Restaurant Research®

Building Bridges between Franchisees, Franchisors & Financiers

1H26 Restaurant & Fitness Lending & Restaurant Valuations Update

Key Points

Restaurant & Fitness Finance Update

- The current FY26 loan origination projection for $1B+ restaurant concepts & national fitness chains ($12.6B slightly below FY25) is -3.7% below initial expectations at the beginning of the year, mainly due to lower restaurant originations partly offset by an increase in expected fitness loan originations.
- Underwriting standards for both QSR & FSR are mostly unchanged.
- Leverage ratios for franchise fitness loans are comparable to QSR.
- QSR borrower financial condition has declined over the past 2 years, while FSR has improved slightly and is now on par with QSR. Fitness borrowers remain stronger than restaurants, despite a slight decline from January tied to moderating Planet Fitness same-club sales performance (PF represents the majority of fitness loan exposure).
- Borrowing rates declined for both QSR & FSR since January, driven by lower benchmark rates and narrower spreads. Fitness spreads increased and the total borrowing rate currently exceeds both QSR & FSR.

Estimated Restaurant Unit Level Franchisee Enterprise Valuations

- Aggregate franchisee unit-level EBITDA valuation multiples declined -0.5% to 4.95x during 1H26, reflecting a deterioration in unit level economics and tighter lending advance rates for certain brands.
- 2H26 multiples are expected to further decline by -1.2%.

Public Restaurant Company Valuations & M&A Activity

- The 1H26 $1B+ Chain public restaurant company EV/EBITDA valuation multiple & premium expanded slightly due to strong FSR performance, but the average multiple remains near its lowest level since 2017.

Marcus & Millichap Restaurant Real Estate Cap Rates

- Cap rates for single-tenant net-leased $1B+ Chain restaurant properties fell -0.19% y/y to 5.8% and the spread over the 10-Year Treasury narrowed -0.26% to 1.61% (compares favorably to retail, industrial & office).

Report Outline

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Data in spreadsheet form available at https://nobulleconomics.com/library-of-research/

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Restaurant & Fitness Lending Update

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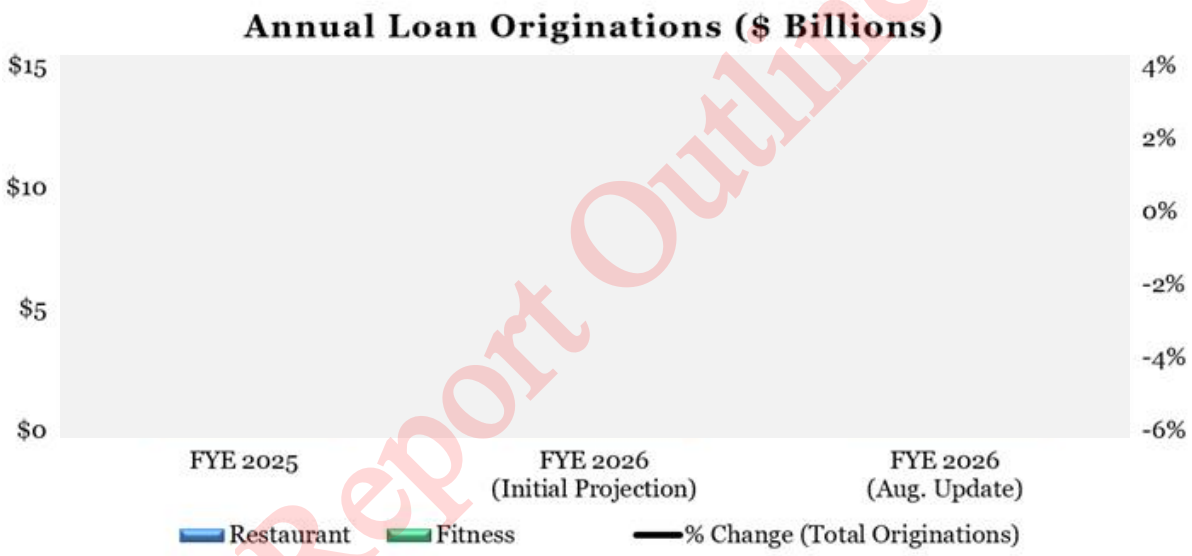

