



- Same store sales (SSS) have remained positive since March 2025 and reached their highest value in July 2025 (2.4%). However, growth has gradually softened since August 2025
- Rising unemployment and inflation coupled with low consumer sentiment and the government shutdown drove decline in same store traffic (SST)
- In October 2025, Fast Casual saw a gain of 0.5% in SSS and 3.1% in same SST; Family Dining also posted a decline of 0.4% in SSS and 5.4% in SST, whereas Fine Dining outperformed with a 3.5% increase in SSS despite SST falling by 2.8%

## 2025 Sees Persistent Food Price Pressures



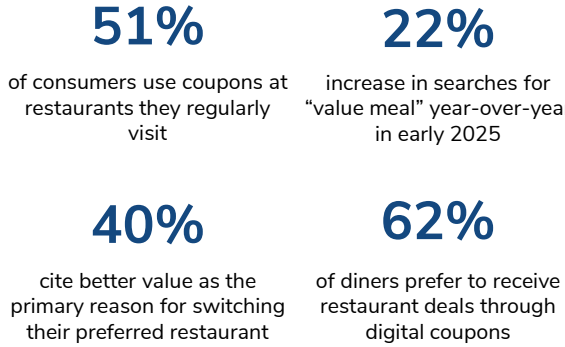
- Food prices in 2025 have stabilized above historical levels, with modest upward pressure driven by new import taxes
- Cumulative food cost increases have driven significant menu price inflation, with menu prices up ~42% from 2020-2025, nearly 2x overall inflation (~22%)
- Select commodities, such as butter (-33%), eggs (-29%), milled rice (-8%), fresh fruit (-8%), refined sugar (-7%), wheat flour (-6%), cheese (-6%) and milk (-5%), posted YoY price declines in September 2025; however, prices remain materially elevated versus pre-2021 levels

Source: BlackBox Intelligence, The Rail, FRED, Economic Research Service USDA















# Restaurants are Emphasizing Value in Response to Consumer “Trade-Down” Behavior

After nearly three years of increasing menu prices, restaurant chains are combatting declining traffic by enticing inflation-weary consumers with large promotions and discounts

- ❑ Menu prices at large restaurant chains have risen by ~30% on average since 2019, with restaurants offering promotional offers to mitigate declining traffic
  - Consumers are weighing quality and experience first, followed by comparative menu prices and low prices, as menu prices have increased. Value-oriented visits accounted for ~30% of commercial foodservice traffic in the past 12 months, the highest level observed in five decades
  - Share of deal-driven traffic has risen by 3.1% since 2022, marking the strongest surge since the Great Recession of 2008–2010
- ❑ Value offerings are helping drive traffic, with consumer-perceived value menu traffic increasing 1% sector-wide in the quarter ending June 2025



## Select Promotions Across Restaurant Chains

						
<b>\$5 Meal Deal</b>	<b>\$7 Luxe Cravings Box</b>	<b>\$10.99 3 for Me</b>	<b>\$10.99 Two For You</b>	<b>\$8.99 Lunch Plate</b>	<b>\$12.99 Create Your Own Pasta</b>	<b>\$55 'Family Pack' Deal</b>
McDouble / McChicken, small fries, four-piece Chicken McNuggets, and a small drink	Get Chalupa Supreme, Burrito, Taco, Chips and nacho cheese sauce and a drink	Choose your beverage, starter and main	Enjoy half a sandwich, half salad or a cup of soup	Your choice of a chicken sandwich, cheeseburger or grilled chicken salad with a side	Pick your favorite pasta, sauce and topping along with never-ending first course	Get four steaks, two sides, a dozen rolls and a salad
						

Source: Restworks, Restaurant Business Online, Restaurant Dive, Company Websites

# Restaurants Responding to Shifting Consumer Preferences

## Evolving Consumer Behavior

- Restaurants are focusing on adopting AI, personalization, immersive dining experiences, and brand collaborations to enhance consumer engagement

**71%**

of quick-service and 68% of full-service restaurants offer loyalty programs, with adoption expected to hit 80% by the end of 2025

**85%**

of consumers place more trust in food blogger recommendations than in traditional advertising

**88%**

of diners trust online reviews far more than personal recommendations

**65%**

consumers prefer restaurants with digital or contactless checkout

**16.5%**

CAGR is projected for the restaurant technology market by 2033, signaling strong growth potential

**30%**

reduction in order errors in restaurants is being achieved with the help of AI systems

## Reactionary Restaurant Initiatives

### Gamified Loyalty Programs Drive Retention

<b>Trend</b>	Restaurants are elevating loyalty programs from simple discount schemes to data-driven engagement strategies, leveraging personalization and omnichannel integration to deepen customer relationships
<b>Reaction</b>	Operators invest in digital loyalty platforms, gamification, and AI personalization, linking programs with mobile apps and payments for a seamless experience

### Social Media Shapes Dining Choices

<b>Trend</b>	Diners increasingly rely on online reviews and social media before choosing where to eat; influencer recommendations are highly trusted
<b>Reaction</b>	Restaurants are amplifying their digital presence through creative campaigns, influencer partnerships, and reputation management tools to attract and engage customers

### Voice-Enabled Ordering & Conversational AI

<b>Trend</b>	Restaurants are introducing voice technology and AI-driven interfaces to simplify ordering, improve accessibility, and enhance overall customer convenience
<b>Reaction</b>	Operators integrate voice-enabled kiosks, drive-thru systems, and mobile apps with POS platforms. Investors back NLP and AI personalization tools to boost engagement, cut labor costs, and speed service

### Dynamic Pricing Gains Momentum

<b>Trend</b>	Restaurants are adopting dynamic pricing models to adjust menu prices based on demand, time of day, and ingredient costs, driven by inflation and margin pressures
<b>Reaction</b>	Operators deploy AI-powered pricing engines and real-time analytics to optimize margins while maintaining transparency and customer trust

Source: Bank of America Restaurant Industry Report, Restroworks, Wi-Fi Talents, MenuTiger, Toast, Houlihan Lokey

# Restaurant Technology Trends Driving Operational Efficiency


**AI Customer Personalization**



AI enables **tailored menus, targeted promotions, and predictive analytics** to boost engagement and loyalty. Additionally, operators are implementing AI in their drive-thru lanes, reducing labor

45% of restaurants are investing in AI-driven solutions such as personalized recommendations, loyalty systems, and predictive analytics to enhance customer experience

**Automation and Robotics**



Robotic systems **streamline food preparation and cooking, reducing labor** while improving speed and consistency

Robotic kitchen systems can reduce labor costs by up to 50%

**Digital Ordering and Delivery**



Mobile apps and self-service kiosks create **frictionless ordering, improve loyalty systems, and better customer analytics**

40% of restaurant brands identify first-party digital ordering as the **top avenue for revenue growth in 2025**, shifting away from third-party platforms

**IoT and Smart Operations**



In store connected devices provide **real-time visibility into inventory, equipment, and in store experiences** leading to operational efficiency



Adopting predictive maintenance via IoT sensors has **cut equipment defects by as much as 87%**, lowering downtime and repair expenses

