KROLL®

Restaurant Industry

M&A Insights

Fall 2026



Restaurant Sector Insights Overview

While the U.S. economy has remained resilient entering the fall, the consumer backdrop has become increasingly challenging for the restaurant sector. In August**, real personal consumption expenditures increased 0.6% month over month**, while real disposable personal income was unchanged, reflecting limited purchasing-power growth. The Federal Reserve raised the federal-funds rate by 25 basis points to **3.75%–4.00%** on September 16 as inflation remained above its 2.0% target. August headline CPI-U increased **3.4% year over year**, including a **16.3% rise in energy prices**, while unemployment stood at **4.1%**. According to Moody's Analytics Chief Economist Mark Zandi, the Iran conflict has cost U.S. households approximately **$2,000 each**, comprised of **$1,100 in higher energy costs**, **$540 in interest expenses and $360 in military costs**, disproportionately burdening lower-income consumers in an increasingly K-shaped economy. Against this backdrop, **QSR and fast-casual operators are emphasizing affordability and value**, while **polished casual and fine-dining concepts are prioritizing differentiated experiences** to reinforce their appeal relative to at-home dining.

The broader U.S. restaurant M&A environment has also exhibited **bifurcated activity**, with transaction value increasing despite a modest decline in deal volume. For transactions involving a U.S. acquirer and U.S. target, **announced transaction value increased nearly 50% to ~$320 billion** in the first half of 2026, while deal count declined 2% from the comparable 2025 period. Restaurant activity nevertheless included several notable transactions: Yum! Brands agreed to sell Pizza Hut for $2.7 billion in aggregate to LongRange Capital outside China and Yum China in China, with LongRange completing its acquisition on September 1; Minor Food Group and Serruya Private Equity acquired Bonchon from VIG Partners and the founder's family; and TSG Consumer made a strategic investment in Los Tacos No. 1. Buyers continue to emphasize **durable unit economics, brand differentiation and credible development runways**. The supply of sponsor-owned assets also remains elevated: PwC estimated that at the current rate of private equity exits, it would take approximately nine years to clear existing portfolio company inventory, supporting continued use of alternative liquidity solutions.

Restaurant operating data remained mixed but showed improvement in August. In the National Restaurant Association's monthly tracking survey, **51% of operators reported higher same-store sales** year over year and 31% reported lower sales; however, **46% reported lower customer traffic**, compared with 43% reporting higher traffic. Inflation in **commodity input costs**, **energy and labor** continued to pressure restaurant margins, reinforcing the importance of productivity, disciplined development and restaurant-level returns. Investor underwriting has accordingly become more selective, with the greatest emphasis on **scalable concepts, healthy unit economics, manageable leverage and visible unit-growth potential**. Financial pressures remain particularly evident among leveraged franchisee operators, with **at least 10 significant multi-unit restaurant franchisee bankruptcy filings through mid-September**, collectively affecting several hundred restaurant locations.

As of September 30, 2026, the median **LTM EV/EBITDA multiple was 14.6x** for the defined 31-company U.S.-listed, North America-focused public restaurant peer group. Over the preceding 12 months, the **S&P 500 Restaurants Sub-Industry Index declined 16.2%** on a price-return basis, compared with a **14.4% increase in the S&P 500**, representing **30.6 percentage points of underperformance** by the restaurant sector. This report endeavors to synthesize macroeconomic, operating, transaction and public-market data into decision-relevant themes for restaurant investors, lenders and operators, emphasizing factors most likely to influence performance and strategic activity over the coming quarters.

2026 Restaurant Industry Key Themes

Consumer behavior and cost pressures are reshaping restaurant demand, while technology and differentiated concepts are creating new paths to growth

CONSUMER BEHAVIOR



Consumer trade-down is reshaping restaurant traffic and value perception

Value remains central to the consumer decision. QSRs are benefiting from trade-down, while fast casual and higher-ticket formats face greater scrutiny as consumers weigh dining out against cooking at home and other discretionary spend.

CONCEPT DIFFERENTIATION



Ethnic, better-for-you concepts and functional beverages are gaining share with consumers and investors

Growing emphasis on concept differentiation is driving innovative restaurant formats and culinary offerings. Better-for-you menu items, premium ingredients, and functional beverages are resonating with younger consumers seeking mission-driven brands.

INPUT COSTS



Geopolitical tensions are driving commodity and input cost volatility

Middle East tensions and ongoing tariff uncertainty are creating volatility across energy, agricultural commodities and food inputs, increasing cost pressures on restaurant operators and challenging their ability to preserve margins without further menu price increases.

TECHNOLOGY & FOOD SAFETY

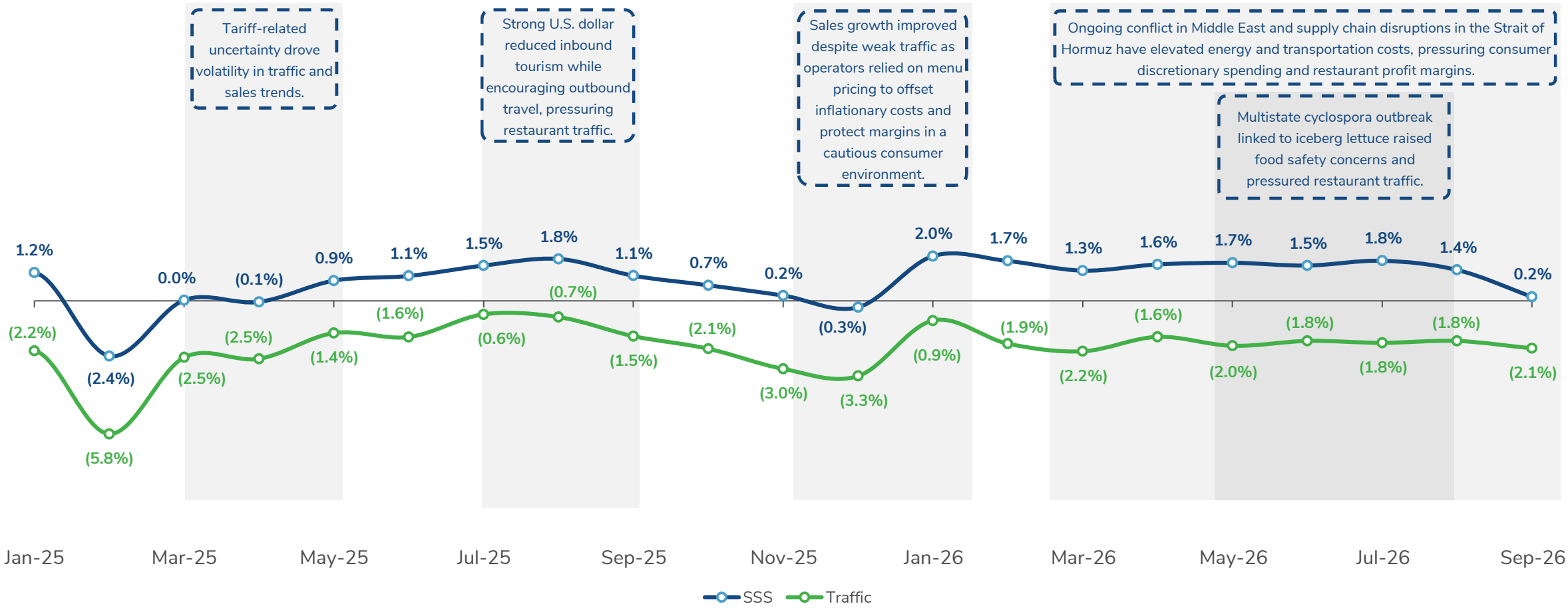


AI and digital tools are enabling more efficient restaurant operations

Operators are using AI, kiosks, digital ordering and predictive tools to optimize labor, occupancy and food costs. Emerging applications are also expanding into food-safety monitoring and operational risk management in light of recent cyclospora and salmonella outbreaks.