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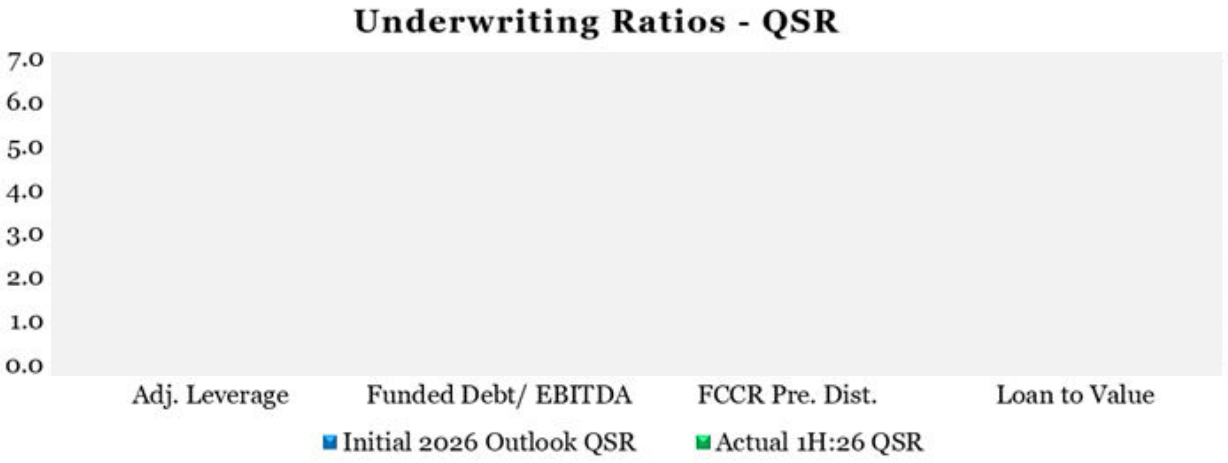
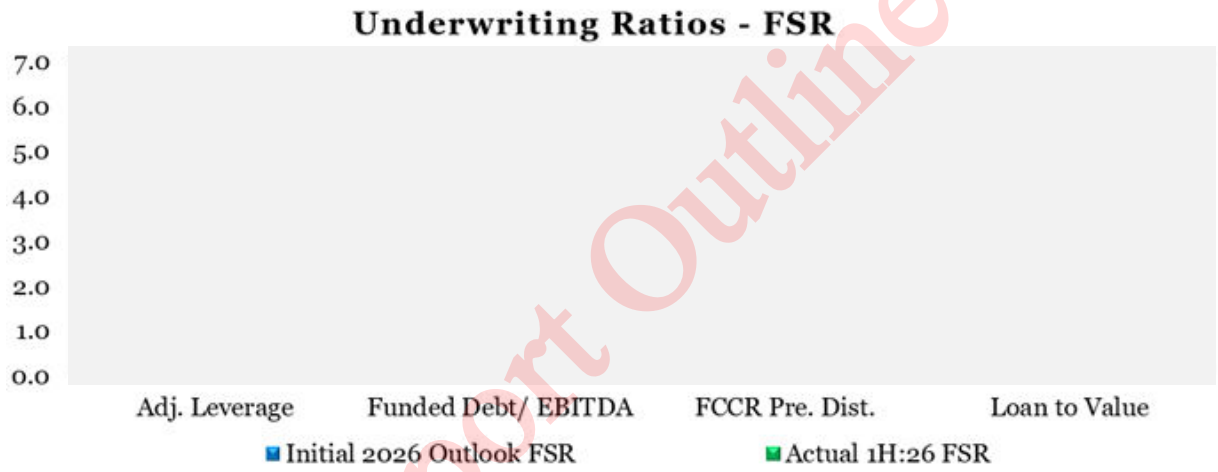
Report Outline

1H:26 Underwriting Ratios												
	Adjusted Leverage			Funded Debt/EBITDA			FCCR (Pre. Dist.)			Loan to Value		
	QSR	FSR	Fitness	QSR	FSR	Fitness	QSR	FSR	Fitness	QSR	FSR	Fitness
Low												
High												
Average												





