

Presentation to: ACG 101

Regarding: Trends in the Fast
Casual Restaurant
Industry

November 2015



CALABASAS CAPITAL

DISCLOSURE

- *This presentation should not be considered in any way an offer to buy or sell a security.*
- *Buying or selling a security involves substantial risk and may be worth more or less than the original investment.*
- *This presentation is for informational purposes only.*
- *Securities offered through Fallbrook Capital Securities Corp. Member FINRA/SIPC.*

INTRODUCTION TO CALABASAS CAPITAL

Investment banking firm primarily servicing clients with \$10 to \$100 million in revenues

Mergers & Acquisitions

- Business sales
- Subsidiary dispositions
- Businesses purchases
- Mergers and JVs

Capital Raising

- Private Equity
- Subordinated Debt
- Senior Debt
- Venture Capital

*Historically, our business has been split about 50/50
between M&A and Capital Raising*

Securities offered through Fallbrook Capital Securities Corp., Member FINRA/SIPC

RESTAURANT INDUSTRY EXPERTISE

Six Holdings, LLC

has acquired the assets of



FRESH ASIAN
FLAVORS

from



CARLSON

with financing provided by



Calabasas Capital served as financial advisor to Stix Holdings, LLC an affiliate of Mandarin Express, Leeann Chin & Chin's Asia Fresh.

Stripes Restaurants, Inc



buy-side M&A and strategic advisory

Calabasas Capital acted as exclusive financial advisor to Stripes Restaurants.



has been acquired by

A Private Investment Group

A managing director of Calabasas Capital served as exclusive financial advisor to Hamlet Group while at a previous firm.

Mandarin Holdings

has acquired



with financing provided by



A managing director of Calabasas Capital served as financial advisor to Mandarin Holdings while at a previous firm.

Parco Holdings, LP



buy-side M&A and strategic advisory

Calabasas Capital served as exclusive financial advisor to Parco Holdings, LP.



strategic advisory

Calabasas Capital advised Rice Garden on strategic alternatives.

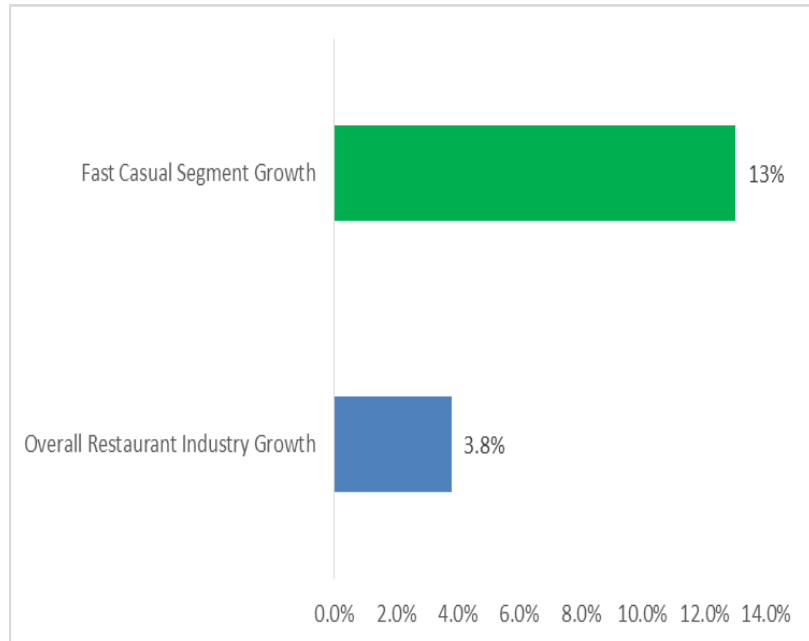
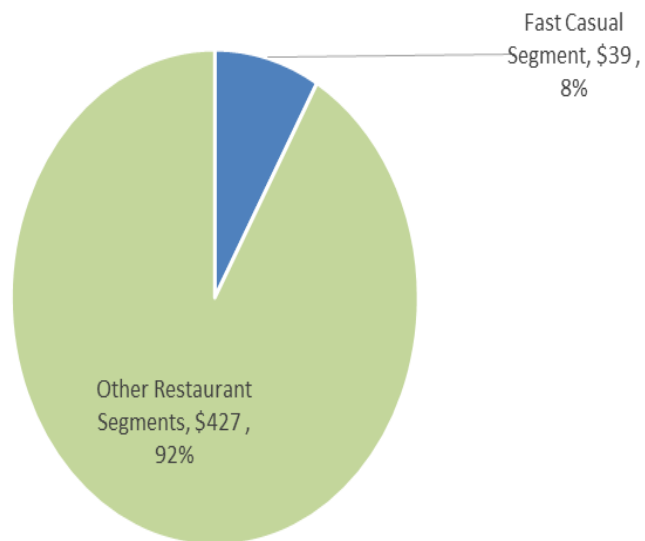


financial advisory

Calabasas Capital advised Slim Chickens on valuation and financing alternatives.

