



Seale & Associates

RESTAURANT FRANCHISE INDUSTRY
VALUATION UPDATE
Q3 2025

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Introduction

We are pleased to share our Restaurant Franchise Industry Multiples Valuation Update for Q3 2025.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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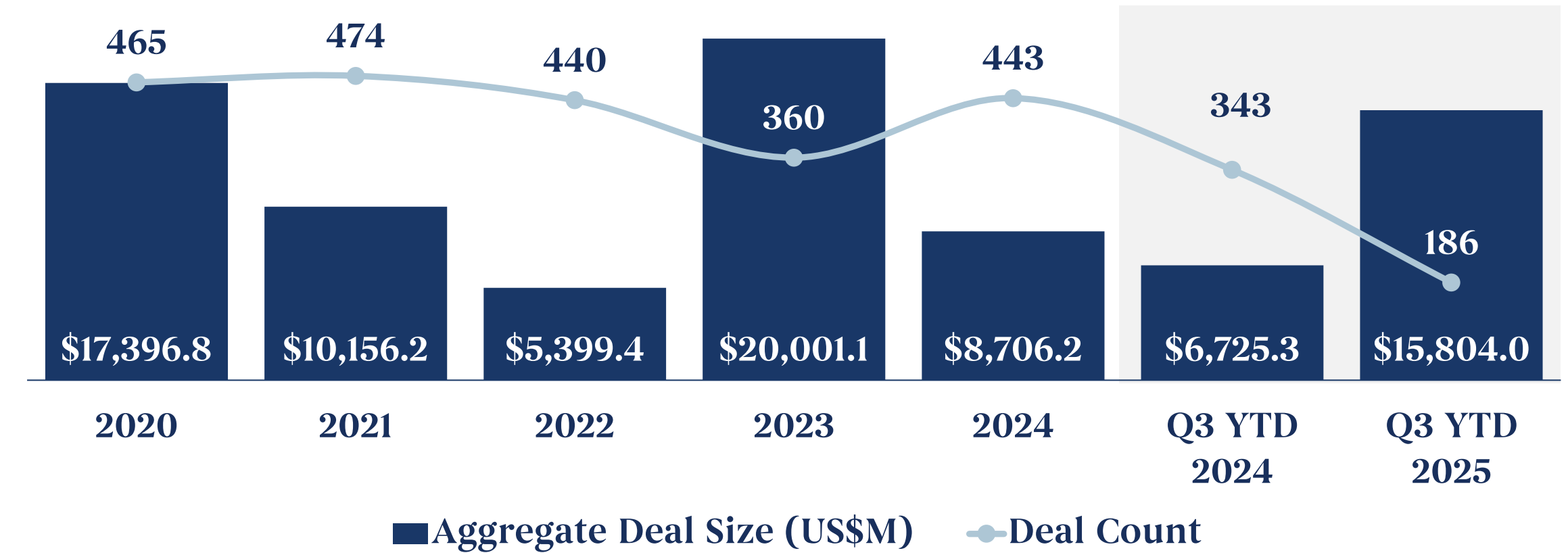
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Restaurant Franchise Industry Overview