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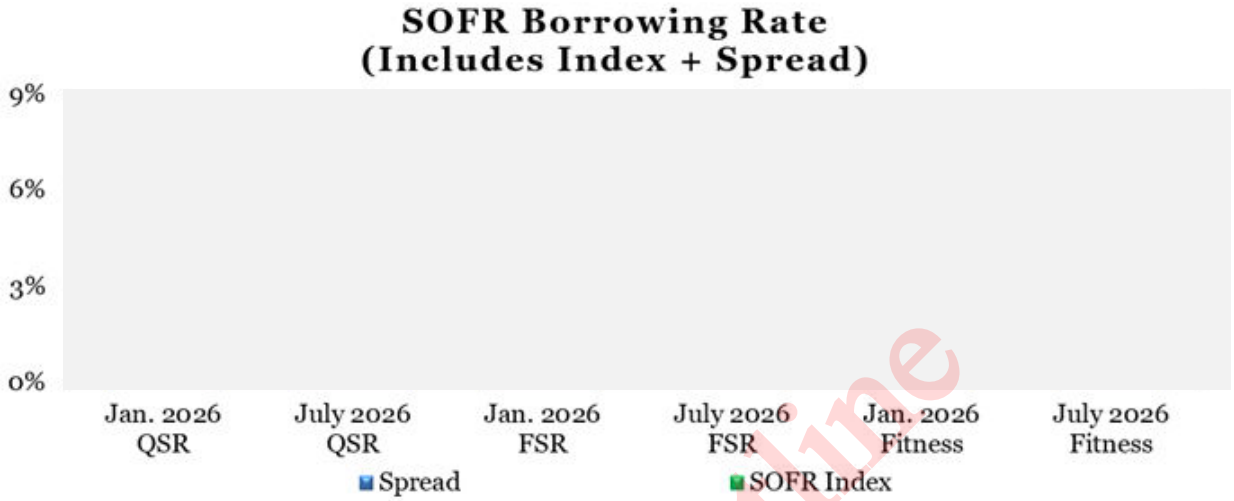

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Report Outline

Survey Participants			

Industry Player Roster Changes

New Entrants/Expanding	Mergers	Exits/On Hold

(1)
(2)