Challenging Traffic Environment Persists

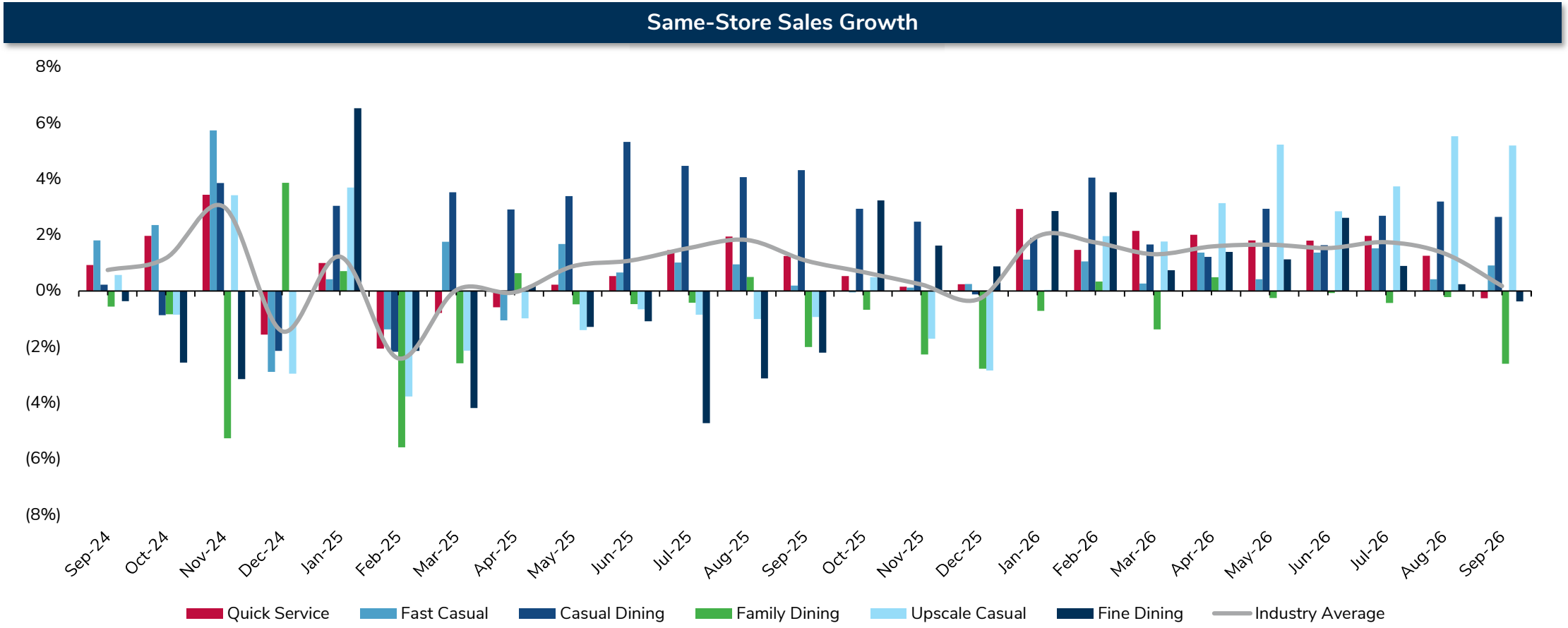
Monthly U.S. Restaurant Same-Store Sales and Traffic Performance



Sources: Black Box Intelligence, NRN

Restaurant Sector Monthly SSS Trends

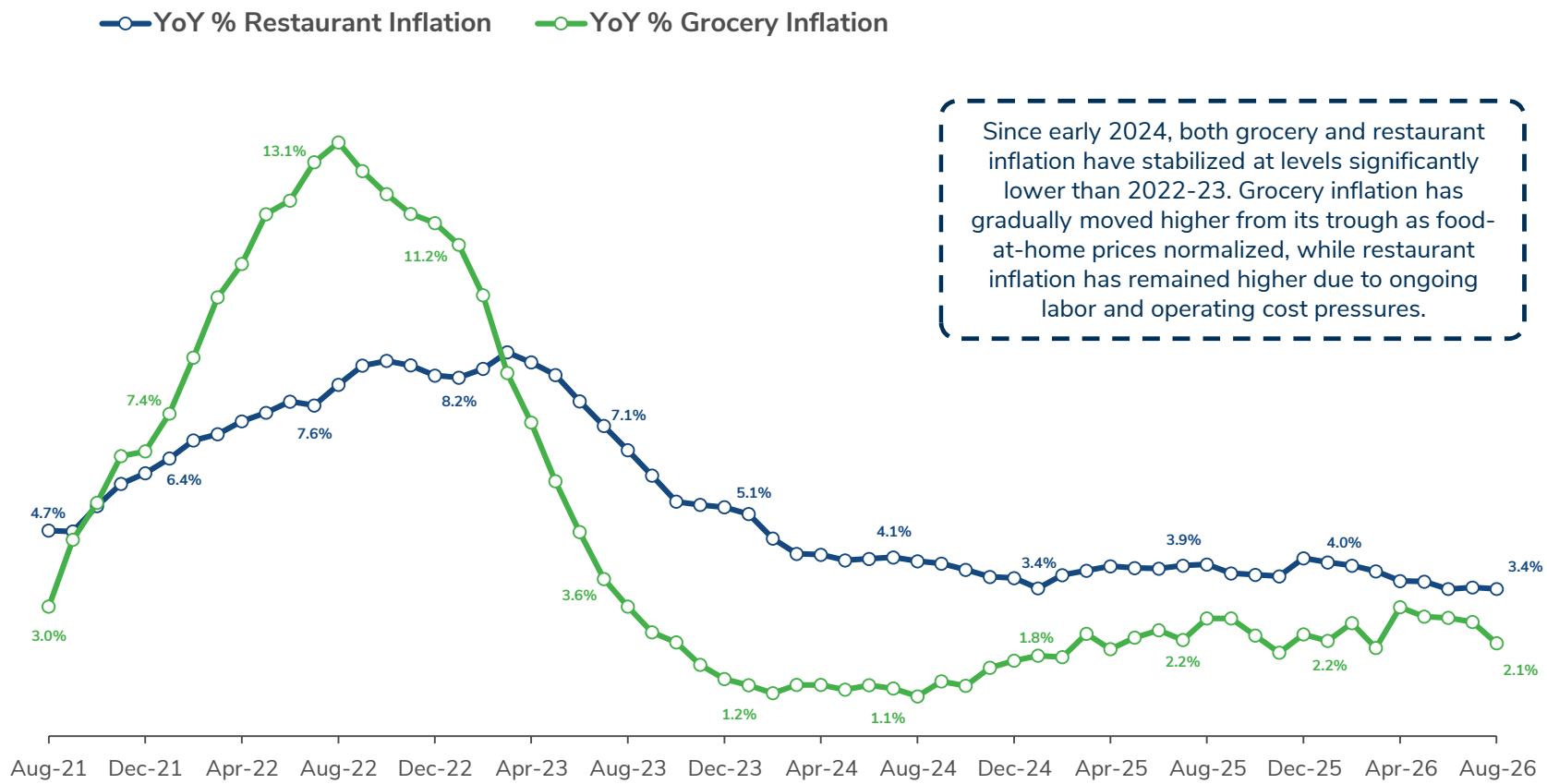
Improving SSS across most restaurant segments in 2026 signals resilient consumer demand, with fast casual and upscale casual benefiting from value spending, while renewed Fine Dining momentum points to recovering demand among premium customers.



Sources: Black Box Intelligence (filters: location, type: nation, cuisine: all cuisines, metric: total sales, calculation: median), McKinsey, Restaurant.org, Restaurant Association
Note: LTM as of September '26

Grocery Inflation Rebounds While Restaurant Inflation Remains Sticky

Restaurant and Grocery YoY Price Inflation



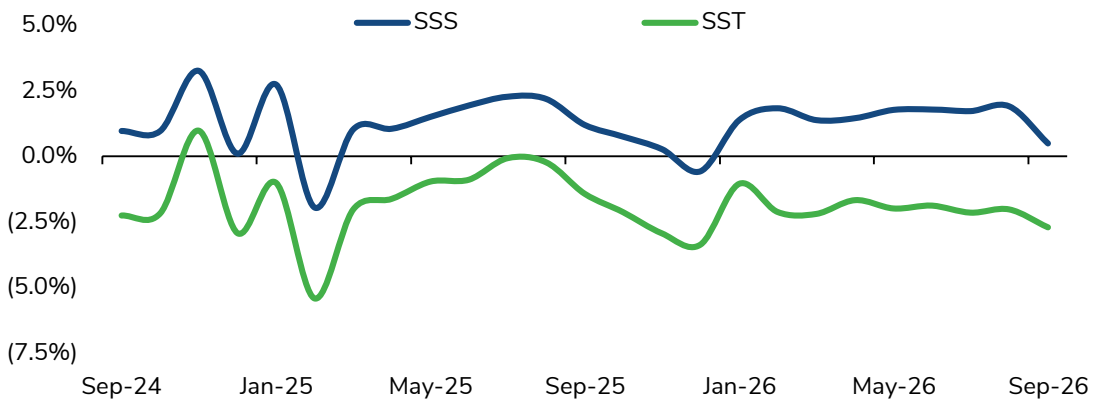
Sources: Forbes, USDA, Fred, S&P Global

The Gap Narrows

- Grocery inflation has risen from 2024 lows, as higher energy costs, weather disruptions and tariffs have contributed to elevated food-at-home prices, particularly for commodities such as beef and produce.
- Restaurant inflation remains elevated due to persistent wage pressures and higher food input costs, particularly proteins and other key commodities. Restaurants remain more exposed to wage and service-sector inflation than grocery retailers.
- The gap between restaurant and grocery inflation has narrowed as grocery inflation rebounded while restaurant inflation remained stable, potentially challenging restaurants' value proposition as consumers weigh dining out against eating at home.

