

HEDGEYE



# First Watch

Pre-IPO Review

Breakfast, Brunch, Lunch

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September 27, 2021



## RESTAURANTS

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Please submit questions\* to  
**qa@hedgeye.com**

\*Answered at the end of the call

# Hedgeye Restaurants Position Monitor

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HEDGEYE RESTAURANTS POSITION MONITOR									
LONG					SHORT				
TICKER	COMPANY	Price	Mkt. Cap (M)	NTM P/E	TICKER	COMPANY	Price	Mkt. Cap (M)	NTM P/E
<b>BFI</b>	BurgerFi International, Inc.	\$8.97	\$228	N/A	<b>BYND</b>	Beyond Meat, Inc.	\$109.69	\$6,938	N/A
<b>SBUX</b>	Starbucks Corporation	\$114.11	\$134,547	30.6x	<b>SHAK</b>	Shake Shack, Inc. Class A	\$86.00	\$3,617	354.1x
<b>DPZ</b>	Domino's Pizza, Inc.	\$489.84	\$18,054	32.2x	<b>RRGB</b>	Red Robin Gourmet Burgers, Inc.	\$24.24	\$381	N/A
<b>DASH</b>	DoorDash, Inc. Class A	\$220.52	\$74,522	N/A	<b>PLAY</b>	Dave & Buster's Entertainment, Inc.	\$41.58	\$2,007	15.9x
<b>WEN</b>	Wendy's Company	\$22.83	\$5,086	25.9x	<b>BLMN</b>	Bloomin' Brands, Inc.	\$26.20	\$2,338	9.5x
<b>MCD</b>	McDonald's Corporation	\$246.42	\$184,026	25.5x	<b>BJRI</b>	BJ's Restaurants, Inc.	\$45.19	\$1,053	25.2x
<b>TKWY-NL</b>	Just Eat Takeaway.com N.V.	€65.90	€13,979	N/A	<b>DRI</b>	Darden Restaurants, Inc.	\$158.70	\$20,682	20.1x
<b>YUM</b>	Yum! Brands, Inc.	\$125.52	\$37,110	25.9x	<b>CHUY</b>	Chuy's Holdings, Inc.	\$33.22	\$664	20.7x
					<b>DIN</b>	Dine Brands Global, Inc.	\$86.12	\$1,479	12.2x
					<b>QSR</b>	Restaurant Brands International Inc	\$62.45	\$37,350	20.2x
					<b>EAT</b>	Brinker International, Inc.	\$51.63	\$2,374	10.5x
					<b>TXRH</b>	Texas Roadhouse, Inc.	\$94.72	\$6,614	23.5x

\*Hedgeye's "bias" represents Hedgeye's outlook on companies currently under Hedgeye's review. Hedgeye may or may not provide further commentary on any or all companies represented on the bench and representation of a company on the bench does not forecast whether Hedgeye will or will not issue any additional material on that company.

## 1 Focused, one-day part and a streamlined menu

One of the unique and positive elements of the First Watch concept is that the company focuses on one meal occasion (breakfast/Brunch/lunch), which keeps the menu small and simple. It allows for a consistent menu and food quality. A simple way to think about the process is that the managers and crew only have to prep for one day part and not three. This was the original Outback Steakhouse story, except it was dinner only so that the founders could play golf in the AM.

## 2 Growth, but it's not BROS

FWRG should be able to accomplish a low-double-digit unit with little problem. The company's historical positive same-store sales and traffic performance suggest that mid-teens revenue growth is not out of the question. How much leverage in the business model will determine if it can get to mid-teens EBITDA growth too. The one number that looks aggressive is its stated cash-on-cash returns. Throughout the S1, the company has a few different calculations for its cash-on-cash return but claims 50% to be the number. That type of return is not usually seen with a full-service restaurant, with the last company claiming that level of success was PLAY, and we know how that ended.

## 3 Full Service at a Fast Casual valuation

FWRG looks to price the IPO closer to a fast-casual multiple than a full-service company. Even according to industry trade magazines, FWRG looks more like TXRH than CMG. The consumer tailwinds for FWRG are abundant, but returns are an essential element. Considering historical financial performance, FWRG deserves a premium multiple to the full-service segment, but it cannot capture 100% of the difference.



# Company Overview

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# Overview | Offering Details

- 9.5 million shares between \$17-20. The shoe is 1.4 million shares. At the midpoint it would value the company at \$1.1B.
- Advent will own 79% of the company after the IPO.
- The use of proceeds will be to repay borrowings with an interest rate of 8%.
- 180 day lockup period.
- Pricing is expected on Thursday September 30 and first trade is scheduled for Friday October 1<sup>st</sup>.

# Overview | Management Team



## Christopher Tomasso, CEO

- Been with First Watch since 2006 and was named CEO in 2018.
- Prior to First Watch, Chris led leadership roles at Cracker Barrel and Hard Rock Café.



## Eric Hartman, EVP

- Eric has more than 20 years of experience in Real Estate and Development.
- Prior to First Watch, Eric led many development related functions at Bloomin'.

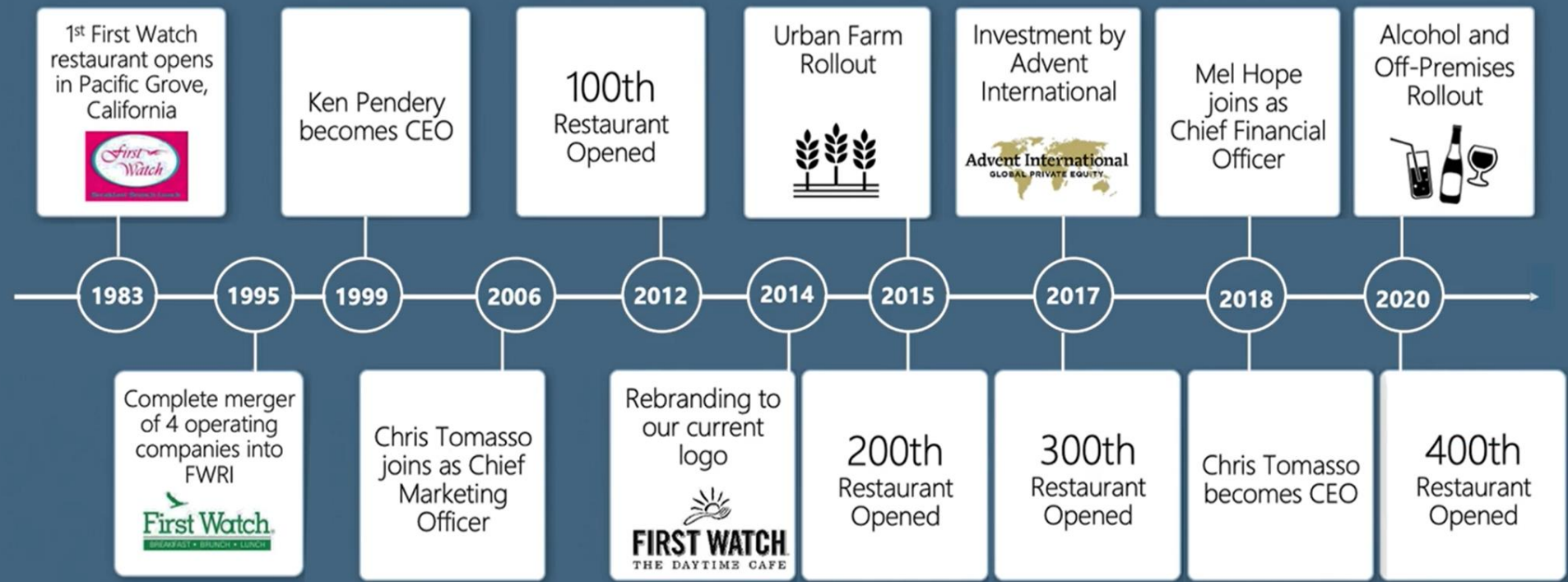


## Mel Hope, CFO

- Mel joined First Watch in 2018, bringing decades of experience leading public organizations like Popeyes' Louisiana Kitchen.
- Graduated from Belhaven University and has his CPA.



## Our Journey With a Long Track-Record of Growth



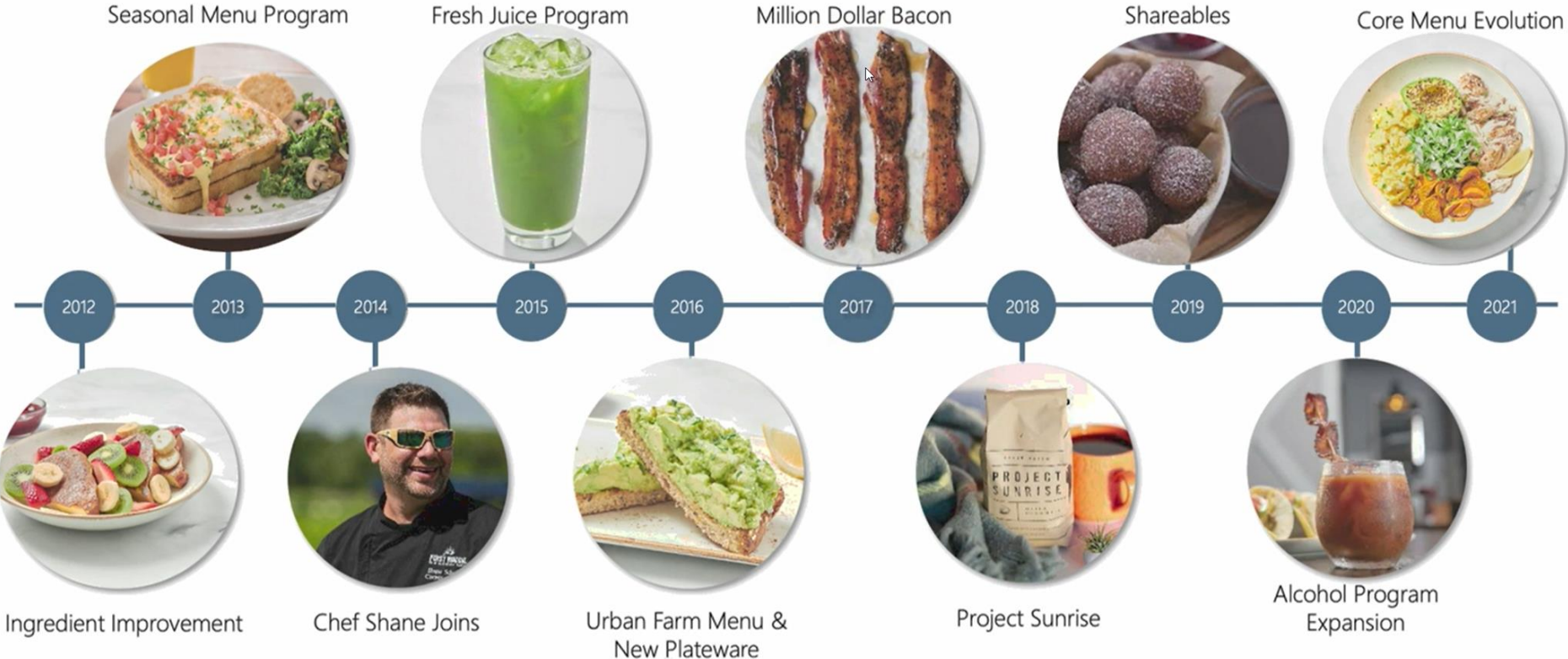
*Today we have over 420 restaurants and a seasoned management team with 345+ combined years of industry experience*

