



# **Innovation Capital**

*Investment Bankers*

**Restaurant & Retail Newsweekly**  
For the week ended April 22nd, 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.*

## **Innovation Capital Contacts**

**Matt Sodl**  
Founding Partner, President &  
Managing Director  
(310) 335-9191  
[msodl@innovation-capital.com](mailto:msodl@innovation-capital.com)

**Tadashi Wakabayashi**  
Managing Director - Japan Gaming Consultant  
+81-80-5424-6804  
[twakabayashi@innovation-capital.com](mailto:twakabayashi@innovation-capital.com)

**Alex Wang**  
Vice President  
(310) 335-9909  
[awang@innovation-capital.com](mailto:awang@innovation-capital.com)

**Mike Martin**  
Financial Analyst  
(310) 335-9339  
[mmartin@innovation-capital.com](mailto:mmartin@innovation-capital.com)

**Brian O'Hagan**  
Strategic Advisory Partner  
Restaurant Sector

**Kevin Scheible**  
Partner &  
Managing Director  
(310) 335-9907  
[kscheible@innovation-capital.com](mailto:kscheible@innovation-capital.com)

**Ben Martinez**  
Director - Native American  
(214) 336-3819  
[bmartinez@innovation-capital.com](mailto:bmartinez@innovation-capital.com)

**Kevin Edler**  
Financial Analyst  
(310) 335-9292  
[kedler@innovation-capital.com](mailto:kedler@innovation-capital.com)

**Shannon Sharp**  
Office Manager  
(310) 335-9333  
[ssharp@innovation-capital.com](mailto:ssharp@innovation-capital.com)

**Andrew Margolick**  
Strategic Advisory Partner  
Restaurant & Retail

For securities-related inquiries, please contact an Innovation Capital banker.

## **NEW FEATURE...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: **invest** (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.

## Featured Article:

### Amazon's 100 million Prime members will help it become the No. 1 apparel retailer in the US

April 19, 2018

UNITED STATES- (Lauren Thomas, CNBC) - Clothing retailers, beware. Amazon is expected to make a big leap in the apparel market this year. According to Morgan Stanley, the e-commerce giant will become the top player of the U.S. apparel industry in 2018, having gained 1.5 percent of market share last year. The gains will largely be driven by millennials moving dollars away from bricks and mortar, the firm said in a new report. Amazon has found the most success in selling casual items for everyday wear, while brands like Nike and Calvin Klein are helping bolster the platform with their popular merchandise.

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

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### CDC expands E. coli warning to all romaine lettuce

April 21, 2018

UNITED STATES- (Santee LaMotte, CNN) - The US Centers for Disease Control and Prevention has expanded its warning about an E. coli outbreak connected to romaine lettuce to cover all forms of romaine, including whole heads and hearts of romaine grown in the Yuma, Arizona, growing area. A previous warning was limited to chopped forms of romaine, including salads and salad mixes. The CDC based the new warning on eight new cases of acute gastroenteritis at a correctional facility in

Nome, Alaska, that appear to be connected to the current outbreak affecting 53 people in 16 states. Thirty-one of those have been hospitalized, the CDC said, and although no one has died, five people have developed a type of kidney failure called hemolytic uremic syndrome.

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

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## **Chipotle names Marissa Andrada chief human resources officer**

April 20, 2018

UNITED STATES- (Nancy Luna, Nation's Restaurant News) - The executive hiring spree at Chipotle Mexican Grill Inc. continues. Brian Niccol, the newly tapped CEO of Chipotle Mexican Grill, appears to be shoring up his management team with the creation of a new human resources role. The Denver-based company has hired Marissa Andrada, a former Kate Spade and Starbucks executive, as its chief human resources officer. The job is a newly created position, Chipotle spokesman Chris Arnold said. Andrada starts on April 23 and will report directly to Niccol. The former Taco Bell CEO took over as Chipotle's CEO in early March.

[Click here to read the full article in Nation's Restaurant News](#)

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## **Weed Dispensary Comes to NYC's Fifth Avenue, Just in Time for 4/20**

April 20, 2018

NEW YORK- (Justina Vasquez and Jennifer Kaplan, Bloomberg) - Weed-legal weed, that is-has come to midtown Manhattan. Cannabis retailer MedMen opened its first dispensary in the city Friday as part of a bold bet on growth in the state. MedMen, based in Los Angeles, paid \$26 million last year to acquire a firm that held one of two licenses for a dispensary in Manhattan-a hefty sum in a state that doesn't currently allow anything but medical marijuana use. What MedMen saw, though, was the opportunity to jump into the market and establish its brand before rivals do. Then, if New York goes the way of neighbors Massachusetts and Vermont, the company figures it'll be ready to tap into the boom. "Maybe it's not going to be huge business today," said Daniel Yi, a MedMen spokesman, "but we're making a statement that this belongs here." The dispensary is on Fifth Avenue, just a few blocks from Bryant Park and the New York Public Library. Across the street is Lord & Taylor's flagship store-a building that will soon be home to WeWork's next global headquarters.