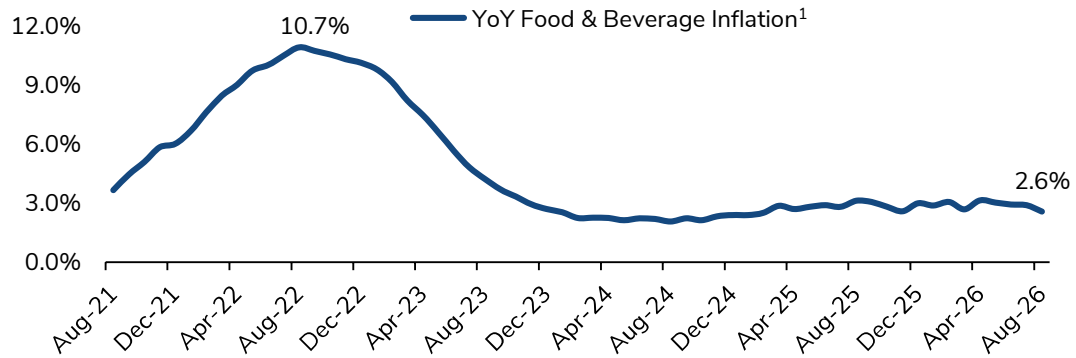
Consumer Spending Remains Resilient Despite Continued Traffic Weakness

Positive Sales Growth Persists Despite Ongoing Traffic Pressure



- Comparable sales have remained positive despite continued traffic declines, indicating that higher average checks, menu pricing and product mix are driving revenue growth.
- Traffic remains below prior-year levels as consumers face ongoing inflationary pressures and higher household expenses, catalyzing a reallocation of discretionary funds to experiences and “revenge” travel.
- The persistent gap between sales and traffic suggests demand remains resilient but moderated. Sustained negative traffic indicates that guest frequency has yet to fully recover.

Food & Beverage Inflation Returns to More Moderate Levels



- F&B inflation has stabilized around 2%-3% after peaking above 10% in 2022, reflecting easing supply-chain pressures and moderating commodity costs, with the USDA projecting a stable inflation rate in FY2026.
- Beef and coffee remain notable inflation drivers, with USDA reporting 9.4% YoY beef price growth in July and 6.1% YoY coffee price growth in August 2026.
- Poultry prices remained relatively stable, declining 0.5% YoY in July, while egg prices fell 25.7% YoY, normalizing from its all-time highs last year.

Sources: BlackBox Intelligence, USDA
(1) Represents data combined from the Consumer Price Index and Producer Price Index

Restaurants Are Redefining Value to Drive Traffic and Loyalty

Restaurant chains are evolving value strategies through targeted deals, loyalty rewards and experience-led promotions.

- Consumers increasingly define value through the complete experience, not price alone: Diners are becoming more selective and prioritizing consistent food quality, reliable service and an experience that justifies the check, supporting comparatively greater stability at full-service restaurants while QSR traffic remains pressured.
- Restaurant promotions are evolving beyond broad discounts toward bundles, loyalty personalization and experience-led offers: Leading chains are using value meals, digital targeting and nostalgia-driven promotions to encourage frequency while protecting brand perception and profitability.

48%

of consumers cite food quality as the top reason for returning to a restaurant

51%

of consumers want more happy hours and value promotions from restaurants

60%

of customers are more likely to visit places with loyalty points or rewards

24%

of diners stated that they would pay more for limited-time restaurant experiences

Select Promotions Across Chains

2 for $5 Duo/$7 Trio

Mix-and-match menu items at bundled prices to drive affordability and repeat visits.



$6 Meal Deal

Medium coffee, breakfast sandwich and hash browns bundled for $6.



10 Items $3 or Less

10 menu items priced at $3 or less, combining new offerings with fan favorites.



Game Day Punch Card

Purchase three Watch Party Bundles to earn a fourth free and $50 in Ticketmaster credit.



3 for Me – Starting at $10.99

Entrée, bottomless chips and salsa, and a beverage starting at $10.99.



Lunch Plates – Starting at $9.99

Select lunch entrées starting at $9.99, offering affordable steakhouse dining.



Sources: Harmelin, ACSI, Forbes, Provoken Insights, Open Table, Loyalty Lion, The 2026 Restaurant Industry Trends Report by Doordash, Restaurant News, PR Newswire, Restaurant Business Online, NRN

Restaurants Responding to Shifting Consumer Preferences

Evolving Consumer Behavior

Restaurants are leveraging AI, personalized experiences, omnichannel engagement and value to accelerate growth.

4x

higher likelihood of repeat visits after loyalty enrollment, with return rates rising from 7% to nearly 30%.

54%

of consumers have changed their consumption habits to save money.

22%

of consumers have already used an AI tool to help choose a restaurant.

41%

of citations surfaced by AI restaurant-recommendation tools reference restaurant review and listing platforms.

50%

of restaurant order volume can be generated from just 7% of guests.

74%

of dine-in customers also order delivery, while 62% of delivery customers also dine in.

Reactionary Restaurant Initiatives

Loyalty Shifts from Rewards to Recognition

Trend	Repeat customers account for a disproportionate share of restaurant spending, increasing the importance of personalized recognition and relevant engagement.
Reaction	Operators are connecting loyalty, CRM and ordering data to deliver targeted SMS, email, app-based offers and win-back campaigns that drive repeat visits and improve retention.

Digital Discovery, Reviews & AI Influence Restaurant Choice

Trend	Diners increasingly discover and evaluate restaurants through AI tools, delivery platforms and digital channels alongside traditional social media.
Reaction	Restaurants are optimizing online listings, menu content, reviews, photos and delivery marketplace visibility to improve digital discovery and conversion.

Value & Promotions Drive Dining Decisions

Trend	Consumers remain selective with restaurant spending, prioritizing affordability, convenience and dining occasions that deliver a differentiated experience.
Reaction	Restaurants are expanding value offerings and targeted loyalty promotions, while enhancing the overall experience to attract budget-conscious diners and protect traffic.

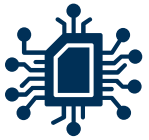
Digital Ordering & Omnichannel Convenience Continue to Grow

Trend	Consumers increasingly expect seamless dining experience across dine-in, takeout, pickup and delivery channels, blurring the boundaries between physical and digital restaurant interactions.
Reaction	Restaurants are integrating POS, mobile ordering, payments, loyalty, CRM and guest engagement platforms to reduce friction, capture first-party data and create consistent experiences across channels.

Sources: Toast, Resy, Doordash, SevenRooms, Food on Demand, Restaurant365, NRA State of the Restaurant Industry 2026, Truth State of the Restaurant Industry

Restaurant Technology and Innovation Trends

AI Implementation & Guest Engagement



Restaurants are scaling AI across **forecasting, inventory, labor scheduling, analytics and guest-facing applications** to improve **efficiency, profitability and customer engagement.**

69% of operators use AI for reporting and analytics, while 74% of diners are open to AI-powered reservations.

Loyalty and Personalization



Restaurants are integrating **digital ordering, loyalty** and **customer data** to create more **tailored guest experiences** and strengthen **customer retention.**

61% of limited-service and 52% of full-service operators are investing in loyalty and rewards technology.

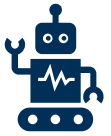
Labor-Saving Technologies



As **recruiting and retaining** staff remain key industry challenges, restaurants are adopting technologies that **automate routine tasks** and **improve workforce productivity.**

62% of operators using AI report reduced labor costs, while 61% reported a fall in food costs.

Automation and Robotics



Restaurants are deploying **task-specific automation** across **food preparation, fulfillment**, food safety and kitchen operations to improve consistency, extend operating hours, and reduce labor dependency.

61% YoY growth in restaurant robot deployments, making foodservice one of the fastest-growing robotics applications.

Sources: Restaurant365, SevenRooms, The Hospitality Hangout, Hyper Robotics, NCRLA, Restaurant News Resource

Notable Restaurant Technology Transactions

kard has been acquired by citi	TouchBistro has been acquired by HARRIS	Delivery Hero has been acquired by Uber	TheFork has been acquired by American Express	fishbowl by GoTab has been acquired by GoTab	Stockfiller.com has been acquired by Bridgepoint
Aug. 2026	Jul. 2026	Jul. 2026	Jun. 2026	Jun. 2026	May. 2026
tapin2 has been acquired by GSV	CIBOTICA has been acquired by Appetronix	kurve has been acquired by ClearCourse	Zonal has been acquired by VOLARIS Forever Invested.	has been acquired by wonder	OfOne has been acquired by Deepgram
May. 2026	Apr. 2026	Apr. 2026	Feb. 2026	Jan. 2026	Jan. 2026

Sources: Press releases

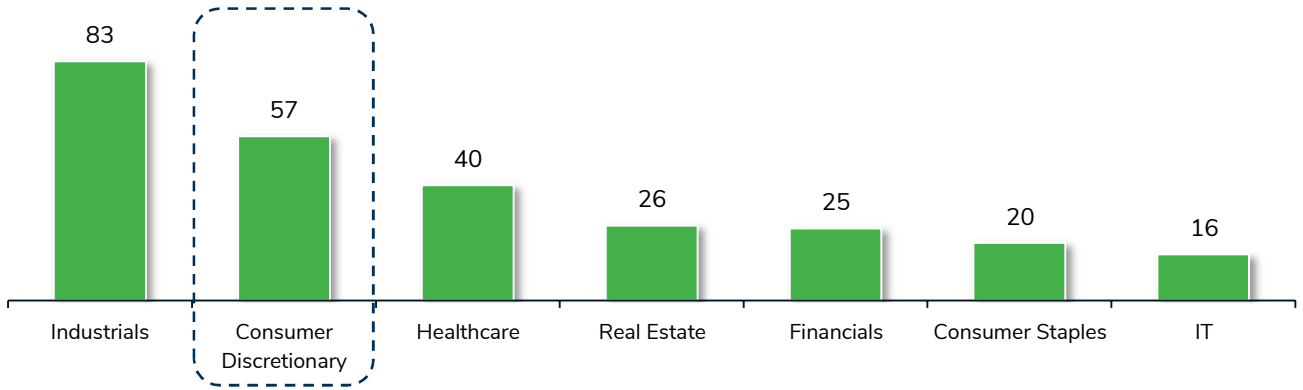
2026 Restaurant Dealmaking Landscape

M&A Activity Deal Counts

- The M&A market is being impaired by “broken” deals, which are largely driven by valuation gaps resulting from a combination of declining traffic trends, dispersion in unit performance, unhealthy franchise systems, and lack of growth and portability outside of core markets.