# Overview | One Shift, One Menu, One Focus

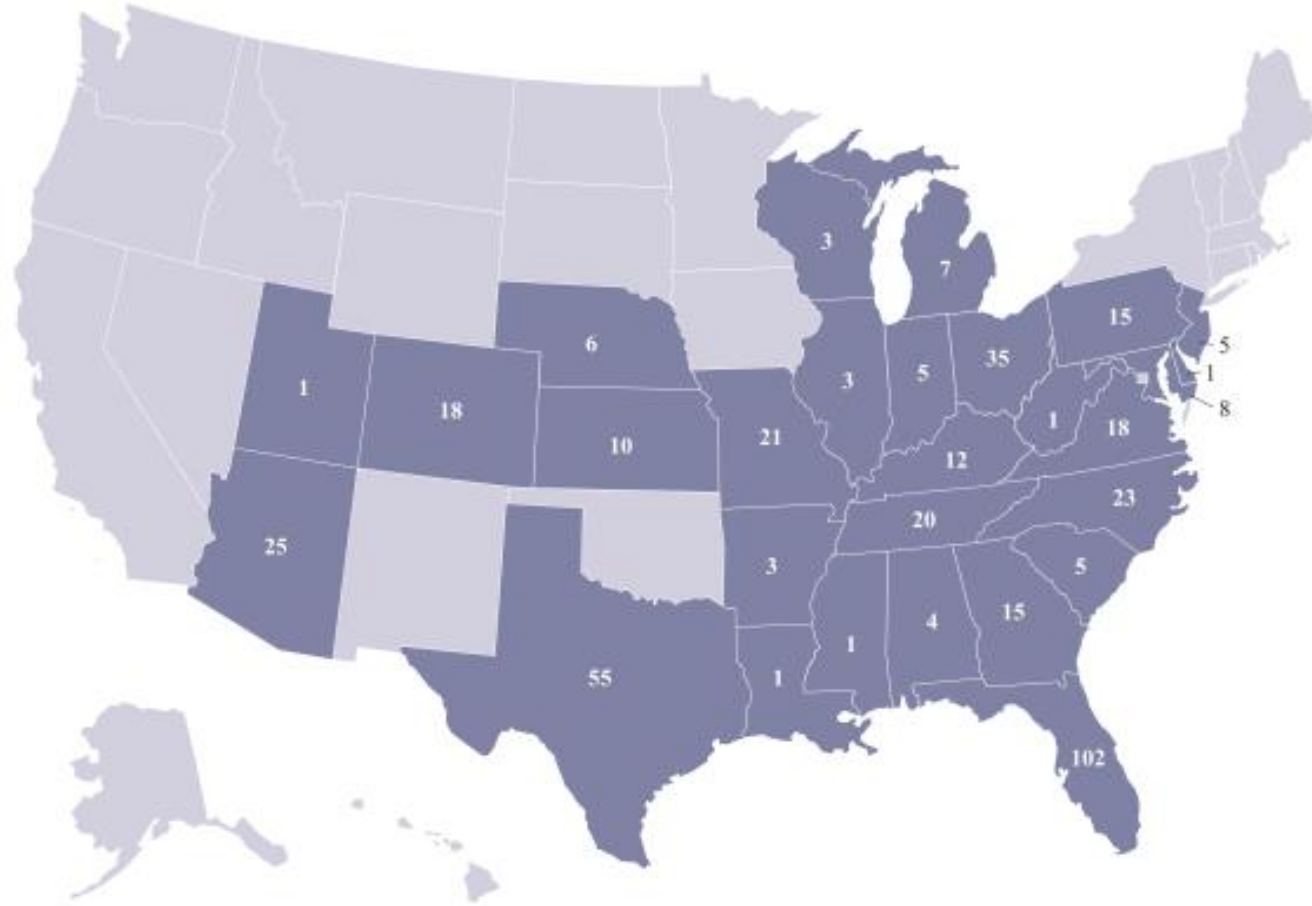
- First Watch is differentiated by its focus on the breakfast, brunch and lunch daypart. Rather than staying open and serving dinner the restaurant closes at 2:30PM.
- Its menu remains the same throughout the day with a smaller than average 60 entrees.
- The food is focused on fresh, high quality, natural, and better for you.
- By closing at 2:30PM the restaurant only has one shift for employees. Without night shifts First Watch has a differentiated offer for restaurant workers that are accustomed to working every evening.



## Culinary Innovation Creates Ongoing Platforms for Growth



# Overview | Location Map as of June 27th



Nation's Restaurant News said in 2019 First Watch was the fastest growing full-service concept based on systemwide sales growth. In 2020 it was named as the fastest growing full-service chain based on unit growth.

In 2020 First Watch opened 23 company owned restaurants.

Florida represents 30% of company owned restaurants and 24% of the system.



# Overview | Glassdoor Insights

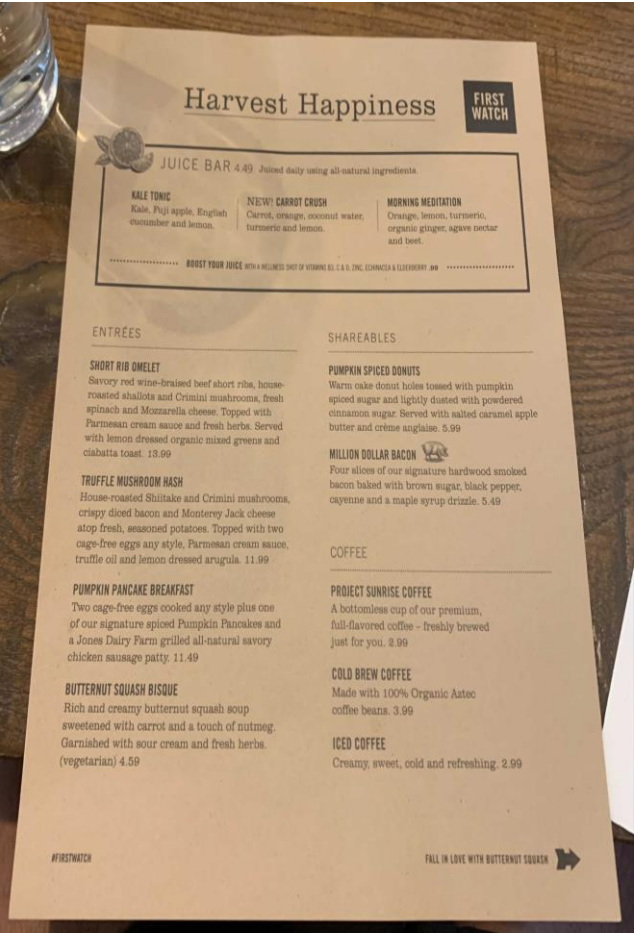
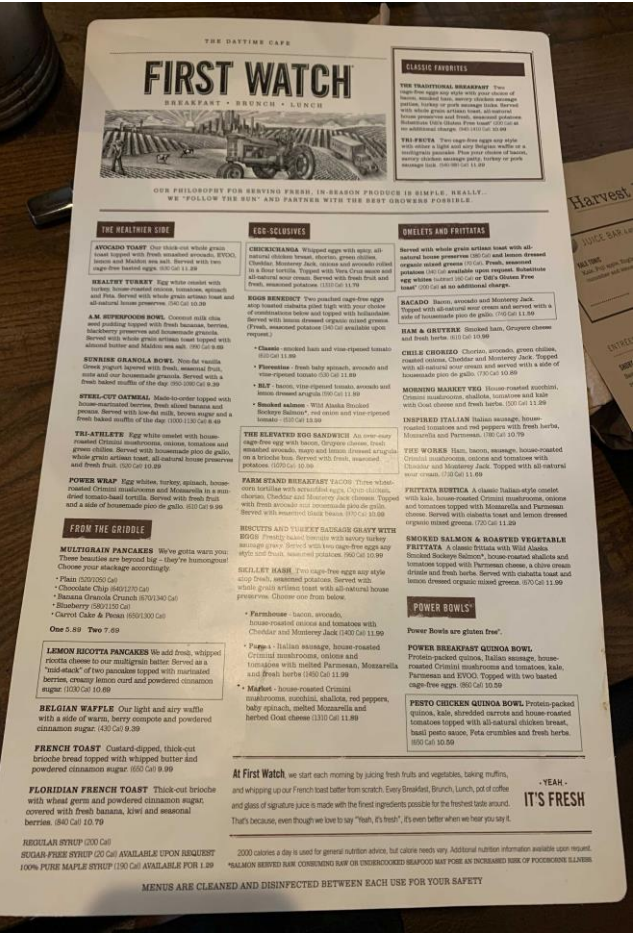
Having one daypart is a strong selling point for First Watch.



- Pros:
  - “If working 5 days a week can make good money”
  - “Hours are great for someone who wants to work mornings”
- Cons:
  - “7-8 hour serving shifts, no breaks, work weekends”
  - “High expectations younger staff, long hours”
- A 5 year longitudinal study of employee surveys on Glassdoor published by William Blair ranked First Watch as #1 for work/life balance for overall employee satisfaction in the industry.
- Manager turnover was 29% for First Watch compared to 41% for industry.

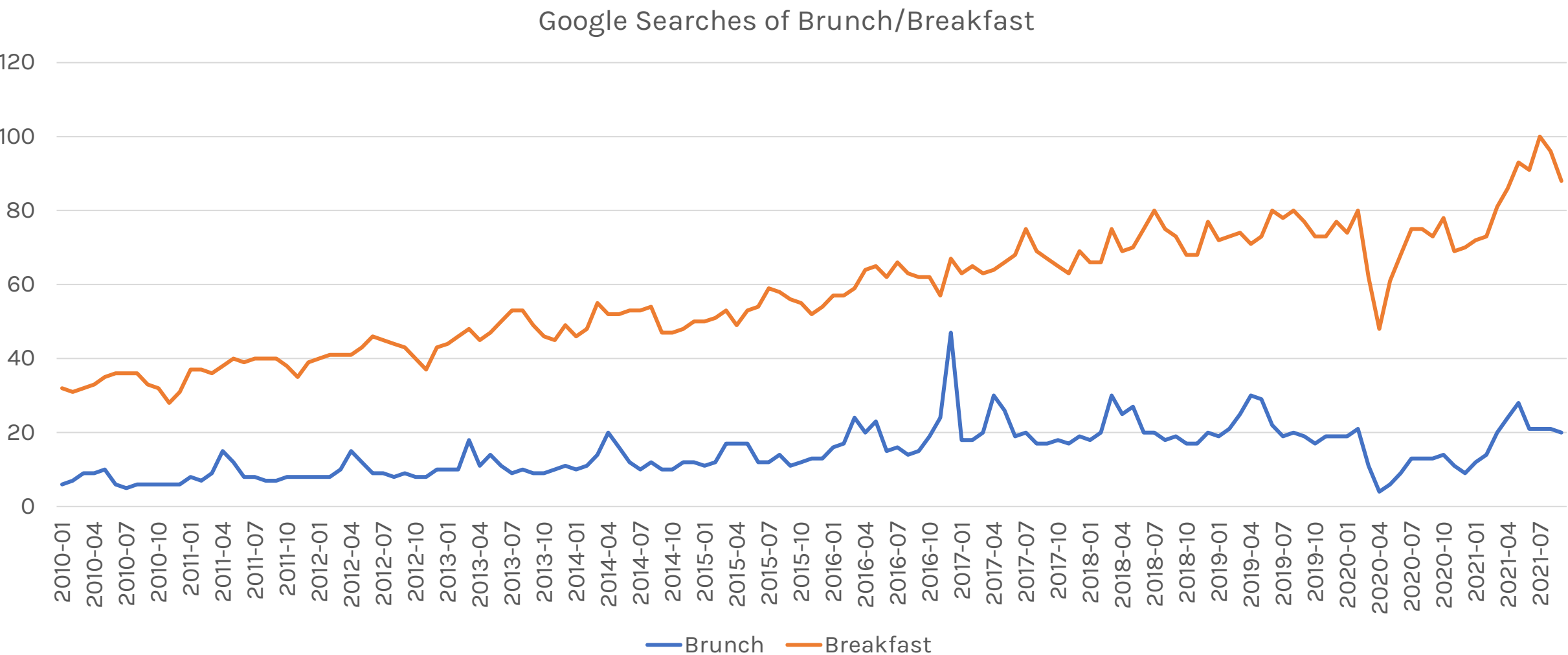


# Overview | Menu



- Menu is fairly large and has a seasonal special menu.
- First Watch serves its entire menu seven days a week from 7AM to 2:30PM.
- The menu consists of 60 entrée items.
- The operating hours represent 63% of all restaurant sales.
- The menu is geared towards breakfast.

# Overview | Popularity of Breakfast/Brunch



# Overview | Price Comparison

	First Watch	Bob Evans	Denny's	iHop
Signature Breakfast Platter	\$10.99	\$12.19	\$8.49	\$9.99
Orange Juice	\$3.79	\$2.99	\$2.99	\$2.69
Coffee	\$2.99	\$2.69	\$2.69	\$2.29

- First Watch is the upper scale option since all menu items are made fresh.
- iHop and Denny's budget friendly options while Bob Evans and First Watch are pricier.
- First Watch's average check is \$14.69.



# Overview | Highly Customizable – Made to Order

Personalized orders also accommodate food allergies, special diets, and dietary restrictions.



SELECT DISH OPTIONS

- ☒ Cage-Free Eggs
- ☒ Bacon
- ☒ Multigrain Pancake
- ☒ Butter
- ☒ Syrup
- ☒ Cooking Oil

SELECT SUBSTITUTIONS

- ☐ Banana Crunch Pancake
- ☐ Blueberry Pancake
- ☐ Carrot Cake & Pecan Pancake
- ☐ Chocolate Chip Pancake
- ☐ Belgian Waffle
- ☐ Powdered Cinnamon Sugar
- ☐ Smoked Ham
- ☐ Side of Turkey Link Sausage
- ☐ Side of Pork Link Sausage
- ☐ Jones Dairy Farm All-Natural Chicken...
- ☐ Egg Whites
- ☐ Seasoned Potatoes
- ☐ Whole Grain Artisan Toast
- ☐ All-Natural Housemade Preserves
- ☐ Lightly Dressed Mixed Greens
- ☐ Maple Syrup
- ☐ Sugar-Free Syrup

# Overview | Food

Food is well liked and is made with fresh ingredients.





# Overview | Two Dayparts

The financial pressure to utilize fixed assets is too great for nearly everyone else.

- There are a number of breakfast food restaurant chains from IHOP, Denny's, Waffle House, Bob Evans, Perkins, and Huddle House, but only First Watch closes before dinner among those chains.
- The breakfast restaurants and diners market size is estimated to be \$10B.
- 80% of restaurant morning meals were purchased from QSRs.



