



Innovation Capital

Investment Bankers

Restaurant & Retail Newsweekly
For the week ended February 4th, 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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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: **grand** (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:

For many local restaurants, Sunday is not so Super

February 2, 2018

UNITED STATES- (Janelle Nanos, Globe Staff) - Food consumption during Super Bowl Sunday is nearly as epic as the game: Last year, Americans ate \$80 million worth of chicken wings, drank \$1.3 billion worth of beer, and dipped \$278 million worth of potato chips into \$39 million worth of dips, according to the Nielsen research firm. But many local restaurateurs have learned to accept the fact that the bulk of that binging isn't happening at their tables. So rather than make a risky play and hope for a blitz of football-averse customers to come in on Sunday night, restaurants across the city are cutting their losses and shutting their doors during the big game.

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

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How Delivery Apps May Put Your Favorite Restaurant Out of Business

February 3, 2018

NEW YORK- (Elizabeth Dunn, The New Yorker) - When Michelle Gauthier opened Mulberry & Vine, in 2013, so-called fine-casual restaurant chains like Sweetgreen and Dig Inn had not yet blanketed New York City in grain bowls and kale-Caesar salads. Gauthier, who lives in Tribeca, wished that there were somewhere other than the salad bar at Whole Foods to rely on for a quick,

healthy meal. She opened Mulberry & Vine's first location in her neighborhood, followed by two additional branches farther uptown. When the restaurant first opened, it didn't offer delivery at all. Now delivery orders account for around thirty per cent of its sales.

[Click here to read the full article in The New Yorker](#)

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Shareholders reject J. Alexander's acquisition plan

February 2, 2018

NASHVILLE- (Geert De Lombaerde, Nashville Post) - Independent investors in J. Alexander's Holdings on Thursday voted down management's plan to pay \$200 million for a Northeast-focused casual dining chain. The plan to buy 99 Restaurants from Cannae Holdings and Fidelity Newport Holdings - which had co-owned J. Alexander's for three years until spinning it out in 2015 - had come under fierce criticism from Mario Cibelli, whose Marathon Equity Partners controls 6.3 percent of the Nashville-based company. Cibelli's push, which had called out the J. Alexander's-99 proposal on both strategic and governance issues, gained late momentum when proxy advisory firms ISS and Glass Lewis advised investors to vote against the plan.

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

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You can pay for your burger with your face at this fast food restaurant, thanks to A.I.

February 2, 2018

CALIFORNIA- (Catherine Clifford, CNBC) - At CaliBurger in Pasadena, California, the future is real: Customers can cash out their order by smiling at a screen. "To our knowledge, this is the first time in America that customers in a retail environment can pay without needing a physical or digital wallet," says John Miller, CEO of Cali Group, the parent company for CaliBurger, in a statement. At the end of 2017, Cali Group piloted the face-based recognition technology for customers to log in to their loyalty accounts and order on large-scale touchpad kiosks at the Pasadena CaliBurger. The more comprehensive technology, allowing face-based recognition for payment, was available to the public for the first time on Tuesday at the same location.

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

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4 Food Trends Playing A Major Role In The Future Of Retail CRE

February 1, 2018

UNITED STATES- (Ian Ritter, Seeking Alpha) - Get this. People spend five hours per week looking at food posts on social media, on average. Meanwhile, they only cook food four hours a week. This, and plenty of other information, is available in recent report published by JLL on the global food industry and how it is reshaping commercial real estate and overall eating trends in general. The study, Global Food Trends 2018, hits home how intrinsic food concepts and trends are to experiential

retail, which is changing the face of this commercial real estate sector.

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

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Exclusive: Giant food hall, music venue coming to downtown Nashville

February 1, 2018

NASHVILLE- (Lizzy Alfs, USA Today Network - Tennessee) - A multi-level, 100,000-square-foot food hall and entertainment venue with the potential to transform downtown Nashville's dining landscape is planned for the Fifth + Broadway development. The yet-to-be-named food hall slated to open in the first half of 2020 will showcase dozens of regional chefs, restaurateurs and entrepreneurs.