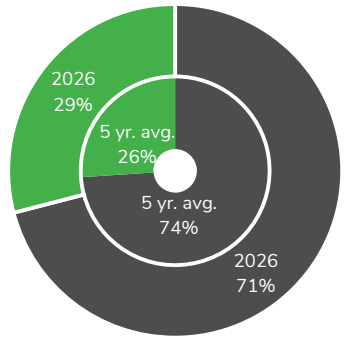
U.S. Corporate Bankruptcy Filings by Top Sectors (2026)[2]



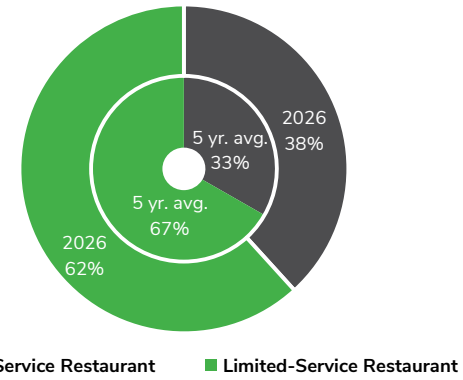
Restaurant M&A Reflects Selective Buyer Appetite

- Investors are attracted to differentiated concepts with strong unit economics, proven portability and franchise potential.
- Valuation gaps, low-performing franchisee units, declining traffic, and uneven unit economics continue to constrain M&A activity.

Buyer Type[1]



Concept Category[1]



Sources: S&P Capital IQ, KPMG, Capstone Partners

(1) M&A transactions represent the majority sale of multi-unit concepts announced through Q3 2026 (2) Includes S&P Global Market–covered U.S. companies that filed for bankruptcy in YTD 2026

Buyer Interest Continues Amid Sector Distress

Buyers Continue to Favor Scale and Franchisor Concepts

- Buyers continue to favor scaled restaurant platforms with proven unit economics, recurring franchise revenues and clear growth potential.

Target	luckin coffee	LOS TACOS No. 1	BLANK STREET	Gong cha	Poplup Bagels	PURA VIDA	SMOOTHIE KING
Acquirer / Investor(s)	MUBADALA	TSG CONSUMER	GENERAL ATLANTIC	BainCapital PRIVATE EQUITY	TIGERGLOBAL	TSG CONSUMER	MAIN POST PARTNERS
Announced Date	Sep. 2026	Sep. 2026	Aug. 2026	Aug. 2026	Apr. 2026	Nov. 2025	Jul. 2025
Unit Count	36,310	10	106	2,200	29	45	1,200+
Estimated SW Sales ($M)	$9,500	NA	$150	$500[1]	$17	$165	$763
% Franchised	35%	0%	0%	95%	100%	0%	96%

Bankruptcies Continue to Affect the Sector

Dave's Hot Chicken 7 units Sep. 2026	Yardbird 5 units Sep. 2026	meritage 314 units[2] Sep. 2026	Domino's Pizza / Mile High Pizza Co. 13 units Sep. 2026
Marmalade Cafe 4 units Sep. 2026	Salad and Go 70 units Aug. 2026	MOE's Southwest Grill 38 units[2] Aug. 2026	Superior Star ~60 units[2] Jul. 2026
ARC Burger 77 units Apr. 2026	FFC 65 units Apr. 2026	NRP Neighborhood 53 units Mar. 2026	FAT Brands / Twin Peaks[3] Jan. 2026
MTF Companies 43 units Jan. 2026	Sailormen Inc. 136 units Jan. 2026	K&W Cafeteria 9 units Dec. 2025	Iron Hill Brewery & Restaurant 16 units Oct. 2025

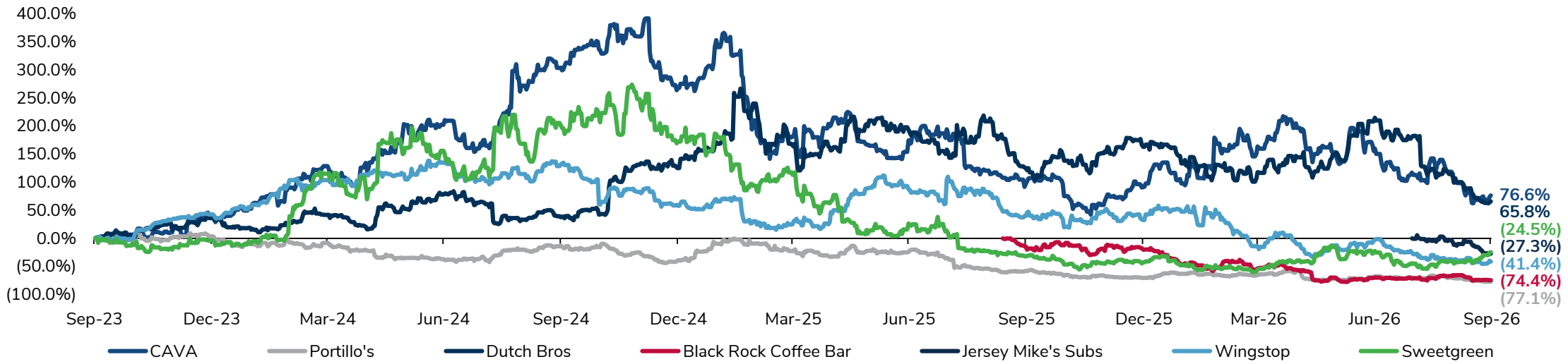
Sources: Company websites, press releases, QSR Magazine, CNBC, FDD Filings, NRN, Eleven Flo, The Franchise Browser, FSR Magazine, 1851 Franchise, Restaurant Business Online, The Street
Note: Bankruptcy dates indicate filing dates. M&A transaction figures reflect data at time of transaction
(1) Data as of 2024; (2) Reflects the number of units owned and operated by the franchisee prior to its Chapter 11 bankruptcy filing; (3) FAT Brands and Twin Hospitality Group jointly filed for Chapter 11 bankruptcy on January 26, 2026, to restructure ~$1.4B of debt while continuing normal restaurant operations across the portfolio

Restaurant IPO Activity Remains Selective

Investor Preference Remains Concentrated on High-Quality Restaurant Concepts

- The U.S. IPO market regained momentum in 2026, with 62 IPOs raising $50M+ in H1 2026, compared to 34 in the prior-year period. Restaurant issuance resumed with Jersey Mike's ~$1.0B IPO in July 2026, with Inspire Brands also filing for a potential IPO, signaling further activity in the restaurant issuance pipeline.
- Jersey Mike's IPO priced at $23.00 per share, raising ~$1.0B at a ~$7.3B valuation (~20x 2027 EBITDA), but shares declined 6% on the first trading day. While CAVA and Dutch Bros were considered as valuation benchmarks, Wingstop emerged as the primary reference point. Despite positive SSS and unit growth, weak aftermarket performance highlights investor sensitivity to IPO valuations and growth sustainability, particularly in unproven international markets.
- Public markets continue to reward differentiated concepts that pair strong unit expansion with sustained SSS growth and attractive unit economics, with aforementioned chains such as CAVA and Dutch Bros maintaining strong operating momentum in Q2 2026, supported by traffic-led sales growth and continued expansion.
- Conversely, weaker traffic trends, declining SSS and limited profitability visibility have weighed on the performance of several players, including Black Rock Coffee Bar, Portillo's, and Sweetgreen. The broader industry backdrop remains challenging, as persistent cost inflation and uneven customer traffic continue to pressure margins and limit earnings visibility.

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



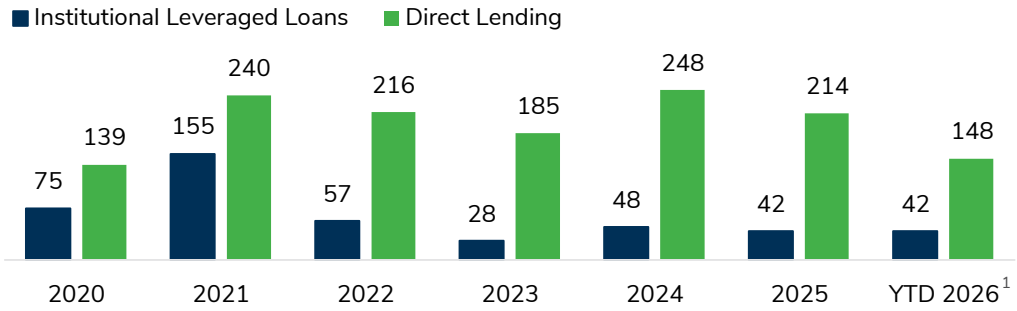
Sources: Company announcements, Capital IQ, Reuters, CNBC, QSR.pro, Restaurant Association, Restaurant.org

Evolving Private Credit Landscape

Private Credit Continues to Drive LBO Financing

- Private credit continues to outpace bank-led syndicated LBO financing, representing ~78% of YTD 2026 transactions, compared to approximately 65% in FY2021.