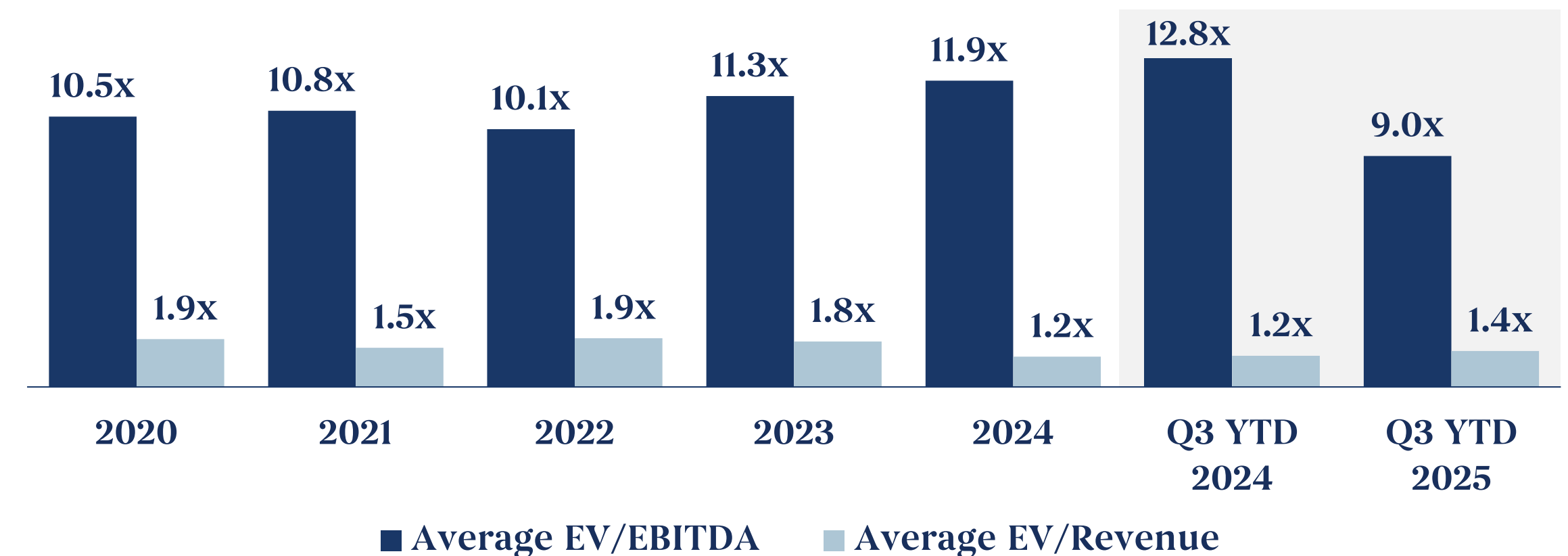
M&A Trends and Market Intelligence

- **The global quick-service restaurants (QSR) market is expected to generate approximately US\$1.1T in 2025 and reach US\$1.9T by 2032, reflecting a CAGR of 9.0%.** North America accounted for 37.5% of global market share in 2024, supported by rising consumer preference for quick-service formats
- **Market expansion is being driven by rapid growth in food delivery platforms and digital ordering systems,** as QSRs capitalize on faster service models compared with traditional restaurants. **Delivery apps and optimized logistics,** such as real-time order tracking and accelerated fulfillment, **are enabling higher volumes of at-home consumption**
- **QSR operators continue adopting advanced digital tools across ordering, fulfillment and off-premises operations,** reflecting the widespread shift toward mobile ordering, delivery ecosystem integration and technology-enabled service speed. **These capabilities support higher throughput, improved customer visibility and enhanced convenience** in both franchise and corporate-owned systems
- **M&A deal volumes in the QSR sector reached their lowest level since 2020, as rising interest rates and financial constraints slowed activity,** yet acquisition demand is reported to be building for the upcoming years as strategic buyers and franchise networks prepare pipelines
- **QSR franchise systems with advanced technology adoption, strong unit economics and established operational platforms are identified as more likely acquisition targets,** as buyers emphasize inorganic growth, tech capability and portfolio expansion

Restaurant Franchise Industry M&A Deal Size and Volume









Restaurant Franchise Industry M&A Average EV/EBITDA and EV/Revenue







Franchises - Global Comparable Public Companies (1/2)

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2025	
						2023	2024	EV/EBITDA	EV/Revenue
Alsea	 MEX	\$2,666	\$5,283	\$4,527	21.3%	6.0x	5.9x	5.5x	1.2x
AmRest	 ESP	\$857	\$2,590	\$3,035	16.4%	6.3x	6.6x	5.2x	0.9x
Arcos Dorados	 URY	\$1,422	\$3,212	\$4,497	12.8%	5.9x	5.7x	5.6x	0.7x
Bloomin' Brands	 USA	\$610	\$2,737	\$3,934	13.4%	5.9x	5.6x	5.2x	0.7x
Brinker International	 USA	\$5,637	\$7,312	\$5,384	18.3%	6.6x	7.7x	7.4x	1.4x
CMR	 MEX	\$48	\$146	\$202	16.5%	5.5x	4.7x	4.4x	0.7x

Franchises - Global Comparable Public Companies (2/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2025		
						2023	2024	EV/EBITDA	EV/Revenue	
create restaurants	 JPN	\$2,201	\$2,551	\$1,102	15.0%	16.5x	12.4x	15.5x	2.3x	
Restaurant Brands International	 USA	\$21,026	\$37,740	\$9,106	29.2%	16.6x	15.9x	14.2x	4.1x	
Skylark Holdings	 JPN	\$4,703	\$5,357	\$2,910	17.9%	14.4x	8.8x	10.3x	1.8x	
Yum! Brands	 USA	\$42,185	\$53,823	\$7,908	36.1%	19.9x	18.6x	18.9x	6.8x	
■ Excluded from mean						Mean	10.4x	9.7x	9.7x	1.2x
						Median	6.5x	7.1x	6.5x	1.3x