Source: Gitnux, Hyper-Robotics, PR Newswire, Brand Point Services

# Notable Restaurant Technology Transactions

 Spendgo  
has been acquired by  




Dec. 2025

 deliveroo  
has been acquired by  


Oct. 2025

 QSR automations  
has been acquired by  


Sep. 2025

 ojo  
has been acquired by  




Sep. 2025

 CardFree  
has been acquired by  


Sep. 2025

 QSR automations  
has been acquired by  




Jun. 2025

 SevenRooms  
has been acquired by  


Jun. 2025

 MONKEYMEDIA SOFTWARE  
has been acquired by  


May. 2025

 GRUBHUB  
has been acquired by  


Jan. 2025

 GRUBHUB  
has been acquired by  


Jan. 2025

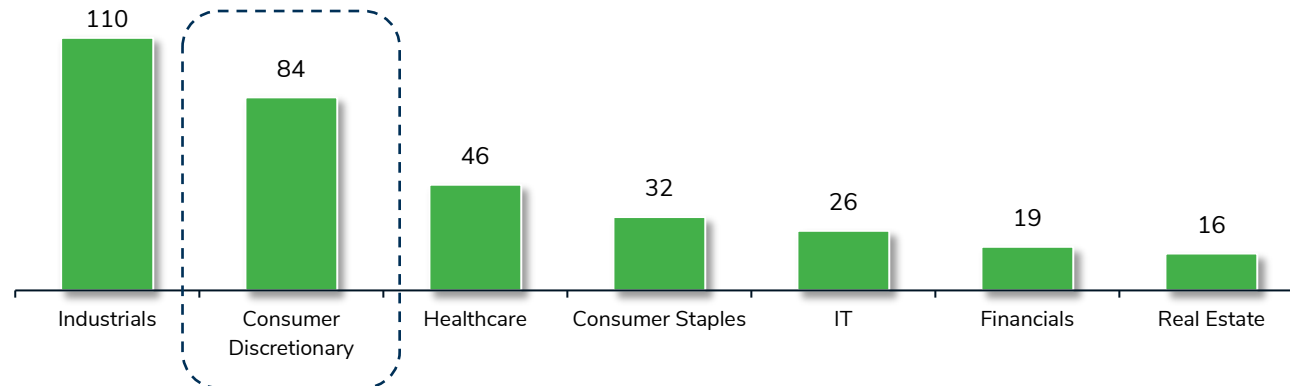
# Restaurant Dealmaking Landscape in 2025

## M&A Activity Deal Counts

- ❑ The deal environment remains flat; however, industry M&A activity is expected to strengthen in 2026, contingent on easing capital costs



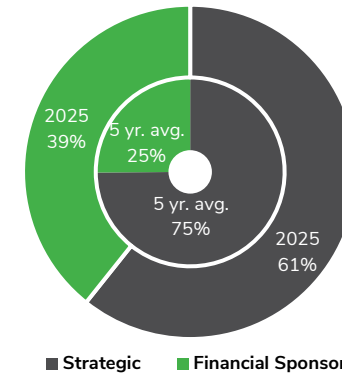
## U.S. Corporate Bankruptcy Filings by Top Sectors (2025)<sup>2</sup>



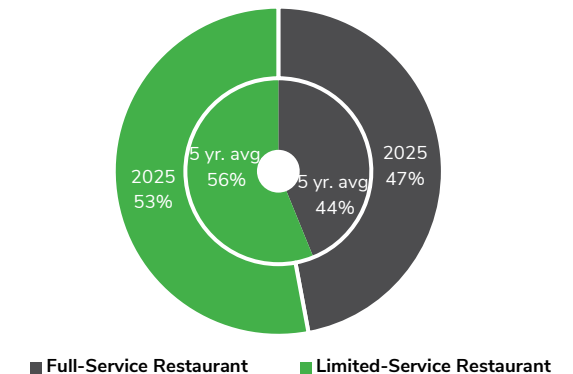
## Historical Buyer Trends Further Cemented in 2025

- ❑ Strategic buyers have remained dominant over the past five years and throughout 2025 as the primary buyer type in restaurant M&A
- ❑ M&A activity for limited-service restaurants has also been greater than for full-service restaurants in 2025

### Buyer Type<sup>1</sup>



### Concept Category<sup>1</sup>



Source: S&P Global Market Intelligence, Company's press releases and websites, BOFA





(1) M&A transactions represent the majority sale of multi-unit concepts announced through November 30, 2025

(2) Includes S&P Global Market-covered North American companies that filed for bankruptcy between January 1, 2025, and November 30, 2025





# 2025 Has Seen a Bifurcated M&A Market

## Premium Trades Prop Up M&A

☐ Assets with strong topline growth and margin profiles still command premium multiples

Target							
Acquirer / Investor(s)	TSG CONSUMER	MAIN POST PARTNERS	TSG CONSUMER	ROARK CAPITAL GROUP	Blackstone	SYCAMORE PARTNERS	stripes D1 CAPITAL PARTNERS NEUBERGER BERMAN WELLINGTON MANAGEMENT*
Announced Date	Nov. 2025	Jul. 2025	May 2025	Feb. 2025	Nov. 2024	Sep. 2024	Aug. 2024
Unit Count	45	1,200+	1,000+	315	3,000+	230	94
Estimated SW Sales (\$M)	\$165	\$763	\$1,000	\$1,200	\$4,000	\$288	\$180
% Franchised	0%	96%	100%	95%	99%	90%	66%

## Bankruptcies Continue to Affect the Sector

 10 units Dec. 2025	 45 units Dec. 2025	 16 units Sep. 2025	 UK Franchisee 68 units Oct. 2025
 16 units Oct. 2025	 24 units Oct. 2025	 50 units May 2025	
 15 units Apr. 2025	 80 units Mar. 2025	 305 units Mar. 2025	 61 units Mar. 2025
 39 units Dec. 2024	 13 units Nov. 2024	 164 units Nov. 2024	 18 units Oct. 2024

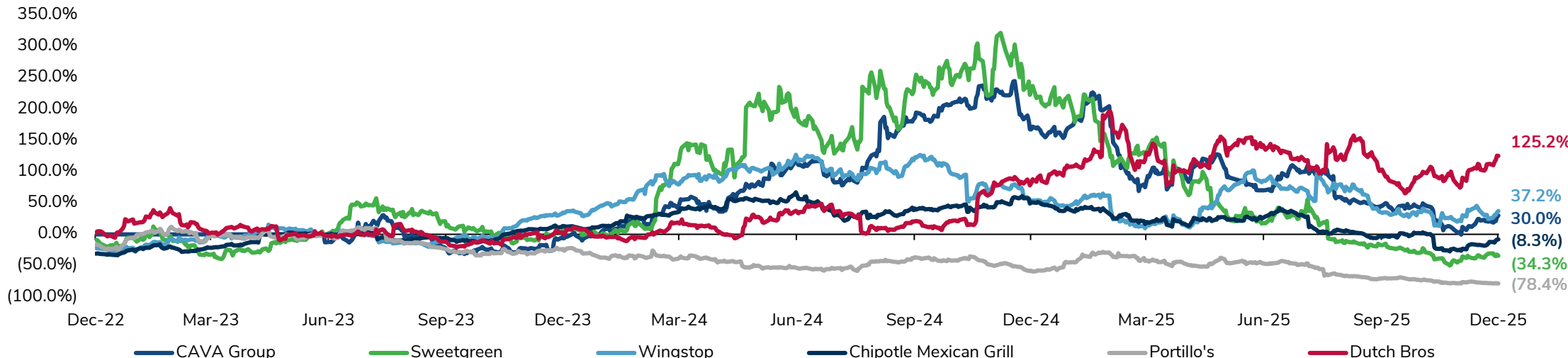
Source: Company websites, press releases, Mergermarket, Vegconomist, Oyster Link, Restaurant Business Online, NRN, NY Post, USA Today, Franchise Times, The Street, Restaurant Dive, FSR Magazine, Reuters, Forbes, Rest Finance, Globe News Wire, Rest Finance, Bloomberg, Fitch Ratings  
 Note: Bankruptcy dates indicate filing dates. M&A transaction figures reflect data at time of transaction