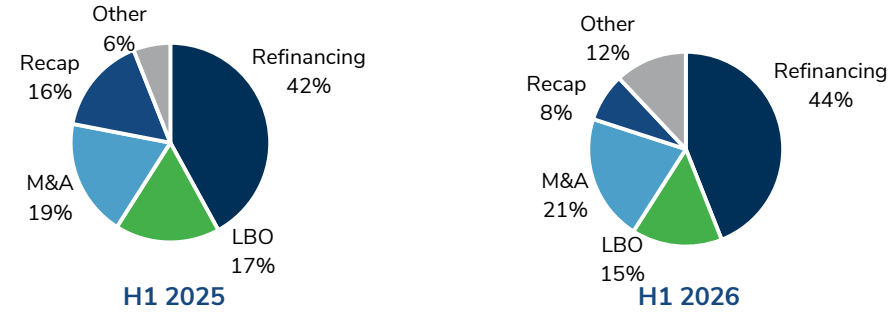
Count of LBOs Financed in Broadly Syndicated Loans vs. Direct Lending Market



Leveraged Loan Issuance Shifts Toward Refinancing

- In H1 2026, leveraged loan issuance for M&A and LBO remained stable at 36%, while refinancing increased to 44%, reflecting continued focus on addressing upcoming maturities.

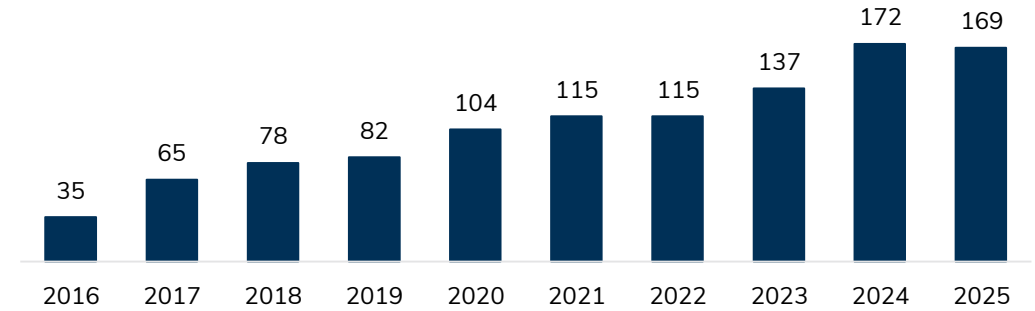
Leveraged Loan Issuance by Purpose



Private Credit Dry Powder Remains Elevated

- Slower sponsor-backed M&A activity and competition for high-quality opportunities have moderated deployment, leaving lenders well capitalized.

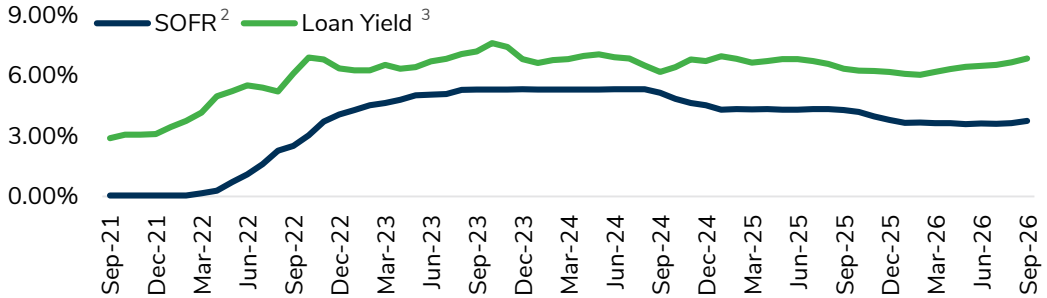
United States Private Credit Dry Powder (In $Billions)



SOFR[2]-Loan Yield Gap Expands as Benchmark Rates Decline

- The spread between SOFR and Loan Yield widened to 3.1% in September '26, as benchmark rates declined faster than loan yields, resulting in stronger lender returns.

SOFR vs. Loan Yield Movement



Sources: Pitchbook Private Credit Monitor September 2026, KPMG Credit Markets Update, Kirkland, Fred
(1) YTD data as of 30 September 2026; (2) secured overnight financing rate; (3) 30-year fixed-rate mortgage average

Restaurant Industry – Near-Term Outlook

Operating Environment		
Traffic	↑	Restaurant traffic is stabilizing and expected to improve modestly, supported by value-focused offerings and resilient consumer demand, although guest counts remain below historical growth levels as diners remain selective with discretionary spending.
Food Costs	↔	Food-away-from-home inflation is expected to moderate in 2026, with prices projected to increase 3.6% in 2026, lower than the 3.8% levels in 2025.
Labor Availability/Wages	↔	Labor availability has improved and wage growth has moderated, though persistent staffing shortages, elevated turnover and structurally higher labor costs continue to pressure operators.
3PD[1] Margin Improvements	↔	Third-party delivery remains a valuable traffic channel, but margin benefits remain constrained by elevated platform commissions, prompting operators to focus on direct ordering, pricing optimization and technology-driven efficiency improvements.
Construction Activity	↑	Restaurant construction and expansion activity remains healthy, with operators continuing to open new locations and expand into new markets despite elevated development and operating costs.
Digitization	↑	Digitization continues to accelerate as restaurants increase investment in AI, digital ordering and automation tools to improve guest experience, operational efficiency and labor productivity.
Supply Chain	↓	Supply chain costs are expected to remain elevated, with volatility in commodity prices, tariff-related inflation and periodic supply tightness continuing to pressure restaurant margins.
M&A/Capital Markets		
M&A Activity	↑	Restaurant M&A activity remains robust, supported by private equity interest, franchise consolidation and strategic acquisitions as operators pursue scale, efficiency and portfolio optimization.
Sponsor M&A Interest	↑	Sponsor interest remains strong, with private equity firms actively pursuing scalable brands, franchise platforms and consolidation opportunities, supporting a favorable near-term transaction environment.
Credit Availability	↔	Credit availability is expected to remain adequate for high-quality operators, although lenders are likely to stay selective amid persistent margin pressure and uneven industry fundamentals.
Credit Pricing	↓	Credit pricing remains elevated, with restaurants facing higher borrowing costs as lenders continue to price for sector risk and margin volatility despite broadly available financing.
Public Equities	↔	Public restaurant equities remain mixed, as investors favor operators demonstrating traffic resilience and margin discipline amid continued pressure across the sector.

Sources: Restaurant 365, USDA, The Restaurant Zone, Getbite, Get Sauce, Kitchen Rush, Restaurant Chains, Restaurant Pipeline, QSR.pro, FastCasual, Restaurant.org, Capstone Partners, BTCPA, Restaurant Dive, Franchise Restaurant Franchising, Restaurant Cashflow Loans, Guru Focus, Indexbox

(1) 3PD defined as third party delivery

Notable Sector Transactions

THE HALAL SHACK has received a strategic investment from Tamarix — Sep. 2026	Nandhana's has received a growth investment from L CATTERTON — Sep. 2026	luckin coffee has received a significant minority investment from MUBADALA — Sep. 2026	LOS TACOS No. 1 has received a strategic investment from TSG CONSUMER — Sep. 2026	BLANK STREET has received a growth investment led by GENERAL ATLANTIC — Aug. 2026	Gong cha has been acquired by BainCapital PRIVATE EQUITY — Aug. 2026	Bon Cion Ch has been acquired by MINOR INTERNATIONAL / SPE SERRUYA PRIVATE EQUITY — Aug. 2026	KIZUKI Ramen & Izakaya has received a majority investment from For the People YOSHINOYA HOLDINGS — Jul. 2026
JM Valley Group / Jersey Mike's Subs has completed a dividend recapitalization from VantEdge PARTNERS — Jul. 2026	COTTON PATCH CAFE has been acquired by LOCAL FAVORITE restaurants — Jun. 2026	hopdoddy BURGER BAR has been acquired by FOUNDERS TABLE — Jun. 2026	KINTON RAMEN has been acquired by FOODTASTIC — Jun. 2026	Pizza Hut has been acquired by LONGRANGE CAPITAL / Yum! — Jun. 2026	PopUp Bagels has received a strategic investment from TIGERGLOBAL — Apr. 2026	Logan's Roadhouse has been acquired by SSCP — Mar. 2026	SONIC 78 SONIC Drive-In Locations have been acquired by kbp — Feb. 2026
Bob Evans RESTAURANTS has been acquired by 4X Capital — Feb. 2026	Nathan's FAMOUS has been acquired by Smithfield Good food. Responsibly. — Jan. 2026	protein bar & kitchen has been acquired by FOUNDERS TABLE — Jan. 2026	california PIZZA KITCHEN has been acquired by CONSORTIUM BRAND PARTNERS — Dec. 2025	Sicilian OVEN has received a strategic investment from GOODE PARTNERS — Dec. 2025	Denny's has been acquired by YADAV ENTERPRISES — Nov. 2025	PURA VIDA has received a significant minority investment from TSG CONSUMER — Nov. 2025	DEL TACO has been acquired by YADAV ENTERPRISES — Oct. 2025