# Growth Strategy

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# Growth | Driving Secular Growth

## Execution is key.

**DRIVE UNIT GROWTH AND INCREASED TRAFFIC GROWTH:** FWRG growth will come from opening new restaurants in existing and new markets and driving same-store sales & traffic in existing restaurants. Same-restaurant sales growth will be driven by offering innovative menu items, increasing brand awareness, delivering excellent customer service, and launching relevant sales platforms and initiatives.

**MENU INNOVATION:** The ongoing evolution of the menu keeps First Watch relevant for consumers. "The development of award-winning menu items and the training and experience of our staff enables us to replicate complex preparations across all our restaurants."

**ALCOHOL SALES:** The company recently extended its successful fresh juice program with innovative, craft alcohol cocktails in many restaurants, providing a new platform for growth.

**INCREASED ACCESSIBILITY THROUGH OFF-PREMISES:** In fiscal 2020, FWRG integrated new technology and processes to enable its restaurants to meet better the demand for convenience off-premises dining through take-out and delivery.

**INCREASE BRAND AWARENESS:** The continued evolution of marketing and advertising strategy focuses on building brand awareness through digital marketing that emphasizes connection with First Watch customers. Is a loyalty plan a possibility?

**ON-PREMISE DINING IS IMPORTANT:** FWRG plans to continue to prioritize service and deliver a memorable dining experience to every customer and every visit.

**NEW TECHNOLOGY:** Like many operators that have gone digital, the company will look to expand its appeal and market share (of weekday lunch occasions) with new tools to capture, interpret, and communicate actionable data to improve its abilities to understand customer behaviors and drive additional occasions.

# Growth | Egg Acquisitions

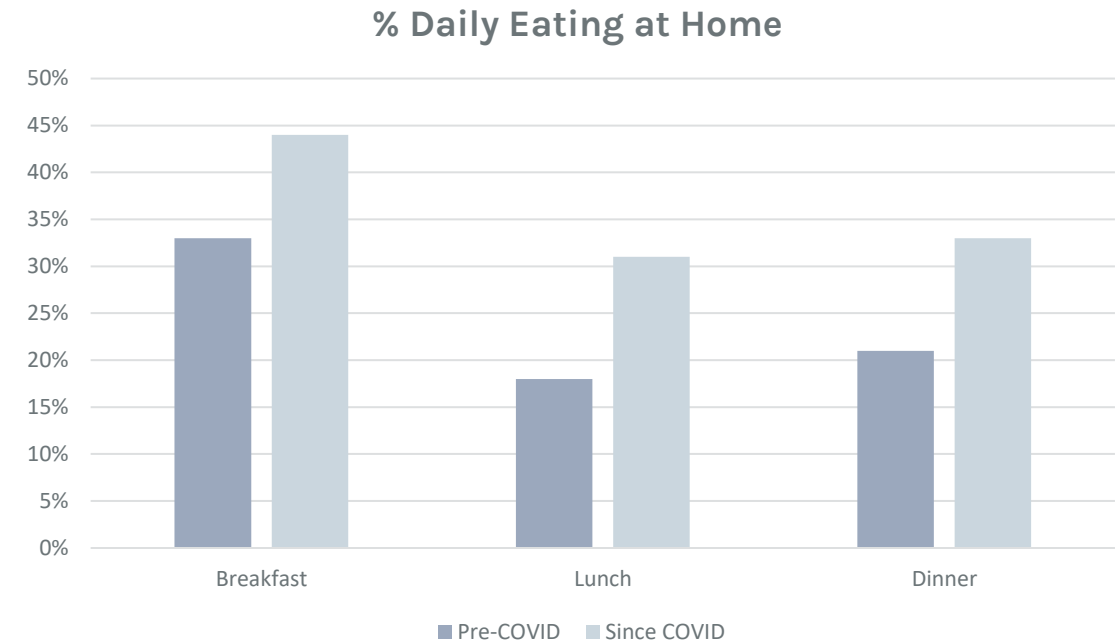
- In 2014 First Watch acquired The Good Egg, a chain of breakfast restaurants in Arizona with 20 locations. Two years later three restaurants were converted to First Watch locations.
- In 2015 First Watch acquired The Egg & I, a chain with 114 locations based in Colorado and began converting them. When The Egg & I was acquired the two brands were the largest in the breakfast and lunch market.
- The conversions were easier than a typical restaurant, because work can be done when the restaurant is closed at 2:30PM. The conversion process took two weeks with only three days closed. Restaurant chain conversions are unusual. After conversions The Egg & I locations saw a 10-20% increase in sales. Franchisees had the choice to convert.





# Growth | Breakfast Idiosyncrasies

- Breakfast has several idiosyncrasies. Breakfast menu items have higher gross margins than other dayparts because pancakes, toast, coffee, eggs are low food cost items and comprise a large portion of the menu items.
- Breakfast meals generally have lower tickets than the other dayparts. Most people are not looking to spend a lot at weekday breakfasts.
- Breakfast is a busier time of the day for customers so turning the tables over is faster.
- Breakfast is the meal people most often eat at home. In 2019 78% of breakfast was prepared at home.
- Operating hours encompass breakfast, brunch and lunch, which represent 63% of all restaurant sales in the U.S., according to RKMA.
- That leaves a lot of potential share for on-premise. According to RKMA the morning meal and morning snack have been the only foodservice daypart with consistent YOY growth for the last several years.
- During the pandemic eating habits changed:





# Growth | Growing a Boozy Brunch Crowd

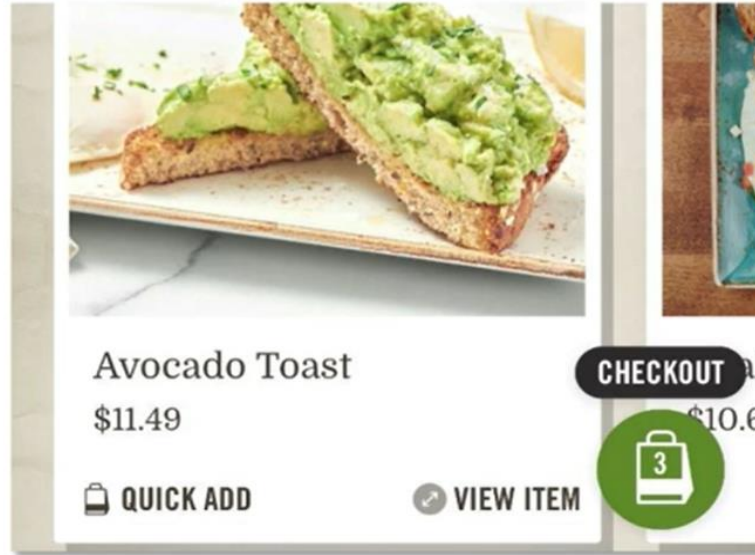
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Alcohol was introduced to 244 restaurants and increased the average customer spend by \$.30.

## Alcohol is Just the Latest Example

- Enhancing the Brunch occasion, creating a further opportunity to attract a younger demographic
- Highly incremental new sales platform
- Margin accretive to all other beverages including Fresh Juices
- Program can be launched with or without a physical bar
- In Q2'21, alcohol accounted for 3.8% of sales and 7.1% of guests at serving restaurants
- Increased overall beverage attachment by approximately 230 basis points in Q2'21 compared to non-alcohol locations
- Opportunity for further extensions and innovations around Bloody Marys and Mimosas

# Growth | Late to Digital/Technology



## Weekday Lunch

*Create demand through increased occasion relevancy*

- Optimize core menu offerings
- More relevant lunch items like bowls and handhelds
- Reduce complexity to increase speed
- Utilize historical seasonal items

## Customer Technology

*Increase accessibility and reduce friction*

- Enhance customer experience and customize communication and personalization
  - App based waitlist and ordering
  - Pay-at-the-table
  - Customer Relationship Management

## Restaurant Technology

*Increase capacity and serve more demand at peak*

- Increase ability to serve demand by reducing wait times during peak hours
  - Dining room seating optimization
  - Kitchen display systems



# Growth | Aloha – QSR & Legacy Casual Dining

## Enhance with mobility



NCR Aloha Restaurant Solutions

## Leading brands choose NCR

Our industry expertise, continuous innovation, technical know-how and vast service network are the key ingredients to you receiving the best return on your technology investment. We'll work with you to ensure you make the right choices. NCR provides solutions that help our customers achieve superior operations while providing an exceptional consumer experience. Our success is evident in over 100,000 restaurants worldwide, including these leading brands:



# Growth | Digital & Delivery Commentary

To ensure that our third-party delivery business was positioned for long-term success, we introduced a surcharge for third-party orders.

“off-premises platforms, now available in all restaurants, contributed \$8,079 of average weekly sales per restaurant during the second fiscal quarter of 2021, compared to \$1,897 in the fourth fiscal quarter of 2019.

“We see future opportunity to refine and grow this demand largely by focusing on in-restaurant infrastructure, especially in our new restaurant prototypes. We have seen encouraging results in 2021 NROs from innovations such as dedicated make lines and to-go rooms, separate entrances and dedicated parking spots to enhance the experience of both our off-premises and dine-in customers.”

In fiscal 2020, total off-premises sales were 23.8% as compared to 6.7% in fiscal 2019. **We continued to see the trend of average weekly off-premises sales of approximately \$8,000 per restaurant in the second fiscal quarter of 2021, which were consistent with average weekly off-premises sales during the fourth fiscal quarter of 2020.**

For delivery sales made through the Company’s mobile application and website, the Company controls the delivery services and **recognizes revenue, including delivery fees**, when the delivery partner transfers the food and beverage to the customer. With respect to sales made through the delivery partner’s mobile application or website, **the Company recognizes revenue, excluding delivery fees collected by the delivery partner**, when control of the food and beverage is transferred to the delivery partner. Payment is received from the delivery partner subsequent to the transfer of food and beverage and the payment terms are short-term.

“As we fast-tracked the implementation of our off-premises platforms in fiscal 2020, we also took the opportunity to accelerate the implementation of customer data acquisition systems in order to better inform the habits and behaviors of our customers. By integrating remote waitlist, remote orders, tokenized credit card transactions and WiFi into one system, we now have the ability to better understand trial, frequency and customer lifetime value. Since the establishment of these systems, we have gathered 2.9 million unique customer profiles.”

“The introduction of our off-premises platform laid a strong foundation for certain technologies that will now unlock further in-restaurant innovation, enabling greater peak hour throughput and capacity, thus the ability to serve more demand. In many of our restaurants, we experience more weekend demand than we are currently able to serve, indicated by extended wait times during peak hours. Through new technological tools to enable optimal seating configurations, lower table turn times and more efficient kitchen order routing, we believe that we have the opportunity to achieve higher peak hour sales.”

**“Most key among these opportunities is the installation of kitchen display screens, a core technology system in the industry, to our back-of-house to automate our order routing. We remain confident that the addition of this technology will unlock greater efficiency within our kitchens and raise our ability to serve more of our unfulfilled demand.”**

No mention of OLO, DASH or GRUB

# Growth | The Restaurant Ecosystem

## Back Of The House

- Kitchen Operations
- Inventory
- Supplier Management

## Customers

- Website
- Marketing
- Loyalty
- Gift cards

## Off-Premise

- Takeout
- Drive thru
- 1<sup>st</sup> & 3<sup>rd</sup> party delivery

## Banking

- Integrated payments
- Financing & loans
- Banking Services

## HR

- Payroll & HR
- Benefits
- Scheduling
- Insurance
- Recruiting

## Restaurant Manager

- Reporting & Analytics
- Accounting
- Margins

## Front of House

- Waitlists
- Reservations
- Table Management

## Dining Room

- POS
- Kiosk
- Time Clock
- Mobile Ordering
- Scan to Pay



## Specific Long-Term Consumer Trends in First Watch's Favor

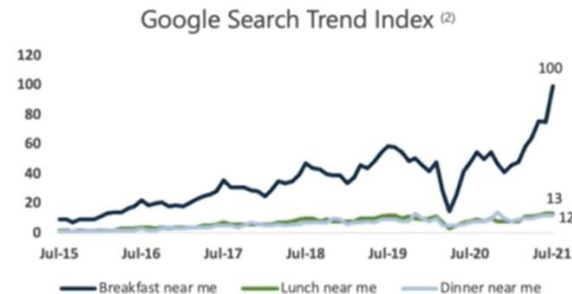
### Fresh, Healthy Ingredients Drive Demand

- ~Two-thirds of consumers consider a healthy menu important
- 60% of consumers want more protein in their diet



### Morning Meal Occasions are Increasing

- Massive opportunity with 102 billion breakfast occasions and 50 billion morning snack occasions in 2019<sup>(1)</sup>
- Breakfast is the only daypart with consistent year-over-year growth
- 78% of breakfasts were still being prepared at home during 2019



### Consumers Want On-Demand Dining

- Consumers want the ability to order what they want and when they want it
- Demand for fast and flexible Daytime Dining offerings powered by:
  - ✓ Increasingly busy schedules
  - ✓ The rise of the "gig" economy
  - ✓ Growth of remote workers



Source: RKMA and NPD market research.

(1) NPD Breakfast Insights report, January 2020.

