



Innovation Capital
Investment Bankers

Restaurant & Retail Newsweekly
 For the week ended June 3rd, 2018

This publication is a compilation of weekly restaurant and retail-related news provided by Innovation Capital, a leading boutique investment bank dedicated to representing mid-market clients in the gaming, leisure, restaurant and retail industries.

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Newsweekly Archive

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Restaurant & Retail Industry Public Company & High Yield Data:

[Public Company Trading Comparables](#)
[High Yield Bond Trading Levels](#)

Restaurant & Retail Executives and Investors Group



Looking to connect with other Restaurant & Retail executives to share ideas and best practices? Seeking ways to increase your brand visibility or grow your business? This is the place to bridge those contacts! An exclusive group for executives in the Restaurant & Retail industries and institutional investor groups to network and discuss trends & ideas.

To join, click [here](#) or the image above.

Featured Article:

Retail Workers' Gains Drive Long-Awaited Pickup in U.S. Wages

June 1, 2018

UNITED STATES- (Matthew Boesler, Bloomberg) - A long-awaited pickup in wage growth to accompany the robust U.S. labor market appears to be finally taking shape. Average hourly earnings for production and nonsupervisory employees -- a group which comprises 82 percent of the private-sector workforce -- rose 2.8 percent in the year through May, the biggest advance of the expansion that began in mid-2009, according to Labor Department data published Friday. The numbers look even stronger, and more like what you would expect based on employment trends, if you look past three sectors that have been gumming up the so-called Phillips curve relationship between unemployment and wage growth during this economic expansion.

[Click here to read the full article in Bloomberg](#)

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Higher Expectations From Investors Hit Abercrombie Shares

June 3, 2018

UNITED STATES- (Allison Prang, Wall Street Journal) - Abercrombie & Fitch Co. reported better-than-expected sales in the latest quarter, but the performance wasn't received well by investors as specialty retailers struggle to quell industry skeptics' concerns. The company's shares lost 8.7% after it said stores open at least one year rose 5%, and as growth at Hollister continued to outpace Abercrombie stores.

[Click here to read the full article in Wall Street Journal](#)

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A New Slice of Retail: Buy a Bed, Get Pizza for a Year

June 2, 2018

UNITED STATES- (Warren Shoulberg, Forbes) - In one of the more bizarre mash-ups in retail history, Northeastern-based furniture chain Raymour & Flanigan has teamed up with the Papa John pizza organization for a promotion that is on one hand inspired and on the other, just outright weird. The furniture retailer will give away a year's worth of pizza - a pie a month for those keeping score - to anyone who purchases one of its mattresses over the next two weeks. The hook on this deal is that it's directed at Casper and all the other bed-in-a-box sellers who are disrupting the traditional mattress retail business. Neither Casper nor any of its competitors is mentioned by name but clearly these upstarts are having an impact on conventional furniture and mattresses retailers.

[Click here to read the full article in Forbes](#)

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Alibaba Goes Back To Brick-And-Mortar For 'New Retail' Strategy

June 1, 2018

CHINA- (Brian Deagon, Investor's Business Daily) - Several years ago China e-commerce giant Alibaba (BABA) set out on a path to change the face of retailing. Billions of dollars and several acquisitions later, you could say it's well on its way to accomplishing its mission. It started in 2014, when the Amazon (AMZN) of China paid \$692 million for a stake in department store chain and mall operator Intime Retail Group, in a move to digitize brick-and-mortar department stores. A year later Alibaba paid \$4.6 billion for a 20% stake in Sunning, an electronics retailer with 1,600 outlets. The company then forked over \$2.9 billion for a 36% stake in Hong Kong-based Sun Art Retail. It's the largest operator of supermarkets in China, with about 446 stores in 224 cities.

[Click here to read the full article in Investor's Business Daily](#)

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New Orleans Loses A Restaurant Queen As Ella Brennan Of Commander's Palace Dies At 92

June 1, 2018

NEW ORLEANS, LA- (Micheline Maynard, Forbes) - The jazz band at Commander's Palace is playing a little softer this afternoon. Ella Brennan, matriarch of one of the country's most famous restaurant families, died Thursday at age 92. Brennan, known as Miss Ella, was considered the center of a family noted for its success and its divisions, for fine food and disputes. In the end, she is likely to be remembered for the astounding success of Commander's, the turquoise blue and white restaurant on Washington Avenue that defines fine dining in New Orleans, and sets a standard for others across the country to meet.