# Select Signs of an IPO Market Re-Opening in 2025

## Investor Interest in Scaled Consumer Growth Concepts is Re-Emerging

- ❑ Black Rock Coffee completed the first restaurant IPO of 2025<sup>1</sup>, raising \$338.2 million (including over-allotment) at an implied market capitalization of approximately \$1.0 billion. The prior IPO in the coffee space was Dutch Bros, whose shares have grown by ~182% since its IPO, despite a period of limited activity in 2024
- ❑ Investor appetite remains robust with CAVA up ~155% since its June 2023 IPO, and Dutch Bros up ~182% since 2021, despite overall IPO issuance constrained by uncertainty regarding a range of macroeconomic factors
- ❑ The National Restaurant Association’s Restaurant Performance Index stood at 100 in October 2025, up 0.3% month-over-month. Restaurant operators anticipate growth in sales, staffing levels and capital expenditures over the next six months
- ❑ While post-IPO stock performance has been mixed, recent offerings highlight demand for brands with clear growth algorithms, strong unit economics, consistent SSS growth, and proven leadership teams. Private equity sponsors, who have largely remained on the sidelines, are expected to re-engage as economic conditions stabilize

### Public Market Backdrop for Restaurant IPOs (3Y Share Performance)



Source: Capital IQ, Restaurant Dive, National Restaurant Association  
 (1) The earlier IPO, Twin Peaks in January 2025, was a spin-off from Fat Brands and is not part of the analysis

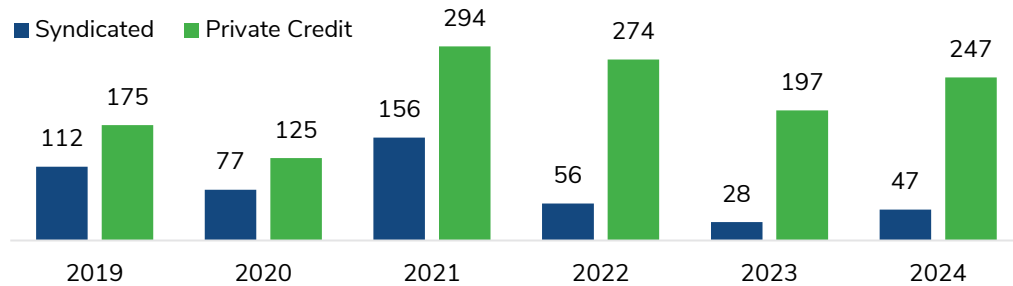
# Continued Proliferation of Private Credit

Private Credit Returns Forecasted to Exceed Private Equity, with ~12% Net IRR and Strong MOIC Through 2029

## Private Credit as a Continued Driver Behind M&A Financing

- Private credit has outpaced bank-led Syndicated LBO financing, representing more than 80% of total financing, compared to 65% in 2021

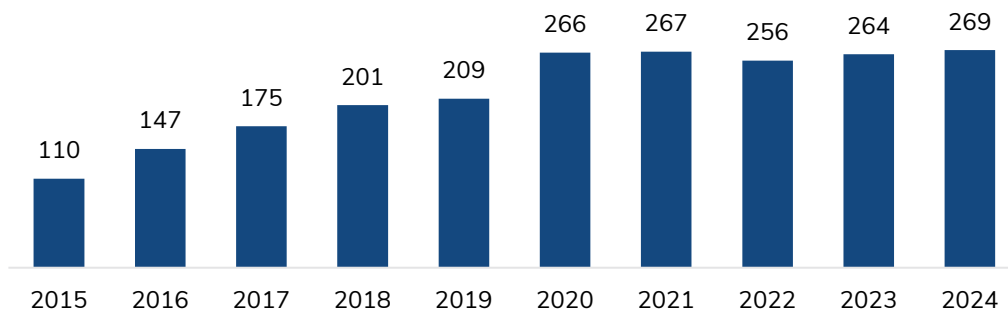
Count of LBOs financed in Broadly Syndicated Loans vs. Private Credit Market



## Piling Dry Powder in Private Credit in North America

- Dry powder is at a record high owing to a muted M&A environment, positioning the market for strong deployment opportunities once activity rebounds

North American Private Credit Dry Powder (In \$Billions)



Source: Bloomberg, Pitchbook, Hamilton Lane, Capstone Partners, KPMG, Prequin

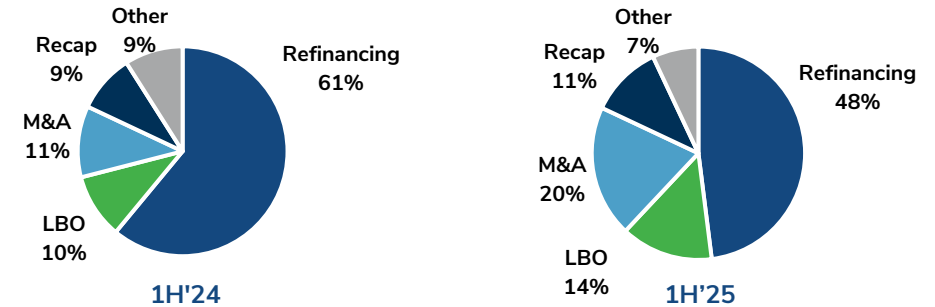
1) SOFR is defined as to Secured Overnight Financing Rate

2) Loan Yield refers to 30-year mortgage rate

## Increasing M&A Share in Leveraged Loan Issuance

- In 1H'25, leveraged loan issuance for M&A and LBO grew significantly compared to 1H'24, indicating a shift from Refinancing toward deal-driven financing

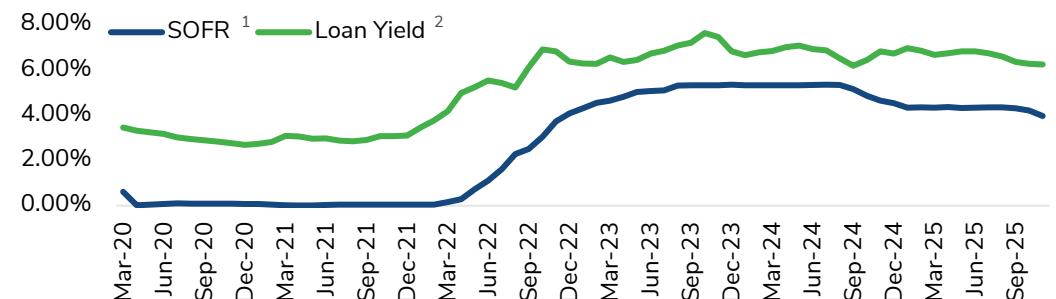
Leveraged Loan Issuance by Purpose



## Tightening SOFR<sup>1</sup>-Loan Yield Gap








- The spread between SOFR and Loan Yield has widened over the past year to an average of 2.34%, following the tightening in 2024