Franchisors - Global Comparable Public Companies (1/2)

The table below presents selected publicly traded companies in the sector, serving as benchmarks for valuation, scale, and operating performance across comparable business models

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2025	
						2023	2024	EV/EBITDA	EV/Revenue
BJ's Restaurants	USA	\$675	\$1,127	\$1,384	13.3%	9.1x	8.4x	6.1x	0.8x
Chipotle Mexican Grill	USA	\$52,549	\$55,783	\$11,578	25.6%	25.5x	31.2x	18.8x	4.8x
Cracker Barrel Old Country Store	USA	\$981	\$2,121	\$3,484	9.1%	9.2x	7.4x	6.7x	0.6x
Darden Restaurants	USA	\$22,141	\$29,981	\$12,364	19.5%	12.7x	11.8x	12.5x	2.4x
Denny's	USA	\$269	\$686	\$456	16.4%	11.4x	9.4x	9.2x	1.5x
Dine Brands Global	USA	\$380	\$1,826	\$845	22.6%	11.2x	9.2x	9.6x	2.2x
Domino's Pizza	USA	\$14,656	\$19,595	\$4,848	21.8%	19.2x	21.2x	18.5x	4.0x
El Pollo Loco	USA	\$291	\$540	\$480	16.7%	8.0x	7.7x	6.8x	1.1x
Jack in the Box	USA	\$373	\$3,466	\$1,488	35.9%	8.0x	7.6x	6.5x	2.3x
McDonald's	USA	\$216,857	\$270,870	\$26,060	61.2%	17.5x	16.5x	17.0x	10.4x













Source: Capital IQ

Franchisors - Global Comparable Public Companies (2/2)


















Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2025 EV/		
						2023	2024	EBITDA	Revenue	
Noodles & Company		USA	\$30	\$312	\$495	12.1%	6.9x	5.4x	5.2x	0.6x
Papa John's International		USA	\$1,577	\$2,527	\$2,085	14.0%	13.8x	10.2x	8.6x	1.2x
Red Robin Gourmet Burgers		USA	\$123	\$630	\$1,236	12.5%	5.1x	4.7x	4.1x	0.5x
Shake Shack		USA	\$3,768	\$4,304	\$1,323	19.7%	20.4x	21.9x	16.5x	3.3x
Starbucks		USA	\$96,165	\$119,573	\$36,689	24.7%	14.6x	11.9x	13.2x	3.3x
Texas Roadhouse		USA	\$11,041	\$11,802	\$5,671	14.4%	14.1x	18.1x	14.5x	2.1x
The Wendy's Company		USA	\$1,746	\$5,568	\$2,225	23.8%	15.7x	12.6x	10.5x	2.5x
TORIDOLL Holdings		JPN	\$2,848	\$3,611	\$1,840	18.5%	12.6x	11.4x	10.6x	2.0x
Wingstop		USA	\$7,028	\$8,069	\$670	31.0%	53.2x	72.8x	38.8x	12.0x
■ Excluded from mean						Mean	12.3x	11.5x	10.8x	1.8x
						Median	12.7x	11.4x	10.5x	2.2x

Restaurant Franchises - Global Transactions (1/2)

The table below highlights selected global M&A transactions during Q3 2025, illustrating strategic acquisitions focused on scale, product diversification, or geographic expansion within the sector

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-25*		NZL	Finaccess Capital , an investor in quick-service restaurants, agreed to acquire a 25.0% stake in Restaurant Brands New Zealand , an operator of fast-food chains			25.0%	\$91.3	7.7x	1.0x
Sep-25		USA	Franchise Equity Partners , an investor in food-service businesses, acquired a majority stake in 7Crew Enterprises , an operator of drive-thru coffee shops under the 7 Brew brand		-	>50%	-	-	-
Sep-25*		USA	RaceTrac , an operator of convenience stores and fuel retail locations, agreed to acquire Potbelly Corporation , an operator of fast-casual sandwich restaurants		-	100.0%	\$705.2	8.6x	1.5x
Sep-25		ITA	Spoon Brands , an investor in food-service businesses, acquired a 45.0% stake in Rossopomodoro , an operator of Italian casual dining restaurants		-	45.0%	-	-	-
Sep-25		USA	Rhone Group , a private-equity firm focused on food and beverage, acquired Freddy's , a quick-service restaurant chain	R H Ô N E		100.0%	-	-	-
Aug-25*		PHL	Inoza Business Holdings , an investment company in the hospitality sector, agreed to acquire a majority stake in The Bistro Group , an operator of multiple casual dining restaurants	Inoza Business Holdings	-	>50%	-	-	-