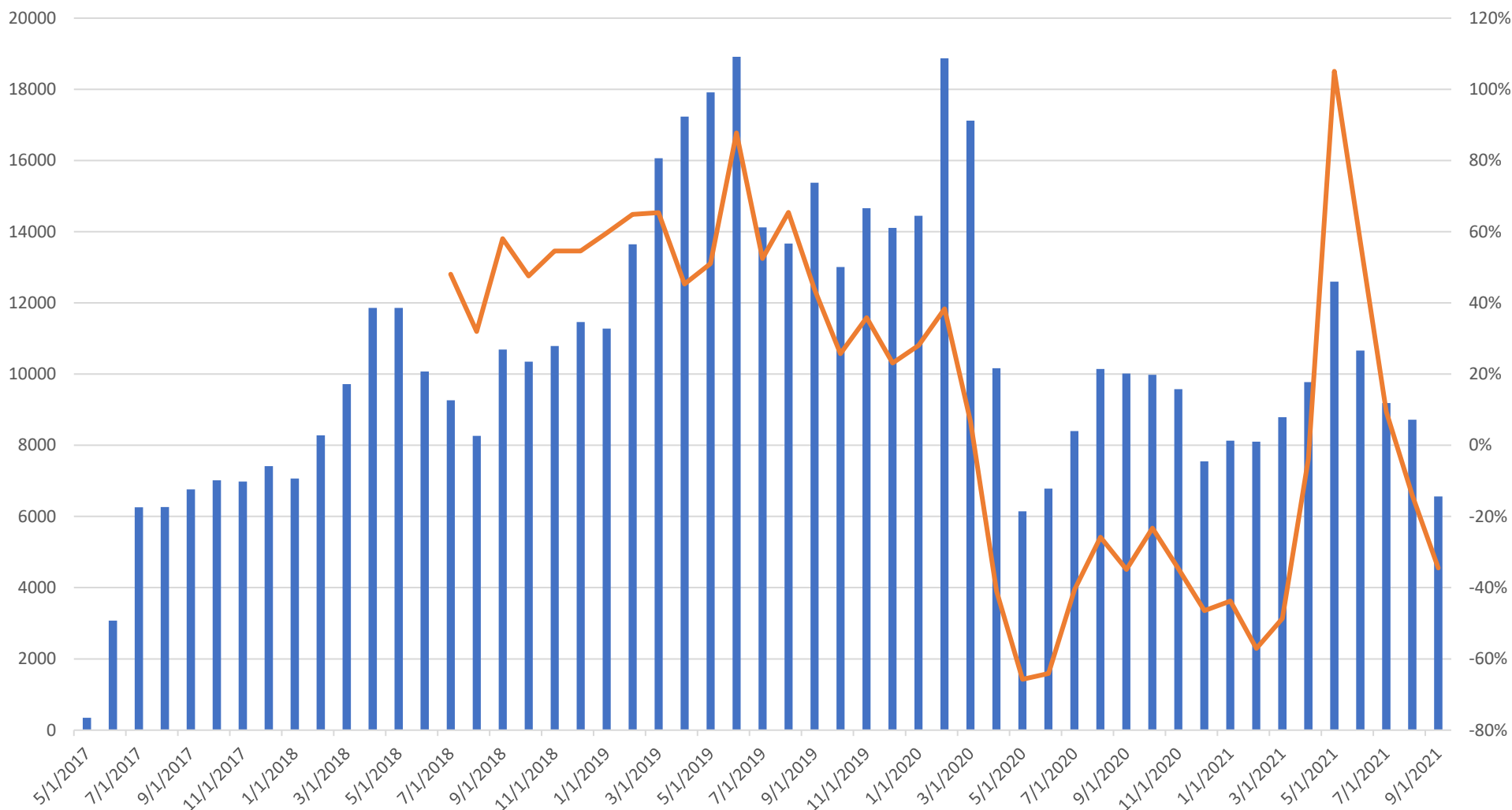
(2) Google Trends analyzes actual search trends and indexes search volume based on identified time frame and terms.

“We believe that if we can increase our brand awareness, that’s going to be a driver as well. A lot of consumers don’t realize we’re a chain, and we like it that way.”

- CEO Chris Tomasso

- First Watch currently only spends 1% of sales on marketing. The company has the ability to raise the percentage franchisees spend on marketing.
- The company’s CEO joined First Watch as its Chief Marketing Officer.
- Despite the company’s success it has relatively low brand awareness.

# Growth | App Downloads | Little Digital Presence



- Post covid, app usage has not recovered to pre-pandemic levels.
- Usage is at almost a 5-year low.

# Franchise Disclosure Document

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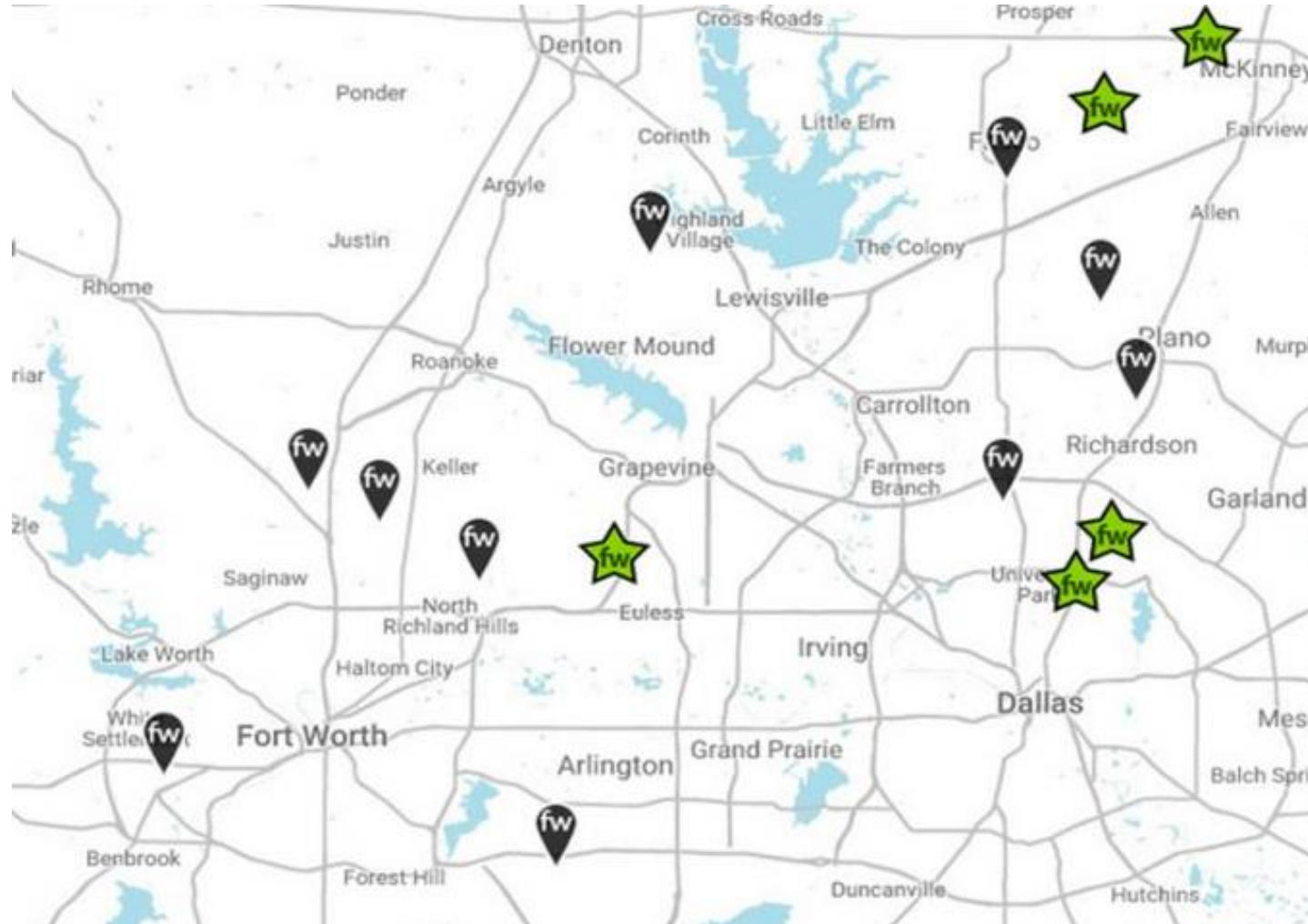




- Initial investment ranges from \$0.9M to \$1.5M. Construction costs \$475,000-\$680,000, furniture/fixtures/equipment costs \$230,000-\$325,000, small wares \$30,000-\$35,000, POS \$30,000-\$35,000, inventory \$7,000-10,000, and more for a 3,500-4,000 square foot restaurant. It does not include build out allowances that could range between \$15 to \$40 psf.
- Franchises began in 2008.
- Royalty rate 4% of gross sales. System fund contribution currently 1.5% with a maximum of 3.0%.
- Cooperative advertising maximum of 2% of sales, currently it is 1.5%.
- Local advertising is a mandatory 1% of sales.
- In 2018, 2019, and 2020 First Watch had no terminations, non-renewals, or ceased operations at any franchisee. Three restaurants closed in 2021.
- First Watch to date only has up to two different franchisees per state.

# Franchise | Location Density

Breakfast restaurants are less of a destination than dinner, density can be greater.