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

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## **Amazon Is Defined by Billions and Millions; Median Salary Is \$28,446**

April 19, 2018

UNITED STATES- (Shira Ovide, Bloomberg) - The big numerical reveal on Wednesday was Amazon.com Inc. finally spilling the beans on the number of Prime members (more than 100 million). It also disclosed another number that shows how much it relies on an army of people moving physical

merchandise around the world: \$28,446. That's the median annual compensation of Amazon employees. Amazon reported this number for the first time under a new requirement that companies disclose the gap between pay for the rank-and-file and the person in the corner office.

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

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## **Nike's vice president of Express Lane Footwear leaves company**

April 18, 2018

UNITED STATES- (Reuters Staff, Reuters) - Nike Inc's (NKE.N) vice president of Express Lane Footwear, Greg Thompson, has left the company, a company spokesman said on Wednesday, the latest in a string of executive departures at the sportswear maker. Nike's vice president of diversity and inclusion, Antoine Andrews, left last week. Trevor Edwards, president of Nike's namesake brand, resigned last month, followed by the exit of another vice president Jayme Martin. Nike, at the time of Edwards' exit, said there had been "conduct inconsistent with Nike's core values and against our code of conduct," but added that there was no direct allegations of misconduct against Edwards. Edwards is continuing as an adviser to Nike CEO until he retires in August.

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

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## **Oil major Total pays \$1.7 billion for French electricity retailer**

April 18, 2018

PARIS- (Geert De Clercq and Bate Felix, Reuters) - Oil company Total (TOTF.PA) said it will buy a majority stake in French electricity retailer Direct Energie (DIREN.PA) in a 1.4 billion euro (\$1.73 billion) deal that beefs up its challenge to state-owned market leader EDF (EDF.PA). The deal is part of Total's strategy to grow its low-carbon energy assets to 20 percent of total assets by 2035 from 5 percent today and comes as other global oil and gas majors also shift to more renewable energy and electricity.

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

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## **Hammerson pulls out of massive retail merger**

April 18, 2018

UNITED KINGDOM- (Kayley Worsley, The Business Deck) - Shopping centre owner Hammerson has today announced it is to withdraw its offer to acquire rival Intu, which would have created a £21bn company. Hammerson, which has a portfolio of 37 shopping centres and retail parks including the Highcross centre in Leicester, first announced its intention to acquire Intu on December 6. Intu owns the Broadmarsh and Victoria shopping centres in the East Midlands, as well as the large mall in Derby city centre. The Broadmarsh is the subject of a long-awaited £100m-plus redevelopment. However, Hammerson said this morning that it had now concluded that the proposed Intu acquisition was no longer in the best interests of shareholders and that it was

withdrawing its recommendation to Hammerson shareholders to vote in favour of the Intu acquisition.

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

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## **Equicapita acquires restaurant chain Smitty's Canada**

April 18, 2018

CALGARY- (Kirk Falconer, The PE Hub Network) - An affiliate of Canadian private equity firm Equicapita has acquired Smitty's Canada, a Calgary-based family restaurant chain. No financial terms were released for the deal, which closed earlier this month. Founded in 1960 by Walter Chan, Smitty's has 85 franchise and corporate locations across Canada. Recently led by President Chris Chan, the company will in the future be managed by Steven Fee as president and Eric Metzler as CFO. Equicapita is focused on acquiring private Canadian businesses with enterprise values of \$5 million to \$50 million-plus. Smitty's is the Calgary firm's seventh portfolio investment.

[Click here to read the full press release](#)

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## **Mama Fu's acquires Austin's Pizza to enhance both brands' efficiencies**

April 17, 2018

AUSTIN- (Fast Casual) - Pizza or Chinese is no longer the question in Austin, Texas, where two brands are joining forces to offer customers some of both. According to the Austin-American Statesman, the 24-location Mama Fu's Asian House will acquire the 14-unit Austin's Pizza in a deal to be closed Wednesday. Austin's Pizza owner J.D. Torian told the Texas newspaper that the unlikely combination makes sense because Asian food and pizza are often top delivery choices. By combining forces, the two can achieve greater economies of scale including combining delivery forces and other efficiencies since he said the brands will probably co-locate in the future.

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

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## **Starbucks to close 8,000 stores for racial-bias education on May 29 after arrest of two black men**

April 17, 2018

PHILADELPHIA - (Rachel Siegel and Alex Horton, The Washington Post) - Starbucks will close more than 8,000 U.S. stores for an afternoon next month to train employees as the company responds to criticism after two black men were arrested while waiting at one of the coffee chain's Philadelphia stores last week. The "racial-bias education" training is scheduled for May 29 for nearly 175,000 employees, the company said in a statement Tuesday. The announcement follows days of protest and a personal apology by Starbucks chief executive Kevin Johnson to the men in a private meeting Monday, a company spokeswoman confirmed to The Washington Post. The spokeswoman, Jamie Riley, did not provide additional details.

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

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## CVS Rallies After Amazon Report

April 16, 2018

UNITED STATES- (Robert Langreth and Spencer Soper, Bloomberg) - CVS Health Corp., along with rival drugstores and drug distributors, rallied after a report that Amazon.com Inc. had shelved plans to sell drugs to hospitals and other businesses. The report on Monday by CNBC said little about whether Amazon would ultimately enter the broader retail prescription-drug market, but the idea that the online giant might not take on one segment of the supply chain was enough to send shares of pharmacies and drug distributors surging. Bloomberg has previously reported that Amazon's health efforts have been mostly focused on selling basic medical supplies to physician offices and hospitals.

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

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