Report Outline

Estimated Restaurant Franchise Enterprise Valuations

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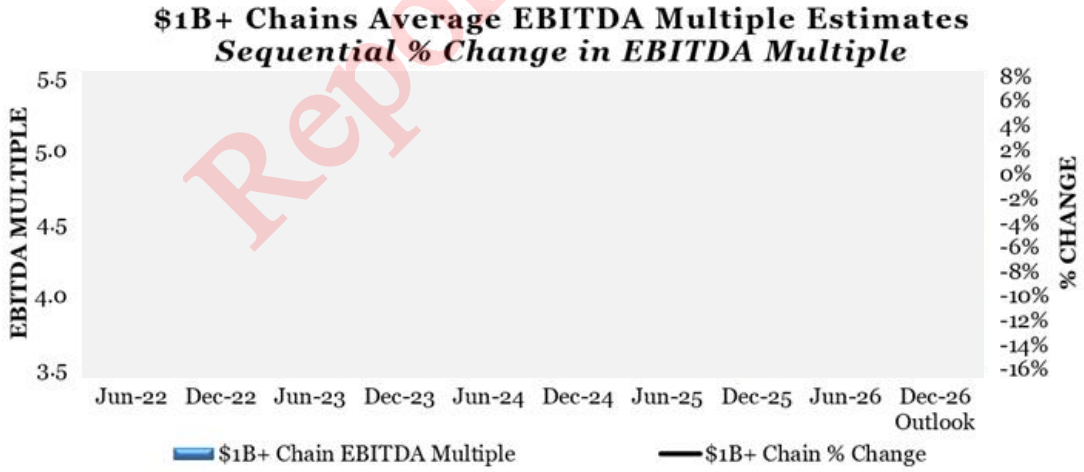
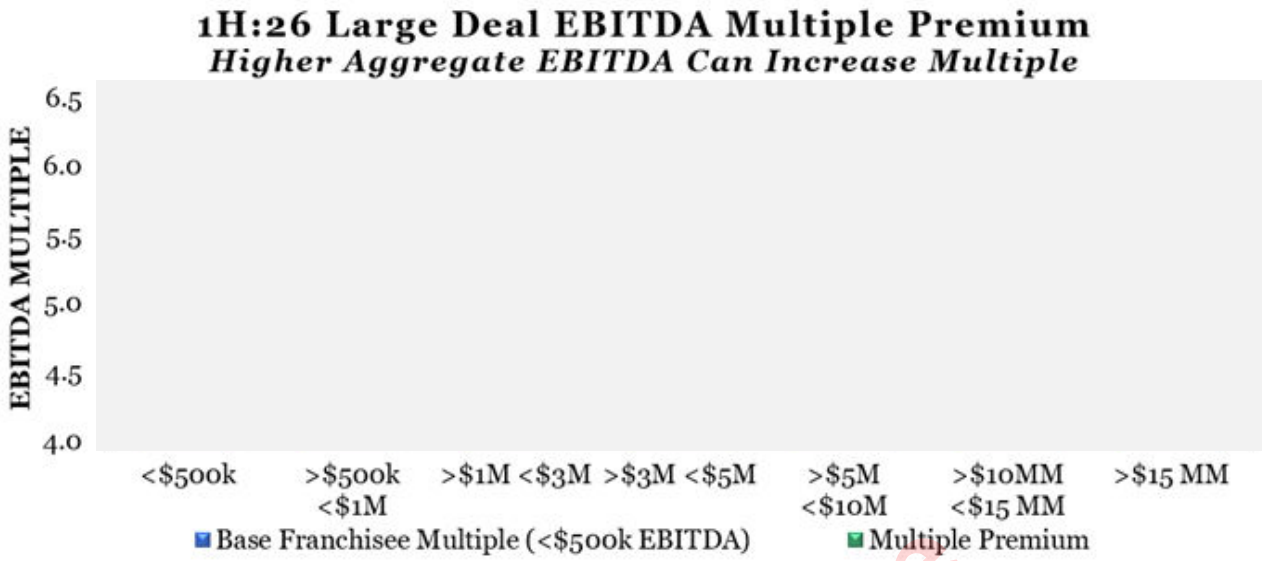
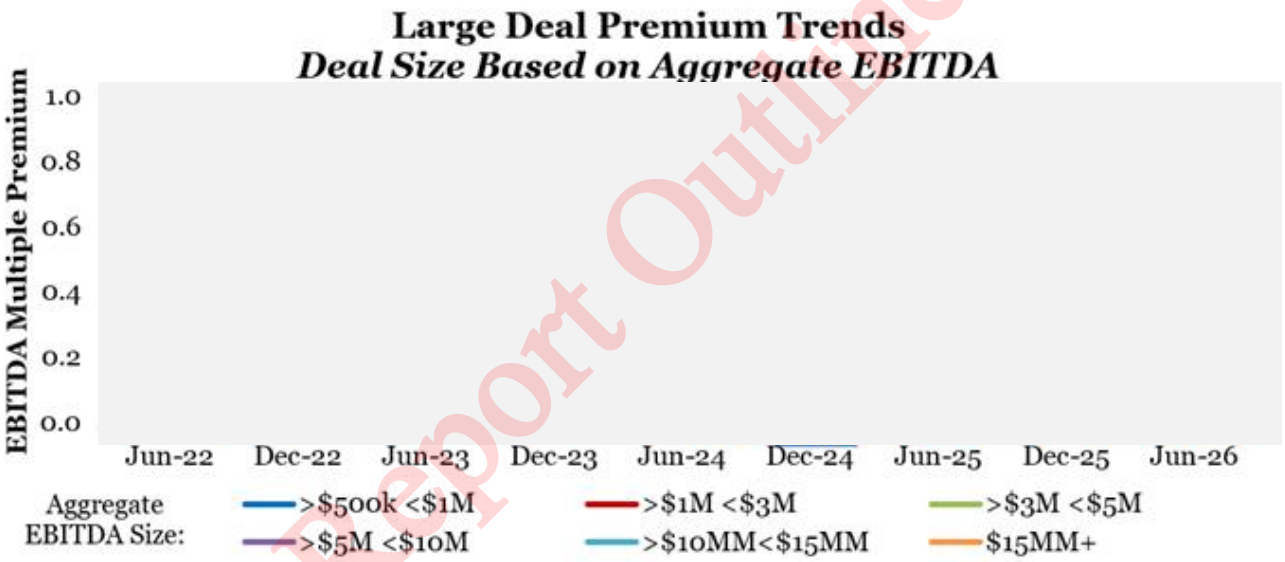


Sequential % Change	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25	Jun-26	Dec-26 Outlook
$1B+ Chain EBITDA Multiple										
% Change in EBITDA Multiple										
FSR Multiple										
% Change in EBITDA Multiple										
QSR Multiple										
% Change in EBITDA Multiple										





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Survey Participant Contact Information			
Firm	**Contact**	**Main Number**	**Email**