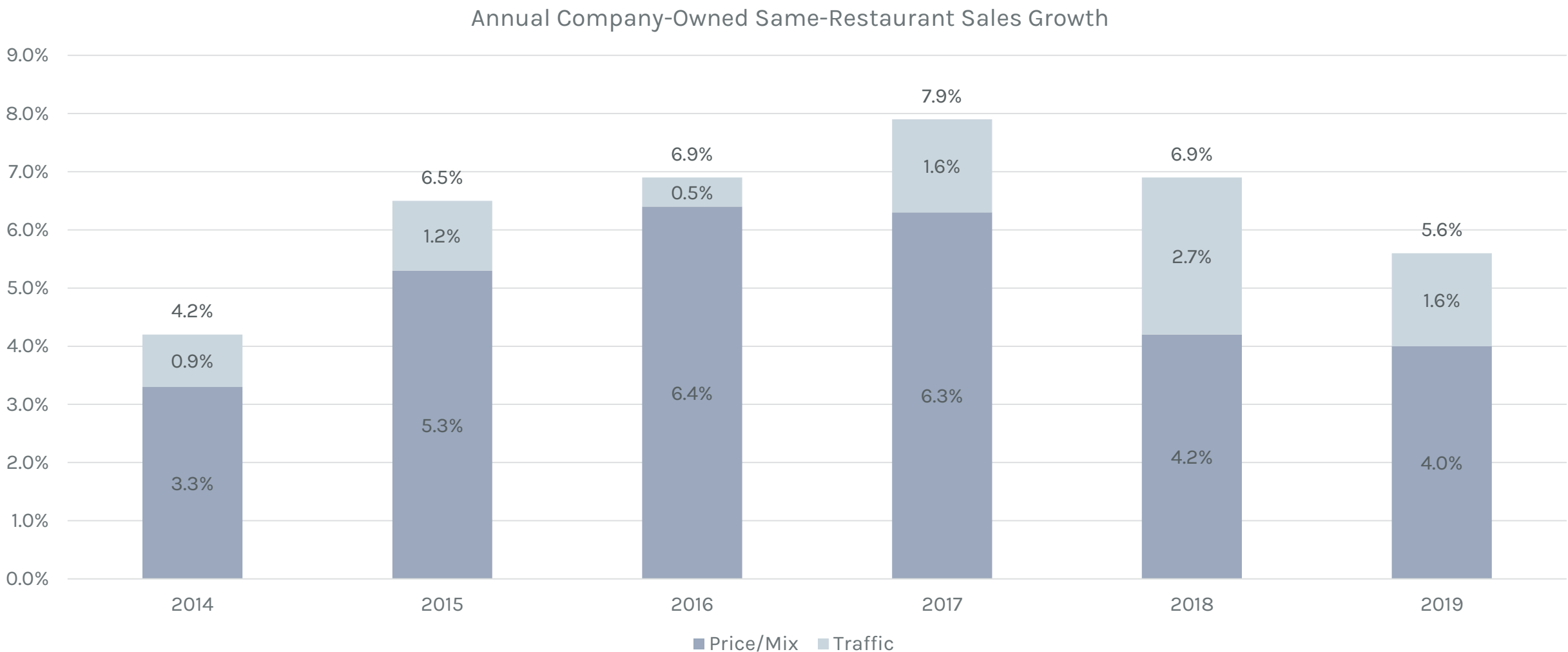


# Financials

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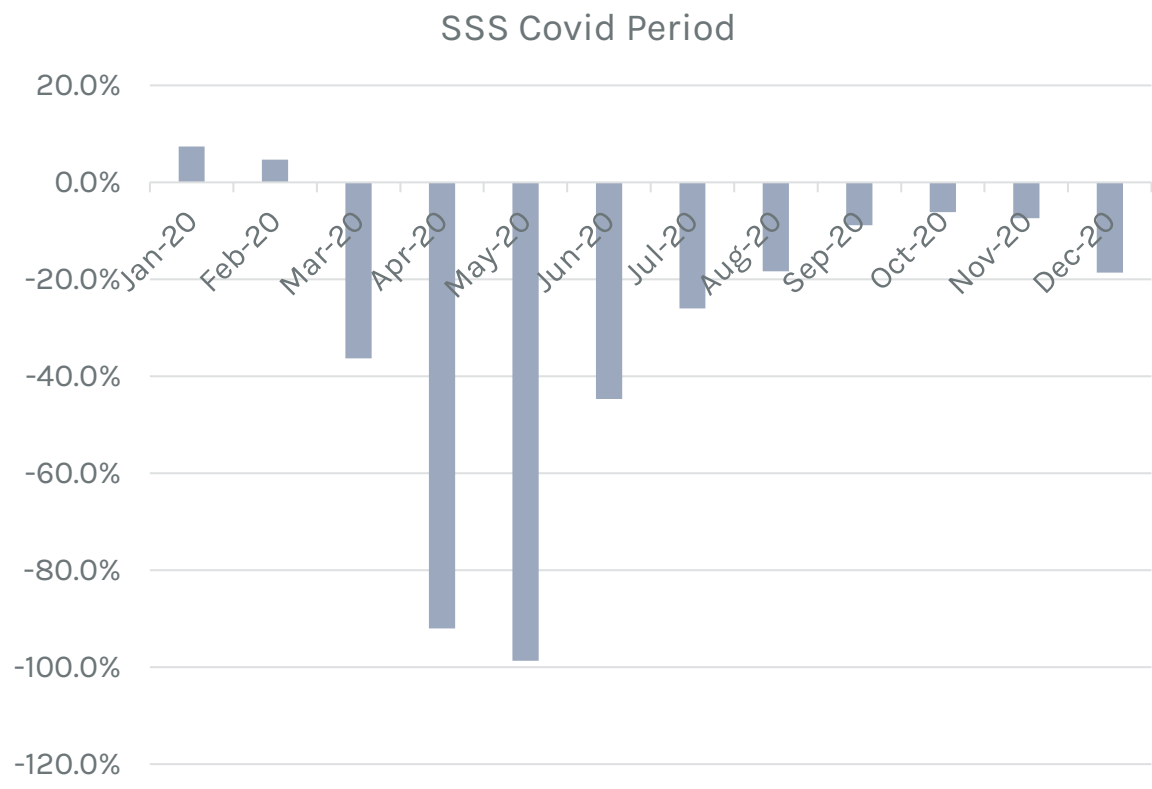


# Financials | SSS and Traffic Growth



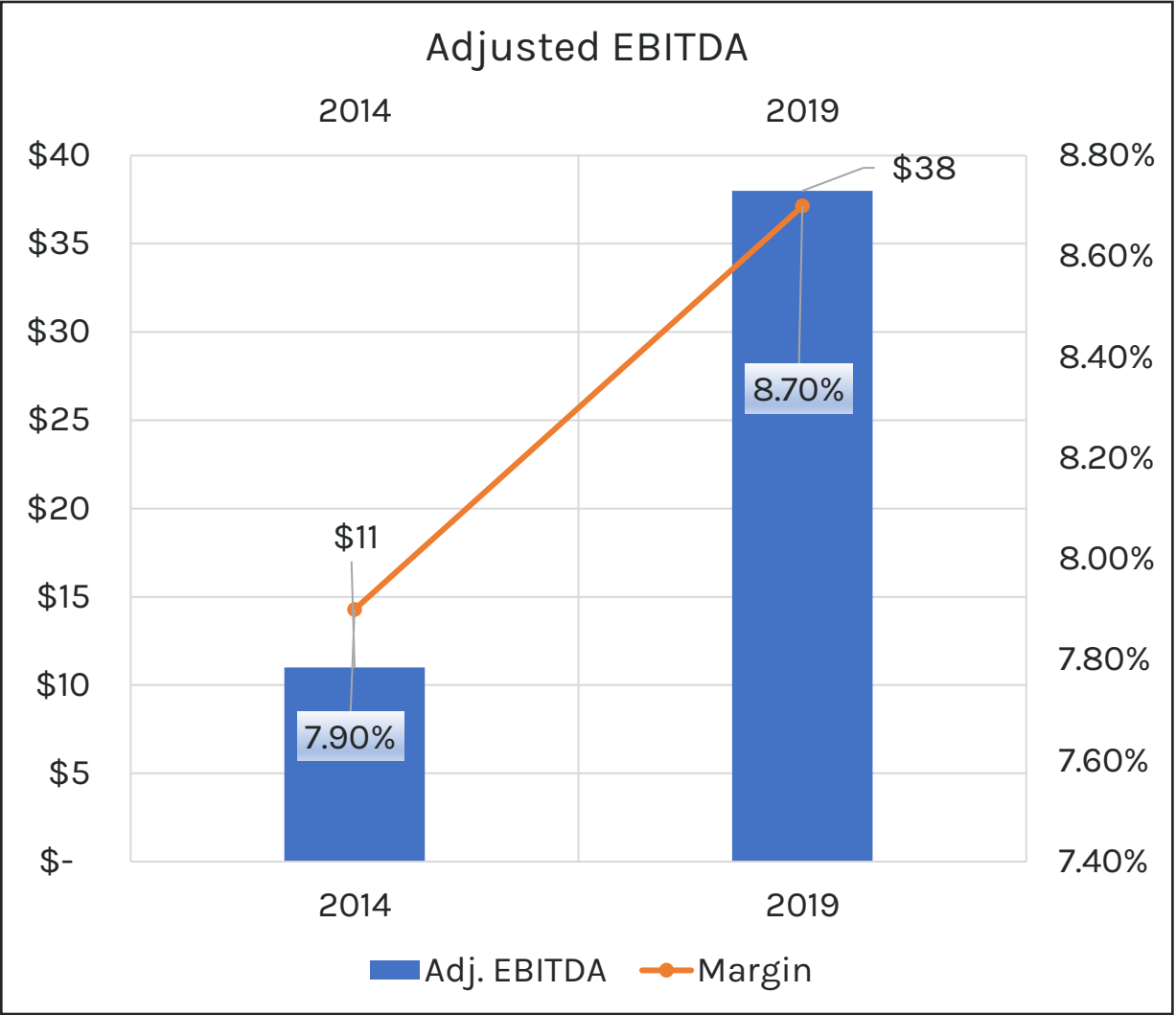
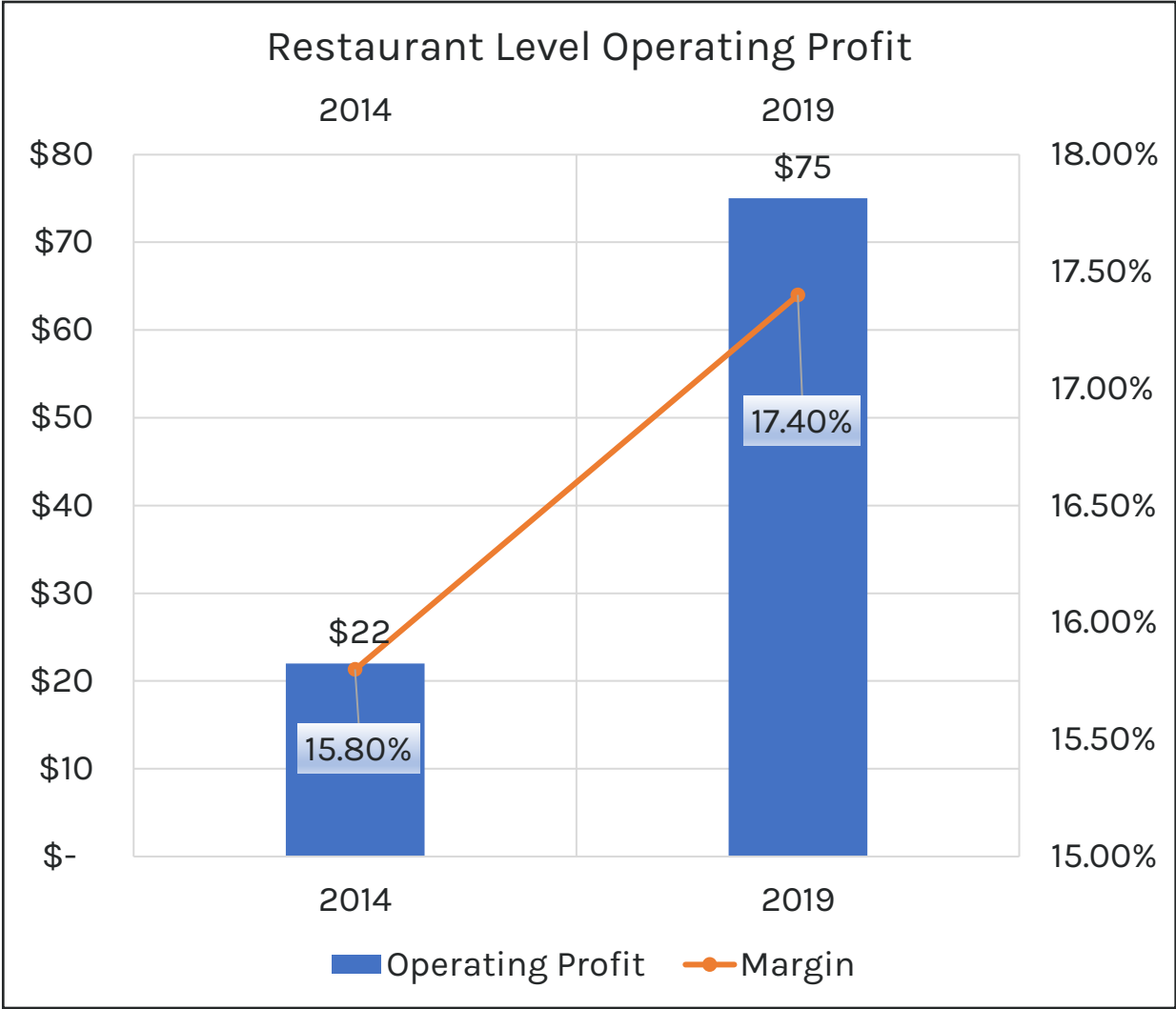


# Financials | Monthly SSS Growth



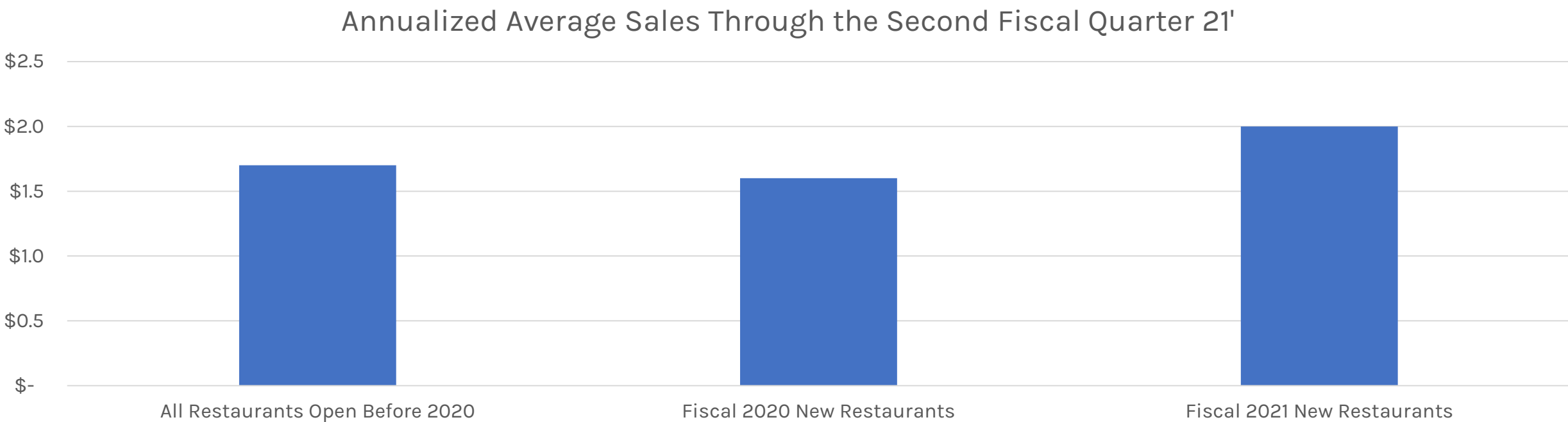
Compared to 2020 July SSS were up 64.9% and in August SSS were up 45.2% and 17%.