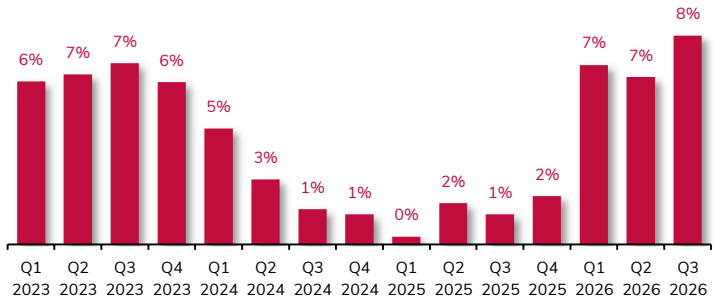
Sources: CIQ, Mergermarket and press releases
Note: Dates represent transaction announcement dates

Quarterly SSS Performance by Segment

Coffee, Breakfast and Snacks

Dutch Bros — Top Performer

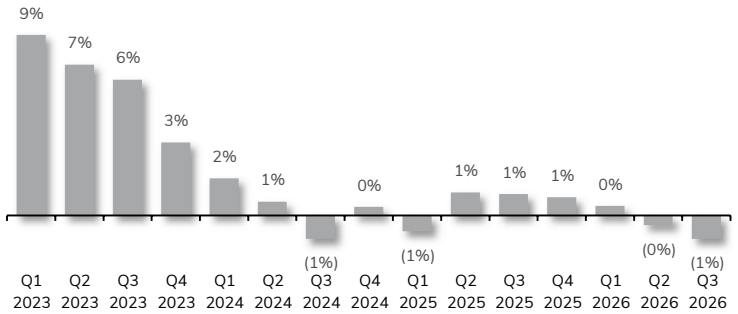
Starbucks Coffee — Laggard



Quick Service

Wingstop

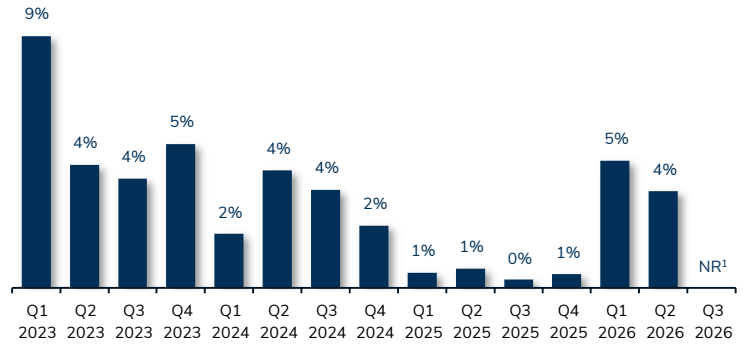
Papa Johns



Fast Casual

CAVA

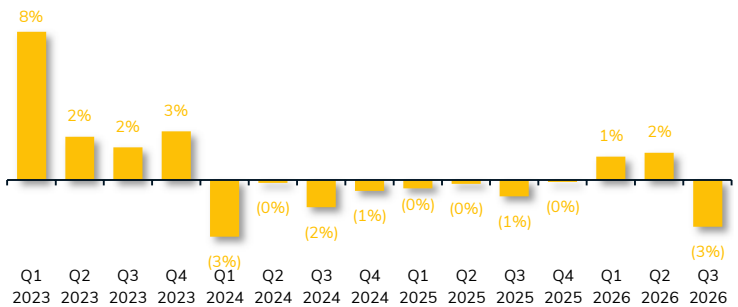
Portillo's



Mass Casual

Chili's

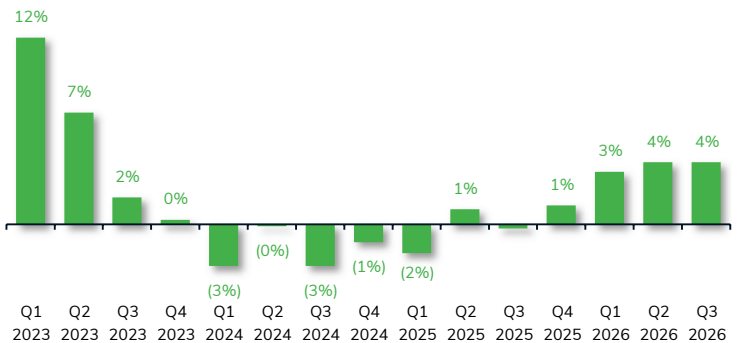
Applebee's Grill + Bar



Specialty Casual

Texas Roadhouse

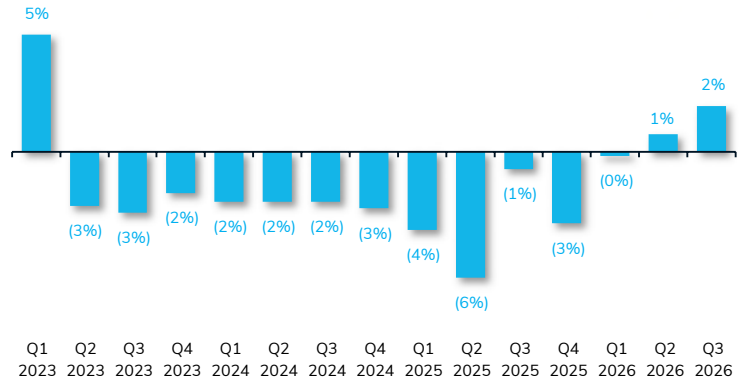
Dave & Buster's



Fine Dining

Fleming's Prime Steakhouse & Wine Bar

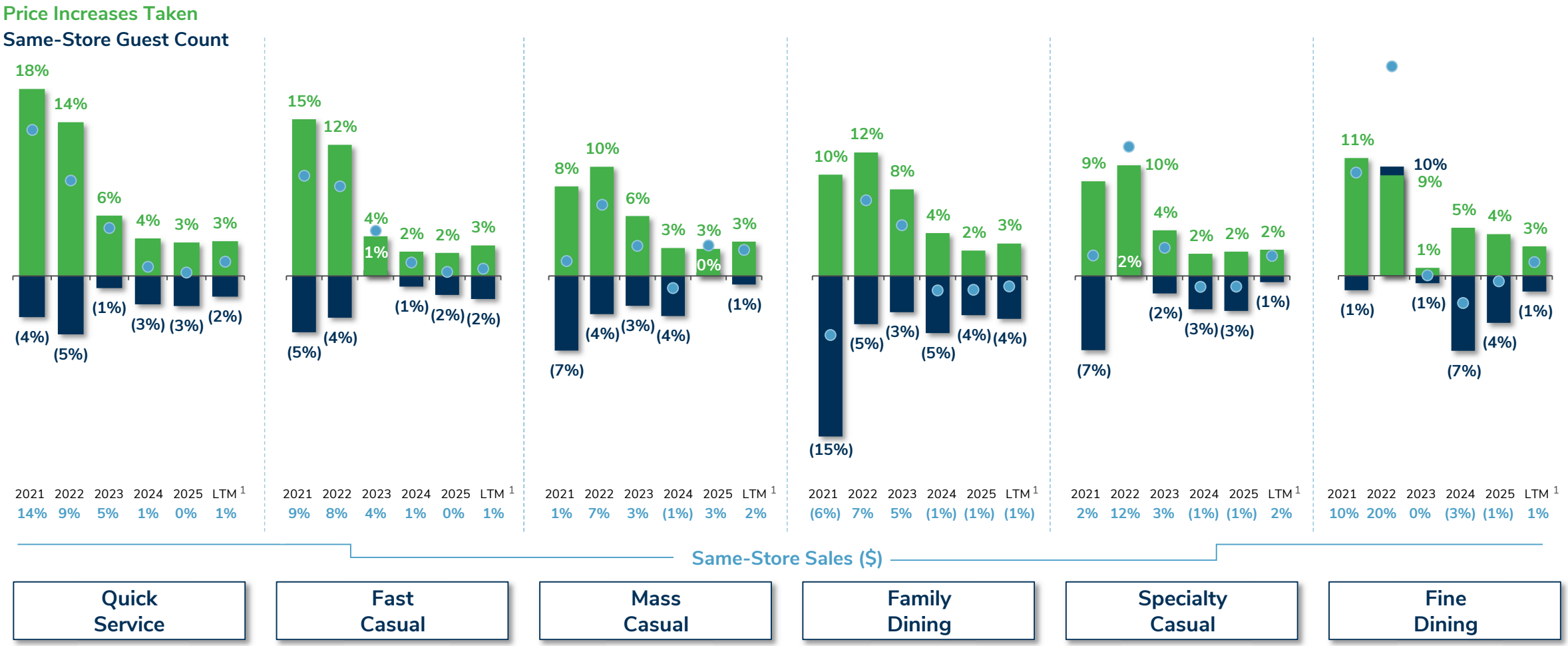
Kona Grill



Sources: SEC filings
(1) Not Reported

SSS Growth Slows Amid Pricing Headwinds

As inflation limits further menu price increases, customer traffic remains under pressure across most dining segments, particularly Family Dining and Specialty Casual, while Fine Dining benefits from resilient premium demand.