SOFR vs. Loan Yield Movement








# Restaurant Sector – Near-Term Outlook

## OPERATING ENVIRONMENT

<b>Traffic</b>		Casual dining traffic is expected to grow modestly, supported by menu innovation and perceived value, while quick-service restaurant traffic may remain under pressure due to price sensitivity, reversing last year's trade-down trend
<b>Food Costs</b>		Food costs are projected to increase up to 3.3% for food-away-from-home (restaurants), down from 3.9% in 2025, but still above historical averages. Tariffs and supply chain volatility remain key risks
<b>Labor Availability/Wages</b>		Labor challenges have eased somewhat, but the implementation of the FAST Act in California and ongoing differences between tip credit and non-tip credit states continue to challenge employers. Meanwhile, minimum wage hikes across the country continue to keep upward pressure on wages
<b>3PD<sup>1</sup> Margin Improvements</b>		Third-party delivery continues to pressure margins due to high commission fees. Operators are shifting toward first-party delivery platforms and loyalty-driven digital strategies to regain profitability
<b>Construction Activity</b>		Restaurant construction will remain sluggish, with nonresidential spending projected to grow ~2% overall and ~3.9% for commercial sectors in 2026. High interest rates, tariffs, and labor shortages will keep expansion cautious, favoring smaller, cost-efficient prototypes
<b>Digitization</b>		Annual technology budgets for QSR chains range from 7-10% of revenue, focused on mobile ordering, loyalty programs, and automation to improve customer experience and reduce labor costs
<b>Supply Chain</b>		Tariffs and global uncertainty continue to pressure restaurants and food producers, making cost forecasting unpredictable and adding complexity to supply chain management

## M&A/CAPITAL MARKETS

<b>M&amp;A Activity</b>		Deal activity is expected to rebound strongly in 2026, with private equity and strategic buyers targeting both high-performing brands and distressed assets
<b>Sponsor M&amp;A Interest</b>		Private equity interest remains strong, with financial sponsors expected to drive platform deals targeting franchise systems and scalable concepts. Activity will focus on both high-performing brands and distressed assets, as capital deployment rebounds
<b>Credit Availability</b>		Credit conditions for restaurants in 2026 are expected to stabilize but remain tight, as monetary policy gradually shifts from restrictive to neutral amid moderating inflation
<b>Credit Pricing</b>		Credit pricing will remain elevated early in 2026, reflecting a higher-for-longer rate environment, but ease later in the year as inflation moderates and central banks begin a shallow rate-cut cycle. 2-3 cuts are expected in 2026, with spreads tightening modestly in H2 despite lingering volatility
<b>Public Equities</b>		Public restaurant equities face a mixed outlook amid fragmented markets, favoring value-driven and tech-enabled brands; IPO activity could rise for concepts with strong unit economics

1) 3PD defined as third-party delivery

# Notable Sector Transactions

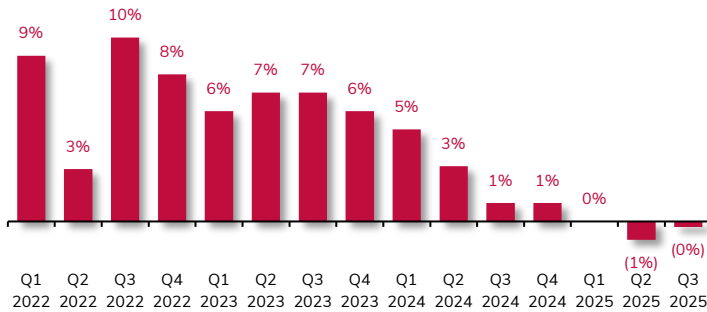
 <p>has been acquired by</p>  <p><b>Dec. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Nov. 2025</b></p>	 <p>has received a significant minority investment from</p>  <p><b>Nov. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Oct. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Sep. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Sep. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Aug. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Jul. 2025</b></p>
<p><b>DISHOOM</b></p> <p>has been acquired by</p>  <p><b>Jul. 2025</b></p>	 <p>has been acquired by</p> <p>A Private Equity Firm</p> <p><b>Jun. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Jun. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Jun. 2025</b></p>	 <p>has received a significant minority investment from</p>  <p><b>May 2025</b></p>	 <p>has been acquired by</p>  <p><b>May 2025</b></p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p><b>Jan. 2025</b></p>	 <p>has received a significant minority investment from</p>  <p><b>Jan. 2025</b></p>
 <p>has been acquired by</p> <p><b>Blackstone</b></p> <p><b>Jan. 2025</b></p>	 <p>has been acquired by</p>  <p><b>Jan. 2025</b></p>	 <p>has been acquired by</p> <p><b>Florida Burger</b></p> <p><b>Nov. 2024</b></p>	 <p>has been acquired by</p>  <p><b>Oct. 2024</b></p>	 <p>has been acquired by</p>  <p><b>Oct. 2024</b></p>	 <p>has been acquired by</p>  <p><b>Sep. 2024</b></p>	 <p>has been acquired by</p>  <p><b>Sep. 2024</b></p>	 <p>has been acquired by</p> <p><b>Blackstone</b></p> <p><b>Jun. 2024</b></p>

Source: Mergermarket and press releases  
 Note: Dates represent transaction announcement dates

