



Innovation Capital

Investment Bankers

Restaurant & Retail Newsweekly
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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

Tadashi Wakabayashi
Managing Director - Japan Gaming Consultant
+81-80-5424-6804
twakabayashi@innovation-capital.com

Alex Wang
Vice President
(310) 335-9909
awang@innovation-capital.com

Mike Martin
Financial Analyst
(310) 335-9339
mmartin@innovation-capital.com

Brian O'Hagan
Strategic Advisory Partner
Restaurant Sector

Kevin Scheible
Partner &
Managing Director
(310) 335-9907
kscheible@innovation-capital.com

Ben Martinez
Director - Native American
(214) 336-3819
bmartinez@innovation-capital.com

Kevin Edler
Financial Analyst
(310) 335-9292
kedler@innovation-capital.com

Shannon Sharp
Office Manager
(310) 335-9333
ssharp@innovation-capital.com

Andrew Margolick
Strategic Advisory Partner
Restaurant & Retail

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

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:

Sears Becomes the Latest Retail Giant to File for Bankruptcy, Suffering From Massive Debt

October 14, 2018

NEW YORK- (Anne D'Innocenzio, AP) - Sears has filed for Chapter 11 bankruptcy protection, buckling under its massive debt load and staggering losses. Sears once dominated the American retail landscape. But the big question is whether the shrunken version of itself can be viable or will it be forced to go out of business, closing the final chapter for an iconic name that originated more than a century ago. The company, which started out as a mail order catalog in the 1880s, has been on a slow march toward extinction as it lagged far behind its peers and has incurred massive losses over the _____ years.

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

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Restaurant Sales, Traffic Hit Three-Year High

October 13, 2018

UNITED STATES - (Danny Klein, QSR Magazine) - Despite a continued lull in traffic, the restaurant industry put together its best quarter in three years, according to TDn2K's latest Black Box report. Same-store sales grew 1.2 percent in the third quarter-the best since the Q3 2015. The restaurant

industry hadn't experienced a quarter in which all months had positive sales since Q4 2015. Comps in September grew 1.2 percent, which made it four straight months of positive year-over-year gains. "Top-line numbers were good for the latest quarter and months," said Victor Fernandez, vice president of insights and knowledge for TDn2K, in a statement, "but the question is 'how strong is the restaurant industry really?'"

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

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Preventing Customer Illness: First Chipotle, Then McDonald's And Now Pret A Manger

October 11, 2018

UNITED STATES - (Gary Stern, Forbes) - "Good Food, Freshly Prepared" is the dominant slogan on the website of Pret a Manger, a London-based global chain of 530 sandwich and coffee shops with 90 outlets in the U.S. But recently two of its European customers died after eating at its outlets: one customer from consuming a sandwich with a certain allergen and another from ingesting a yogurt that was labeled as dairy-free but wasn't. These incidents followed two-much publicized outbreaks at fast-food and fast-casual restaurant chains: an E.coli outbreak that affected 65 customers who dined at Chipotle in 2015 and a parasite linked to McDonald's salads in August 2018. The latter incident led McDonald's to remove the salads from the menu at 3,000 outlets.

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

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DOJ gives preliminary approval to CVS merger with Aetna, potentially changing how consumers access health care

October 10, 2018

UNITED STATES- (Angelica LaVito and Bertha Coombs, CNBC) - The Department of Justice gave preliminary approval Wednesday for CVS Health's acquisition of insurer Aetna, cementing a deal that could transform how U.S. consumers access health care. The two companies cleared their path to merge when Aetna announced Sept. 27 that it reached an agreement to sell its Medicare Part D drug plan business to WellCare Health Plans for an undisclosed amount. Regulators were concerned about the overlap between CVS' and Aetna's Medicare Part D plans. The Justice Department said that the divestiture was a condition to winning final approval.

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

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Activist Fund Eyes Papa John's Takeover, Restaurant Stocks Gain

October 9, 2018

UNITED STATES- (Ryan McQueeney, Zacks) - U.S. stocks moved slightly higher in early morning trading Tuesday, shortly after the 10-year Treasury yield pulled back from the seven-year high it

touched after bond markets reopened today. One of the morning's strongest groups was retail restaurants, which saw several notable gainers amid technical strength and takeover chatter. Shares of embattled pizza chain Papa John's (PZZA - Free Report) were up as much as 7% in early trading following a Wall Street Journal report that indicated Trian Fund Management is considering a bid for the company. Trian is an activist hedge fund and already has exposure to the quick-serve food business with its 13% stake in Wendy's (WEN).