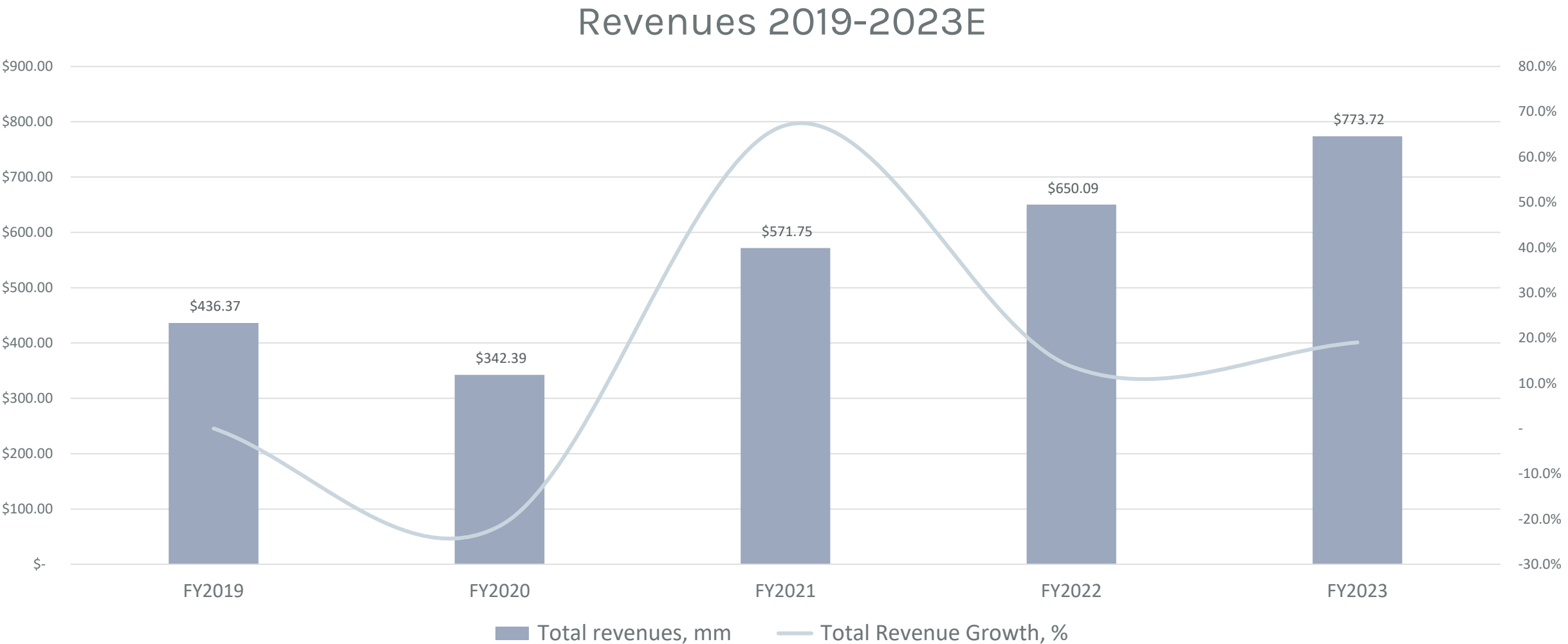
# Financials | Historical Profitability | 2014 vs 2019



# Financials | New Restaurants Are Outperforming

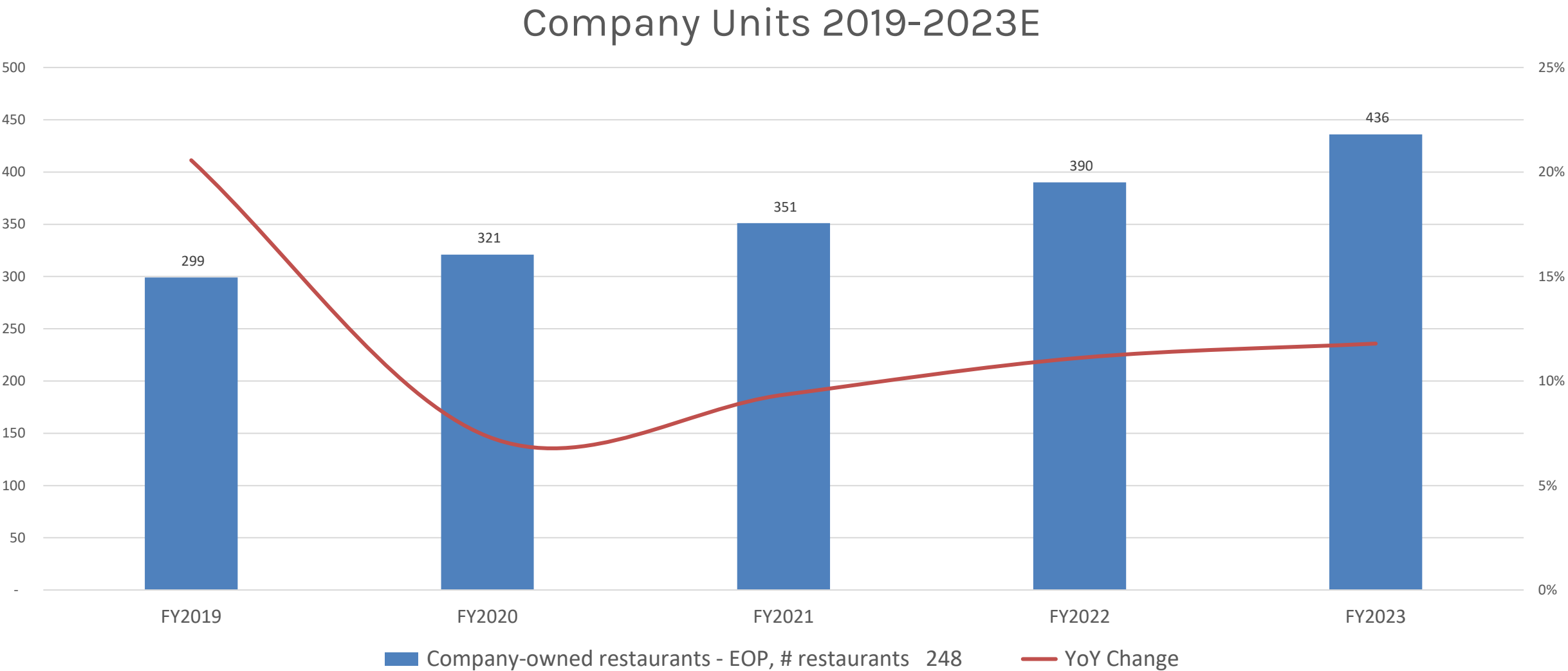
Newly opened restaurants exceeded existing restaurants by \$300,000 in annualized sales in the 1H'21.