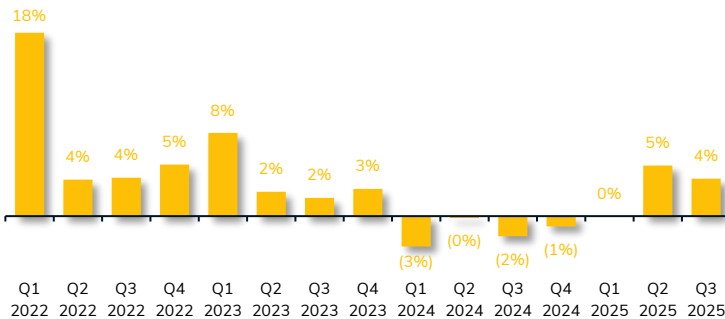
# Same-Store Sales Growth

# Quarterly SSS Performance by Segment

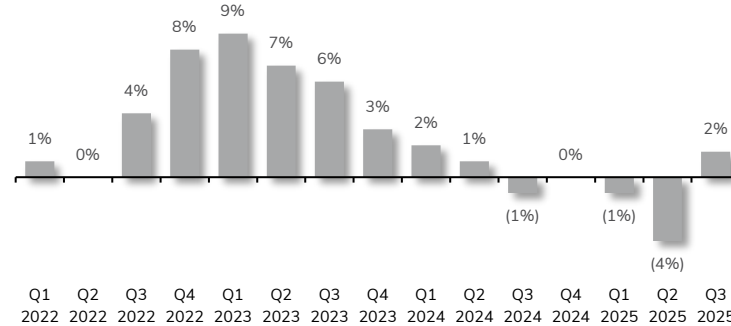
## Coffee, Breakfast and Snacks



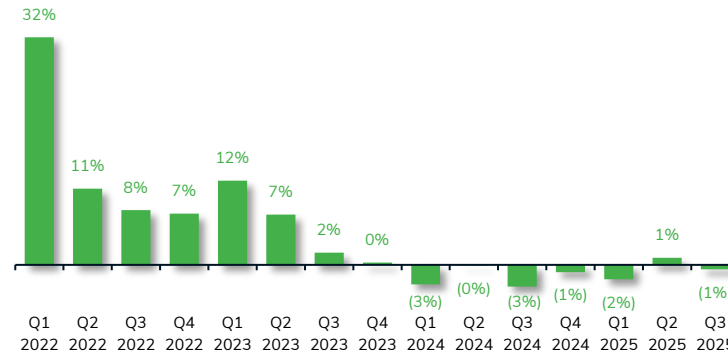
## Mass Casual



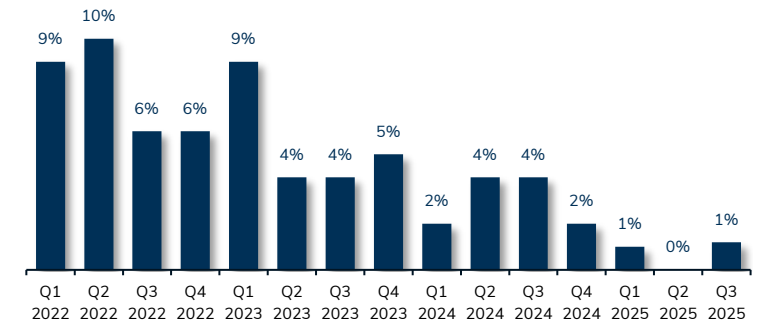
## Quick Service



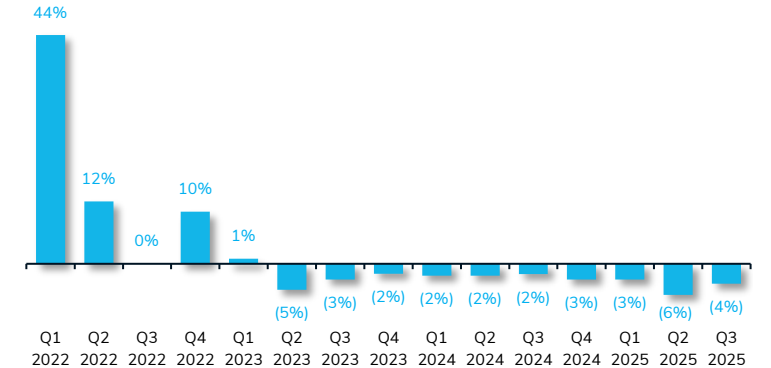
## Specialty Casual



## Fast Casual



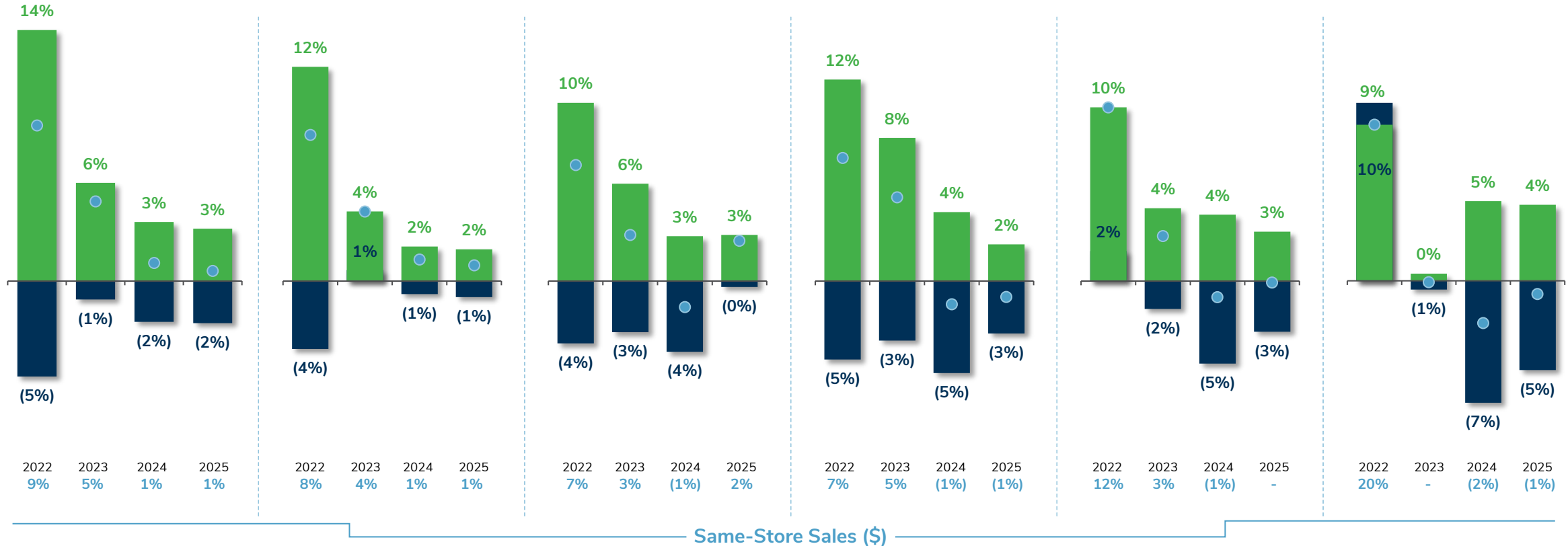
## Fine Dining



Source: SEC filings

# Price has Largely Influenced SSS Performance

Price Increases Taken  
Same-Store Guest Count



Quick Service

Fast Casual

Mass Casual

Family Dining

Specialty Casual

Fine Dining

Source: Black Box Intelligence  
Note: 2021 data is compared to 2019

# Public Sector Performance

# Sector Stock Price Performance

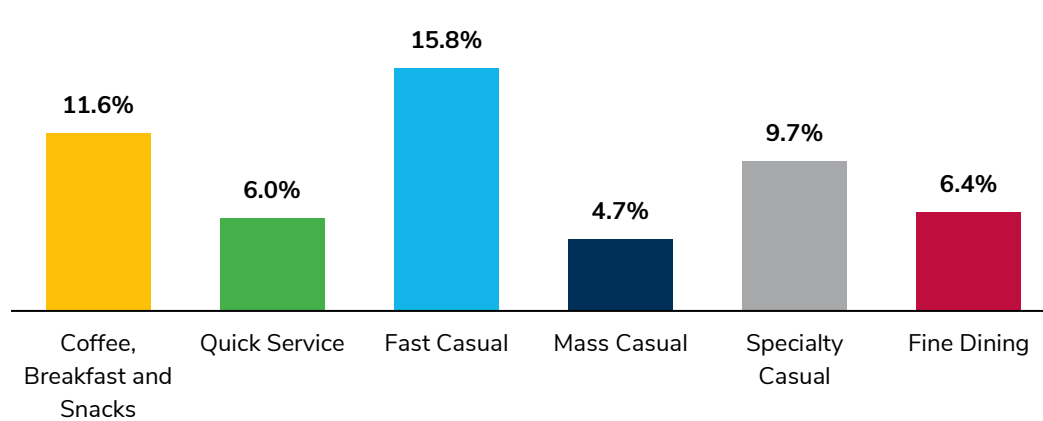
(\$ in millions, except per share data)	Number of Companies	Median	Avg. % Change in Market Value				Median EV /EBITDA Multiple		
		Market Cap 12/08/25	1 Month	3 Months	6 Months	12 Months	LTM	CY24A	CY25E
<b>Market Sector</b>									
Coffee, Breakfast and Snacks	3	7,378	9.9%	(7.8%)	(0.8%)	17.7%	26.0x	16.8x	20.1x