Sources: Black Box Intelligence, Restaurant Business Online
Note: LTM as of September '26

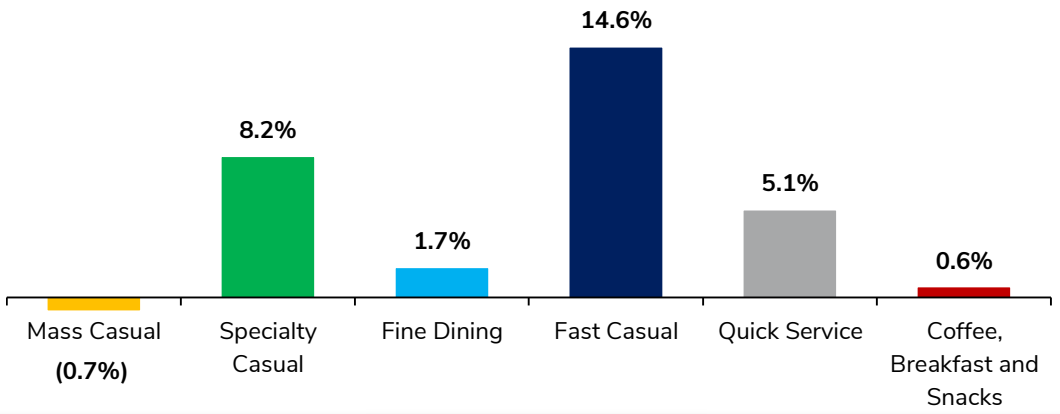
Sector Stock Price Performance

($ in millions, except per share data)	Number of Companies	Median Market Cap 09/30/26	Avg. % Change in Market Value				Median EV /EBITDA Multiple		
			1 Month	3 Months	6 Months	12 Months	LTM	CY25A	CY26E
Market Sector									
Mass Casual	6	$ 646	3.8%	10.9%	49.1%	48.1%	13.0x	7.6x	8.4x
Specialty Casual	5	5,237	(3.0%)	1.5%	10.9%	11.5%	16.6x	12.0x	12.1x
Fine Dining	1	51	(3.5%)	(17.6%)	(8.2%)	(41.4%)	11.1x	7.0x	5.9x
Fast Casual	7	1,056	(9.1%)	(13.3%)	(11.6%)	(19.6%)	25.3x	0.7x	2.2x
Quick Service	10	3,398	(4.4%)	(10.6%)	(18.3%)	(14.6%)	17.1x	16.7x	13.9x
Coffee, Breakfast and Snacks	3	5,319	(8.1%)	(18.9%)	(5.4%)	15.3%	21.5x	14.5x	13.9x
Median		**$ 2,227**	**(3.9%)**	**(12.0%)**	**(6.8%)**	**(1.6%)**	**16.8x**	**9.8x**	**10.2x**
Mean		**$ 2,618**	**(4.0%)**	**(8.0%)**	**2.7%**	**(0.1%)**	**17.4x**	**9.7x**	**9.4x**
Market Indices									
S&P 500 Index		$ 7,652	2.2%	2.0%	17.2%	20.7%			
Dow Jones Industrial Average		50,906	(3.0%)	(2.7%)	9.8%	15.4%			
Russell 2000 Index		2,797	(4.6%)	(7.5%)	12.0%	26.5%			
S&P Restaurant Index		2,338	(11.7%)	(9.7%)	(9.4%)	(16.9%)			
Median		**$ 5,224**	**(3.8%)**	**(5.1%)**	**10.9%**	**18.0%**			
Mean		**$ 15,923**	**(4.3%)**	**(4.5%)**	**7.4%**	**11.4%**			

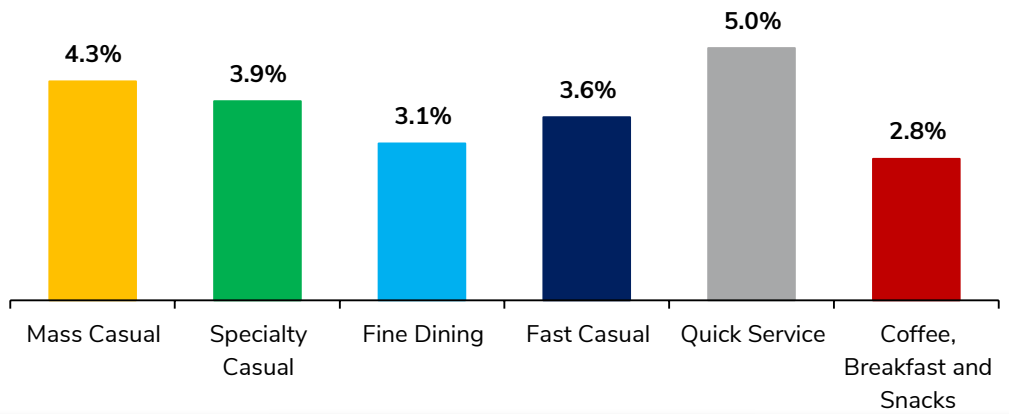
Source: S&P Global Market Intelligence
Note: Sector index weight is based on company market capitalization at valuation date