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

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Carrols Completes Acquisition of 43 Burger King Restaurants in Five States

October 9, 2018

SYRACUSE, N.Y. - (Eric Reinhardt, Business Journal News Network) - Carrols Restaurant Group, Inc. (NASDAQ: TAST) on Monday said that it has recently completed the acquisition of a total of 43 Burger King restaurants in three separate closings since Aug. 21. The company also reported its third-quarter sales rose compared to a year ago. Carrols on Oct. 2 finished its purchase of eight restaurants in South Carolina and two in Georgia, the firm said in a news release. Earlier, on Sept. 5, Carrols completed its acquisition of 30 Burger King restaurants in Virginia and one in West Virginia. On Aug. 21, the company finished its purchase of two Burger King restaurants in Detroit, Michigan.

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

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Grocery Chain Giant To Take The Urban Grocery Trend Even Smaller

October 9, 2018

PHILADELPHIA- (Matthew Rothstein, Bisnow East Coast) - In order to both penetrate deeper into urban markets and integrate further with e-commerce, grocery chain Giant is going small. The chain, a subsidiary of international conglomerate Ahold Delhaize with 171 locations, will open a 9,800 SF location called Giant Heirloom Market in the Graduate Hospital neighborhood within greater Center City, Philadelphia, the Philadelphia Business Journal reports. The tiny footprint is a logical continuation of retailers' drive to get closer to urban shoppers by adapting to the relative lack of space on city streets.

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

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Retail Industry's CEO Turnover Rate Has Hit A Record High

October 8, 2018

UNITED STATES - (Andria Cheng, Forbes) - As retailers scramble to respond to the new demands of fickle consumers and to disruptors like Amazon, the industry is taking a page from those shoppers who show little loyalty and changing CEOs at a faster pace than ever. The retail industry saw its rate

of announced CEO changes among S&P 500 companies rise to nearly 23% last year, from 16%, according to the Conference Board's annual study CEO Succession Practices, developed in partnership with the executive search firm Heidrick & Struggles. That was the highest rate the sector has seen since the Conference Board began the study in 2001 and more than double the industry's historical average rate of 10.5%.

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Starbucks taps Hyatt's Patrick Grismer as new chief financial officer

October 8, 2018

UNITED STATES- (Sarah Whitten, CNBC) - Starbucks tapped Hyatt Hotels Chief Financial Officer Patrick Grismer to replace retiring CFO Scott Maw, effective Nov. 30. "As a seasoned CFO of multiple global, consumer-facing growth companies, Pat brings tremendous finance expertise, a customer-centric mindset and a wealth of restaurant industry experience to Starbucks," Kevin Johnson, Starbucks president and chief executive officer, said in a statement Monday. Grismer has more than 25 years of experience working for companies like Hyatt, Yum Brands and Disney. He began his career as a management consultant with Price Waterhouse. Maw, who's been with the company for seven years, will remain on as a consultant to Starbucks through March 2019.

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

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Trump Tariffs, Amazon \$15 Wage Put Retailers On Hot Seat

October 8, 2018

UNITED STATES- (Jed Graham, Investor's Business Daily) - Bricks-and-mortar retailers are about to run into two buzzsaws: escalating Trump tariffs on Chinese imports and intensifying margin pressures as Amazon (AMZN) adopts a \$15 minimum wage. The combination risks cutting short this year's retail stock revival fueled by a surge in consumer spending. Retailer margins have been squeezed for years as Amazon has steadily encroached on their business, while forcing major technology investments. Now an Amazon \$15 wage is upping the pressure again. Retailers already were facing higher costs for transportation thanks to higher fuel costs and a bidding war for truckers.

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

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Which Chains Have the Most Loyal Customers?

October 8, 2018

UNITED STATES - (Danny Klein, QSR Magazine) - Defining loyalty is no vanilla task for restaurants. Is it a reflection of an active rewards program? Is it repeat guests? Is it simply foot traffic? Or is it something much different? Location technology platform Foursquare, for the second year, decided to tackle the quandary for quick-service brands (full report). The company approached the task by measuring what it labels "true consumer behavior," based on location, which is a much different

approach than common reports. Typically consumers will be polled and the results set by percentages. But how accurate are perception-based rankings?

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

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