FAST CASUAL RESTAURANT INDUSTRY

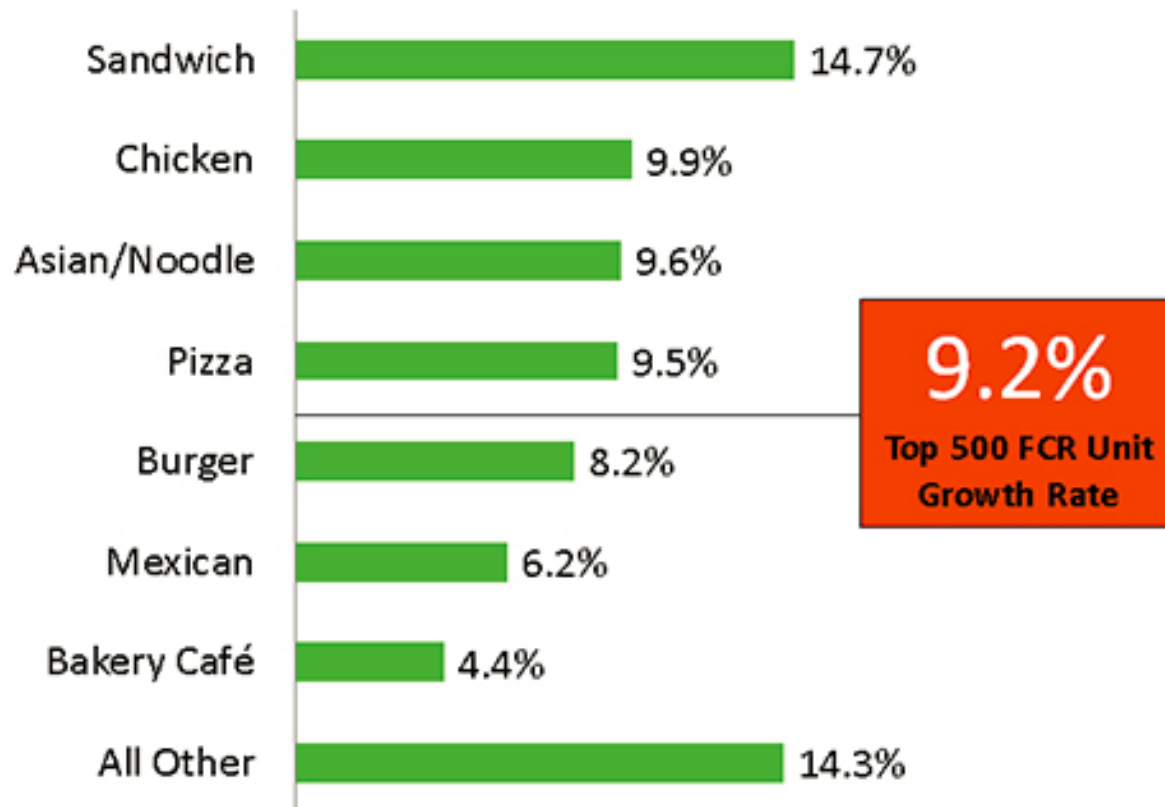
- Of the total **\$466 billion in sales** the restaurant industry recorded in 2014, fast casual's portion was small at about **8%, or \$39 billion**, but the segment **grew at a rate of 13%**, more than **three times the 3.8%** growth rate by the industry overall, according to Technomic's latest industry research.