Quick Service	9	6,834	(6.1%)	(4.6%)	0.7%	9.5%	12.4x	12.2x	12.2x
Fast Casual	8	771	8.5%	12.6%	(5.4%)	(4.2%)	7.9x	7.3x	7.3x
Mass Casual	9	\$ 593	8.8%	22.4%	7.6%	27.7%	8.5x	8.2x	NM
Specialty Casual	5	2,334	4.9%	15.5%	17.0%	32.0%	8.7x	9.5x	8.6x
Fine Dining	1	57	14.4%	24.9%	26.8%	(4.7%)	4.6x	5.7x	4.1x
<b>Median</b>		<b>\$ 1,552</b>	<b>8.6%</b>	<b>14.0%</b>	<b>4.2%</b>	<b>13.6%</b>	<b>8.6x</b>	<b>8.8x</b>	<b>8.6x</b>
<b>Mean</b>		<b>\$ 2,994</b>	<b>6.7%</b>	<b>10.5%</b>	<b>7.7%</b>	<b>13.0%</b>	<b>11.3x</b>	<b>9.9x</b>	<b>10.5x</b>
<b>Market Indices</b>									
S&P 500 Index		\$ 6,847	0.1%	30.3%	43.5%	59.7%			
Dow Jones Industrial Average		47,739	0.4%	19.9%	26.7%	42.5%			
Russell 2000 Index		2,521	1.7%	18.7%	24.4%	41.2%			
S&P Restaurant Index		2,678	0.9%	(1.7%)	(0.3%)	11.1%			
<b>Median</b>		<b>\$ 4,762</b>	<b>0.6%</b>	<b>19.3%</b>	<b>25.5%</b>	<b>41.8%</b>			
<b>Mean</b>		<b>\$ 14,946</b>	<b>0.8%</b>	<b>16.8%</b>	<b>23.6%</b>	<b>38.6%</b>			

Sources: S&P Global Market Intelligence

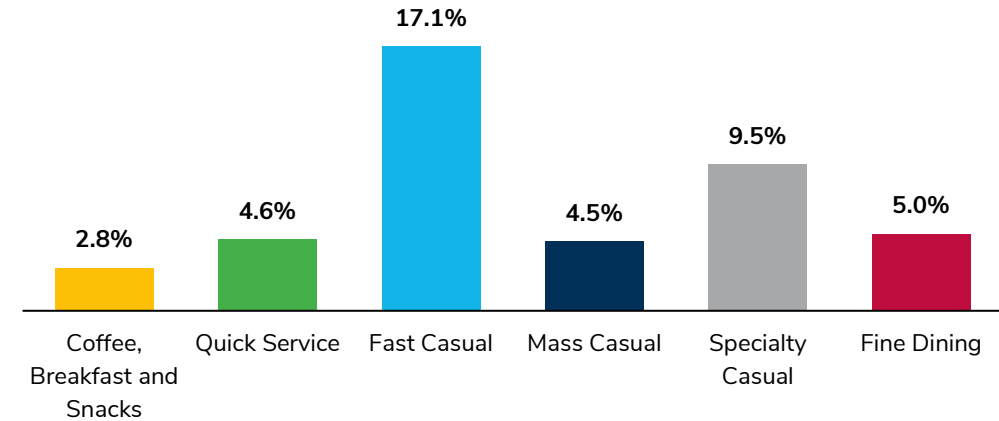
Note: Sector index weight is based on company market capitalization at valuation date