Restaurant Franchises - Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Aug-25		GBR	TriSpan & McWin , investors in growth-stage restaurant brands, acquired a majority stake in Flat Iron Steak Limited , an operator of casual steakhouse restaurants	 	PIPER	>50%	-	-	-
Aug-25*		USA	Freeman Spogli Management , an investor in consumer food-service businesses, agreed to acquire Philz Coffee , an operator of specialty coffee shops	Freeman Spogli	-	100.0%	\$145.0	-	-
Jul-25		USA	Levine Leichtman Capital Partners , an investor in franchised food-service brands, acquired Shingley Do-Nuts , an operator of donut and kolache shops			100.0%	-	-	-
Jul-25		JPN	Polaris Capital Group , a private equity firm focused on consumer and retail sectors, acquired DD GROUP , an operator of restaurants and cafés		-	91.8%	\$304.3	8.7x	1.0x
Jul-25		CAN	Recipe Unlimited , an operator of full-service restaurants, acquired eight Olive Garden restaurants from Darden Restaurants , an operator of casual dining restaurant brands			100.0%	-	-	-
Jul-25*		TTO	Agostini's Limited , a distributor and retailer of food and beverage brands, agreed to acquire Prestige Holdings , an operator of franchised quick-service and casual dining restaurants			100.0%	\$173.4	4.8x	0.7x
Jul-25		GBR	Honi Poke , an operator of quick-service poke-style restaurants, acquired Island Poké Limited , an operator of fast-casual poke restaurants		-	100.0%	-	-	-

*Announced transaction pending approval and other customary closing conditions

KFC COSTA RICA

TARGET

Franchise of KFC in Costa Rica (KFC Costa Rica)

TRANSACTION TYPE

Buy-side advisory

INDUSTRIES

Restaurant Franchises

GEOGRAPHY

Costa Rica

SITUATION

Seale & Associates was engaged by Grupo Inversor Intellectiva, a Mexican investment group with diversified interests in media, energy, and real estate, to advise them on the acquisition of the Costa Rican KFC franchise, which was being sold under an auction process.

SEALE & ASSOCIATES' APPROACH

Seale advised Grupo Intellectiva during each step of the acquisition process. First, Seale helped design a non-binding indication of interest that incentivized the seller to complete stores that were under development while mitigating the buyer's risk. This incentive made the seller choose Grupo Intellectiva's indication of interest over another that offered a higher upfront value. Second, Seale proved to be invaluable during negotiations, ensuring that all their clients' needs were met under an open, amicable, and direct discussion setting at all times.

OUTCOME

The process resulted in the acquisition of 32 KFC stores located across the Costa Rican territory. Further, both buyers and sellers developed a good relationship that is expected to create attractive joint investment opportunities in the future.

“We look forward to working with them on our M&A and corporate finance initiatives in the future”

intelectiva

has acquired



KFC Costa Rica

from



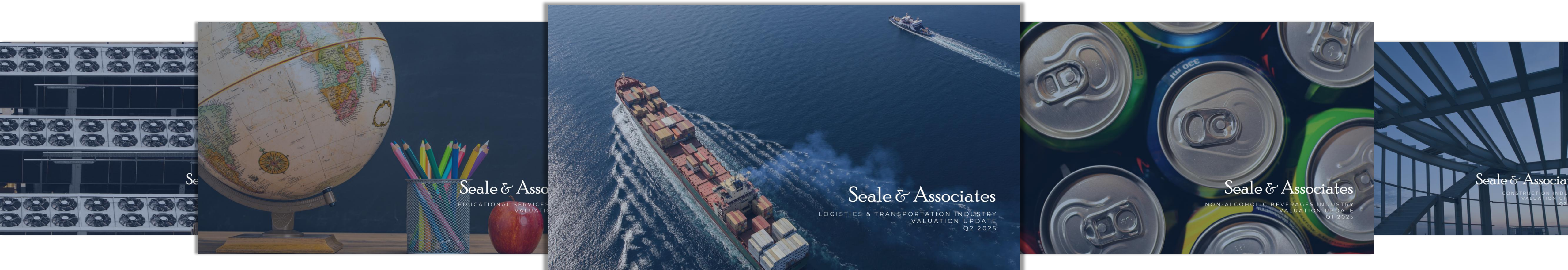
“We are excited about the acquisition of the Costa Rica KFC franchise, a highly successful and fast-growing quick-service restaurant chain with fantastic growth prospects in a country we know very well.

