



Innovation Capital

Investment Bankers

Restaurant & Retail Newsweekly
September 30th, 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: **Gamble** (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:

Do you see the CBD segment as a good move for mainstream beverage companies?

| | |
|-----|-----|
| 33% | 67% |
| Yes | No |

Featured Article:

Arby's Parent to Buy Sonic for \$2.3 Billion

September 25, 2018

UNITED STATES - (Julie Jargon, The Wall Street Journal) - Arby's owner Inspire Brands Inc. said it is buying burger chain Sonic Corp. for \$2.3 billion including debt, part of its strategy to guard against restaurant-business fads and downturns by covering the dining spectrum from takeout to sit-down. Inspire was created in February from the merger of Arby's Restaurant Group and Buffalo Wild Wings. The private company also owns a small chain called Rusty Taco.

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

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Retailers looking to stock up on temp employees for holiday season

September 30, 2018

UNITED STATES - (Karen Caffarini, Post-Tribune) - Marcus Aldridge is looking to hire around eight fashion-conscious individuals at The Buckle store in Southlake Mall this holiday season, starting in October. "We will hire at least two full-timers and 3 to 6 part-timers. We're looking to hire fashionable people," Aldridge, a store manager, said. The Buckle is just one of many companies announcing plans to employ temporary workers as they prepare for what they hope will be a big shopping season in light of the economic upturn, getting the holiday hiring season off to a strong, and early, start.

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

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Amazon and Nike are charting a course for the store of the future

September 29, 2018

UNITED STATES- (Dennis Green, Business Insider) - Retail is changing faster than ever. Though there has been a lot of talk about how online shopping is changing the retail landscape, forcing traditional shopping centers like malls to close, it's only now that the future of the industry is truly coming into focus. And yes, it's digital, just as we were promised. Amazon and, more recently, Nike, have debuted store concepts that put their digital smarts front-and-center as they offer new experiences to customers.

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

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Restaurant chain Bojangles is considering sale

September 28, 2018

UNITED STATES- (Harry Brumpton and Greg Roumeliotis, Reuters) - Fried chicken and biscuit fast food chain Bojangles Inc is exploring strategic alternatives, including a potential sale, people familiar with the matter said on Friday, making it the latest U.S. restaurant operator to do so. Dealmaking in the sector is heating up as increasing competition and costs fuel consolidation. Just this week, Inspire

Brands Inc, owner of the Arby's, Buffalo Wild Wings and Rusty Taco chains, said it would buy Sonic Corp for \$1.57 billion in cash, while sources told Reuters Papa John's International Inc, the world's third-largest pizza delivery company, has put itself up for sale.

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

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Walgreens to pay multi-million dollar fine

September 28, 2018

UNITED STATES- (Louisa Hallett, Retail Leader) - Walgreens Boot Alliance pays multi-million dollar fine to avoid an Securities and Exchange Commission Investigation. According to CNBC, Walgreens agreed to pay a \$34.5 million fine to settle an investigation by the Securities and Exchange Commission (SEC). In settling, Walgreens neither admits nor denies the allegations, according to CNBC. The SEC was investigating whether the drugstore chain's former chief executive and former chief financial officer failed to provide adequate warning about the risks associated with Walgreens' planned merger with Alliance Boots.

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

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Rite Aid (RAD) Posts In-Line Q2 Loss, Tops Sales, Alters Board

September 28, 2018

UNITED STATES- (Zacks Equity Research, Zacks.com) - Rite Aid Corporation RAD delivered in-line bottom-line results and sales beat in second-quarter fiscal 2019. While the bottom line improved after a miss in the last-reported quarter, sales marked the second straight beat. However, the company widened its view for net loss in fiscal 2019 due to inclusion of impairment charges. Shares of Rite Aid declined about 2.3% in response to the company's widened net loss view and the general negative sentiment on the stock after the termination of the Albertsons merger.

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

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Sears Holdings shares fall below \$1 as key debt deadline nears, stock risks being delisted

September 28, 2018

UNITED STATES- (Lauren Thomas, CNBC) - Shares of Sears Holdings fell below \$1 for the first time on Friday morning, hitting an all-time low as the department store chain is running out of time to stay afloat. The stock was last down roughly 9 percent to trade around \$0.92. The tumble follows a proposal earlier this week from CEO Eddie Lampert's hedge fund, ESL Investments, to restructure the company in order to avoid bankruptcy. A large debt payment is hanging over Sears' head next month. Time is running short, as Sears previously disclosed it faces "significant near-term liquidity constraints" pertaining to debt maturity reserve requirements it must meet by this upcoming Monday.

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

Bed Bath & Beyond shares plunge as customers turn to other options

September 27, 2018

UNITED STATES - (Thomas Barrabi, Fox Business) - Bed Bath & Beyond shares plummeted more than 21 percent in trading Thursday after the struggling retailer slashed sales guidance and warned that weak brick-and-mortar store sales and tariffs on Chinese-made goods would hurt its profits. The share price plunge brought it to within a fraction of the stock's largest percentage drop on record, according to Dow Jones. The company said its same-store sales fell 0.6 percent in its most recent fiscal quarter, marking the sixth consecutive quarter in which the key metric declined.

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

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McDonald's removing artificial additives from its burgers

September 27, 2018

UNITED STATES- (Jordan Valinsky, CNN Money) - The fast-food company, which hopes to attract more health-conscious consumers to its drive-thrus and counters, announced changes to its most popular hamburgers Wednesday. Its seven classic burgers -- the hamburger, cheeseburger, double cheeseburger, McDouble, Quarter Pounder with Cheese, double Quarter Pounder with Cheese and Big Mac -- will no longer include artificial preservatives, flavors or coloring.

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

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Papa John's Stock Surges on Sale Reports

September 26, 2018

UNITED STATES- (Jonathan Maze, Restaurant Business) - Papa John's stock surged as much as 10% on Wednesday amid reports that either the company, John Schnatter or both is pursuing a sale. Reuters, citing anonymous sources, reported that the Louisville, Ky.-based pizza chain has asked potential buyers to submit offers for the company. A Papa John's spokesman said the company doesn't comment on "market rumors."

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

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Gaucha buyout saves 700 jobs as creditors rescue restaurant chain

September 26, 2018

UNITED STATES- (Sarah Butler, The Guardian) - More than 700 jobs are set to be saved after the Gaucha restaurant chain was bought out by its lenders. Investec Bank and debt specialist SC

Lowy, who were together owed about £50m by Gaucho's parent Gioma, plan to acquire the Argentinian-themed chain's 16 restaurants which employ 750 people via a credit bid. The deal is dependent on the successful completion of an insolvency procedure known as a company voluntary arrangement, which will enable the company to shed liabilities including leases linked to Gioma's defunct Cau chain as well as tax and trade debts.

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

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Expect More Acquisition Deals to Take Out Restaurant Chains

September 26, 2018

UNITED STATES - (Jonathan Heller, Real Money) - Tuesday's announcement that fast food name Sonic Corp. (SONC) would be taken private at \$43.50 a share was just the latest in a string of restaurant take-outs (pun intended). Last month, Zoe's Kitchen (ZOES) announced it had agreed to be acquired for Cava Group for \$12.75 per share. Last February, upscale specialty chain Fogo de Chao was taken out by Rhone Capital for \$15.75 a share. Last year, Buffalo Wild Wings, Ruby Tuesday, Bob Evans, Panera Bread and Popeyes were acquired, and those are just the deals involving publicly traded names. There were a other deals involving private chains.

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

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