# Restaurant Subsector Trends

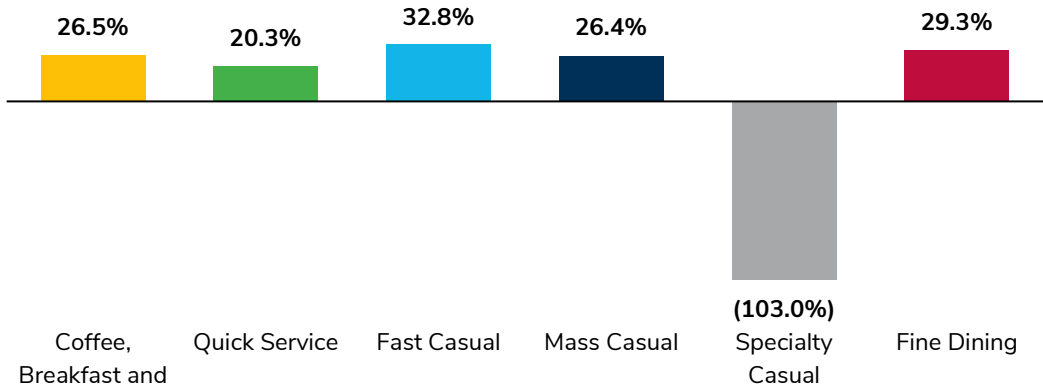
FY24 Revenue Growth



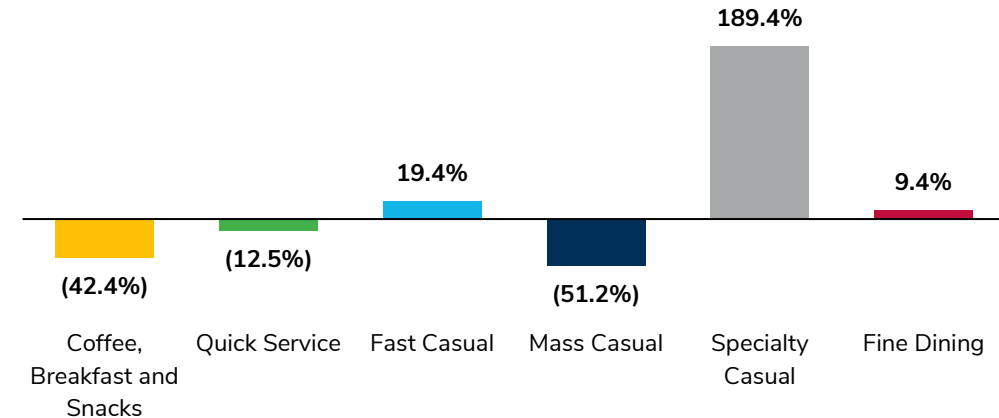
FY25 Expected Revenue Growth



FY24 EPS<sup>1</sup> Growth



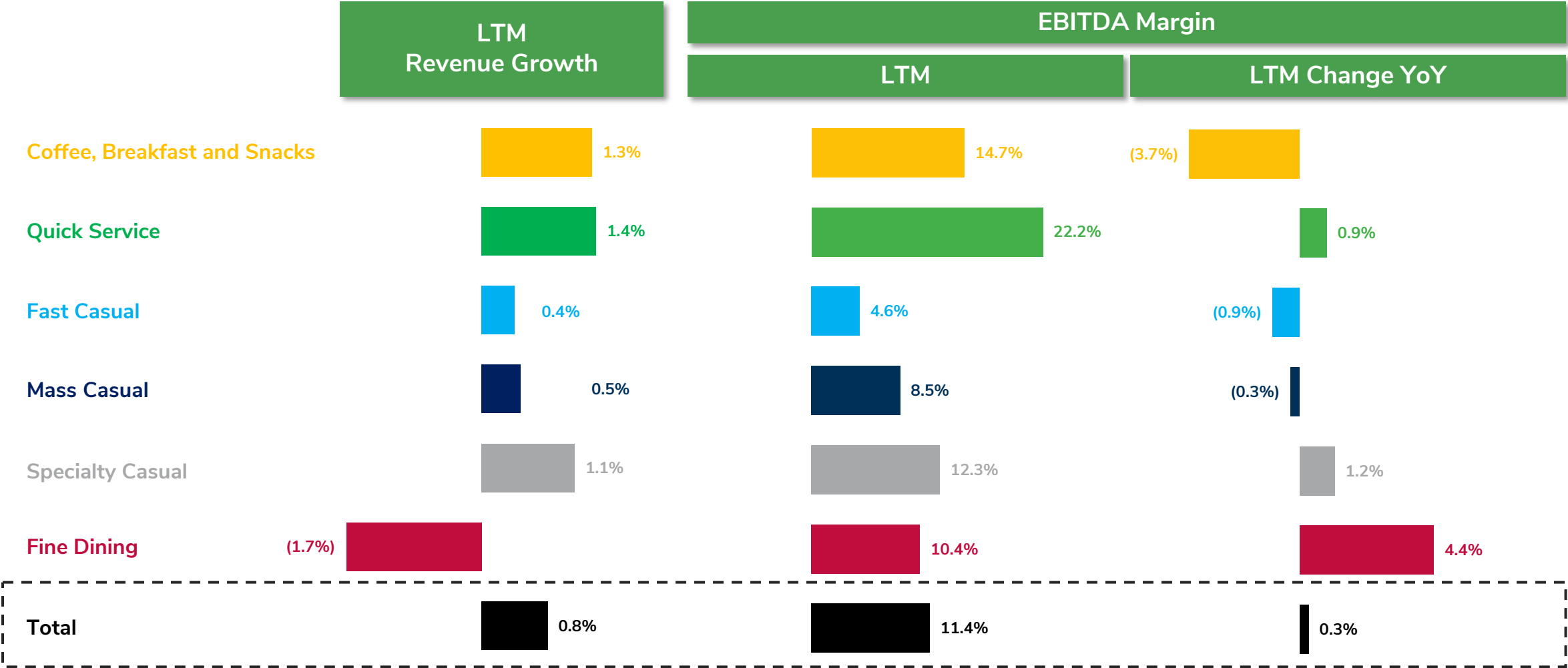
FY25 Expected EPS<sup>1</sup> Growth



Sources: S&P Global Market Intelligence  
 1) EPS is defined as earnings per share

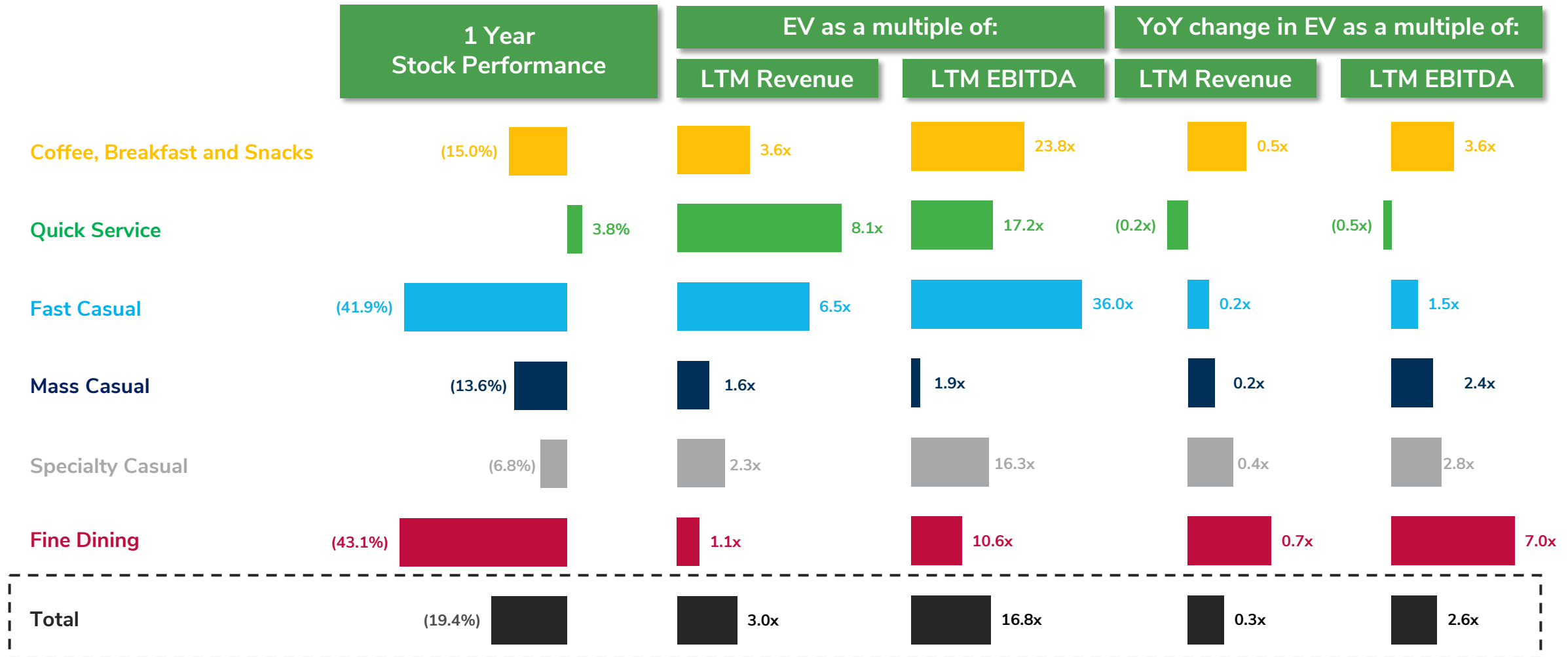
# **Public Restaurant Valuations**

# Operational Benchmarking



Source: S&P Global Market Intelligence  
 Note: Sector constituents based on selected comparable companies | LTM as of calendar 3Q 2025