[Click here to read the full article in Forbes](#)

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New Retail Surges in China, May Be Roadmap for US Retailers

June 1, 2018

CHINA- (Adam Najberg, Alizila) - New Retail, which uses technology to combine the best of online and offline shopping experiences, shows promise and is already driving higher sales productivity than pure offline retail, said Mary Meeker Thursday. The Kleiner Perkins Caulfield & Byers partner told an audience at the CODE conference that there's a long-term deceleration of sales growth in U.S.

physical retail, at the same time we're seeing a rise in mobile shopping, product and price discovery being driven by social media, gameification and video.

[Click here to read the full article in Alizila](#)

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Danny Meyer Is Reportedly Eyeing a Huge Restaurant Space Near Hudson Yards

May 31, 2018

NEW YORK- (Lauren Elkies Schram, Commercial Observer) - Danny Meyer of Union Square Hospitality Group is close to signing a 20,000-square-foot deal for a restaurant at Manhattan West, Commercial Observer has learned. The lease would include an outdoor space. One source said the lease would be "long term," meaning over 15 years, and there was no asking rent. Meyer hasn't yet determined the restaurant type, the source noted. A spokesman for Brookfield Property Partners, the developer of the six-building Manhattan West project, declined to comment, as did a Union Square Hospitality Group spokeswoman, who emailed: "We don't have anything to report on our end regarding the deal you mentioned."

[Click here to read the full article in Commercial Observer](#)

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Sears names dozens of the 72 stores it plans to close in the near future

May 31, 2018

UNITED STATES- (Lauren Thomas and Christina Cheddar Berk, CNBC) - Sears Holdings said Thursday it will be closing more than 70 additional stores in 2018 as its sales continue to erode, dropping more than 30 percent in the latest quarter from a year ago. The retailer has identified 100 unprofitable stores in total, and it will begin closing sales at 72 of these stores "in the near future." "We continue to evaluate our network of stores, which are a critical component in our transformation, and will make further adjustments as needed and as warranted," Sears said in a statement announcing its fiscal first-quarter results.

[Click here to read the full article in CNBC](#)

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Apple Is Set to Unveil AR Upgrade, Software to Manage iPhone Use

May 31, 2018

UNITED STATES- (Mark Gurman, Bloomberg) - In recent months, Apple Inc. has been criticized for the addictive nature of its devices. Next week, the company plans to unveil software to help cure people of their iPhone habit. On Monday, Apple will hold its annual Worldwide Developers Conference in San Jose, where it will lay out its software strategy for the next year and tease future hardware ambitions. Typically when the company upgrades the operating systems that power the iPhone and iPad, Mac, Apple Watch, and Apple TV, it touts enhancements that tie people ever closer to their devices and keep them engrossed in the latest apps and games. This year, Apple will highlight the opposite: using gadgets less.

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Honda Leverages Retail Technology For Customized User

Experience As Buyers Get More Demanding

May 31, 2018

UNITED STATES- (Dale Buss, Forbes) - Honda is in the midst of the well-publicized struggle by Japanese brands to keep Americans interested in the iconic sedans in which they've invested so much equity over the decades -- including the Honda Accord full-size model. But in addition to a new version of Accord that many rate as the best ever, Honda is bringing new weapons to its marketing, including a technology platform that enhances the Honda ownership experience.

[Click here to read the full article in Forbes](#)

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One Kind of Store Is Beating the Retail Apocalypse

May 30, 2018

UNITED STATES- (Sarah Ponczek, Bloomberg) - For years, experts have predicted a so-called retail apocalypse as well known chains like Sports Authority Inc. and Payless Shoesource Inc. went bankrupt. The most recent high-profile victim was Toys "R" Us Inc., which liquidated in the middle of March after a failed rescue attempt. But a funny thing happened on the way to Armageddon. In the wake of the toy giant's collapse, a corner of the industry known as specialty retailing, where stores focus on smaller, niche categories, has been on a roll. And for investors looking to capitalize, that's meant a shift from large capitalization stocks to mid caps, where many specialty retailers reside.

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Walmart offers some of its workers a new perk: Subsidized college

May 30, 2018

UNITED STATES- (CBS News) - Walmart is offering its 1.4 million employees in the U.S. a new perk: affordable access to a college degree. America's largest private employer, which in the past has helped its workers get their high school degrees or GEDs, hopes the new benefit will help it recruit and retain higher quality entry-level employees in a tight U.S. labor market. The retailer is teaming up with Denver-based startup Guild Education to offer employees the chance to obtain a bachelor's degree in business or supply-chain management. It will offer a choice of three non-profit universities with online programs: the University of Florida, Brandman University and Bellevue University. All three have had success working with adult learners.

[Click here to read the full article in CBS News](#)

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