We received valuable advice and exceptional service from our advisors at Seale & Associates, and we look forward to working with them on our M&A and corporate finance initiatives in the future.”

Roberto González Alcalá
President of Grupo Inversor Intellectiva, S.A.P.I. de C.V.

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<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CMC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH</p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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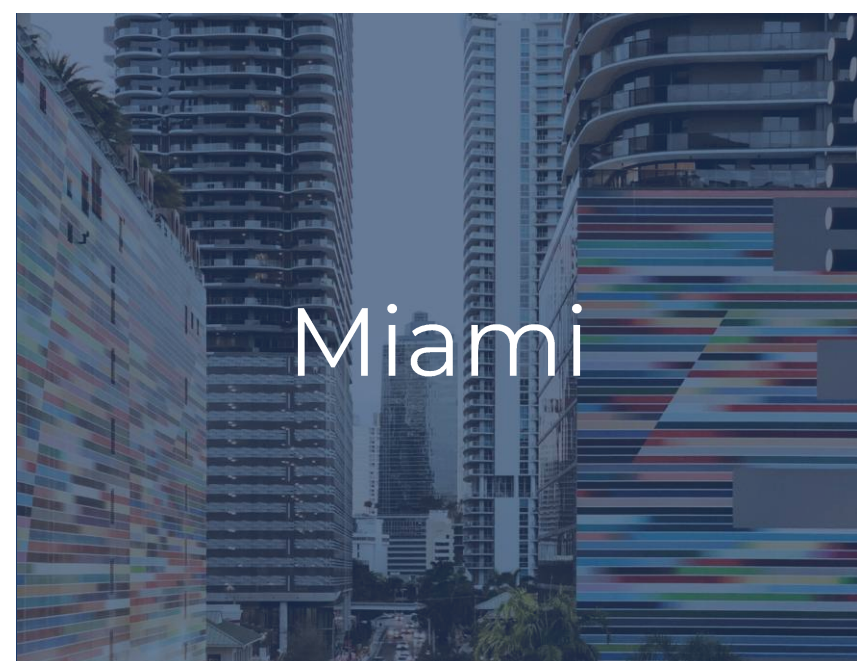
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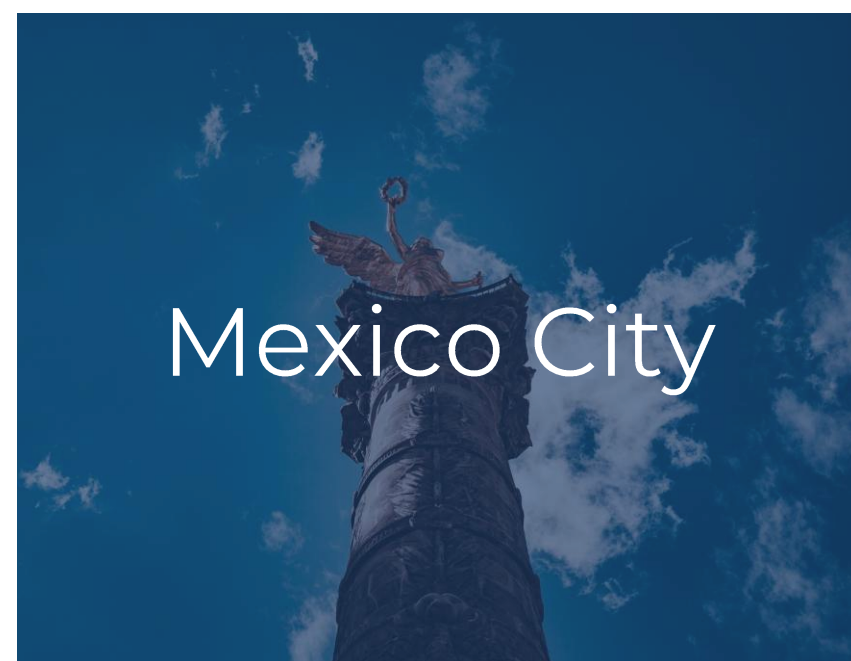
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