1H26 Restaurant M&A Activity

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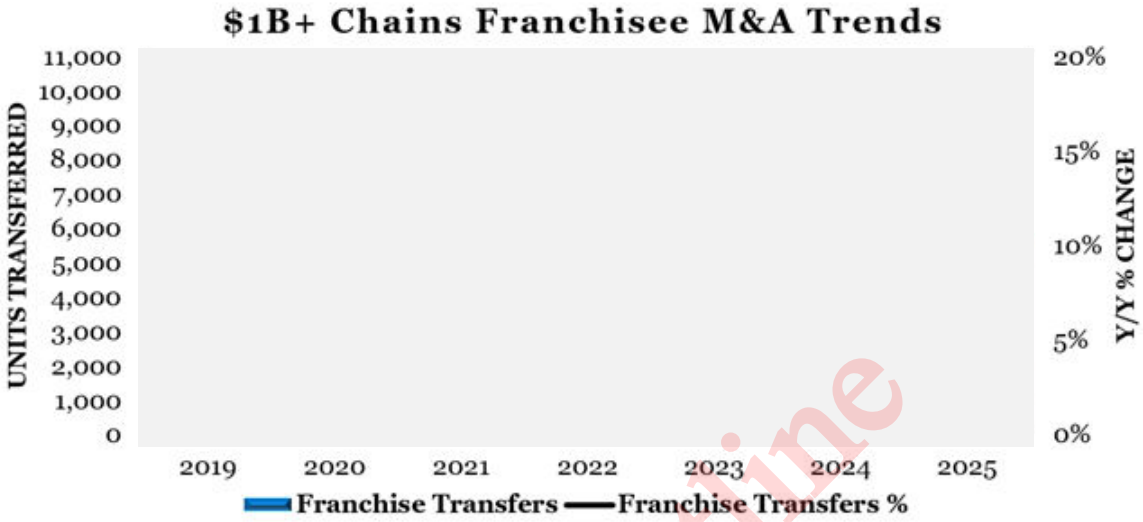

1H26 Restaurant Franchisee M&A Activity (10+ Unit Transactions)

Concept	Units	Seller	Buyer	Date
Total				

Report Outline

1.

2.

1H:26 Estimated $1B+ Chains Enterprise Valuations (EBITDA Multiple)

Concept	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25	Jun-26	% Change Jun-26 vs. Dec-25	1H:26 Average & Range Low	High	# Estimates
Applebee's														
Buffalo Wild Wings														
Chili's Grill & Bar														
Red Robin														
Texas Roadhouse														
Casual														
Denny's														
Golden Corral														
IHOP														
Perkins														
Family														
Moe's Southwest Grill														
Panera Bread														
Qdoba														
Fast Casual														
Arby's														
Burger King														
Carl's Jr.														
Checkers/ Rally's														
Culver's														
Dairy Queen														
Del Taco														
Five Guys														
Freddy's														
Hardee's														
Jack in the Box														
McDonald's														
Sonic Drive-In														
Taco Bell														
Wendy's														
Zaxby's														
Sandwich														
Firehouse Subs														
Jersey Mike's														
Jimmy John's														
Subway														
Sub-Sandwich														
Dunkin'														
7 Brew														
Tim Horton's														
Coffee/bakery														
Bojangles'														
Church's														
Dave's HC														
KFC														
Popeyes														
Wingstop														
Chicken														
Domino's														
Little Caesars														
Papa John's														
Pizza Hut														
Pizza														
FSR Average														
% Change														
QSR Average														
% Change														
Average														
% Change														
10 Year Treasury Rate														

(1) Valuation averages are based on estimates provided by survey participants (not individual transactions) as well as RR estimates and reflect "normal" operating businesses with 5 units after an adjustment for G&A.

(2) July 2026 survey participants include AB Advisory & Analytics, Advanced Restaurant Sales, C Squared Advisors, Citizens Capital Markets & Advisory, FranBizNetwork, Grove Ridge, National Franchise Sales, Newmark Valuation & Advisory, Peak Franchise Capital and PJD Advisory

Report Outline

Public Company Valuations (EV/EBITDA)