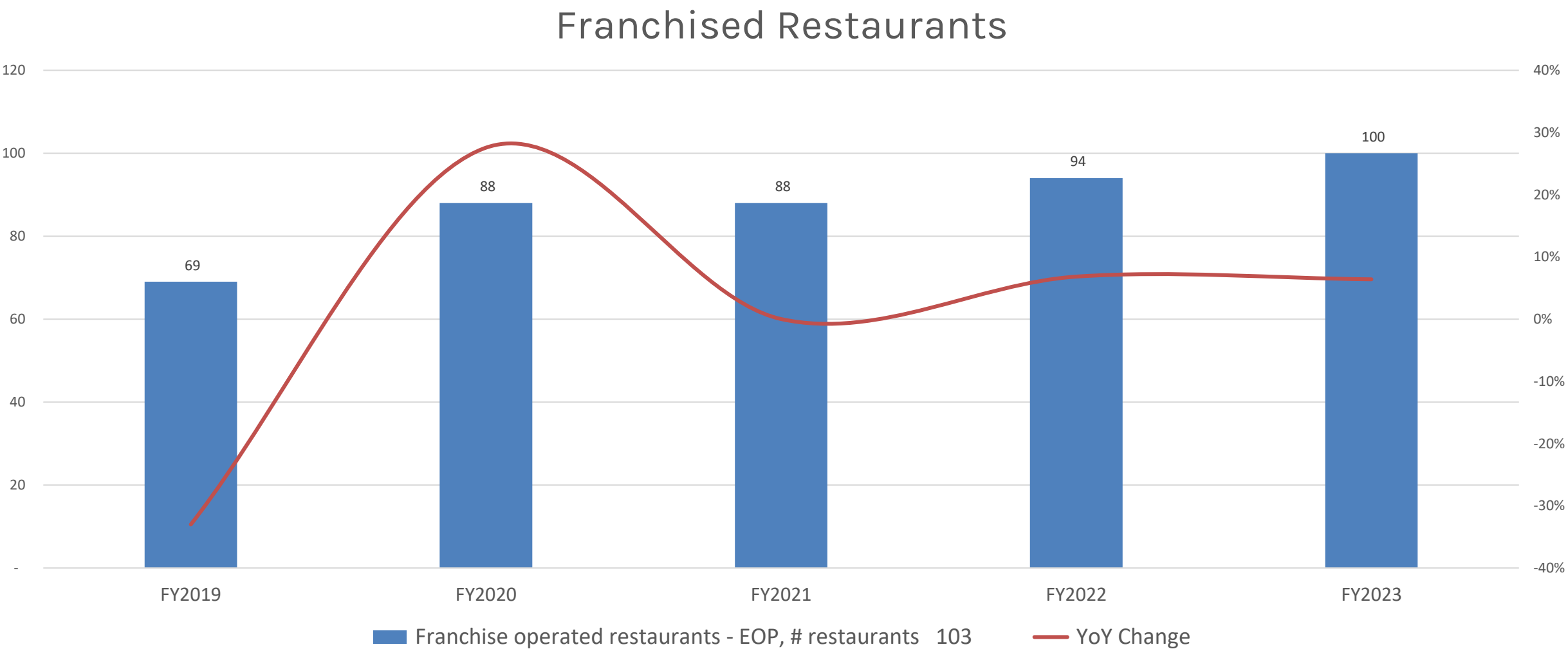


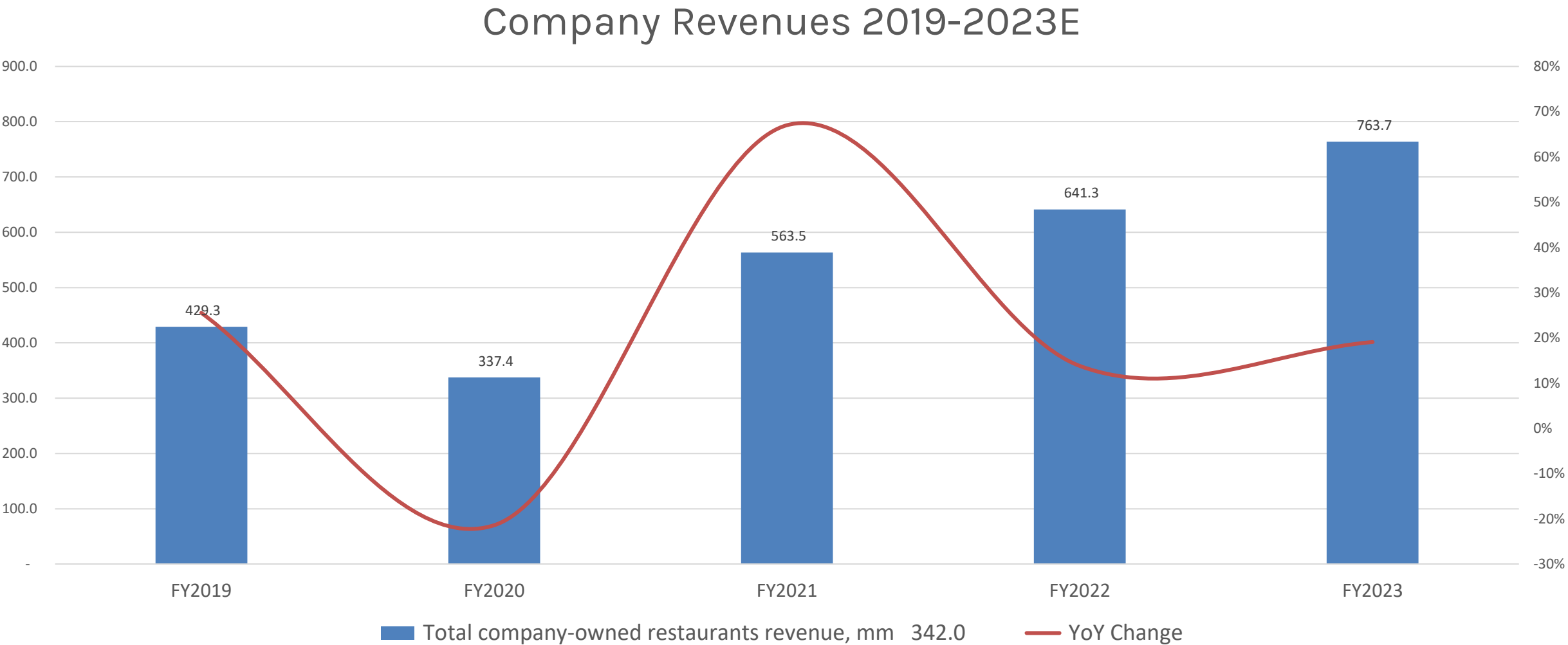




# Financials | Company-Owned Revenues

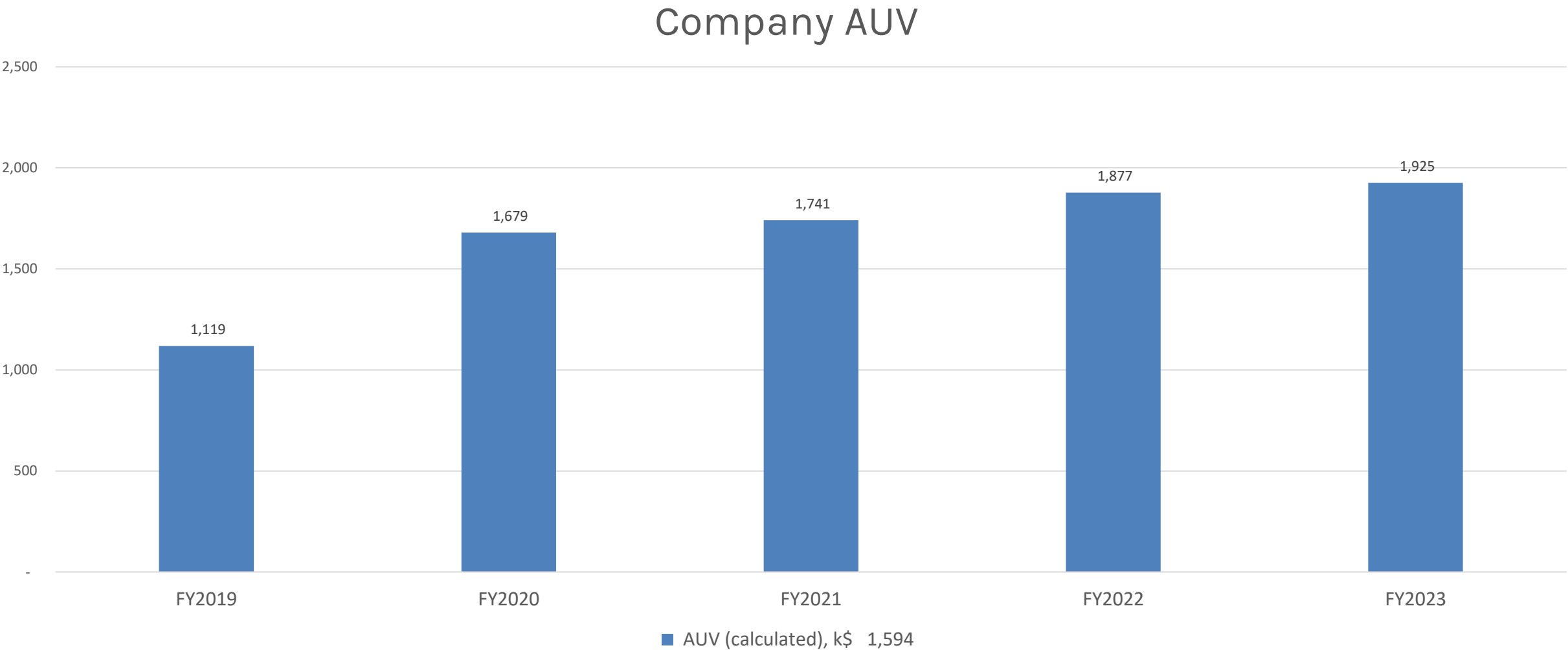




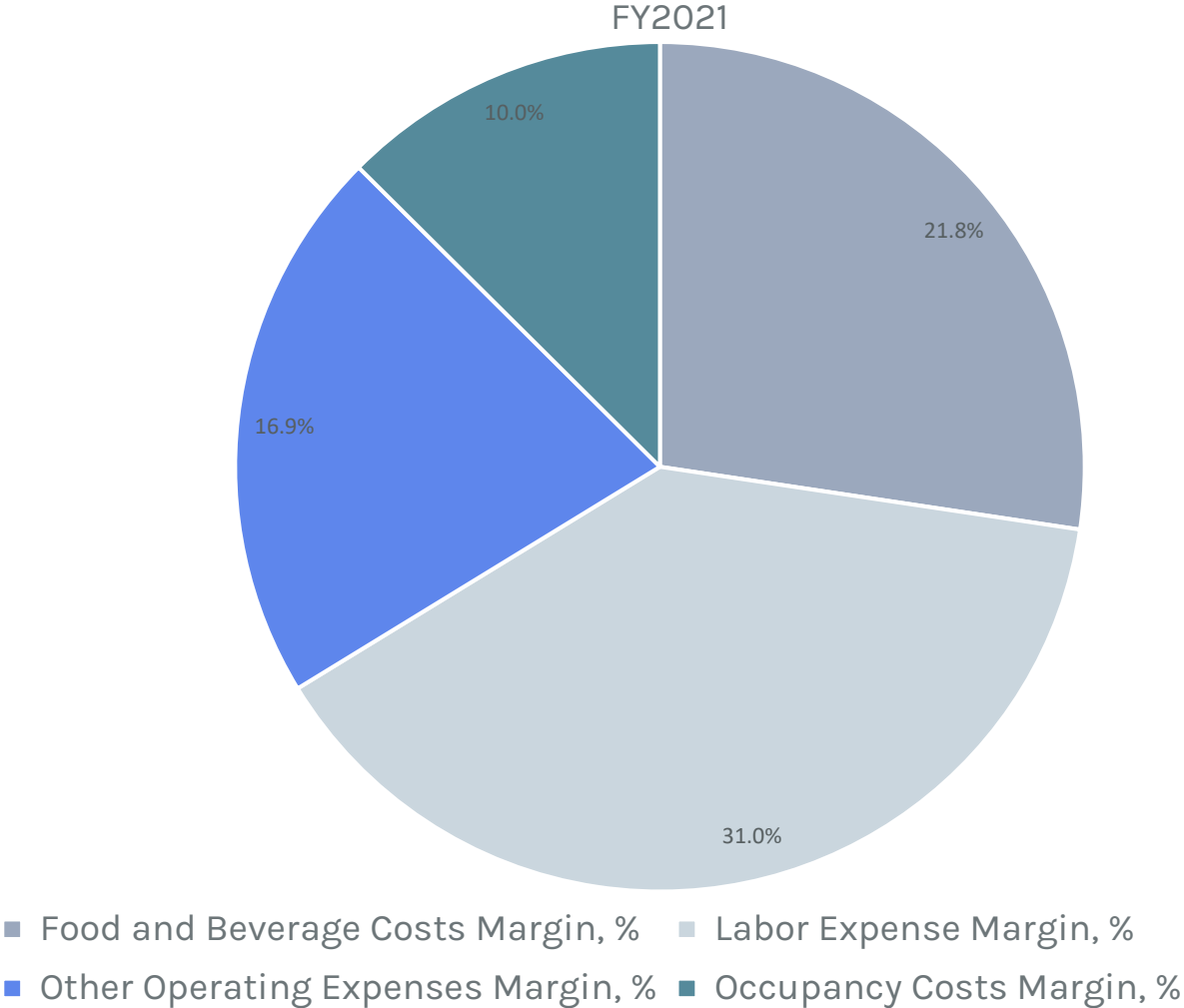




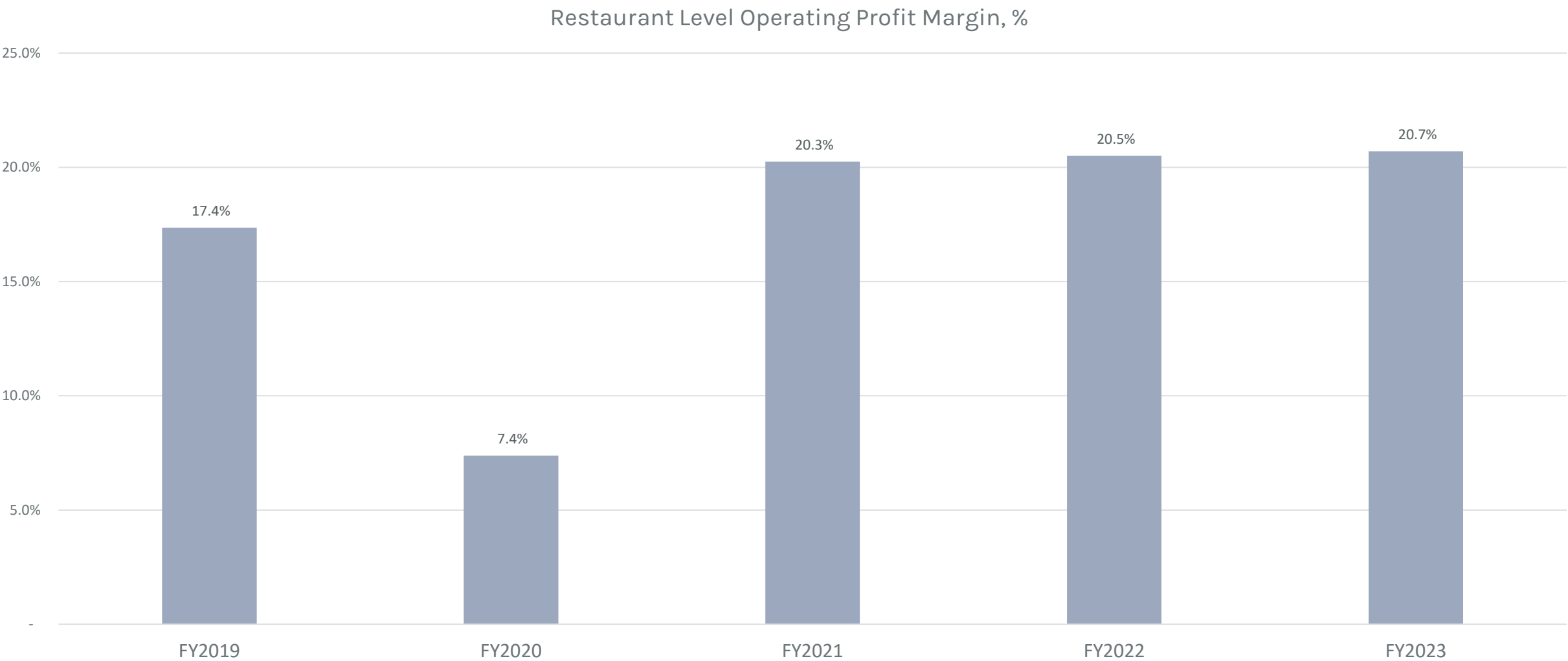


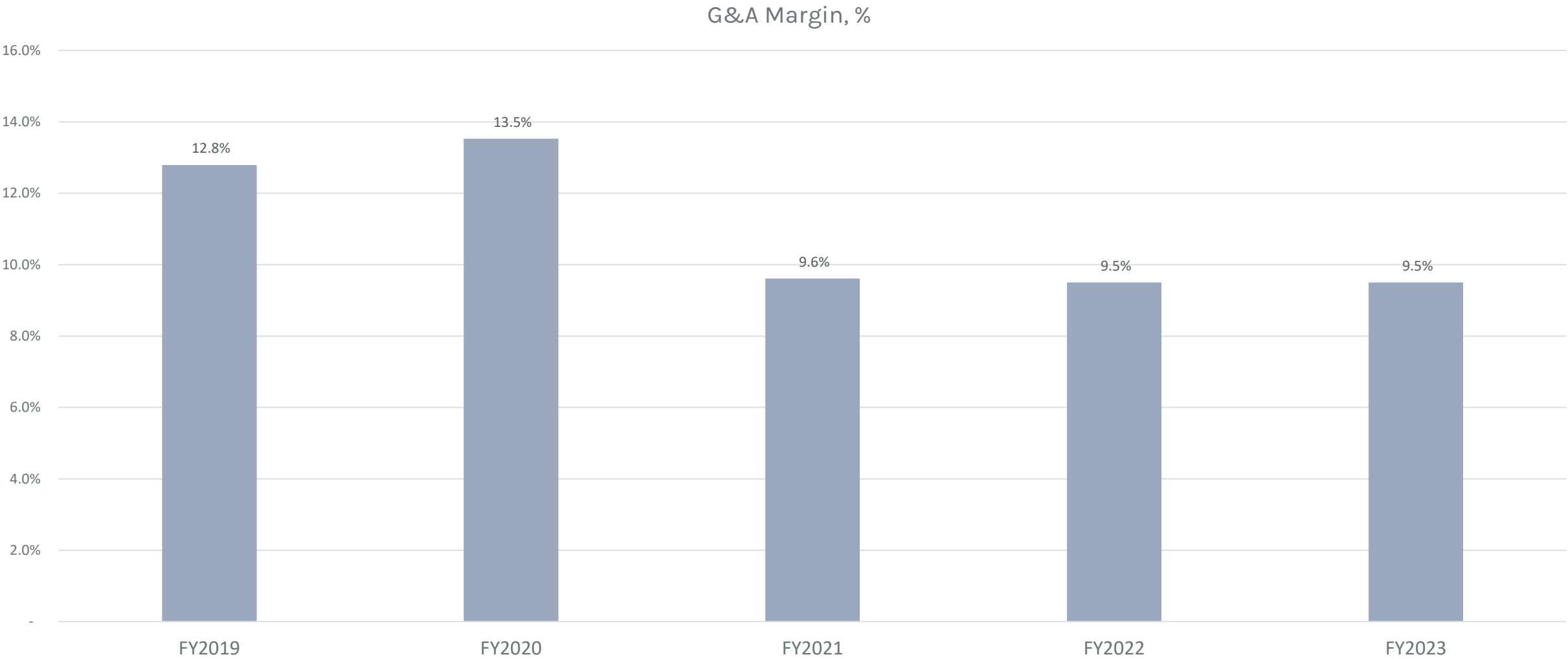


# Financials | Middle of the P&L



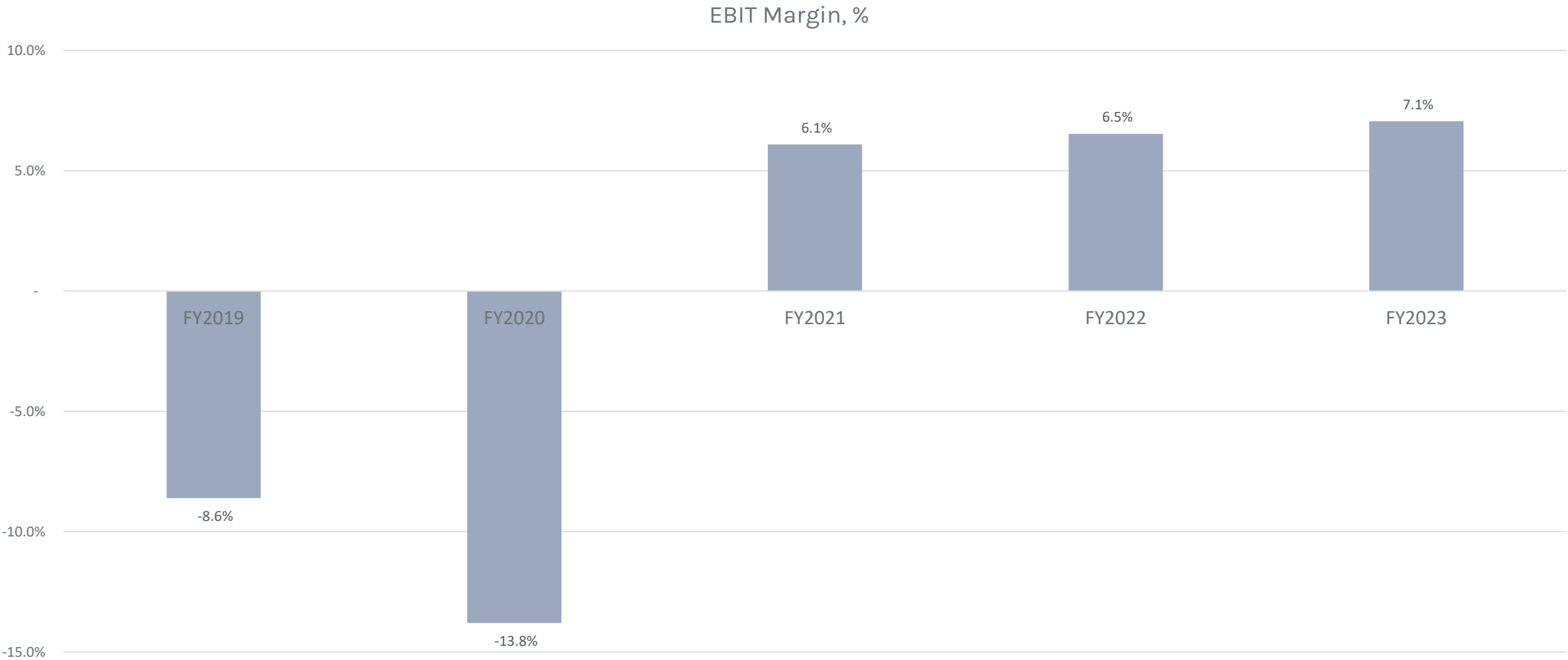
# Financials | Restaurant Level Margins







# Financials | EBIT Margin

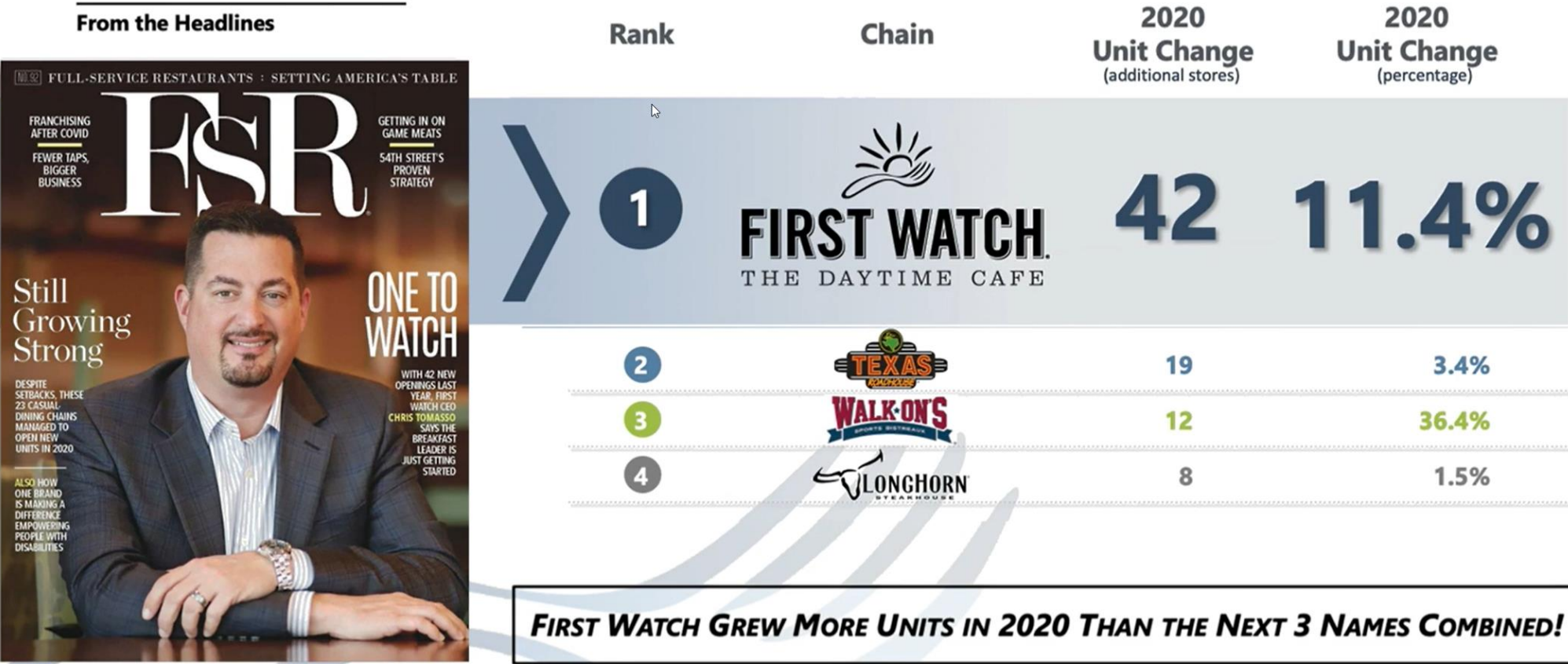


# Valuation

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## Confidence in Our Brand Empowered Us to Grow During COVID



# Valuation | Comparables

First Watch COMP Sheet																											
								Financial Estimates						Valuation													
								2021E Consensus			2022E Consensus			YoY % Growth		2021E Consensus		2022E Consensus									
Company Name	Ticker	Latest Price	Shares Out.	FD Market Cap. (\$M)	Cash	Debt	FD EV (\$M)	Sales	EBITDA	EBITDA Margin	Sales	EBITDA	EBITDA Margin	Sales	EBITDA	EV/Sales	EV/EBITDA	EV/Sales	EV/EBITDA	Week	Month	3-Months	6-Months	YTD	1-Year		
Brinker International, Inc.	EAT	\$ 52.94	45.99	\$ 2,434.56	\$ 23.90	\$ 1,924.60	\$ 4,335.3	\$ 3,754.42	\$ 462.94	12.3%	\$ 3,930.25	\$ 496.56	12.6%	4.7%	7.3%	1.2x	9.4x	1.1x	8.7x	5.83	-1.94	-10.57	-19.98	-6.24	15.00		
Darden Restaurants, Inc.	DRI	\$ 159.50	130.32	\$ 20,786.12	\$ 1,214.70	\$ 5,573.60	\$ 25,145.0	\$ 9,531.12	\$ 1,595.13	16.7%	\$ 10,171.40	\$ 1,703.03	16.7%	6.7%	6.8%	2.6x	15.8x	2.5x	14.8x	5.99	8.58	13.25	18.26	32.96	62.76		
Texas Roadhouse, Inc.	TXRH	\$ 93.24	69.83	\$ 6,510.99	\$ 363.16	\$ 762.17	\$ 6,910.0	\$ 3,452.51	\$ 442.23	12.8%	\$ 3,778.89	\$ 497.91	13.2%	9.5%	12.6%	2.0x	15.6x	1.8x	13.9x	3.35	3.03	-0.61	3.85	20.80	54.86		
Bloomin' Brands, Inc.	BLMN	\$ 26.06	89.22	\$ 2,325.18	\$ 110.41	\$ 2,215.69	\$ 4,430.5	\$ 4,196.66	\$ 553.16	13.2%	\$ 4,474.27	\$ 542.74	12.1%	6.6%	-1.9%	1.1x	8.0x	1.0x	8.2x	4.09	2.52	-3.26	0.92	36.20	78.48		
BJ's Restaurants, Inc.	BJRI	\$ 41.93	23.30	\$ 976.82	\$ 51.66	\$ 573.67	\$ 1,498.8	\$ 1,112.38	\$ 86.93	7.8%	\$ 1,308.74	\$ 140.28	10.7%	17.7%	61.4%	1.3x	17.2x	1.1x	10.7x	12.00	11.34	-10.07	-16.08	18.08	47.61		
