



Innovation Capital

Investment Bankers

Restaurant & Retail Newsweekly
For the week ended March 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: **think** (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:

Starbucks Chairman Howard Schultz says Trump tax cuts are 'robbing from the future of young people'

February 27, 2018

UNITED STATES- (Jessica Chasmar, The Washington Times) - Starbucks Executive Chairman Howard Schultz said Tuesday that President Trump's corporate tax cuts will saddle future generations with an insurmountable national debt. "That 21 percent tax cut is going to add over \$1 trillion to an already \$21 trillion debt, and I think we are not paying much attention to that while we are robbing from the future of young people in America, who ultimately are going to have to pay for a \$21 trillion tax deficit," Mr. Schultz told Maria Bartiromo on "Mornings with Maria." "Now I think the question we should be asking ourselves is, 'What kind of country do we want to really live in?' Do we want to live in a country where the U.S. is sitting with \$21 trillion in debt? I don't think so," he said. The Republican tax plan lowered the corporate tax rate from 35 percent to 21 percent as of Jan. 1, and dozens of major companies responded by passing the benefits onto their employees.

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

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Walmart Threatens Restaurant Chains With Prepared Meals

March 4, 2018

UNITED STATES- (Matthew Boyle, Bloomberg) - Walmart Inc. will start offering prepared meals at its stores for the first time, a move that could help the nation's biggest grocer sell more food while siphoning customers from restaurant chains. Ten different meals are now available in 250 stores, and the program will expand to 2,000 locations by year's end, Walmart executives said in an interview. The company also is introducing four \$15 meal-kit options in stores, expanding a business that had previously only been offered online through outside vendors.

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

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Former Starbucks Chief to Help Fuse Albertsons, Rite Aid

March 4, 2018

UNITED STATES- (Heather Haddon, The Wall Street Journal) - Albertsons Cos. and Rite Aid Corp. are bringing on a retail veteran to steer the grocery and pharmacy chains through their complex, roughly \$24 billion merger. Executives of the new company Monday named Jim Donald their president and chief operating officer. The 64-year-old former Starbucks Corp. chief executive was most recently CEO of the Extended Stay America Inc. hotel chain and sits on the board of chocolate supplier Barry Callebaut.

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

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Tahini Breaks Out Of Middle Eastern Cuisine To Become A Growing Food Trend

March 4, 2018

UNITED STATES- (Micheline Maynard, Forbes) - You might have tried tahini in your local Middle Eastern restaurant. You might even have a jar in your fridge from that time you made hummus. But lately, chefs, bakers and even bartenders have been taking tahini mainstream. Tahini, long a staple for salad dressing and sauces, is fast showing up in smoothies and cocktails. It's becoming a popular substitute for peanut butter among people with nut allergies. And it's appearing in baked goods without ties to the Mediterranean. Tahini, a paste made from sesame seeds, is used in cookies and croissants at Zingerman's Bakehouse, in Ann Arbor, Mich., where it takes a place among Jewish rye bread, sourdough rounds and French baguettes.

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

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J.C. Penney slashes roughly 360 jobs, misses investors expectations

March 2, 2018

UNITED STATES- (Charisse Jones, USA Today) - J.C. Penney said Friday that it has eliminated roughly 360 jobs at its headquarters, and at stores throughout the country. The news came as the struggling retailer reported earnings that missed analysts expectations, sending shares plunging in early morning trading. The company said the job cuts were part of its efforts to get a handle on costs, and streamline the company's operations. Roughly 130 positions in the corporate headquarters were

cut, and approximately 230 more were eliminated in regional offices and stores. J.C. Penney says that the cuts will lead to annual savings of roughly \$20 million to \$25 million.

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

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Chipotle closes its only burger restaurant, Tasty Made, in Ohio

March 2, 2018

UNITED STATES- (Zlati Meyer, USA Today) - Chipotle Mexican Grill's first foray into burgers was a flop. The Denver-based chain has closed the restaurant Tasty Made, which it had opened in October 2016 to try to extend its menu reach. The sole location was in Lancaster, Ohio. This past September, Chipotle hired Richard Blais, winner of Bravo television's "Top Chef All-Stars" and a James Beard-nominated cookbook author, to helm the trial restaurant and fine-tune Tasty Made's menu. The restaurant sold burgers made from fresh beef, in-house hand-cut fries, sodas and five-ingredient shakes. Its last day was Wednesday. "While we liked the concept and the delicious food at Tasty Made, the economics were not what we wanted them to be in Lancaster, Ohio, so we have decided to close that restaurant," Chipotle spokesman Chris Arnold said in an e-mail.