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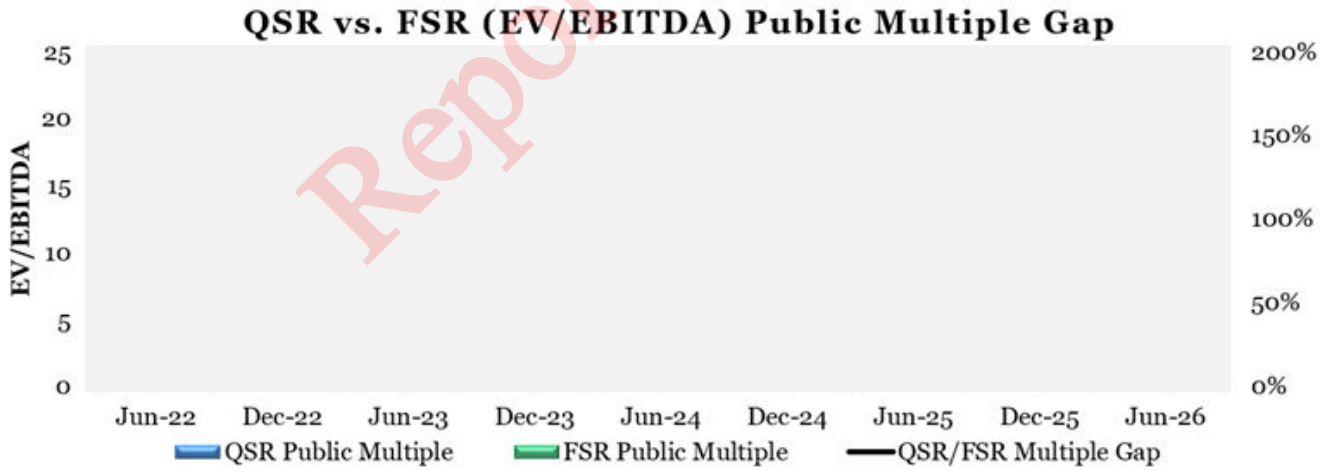
- 

Report Outline

Public vs. Private Multiples by Chain
(Sorted by Public Premium)

Concept	Parent Company	EV/EBITDA Multiples 1H:26		
		Public	Private	Public Premium [1]
Jersey Mike's	Jersey Mike's Subs Inc.			
Pizza Hut	Yum! Brands, Inc.			
KFC	Yum! Brands, Inc.			
Tim Horton's	Restaurant Brands International Inc.			
Burger King	Restaurant Brands International Inc.			
Popeyes	Restaurant Brands International Inc.			
Domino's	Domino's Pizza, Inc.			
Wingstop	Wingstop			
Wendy's	The Wendy's Company			
McDonald's	McDonald's Corporation			
Taco Bell	Yum! Brands, Inc.			
Papa John's	Papa John's International, Inc.			
Jack in the Box	Jack in the Box Inc.			
QSR				
IHOP	DineEquity, Inc.			
Texas Roadhouse	Texas Roadhouse, Inc.			
Applebee's	DineEquity, Inc.			
Chili's Grill & Bar	Brinker International, Inc.			
Red Robin	Red Robin Gourmet Burgers, Inc.			
FSR				

(1) Public multiple premium = (Public EV/EBITDA)/(Private Franchisee EV/EBITDA)

Report Outline

Marcus & Millichap Net Lease Real Estate Cap Rates

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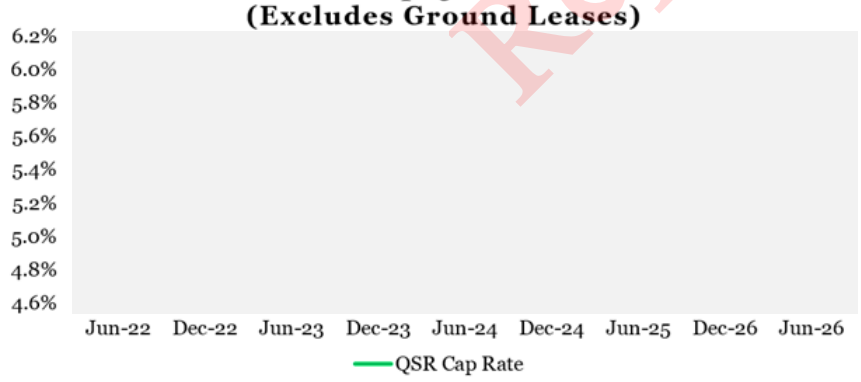

Estimated Cap Rates by Segment

Segment	Indicative Cap Rate	Current Investor View

Valuation Methodology

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Example - Fee Restaurant Property	
Business Value	**Real Estate Value**
Sales	Implied Rent/sales
Adjusted EBITDAR	Implied Rental Income
Implied Rent	Cap Rate
Adjusted EBITDA	**Real Estate Value**
Multiple	
Business Value	**Total Value**

Report Outline



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