FAST CASUAL RESTAURANT INDUSTRY

- Fast Casual unit growth was led in 2014 by the sandwich segment with 15% unit growth, followed by Chicken, Asian/Noodle and Pizza with 10% each

U.S. Top 500 Chains—2014 FCR Unit Growth



Source: Technomic

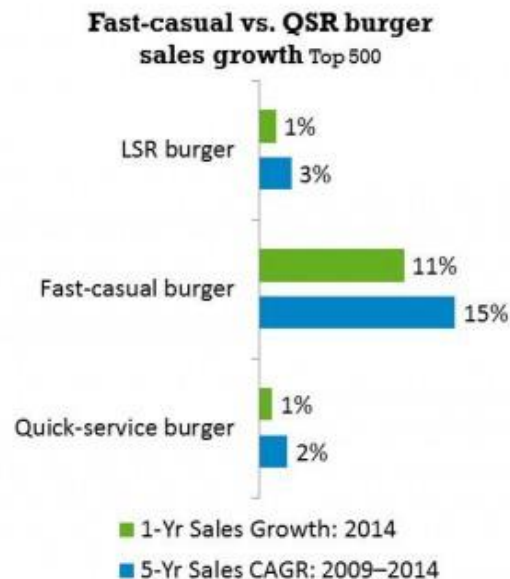
FAST CASUAL OPPORTUNITIES/CHALLENGES*

- **Fast-casual chains must defend their points of differentiation.** Seeing the success in fast casual, full-service restaurants are experimenting with spinoffs and alternate formats, while quick-service chains are upgrading menu items and adding customizable options to compete.
- **New menu niches and foreign chains will grow.** Consumers understand the basics of fast casual’s “made-for-you” format and will be searching for novel tastes in Mediterranean and salad brands and concepts from abroad such as Nando’s and Caffébene.
- **Investments in technology and unit upgrades will begin to pay off.** Fast-casual restaurants have been ahead of the curve when it comes to technology upgrades—from mobile ordering and payment apps to experiments with in-store kiosk ordering. Technology-enabled delivery may be the new frontier.

*Source: Technomic

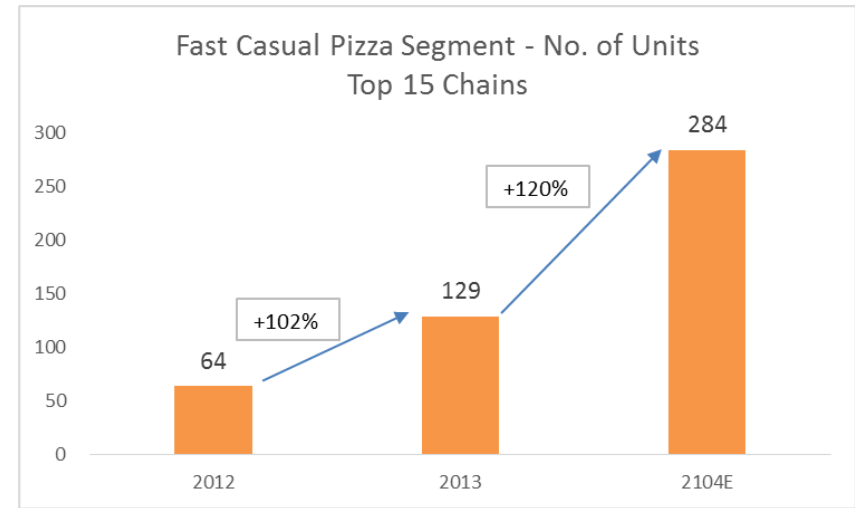
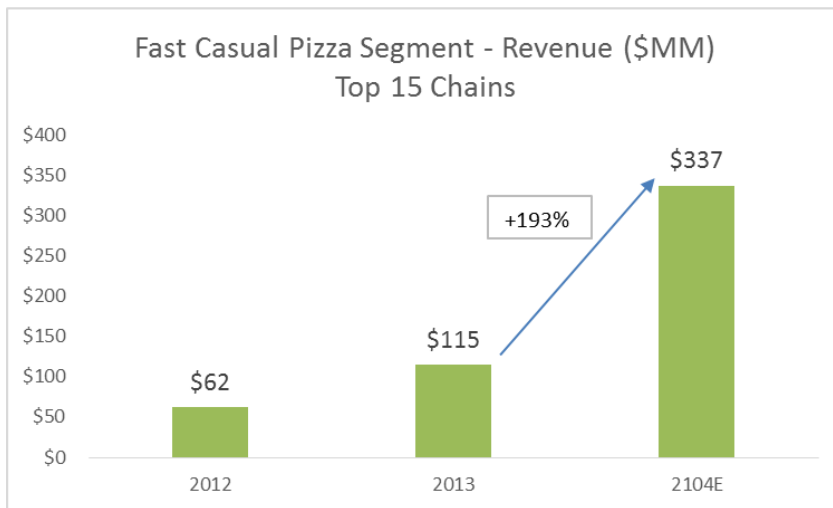
FAST CASUAL BURGER SEGMENT

- In the burger category, fast-casual brands have experienced very strong growth as compared to quick-service chains.
 - Fast-casual burger chains collectively generated 2014 system sales growth of 11% over 2013, as opposed to just a 1% increase for quick-service chains.