# Valuation Benchmarking

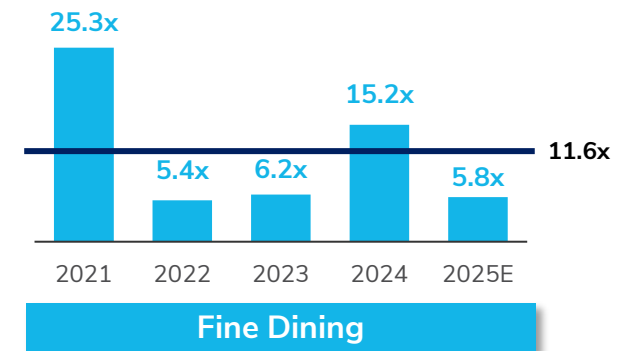
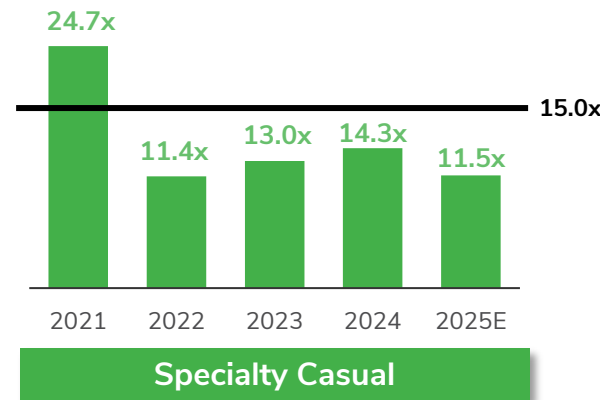
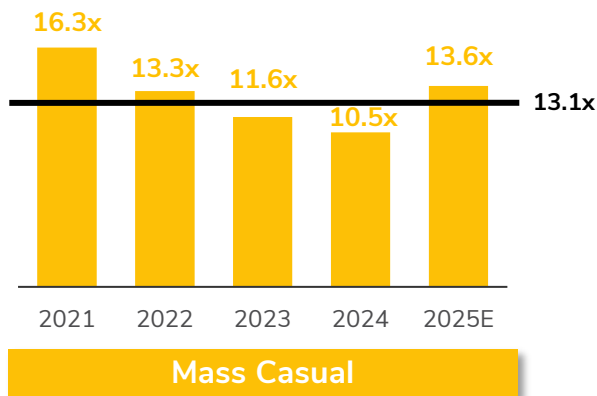
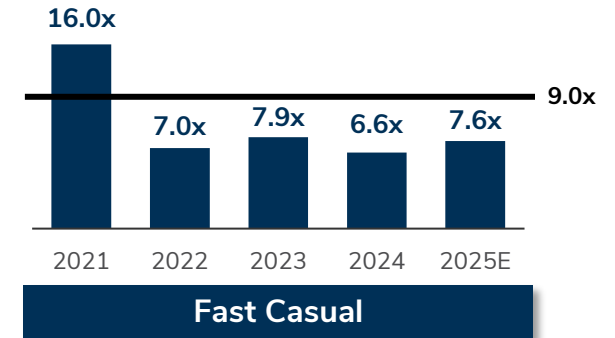
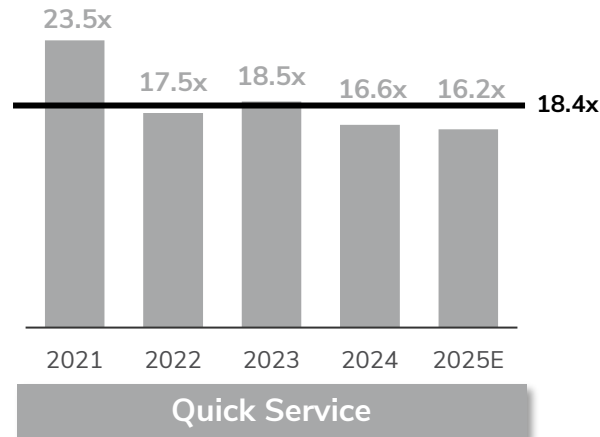
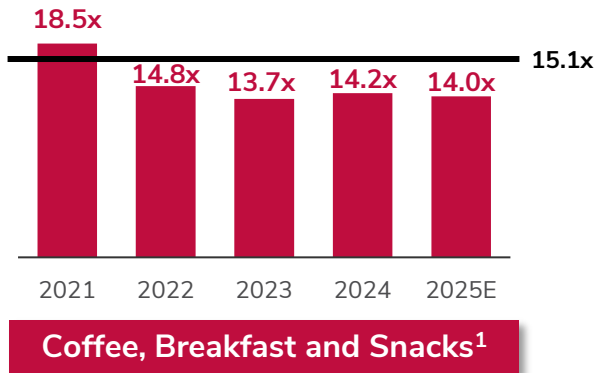


Sources: S&P Global Market Intelligence  
 Notes: Figures as of November 30, 2025. | Sector index weight based on company enterprise value

# Public Restaurant Valuation Trends

EV/EBITDA as of November 30

— 5-year Average



Sources: S&P Global Market Intelligence

Note: Sector index weight based on company enterprise value

1) Only Starbucks from our focus group was trading as of 2019 and 2020. Dutch Bros and Krispy Kreme were listed in 2021

# **Kroll's Restaurant M&A Practice**

# Select Kroll Restaurant Transaction Experience

Kroll's Restaurant M&A group is among the most active middle-market advisors, providing sell-side, buy-side and capital-raising services for clients worldwide. With expertise across the restaurant sector, our professionals have executed nearly 40 restaurant transactions over the past five years.

<p>SELL-SIDE ADVISOR</p>  <p>has been acquired by</p> <p><b>A Private Equity Firm</b></p>	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <p>has received an equity investment from</p> 	<p>SELL-SIDE ADVISOR</p>  <p>has been acquired by</p> <p><b>Florida Burger</b></p>	<p>SELL-SIDE ADVISOR</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>SELL-SIDE ADVISOR</p> <p>A Northeast U.S.-Based ~100+- Unit Dunkin' Franchisee</p>  <p>a portfolio company of</p>  <p>has completed a transaction with</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a subsidiary of</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 
<p>SELL-SIDE ADVISOR</p>  <p>has been acquired by</p> <p><b>A Private Equity Firm</b></p>	<p>SELL-SIDE ADVISOR</p> <p>A Southeast U.S.-Based ~50- Unit Popeyes Franchisee</p>  <p>has been acquired by</p> 	<p>PLACEMENT AGENT</p>  <p>has received strategic growth financing from</p> 	<p>SELL-SIDE ADVISOR</p> <p>A Southeast U.S.-Based, 100-Unit Dunkin' Franchisee</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 
<p>SELL-SIDE ADVISOR</p> <p>Largest Buffalo Wild Wings franchisee</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a subsidiary of</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> <p><b>GRUPO CAROLO</b></p>

# Contact Us



**Joshua Benn**  
Managing Director  
Global Head of Consumer & Restaurant  
Investment Banking  
New York  
joshua.benn@kroll.com  
+1 (917) 494-8006



**Vijay Sampath**  
Managing Director  
Consumer & Restaurant  
Investment Banking  
New York  
vijay.sampath@kroll.com  
+1 (267) 218-0960



**Michael Collinson**  
Managing Director  
Consumer & Restaurant  
Investment Banking  
London  
michael.collinson@kroll.com  
+44 (7350) 394-236



**David Galper**  
Managing Director  
Global Head of Public Markets Advisory  
New York  
david.galper@kroll.com  
+1 (212) 202-5872



**Brian Sipes**  
Managing Director  
Transaction Advisory Services  
Dallas  
brian.sipes@kroll.com  
+1 (972) 897-7344



**Jeremy Sacks**  
Managing Director  
Valuation Advisory Services  
Los Angeles  
jeremy.sacks@kroll.com  
+1 (424) 249-1650



**Chris Janssen**  
Managing Director  
Head of Transaction Opinions Practice  
Chicago  
chris.janssen@kroll.com  
+ (312) 304-8570

## About Kroll

As the leading independent provider of risk and financial advisory solutions, Kroll leverages our unique insights, data and technology to help clients stay ahead of complex demands. Kroll's team of more than 6,500 professionals worldwide continues the firm's nearly 100-year history of trusted expertise spanning risk, governance, transactions and valuation. Our advanced solutions and intelligence provide clients the foresight they need to create an enduring competitive advantage. At Kroll, our values define who we are and how we partner with clients and communities. Learn more at [Kroll.com](https://www.kroll.com).

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