



BUSINESS DESCRIPTION

- Founded in 2003, our Client (the "Company") is a gourmet pizza and craft beer franchise restaurant concept that presently operates 11 corporate-owned and 2 non-corporate owned restaurants across 6 states in the Midwest/Southeast regions of the United States
- Pre-COVID, and for FY18 & FY19, the Company reported strong financial performance: sales and EBITDA were \$20.6MM & \$2.1MM for 2018, and \$23.0MM & \$2.6MM for 2019, respectively
- COVID impacted 2020 sales and profitability; however, management quickly adapted by using third-party delivery services and offering curbside pickup, which enabled the Company to remain EBITDA positive on an unadjusted basis
- The Company is currently performing at 98% of pre-pandemic sales with only 70% being dine-in sales
- As re-openings continue to pick up momentum and dine-in sales return to normalized levels, the Company is poised for existing store sales and EBITDA of \$21.0MM & \$2.2MM in FY21, and \$21.7MM and \$3.0MM for FY22, respectively

TRANSACTION SUMMARY

- Backed by a private equity sponsor, a minority shareholder has the opportunity to buyout remaining shareholders and gain control of the operating business
- As part of the partner buyout transaction, the new sponsor / management team is seeking a new up to \$8.0MM secured term loan to refinance existing secured debt, which matures in May 2021
- The loan can be secured, in part, by ~\$4.4MM of cash reserves on the balance sheet

SELECT HIGHLIGHTS

1

High Cash Reserves

- During 2020, the Company received funds from the Payment Protection Program totaling \$2.3MM, with an additional \$2.0MM received in 2021 YTD
- The Company anticipates these proceeds to be fully forgiven, effectively resulting in a strong current cash position of \$4.4MM
- This cash can be used for investing in new restaurant locations in tertiary markets. Current liquidity will be supplemented with continuing profitability

2

Experienced New Management Team

- The proposed new management team has extensive experience with restaurant management and ownership
- The proposed President and COO has 20+ years of experience in leading and building various large restaurant franchises
- The proposed Director of Development has 30+ years of experience in national restaurant real estate development
- Other senior management members have deep backgrounds in successfully buying, owning, and improving the operations and profitability of restaurants

3

Current Restaurant Industry Conditions Poised for Significant Rebound in 2021

- Many restaurants shuttered during 2020 and Company management has identified a vast number of potential target turnkey locations in tertiary markets that will require minimal upfront costs & capital
- New management anticipates opening 14 new locations over the next 3 years, resulting in incremental sales and EBITDA of \$2.0MM and \$250K per restaurant

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