FAST CASUAL PIZZA GROWTH

The custom-built pizza cluster will outpace fast-casual and overall industry percentage growth as a small base of chains emerges regionally and expand nationally (Source: Technomic)



FAST CASUAL PIZZA SEGMENT-TOP 15 CHAINS

Concept	2014 Estimated	
	# of Stores	Revenue (\$ in millions)
800 Degress	7	\$10
Blaze Pizza	42	\$47
Custom Fuel	5	\$5
Fired Pie	9	\$9
Live Basil	6	\$10
MOD Pizza	27	\$30
Pie Five Pizza Co.	29	\$35
Pieology	38	\$48
Pitfire Artisan Pizza	8	\$13
PizzaRev	23	\$24
Pizza Studio	21	\$19
Pizzeria Locale (Chipotle)	2	\$3
Project Pie	15	\$18
Spin Neopolitan Pizza	11	\$14
Uncle Maddio's Pizza Joint	29	\$33
Your Pie	21	\$28
*Source: Technomic.		

FAST CASUAL INITIAL PUBLIC OFFERINGS

2013	2014	2015
Potbelly	Zoe's Kitchen	Wingstop
Noodles & Co.	El Pollo Loco	Shake Shack
	The Habit Burger	Bojangles
	Papa Murphy's Pizza	

Source: Nation's Restaurant News.

RECENT PRIVATE INVESTMENTS IN FAST CASUAL

	Date	Concept	No. of Stores	Investor(s)	Inv. Amount \$ in millions
2015	October	Mendocino Farms	12	Whole Foods	not disclosed
	July	Fitlife Foods	14	KarpReilly LLC	not disclosed
	July	Taylor Gourmet	9	KarpReilly LLC	not disclosed
	July	My Fit Foods	50	Marlin Equity/TSG Consumer	not disclosed
	July (est)	Fresh Brothers Pizza	14	Peter Nolan	not disclosed
	July	Tender Greens	22	Alliance Consumer Growth & Union Square Hospitality Group	not disclosed
	July	Sweetgreen	31	T. Rowe Price & Revolution Growth	\$35
	July	PDQ Restaurants	25	Alliance Consumer Growth	not disclosed
	June	Honeygrow	4	Miller Inv. Mgt & Brook Lenfest	\$25
	June	Naf Naf Grill	13	Roark Capital Group	not disclosed
	June	Uncle Maddio's Pizza Joint	35	S&S Group LLC	not disclosed
	June	Tava Indian Kitchen	3	CircleUp Growth, Kensington Capital, Agilic Capital, HiGrowth Advisors	\$4.5
	May	Eureka! Burger	14	KarpReilly LLC	not disclosed
	April	Cava Mezze Grill	11	SWaN & Legend Venture Partners	\$16
	March	MOD Pizza	32	PWP Growth Equity	\$40
	March	&pizza	9	Private investor	\$10
	January	Dig Inn	10	Wexford Capital	\$15
	January	Asian Box	5	Horowitz Group	not disclosed
2014	November	Sweetgreen	27	Revolution Growth, Danny Meyer	\$18.5
	October	Lemonade	14	KKR	not disclosed
	September	&pizza		Private investor	\$2
	August	PDQ Restaurants	25	Alliance Consumer Growth	not disclosed
	August	Rusty Taco	9	Buffalo Wild Wings	not disclosed
	August	Punch Bowl Social	4	Coulton Creek Capital	\$1.75
	April	Native Foods Café	16	Laurel Crown Partners, Huntington Capital	\$15
	February	Pizza Studio	3	Mongram Capital Partners	\$4
	February	Patxi's Pizza	12	KarpReilly LLC	not disclosed
	January	Project Pie	10	Lee Equity Partners	\$22
	NA	Honeygrow	4	Miller Inv. Mgt & Brook Lenfest	\$5
	NA	Hopdaddy Burger	7	Catterton Partners	not disclosed

CONTACT INFORMATION

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