



Project Tasty Bites Information Memorandum

Private and confidential.



PROJECT TASTY BITES..

Accelerating to build a Global, Branded Food business

CONTEXT

Amongst the few essentials of life, Food is certainly the most important. The global food market is \$ 12 TRILLION market and growing 6.5%/year. The global branded fast food market is approximately \$ 650 Billion. Hence not only an essential market but also a large and growing market. The other essential of life is time and world-wide the trend of fast and quick service is gaining ground. This is partially driven by disposable incomes especially overseas, the variety of food on offer at attractive prices and convenience of access.



THE COMPANY

The Project Tasty Bites is well positioned to take advantage of these trends. It currently owns and operates 18 branded restaurants such as KFC, Long John Silver, A&W, Pizza Hut and others in the Midwest, Virginia and California. These restaurants are majority owned by the principals of Project Tasty Bites. In addition the principals own minority share (33%) in 46 number of restaurants in the USA. Hence a total of 64 restaurants.

Finally, while the majority of the business is franchises of global brands. it has own brand of Taco restaurants operating 6 locations. These restaurants have much higher than average sales/sq ft as well as EBITDA margin. They plan to rapidly franchise these restaurants in multiple states and countries.



VISION AND ROAD MAP

The strategic plan is to build towards a group with 1200 stores with a 1000 in the USA and 200 in select markets. The tactical plan comprises of:

- Buy out the majority shareholder in the current restaurants
- Rapidly acquire operating restaurants in multiple states
- Execute expansion of owned brand Taco restaurants in the US and Overseas
- Test new food concepts by buying operating new brands in their infancy.



STATE OF PLAY

The implementation of the strategic plan is being executed professionally and judiciously. The majority owner of the existing package of restaurants is willing to divest his stake and negotiations on pricing are well under way.

The pipeline of acquisition under negotiations is for 175 restaurants. Given the reputation of the principal in the fast food industry, he is close to many sellers and sees many transactions

The drive to expand owned brands domestically and internationally is concurrently being executed with involvement of Franchising consultants/advisors to take the Taco chain global

Finally, while it's still early days at least two very promising food formats are being evaluated.



MANAGEMENT

The main principals of the venture are highly experienced. The CEO started in the KFC business 30 years ago and starting from an entry level position has grown a large business. His knowledge of the operations, understanding of people management and ability to create teams is a big asset. Most importantly his ability to improve margins in acquired restaurants is legendary.

The other major partner is a Harvard Business School alumnus with FaceBook, Google, Cisco etc in his work history and representation on several boards. This has not dampened his entrepreneurial drive and he is the co-founder of the very successful Taco chain in California.

In addition they have a large team of operations and training managers across their business.



FINANCIAL

The current turnover of the majority and minority owned restaurants is 100\$ MM. The pipeline of acquisitions represents approx \$ 500MM in Turnover. We are forecasting to complete our goal of 1200 restaurants in 3 years. The total investment required to build this out will be approx \$ 650 MM to \$1 Billion dollars. The investment will be in both equity and debt.

Our Financial strategy rests three major pillars namely:

- 1) Improving the operating performance of the acquired restaurants hence increasing the value of those assets
- 2) Increasing the overall size of the group so an exit whether through IPO or strategic sale becomes more attractive,



- 3) Building the Owned Brand of restaurants by expansion domestically and internationally giving us a value far beyond earnings multiple.

The investor partner will be able to participate in different forms of equity and debt. Each will be a discrete transaction that can be evaluated individually, hence the investor is not committing all the needed capital at one time.

Hence we want to partner with a well-funded institutional investor who is familiar with the business, has appetite or major growth through acquisitions and support expansion globally.

THE ASK:

Our next 90 day line of sight is for acquisitions of \$ 150 MM in both debt and equity. This requirement will be made up of individual transactions that range from \$ 20 to 50 MM.

We are happy to discuss the modalities at your convenience.

Please contact:

Prad Sabharwal

Ananta Advisors

Prad@Anantaadvisors.com

+1314-498-1437