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

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Meritage Hospitality buys 43 more Wendy's restaurants

January 31, 2018

GRAND RAPIDS- (Shandra Martinez, MLive Media) -Meritage Hospitality Group Inc., is buying 43 Wendy's restaurants located in Connecticut, Massachusetts and Texas. The out-of-state locations are being purchased through two deals announced this month. The largest is for 38 locations in Connecticut and Massachusetts, and the second is for five Wendy's in the Lubbock, Texas area. The Grand Rapids restaurant chain declined to share details of the acquisitions including purchase price. Meritage plans to remodel the newly acquired restaurants. "The acquisition is consistent with the Company's 5-year growth plan to expand our operating base up to 400 Wendy's and 20 casual dining restaurants", said Robert Schermer, Jr., the Meritage's chief financial officer, in a statement.

[Click here to read the full article at MLive.com](#)

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Here's What Eric Blumenfeld Plans to Do With That \$56 Million for the Met

January 31, 2018

PHILADELPHIA- (Sandy Smith, Philadelphia Magazine) - Eric Blumenfeld can now proceed full steam towards reopening a restored Metropolitan Opera House on North Broad Street at the end of the year thanks to \$56 million in financing arranged through a combination of sources. And with that \$56 million, Blumenfeld plans to do more than just restore the 1908 structure built by Oscar Hammerstein and make it a first-rate concert venue under Live Nation management. "We are fully funded and ready to kick some butt on North Broad Street," he said in a phone conversation. In the conversation, Blumenfeld laid out a vision of a multipurpose dining, function and entertainment venue that would also be accessible to the surrounding community come December 2018.

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

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Restaurant owners mount opposition on proposed meals tax increase; Stoney stresses urgency

January 30, 2018

UNITED STATES- (Mark Robinson, Richmond Times-Dispatch) - Facing a proposed tax increase they say is unfair and too steep, Richmond restaurant owners on Tuesday sounded off on Mayor Levar Stoney's plan to fund new construction of city schools. About three dozen people attended a meeting in Scott's Addition to strategize how to counter Stoney's plan and lobby the Richmond City Council to reject it. "We know that there is a problem with the schools, we know they need to be fixed, and we know restaurants should not be the one bearing the full cost of that burden," said Frank Brunetto of Rueger Restaurant Group, who is president of the Richmond branch of the Virginia Restaurant, Lodging and Travel Association.

[Click here to read the full article in Richmond Times-Dispatch](#)

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McDonald's Is Showing No Signs of Slowing Down

January 30, 2018

UNITED STATES- (Phil Wahba, Fortune) - McDonald's impressive turnaround is continuing apace. The fast-food chain on Tuesday reported another quarter of growing revenue, spurred by same-store sales rising a better-than-expected 4.5% in the United States, its largest market by far, and continuing a momentum that started to build three years ago. McDonald's has been winning market share back through different initiatives in the last few years, from new iterations of its classic burgers to food delivery to a mobile app as well as to discounted drinks and offerings like the McPick 2 deal and the new Buttermilk Crispy Tenders. That has led shares to all-time highs of late. And the chain expects the rollout in the middle of the year of its fresh beef Quarter Pounder to feed that momentum.

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

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Reno-Sparks area retail market expansions on fast track in 2018

January 28, 2018

RENO- (Whip Villarreal, Sierra Sun) - With an improved economy and ongoing development across the region, the Reno-Sparks market continued its yearlong success in the retail sector. As 2017 came to a close, and with current trends, 2018 looks like a promising year for further expansion for retailers in Northern Nevada. Grocery chain Sprouts Farmers Market opened its first store in the area at the South Meadows Promenade in south Reno last September. The company also recently announced plans to expand its footprint in the region with a second location in Sparks, scheduled to open in the second quarter of 2018.

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

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