



Innovation Capital

Investment Bankers

Restaurant & Retail Newsweekly
August 26, 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

You can now access Innovation Capital's Newsletter archive on the firm's website [here](#). This feature is password protected--this month's password is: **dice** (case sensitive).

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.

Innovation Inquiry

Each week, we will be conducting an anonymous poll from our database of Restaurant/Retail and Newsweekly readers to highlight topical industry news that matters most to you. Results are in from last week's inquiry, to which you voted:

As Papa John's enters its fall season where it promotes heavily on football, etc. Do you see the brand recovering from its PR crisis?

62%	38%
Yes	No

Featured Article:

Serta Simmons to merge with Tuft & Needle

August 21, 2018

UNITED STATES- (Lauren Hirsch, CNBC) - Serta Simmons Bedding will merge with direct-to-consumer mattress company Tuft & Needle, executives told CNBC on Tuesday. The deal will be one of the first to combine a legacy mattress company with the upstart online brands that have infiltrated the industry over the past few years. Serta Simmons will seek to take advantage of combining Tuft & Needle's e-commerce infrastructure and capabilities with Serta Simmons' retail reach.

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

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High-Profile British Restaurant Group Makes Its Way to New York

August 26, 2018

UNITED STATES- (Charles Passy, The Wall Street Journal) - Since it launched in 2006, D&D London has emerged as one of the most prominent dining companies in its namesake city, with more than 30 restaurants. It has also branched out to other locations in England and to Paris and Tokyo. Now may come its toughest act: making a name for itself in New York City.

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

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Why Yum China May Be the Next Major Restaurant Buyout

August 26, 2018

UNITED STATES - (NASDAQ, Inc) - The latest reports indicate that a group of major investors are preparing to make an offer to Yum China (NYSE: YUMC) , taking the company private once again after just a short stint as a public company. The sole licensee of KFC, Pizza Hut, and Taco Bell in the world's most populous country has done well since splitting from its former parent Yum! Brands back in 2016.

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

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Atlantic Acquisition merges with foodservice provider HF Group Holding

August 24, 2018

UNITED STATES- (Verdict Food Service) - US-based Atlantic Acquisition, now known as HF Foods Group, has completed its merger with HF Group Holding, a foodservice distributor for Chinese restaurants. HF Foods stockholders approved both the merger and a name change to the company on 10 August. The former shareholders of HF Group Holding will receive 88.5% of the outstanding common stock of the merged entity at a value of \$10 each, valued at \$199.7m.

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

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Leveraged Retail ETF Turns Window Shopping into Spending Spree

August 24, 2018

UNITED STATES - (Ben Hernandez, ETF Trends) - The retail sector has been spurred by a tailwind of positive economic data from the Commerce Department with retail sales increasing by 0.5% in July-more than anticipated, which signals that the economy is full steam ahead in the third quarter thus far. Retail ETFs are poised to gain, but with three times the leverage, Direxion Daily Retail Bull 3X ETF (NYSEArca: RETL) could turn a downtown window shopping stroll into a full-on spending spree for retail investors.

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

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Retail renaissance: These stores thrive in 'new' retail environment

August 24, 2018

UNITED STATES- (Leia Klingel, FOX Business) - Calls of the "Amazon effect" killing the U.S. retail sector appear to be overdone, if you look at some of the results reported in the latest earnings season. The changing retail environment is a result of consumers preferring to shop online rather than in traditional brick-and-mortar stores. In order to adapt, stores have been increasing their online shopping options while changing their stores to encourage more foot traffic.

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

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Chipotle is launching a 7-month program with a boot camp to help food entrepreneurs grow

August 23, 2018

UNITED STATES- (Zlati Meyer, USA TODAY) - Chipotle Mexican Grill is launching a business incubator to help food entrepreneurs grow their companies. Participants in the seven-month program will participate a boot camp and be mentored by industry leaders, including restaurateur and urban-farming entrepreneur Kimbal Musk and Bravo's Top Chef All-Stars winner Richard Blais.

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

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Why TJ Maxx is focusing its growth plans on physical stores

August 22, 2018

UNITED STATES- (Suman Bhattacharyya, Digiday) - TJ Maxx is setting itself apart from competitors by emphasizing physical stores over online marketplaces. The company attributes recent sales growth to the draw of in-store bargain shopping, something difficult to replicate online. "We have great confidence in the enduring appeal of our treasure-hunt shopping experience," said CEO Ernie

Herrman, in a call with investors on Aug. 21.

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

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McDonald's to spend \$2 million on helping young workers in Chicago

August 22, 2018

UNITED STATES- (David Pan, USA TODAY) - McDonald's announced a new plan Wednesday to improve employment opportunities for young workers in its hometown of Chicago. The fast-food giant is starting a trial of its Youth Opportunity initiative in Chicago with a \$2 million initial endowment. If the approach is successful, the company said it will roll out similar plans in other cities in the U.S. starting from 2019. McDonald's said its long-term effort is to improve employment prospects for two million young people by 2025.

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

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Best Buy Acquires GreatCall to Expand Work in Senior Healthcare

August 22, 2018

UNITED STATES- (Seth Horowitz, Sanvada) - Although Best Buy is primarily known for selling technology, the retailer is looking to expand in other areas. Specifically, their focus is the senior healthcare industry and while their interest in this area is no surprise, their recent action should have the nay-sayers believing Best Buy means business. The company has announced their acquisition of GreatCall as the continue to expand their work in senior healthcare.

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

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Cava's purchase of Zoës Kitchen could make it bigger than Shake Shack

August 21, 2018

UNITED STATES- (Tim Carman, The Washington Post) - Cava's announcement last week of a \$300 million deal to purchase the publicly traded Zoës Kitchen signaled a major realignment in the fast-casual universe: The merger, if approved by shareholders and regulators, would create the largest Mediterranean-style restaurant chain in the country, with 327 locations in 24 states.

[Click here to read the full article in The Washington Post](#)

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