Restaurant Subsector Trends

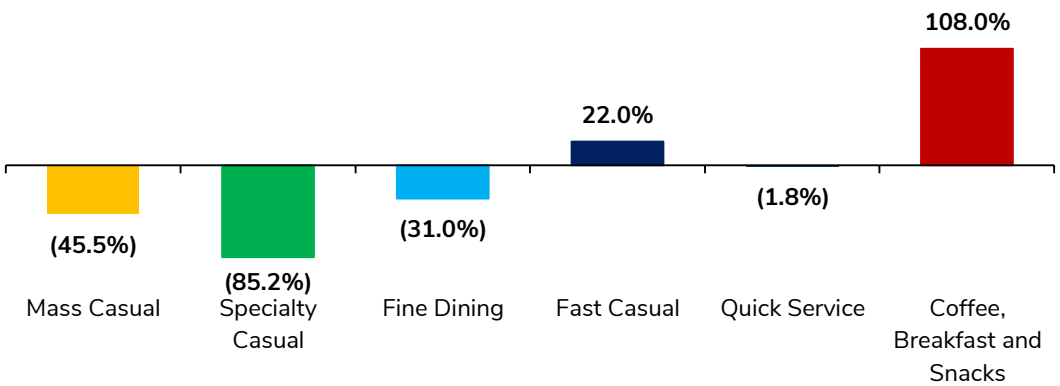
FY25 Revenue Growth



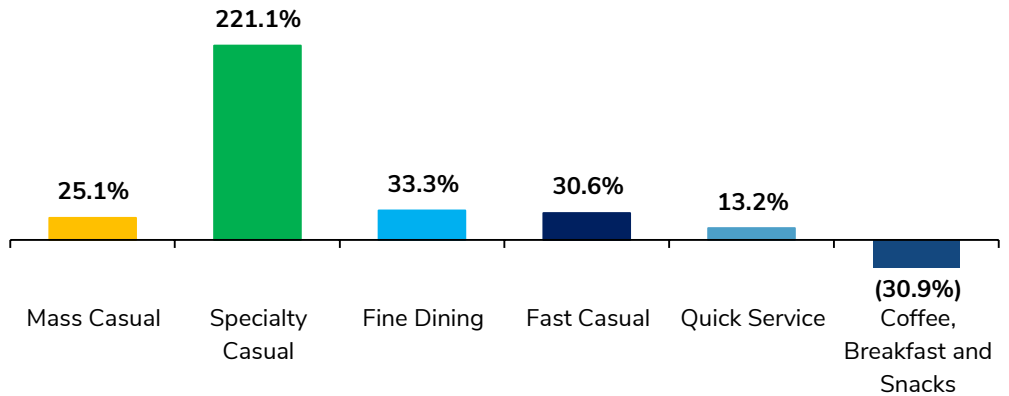
FY26 Expected Revenue Growth



FY25 EPS[1] Growth

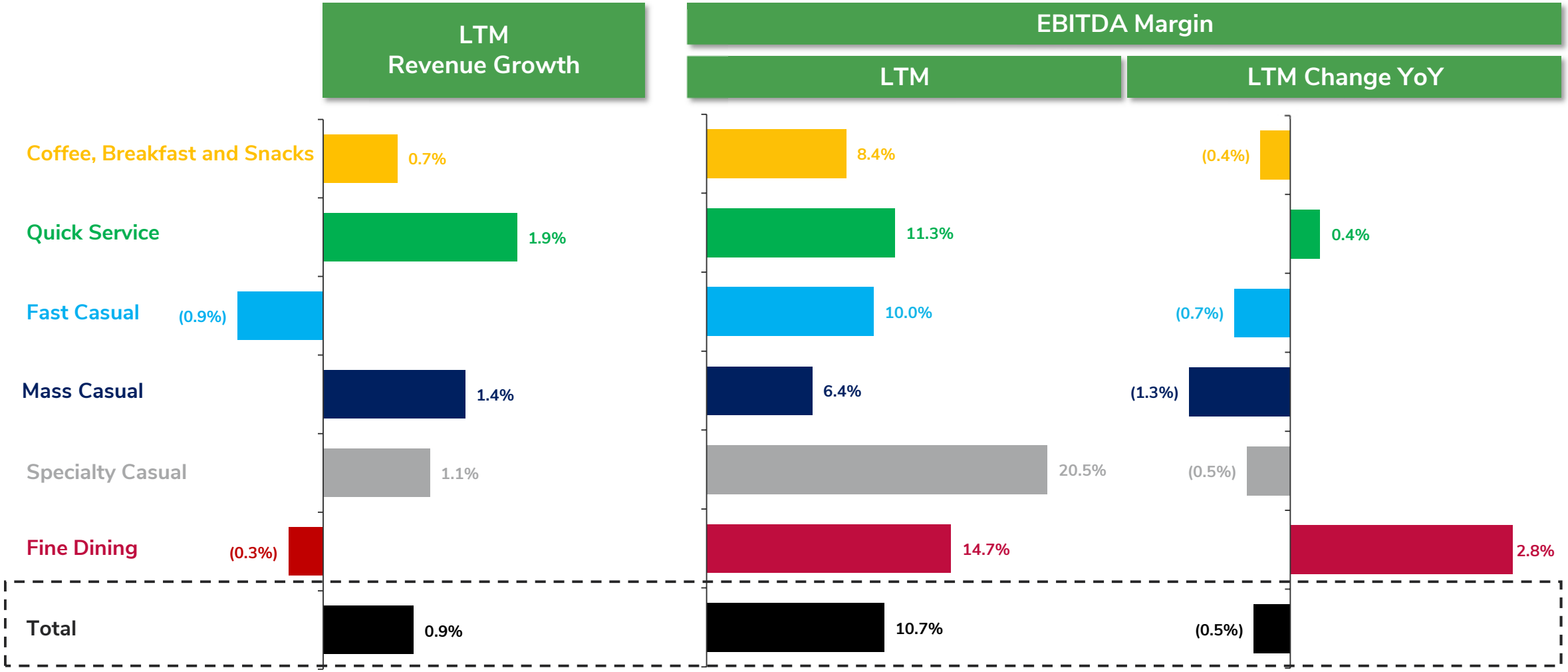


FY26 Expected EPS[1] Growth



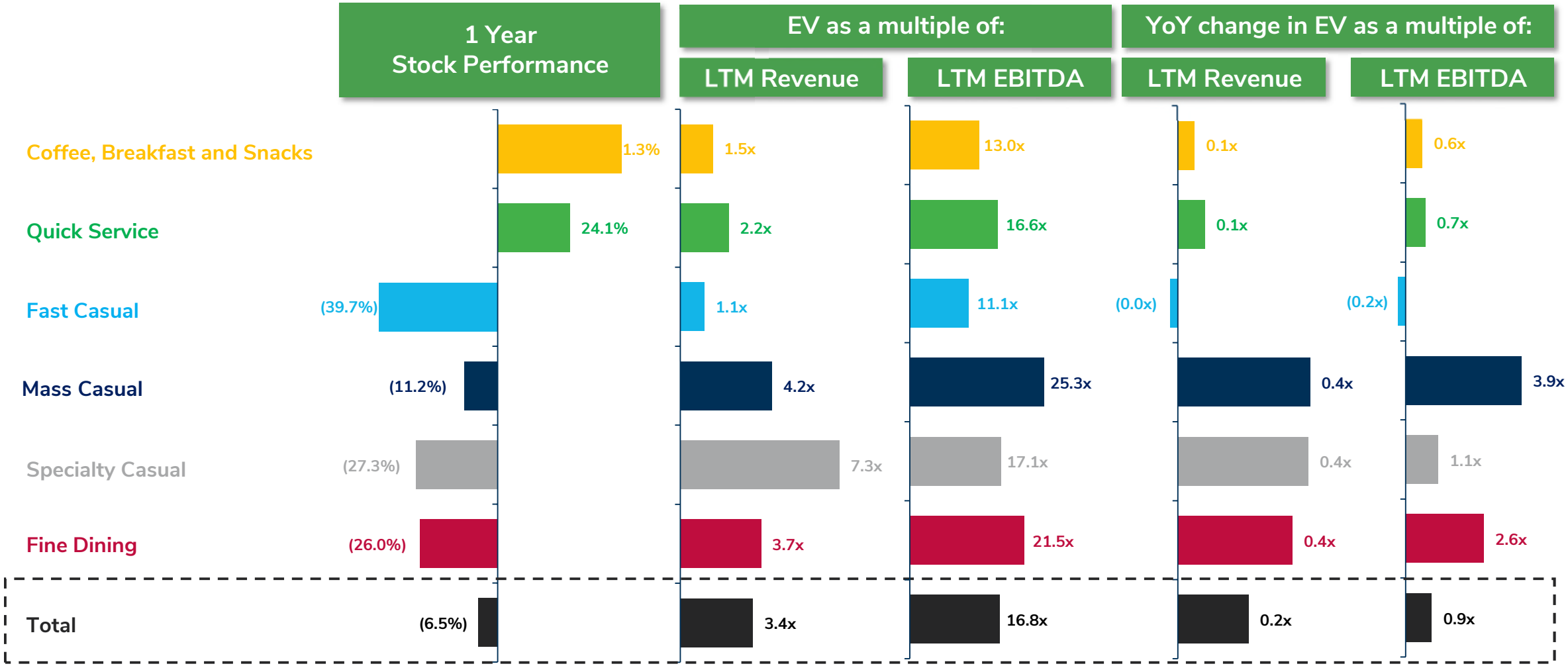
Source: S&P Global Market Intelligence
(1) EPS is defined as earnings per share

Operational Benchmarking



Source: S&P Global Market Intelligence
Notes: Sector constituents based on selected comparable companies | LTM as of calendar September 30, 2026

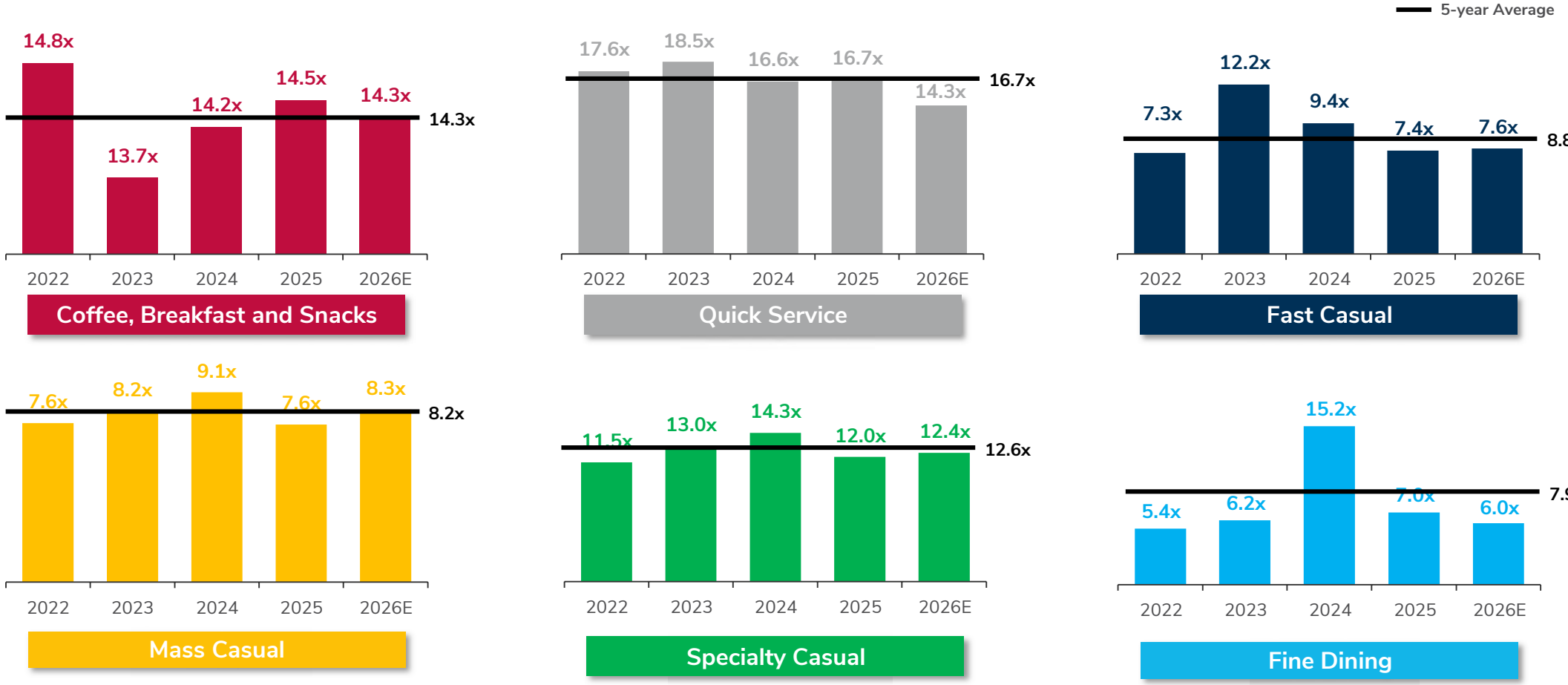
Valuation Benchmarking



Source: S&P Global Market Intelligence
Notes: Figures as of September 30, 2026. | Sector index weight based on company enterprise value

Public Restaurant Valuation Trends

EV/EBITDA as of September 30, 2026



Source: S&P Global Market Intelligence
Note: Sector index weight based on company enterprise value

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