Average										12.6%			13.1%			9.0%		17.2%		1.6x		13.2x		1.5x		11.2x	
Starbucks Corporation	SBUX	\$ 114.14	1,179.10	\$ 134,582.47	\$ 4,632.10	\$ 22,384.00	\$ 152,334.4	\$ 29,180.77	\$ 6,570.19	22.5%	\$ 32,040.36	\$ 7,488.56	23.4%	9.8%	14.0%	5.2x	23.2x	4.8x	20.3x	0.81	-0.65	2.09	8.92	6.87	37.68		
Shake Shack, Inc. Class A	SHAK	\$ 83.56	39.14	\$ 3,270.19	\$ 183.76	\$ 347.32	\$ 3,433.8	\$ 742.39	\$ 57.99	7.8%	\$ 964.07	\$ 105.64	11.0%	29.9%	82.2%	4.6x	59.2x	3.6x	32.5x	0.88	-2.90	-21.61	-23.60	-0.08	28.84		
Chipotle Mexican Grill, Inc.	CMG	\$ 1,944.05	28.09	\$ 54,617.83	\$ 951.60	\$ 2,952.30	\$ 56,618.5	\$ 7,522.82	\$ 1,197.94	15.9%	\$ 8,581.44	\$ 1,544.90	18.0%	14.1%	29.0%	7.5x	47.3x	6.6x	36.6x	1.43	0.82	30.02	36.07	39.63	57.51		
Average										15.4%			17.4%			17.9%		41.7%		5.8x		43.2x		5.0x		29.8x	
First Watch	FWRG	\$ 18.50	59.00	\$ 1,091.50	\$ (58.90)	\$ 132.70	\$ 1,283.1	\$ 562.00	\$ 60.00	10.7%	\$ 640.00	\$ 70.00	10.9%	13.9%	16.7%	2.3x	21.4x	2.0x	18.3x								



# Valuation | Valuation Matrix

2022 EV/Sales Multiple												
Sales	2.5x	2.6x	2.7x	2.8x	2.9x	3.0x	3.1x	3.2x	3.3x	3.4x	3.5x	
	\$656.77	\$14.80	\$15.91	\$17.02	\$18.13	\$19.25	\$20.36	\$21.47	\$22.59	\$23.70	\$24.81	\$25.93
	\$660.05	\$14.93	\$16.05	\$17.17	\$18.29	\$19.41	\$20.53	\$21.65	\$22.77	\$23.88	\$25.00	\$26.12
	\$663.35	\$15.07	\$16.20	\$17.32	\$18.45	\$19.57	\$20.70	\$21.82	\$22.94	\$24.07	\$25.19	\$26.32
	\$666.67	\$15.21	\$16.34	\$17.47	\$18.60	\$19.73	\$20.86	\$21.99	\$23.12	\$24.25	\$25.38	\$26.51
	\$670.00	\$15.36	\$16.49	\$17.63	\$18.76	\$19.90	\$21.03	\$22.17	\$23.31	\$24.44	\$25.58	\$26.71
	\$673.35	\$15.50	\$16.64	\$17.78	\$18.92	\$20.06	\$21.20	\$22.35	\$23.49	\$24.63	\$25.77	\$26.91
	\$676.72	\$15.64	\$16.79	\$17.93	\$19.08	\$20.23	\$21.38	\$22.52	\$23.67	\$24.82	\$25.96	\$27.11
	\$680.10	\$15.78	\$16.94	\$18.09	\$19.24	\$20.39	\$21.55	\$22.70	\$23.85	\$25.01	\$26.16	\$27.31
	\$683.50	\$15.93	\$17.09	\$18.24	\$19.40	\$20.56	\$21.72	\$22.88	\$24.04	\$25.20	\$26.35	\$27.51

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