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

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Subway Launches New Loyalty Program

March 2, 2018

UNITED STATES- (Tom Kaiser, Franchise Times) - After a few tough years, Subway has announced a new loyalty program that's the latest of several big changes rolled out by the fifth largest U.S.-based franchise. Called Subway MyWay Rewards, the new program is intended to be a customized experience in terms of how its customers join, earn and redeem rewards from the sandwich chain. Subway MyWay Rewards is part of the company's digital team that's working to transform the customer experience through an omnichannel approach, with the integration of the app, remote ordering and, in-restaurant kiosks.

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

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Néκτηr Juice Bar Wins Coveted "Best Buy in Franchising" Award by Authoritative Industry News Source, Franchise Times

March 2, 2018

CALIFORNIA- (RestaurantNews.com) - Underscoring its clear and growing leadership position in the modern juice bar restaurant category, Néκτηr Juice Bar has been named a "Best Buy in Franchising" by Franchise Times, the only independent, unbiased news source in the franchising industry. "Since we launched our national franchising initiative in 2016, we've worked tremendously hard to deliver a best-in-class franchising model," said Steve Schulze, co-founder and CEO, Néκτηr

Juice Bar. "Receiving this 'Best Buy in Franchising' award from Franchise Times validates our franchisee-first approach anchored by our creative and strategic operations, marketing and culinary teams, who are exceptionally passionate about the Nékteer brand. As we grow across the country and internationally, we welcome more franchisees who are also passionate about bringing 'The Nékteer Life' to their communities."

[Click here to read the full article in RestaurantNews.com](#)

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Smith & Wesson Gun Sales Are in Free Fall

March 1, 2018

UNITED STATES- (Thomas Black, Bloomberg) - Age limits and bans on assault-style rifles are in vogue now, but the biggest threat to gun sales may still be President Donald Trump. Consumer demand is falling to "new, lower levels," according to the 166-year-old maker of Smith & Wesson firearms. The company, American Outdoor Brands Corp., is bracing for the downturn by cutting jobs and repaying debt. Rivals, including one plunging into bankruptcy, are contending with the same slowdown.

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

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Kohl's taps grocer Aldi as its first partner to sublet space in downsized stores

March 1, 2018

UNITED STATES- (Lauren Thomas, CNBC) - Kohl's said Thursday it would bring discount grocer Aldi into as many as 10 stores later this year in a pilot test, as the retailer aims to scale down its real estate footprint and leverage space for others. CNBC reported in January that Kohl's would be working with grocers and convenience stores to lease space in its stores. At the time, the company didn't disclose which companies would be moving in. The retailer's right-sizing efforts are expected to impact an additional 200 Kohl's stores this year. On a call with analysts and investors, CEO Kevin Mansell said the moves would allow the company "to achieve further inventory reductions and margin acceleration as a result."

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

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Dick's Sporting Goods will stop selling assault-style rifles

February 28, 2018

UNITED STATES- (Chris Isidore, CNN Money) - Dick's Sporting Goods, the nation's largest sporting goods retailer, will stop selling assault-style weapons like the one used in the Parkland, Florida, high school shooting. The company said it will also raise the minimum age for all gun sales to 21. Dick's (DKS) will not sell high-capacity magazines that allow shooters to fire far more rounds than traditional weapons without reloading, as well as other accessories used with weapons similar to the AR-15. The company expects criticism from gun rights advocates as well a hit to sales, Dick's CEO Edward Stack said on CNN's "New Day."

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

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LeBron James-backed Blaze Pizza chain will expand outside North America

February 27, 2018

UNITED STATES- (Leslie Patton, Bloomberg) - Blaze Pizza, the Pasadena-based upstart chain backed by basketball star LeBron James, is expanding outside North America for the first time after sales surged last year. The chain, founded in 2011, will open its first overseas shop in March in Kuwait through a partnership with M.H. Alshaya Co. Blaze also is looking to expand to Mexico, Asia and Europe, Chief Executive Jim Mizes said in an interview. The company is angling to lead the market for so-called fast-casual pizza, a category known for fresh ingredients and the use of a Chipotle-style assembly line. Blaze Pizza's system sales - a metric that includes money generated by franchisees - jumped 51% last year. The goal is "global domination in the fast-casual pizza space," Mizes said. "There are many more countries we are going to plant our flag in."

[Click here to read the full article in the Los Angeles Times](#)

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