

January 2024



**Houlihan  
Lokey**

## **Restaurants**

Industry Update



# Restaurants Staying Steady, With 'Eatertainment' Emerging as a Diversified and High-Growth Subsector

## Executive Summary

- We have compiled a brief primer on the restaurant industry, providing relevant updates to keep you apprised of the latest trends and changes throughout this expansive market; some of the key highlights are below:
  - Despite some slowdown toward the back half of the year, total U.S. restaurant spend is expected to reach ~\$1 trillion, exhibiting 11% growth over 2022; the restaurant industry has been remarkably consistent over the past two decades, growing at ~5% since 2001<sup>(1)</sup>
  - Though certainly not "new news," digital implementation (inclusive of third-party delivery services) throughout the industry has had a meaningful impact in terms of driving incremental transactions and volume, customer reach, and increased spend and managing operating and labor expenses; continued implantation of digital tools and services is a key tailwind and growth driver heading into 2024
  - Limited-service operators (quick service and fast casual restaurants) have experienced significant growth, with public operators boasting a 110% increase in share price from January 2019 through December 2023 and the top 500 operators<sup>(2)</sup> growing their top-line 6.6% annually over the same period
  - Conversely, full-service operators (casual and fine dining restaurants) have experienced more modest growth of 55% in share price for public operators (which lags the S&P 500) and 1.5% in annual sales growth for the top 500 operators,<sup>(1)</sup> from January 2019 through December 2023
  - The restaurant industry has had to balance increasing wages and input costs with increasing menu prices to help maintain margins; though operators have been largely successful to date in preserving this delicate balance, the back-half slowdown may indicate that customers have reached their limit in terms of price and are looking toward substitutions
- In addition, we have included a segment specifically on the **eatertainment** subsector, which has experienced meaningful growth through 2023 and is expected to have double-digit growth through 2028
  - By pairing F&B with entertainment, eatertainment concepts are emerging as one of the most compelling in the industry, eliciting greater visitation and higher spend from consumers across all ages and demographics, in addition to powerful and outsized margins compared to the industry norm
  - Eatertainment may be a logical route for select casual dining operators to diversify into, especially considering recent stagnation



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Source: WallStreet Research.

(1) Excludes 2020 due to COVID-19-related closures. Excludes 2021 due to outsized growth over 2020.

(2) The top 500 restaurants comprise 326 LSOs and 174 FSOs. The 326 LSOs grew 6.6%, while the 174 FSOs grew 1.5% on the top line.

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	Advisor	Deals
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3	JP Morgan	217
4	Lazard	206
5	Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

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5	Moelis & Co	21

Source: Refinitiv.

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1	<b>Houlihan Lokey</b>	<b>1,232</b>
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4	Morgan Stanley	725
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Source: Refinitiv. Announced or completed transactions.

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Global M&A Advisor Under \$1 Billion

**No. 1**

Global Restructuring Advisor

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# Restaurant Industry From 30,000 Feet

The broader restaurant industry had been steadily gaining momentum for ~40 years,<sup>(1)</sup> and despite a hiccup due to COVID-19, the sector has rebounded substantially, given pent-up demand for dining experiences coupled with greater accessibility to a wider set of dining options—both local restaurants and popular nationwide brands—that will continue to propel the industry going forward.

## Restaurant Landscape Highlights



Total industry revenues of \$1 trillion expected in 2023 (~11% growth vs. 2022)



Significant digital transformation generating new opportunities to engage with a massive/growing customer base while reducing operational costs



Strong consumer demand for meals/activities outside the home as people continue to value convenience and experiences



Eatainment has emerged as one of the most attractive forms of dining given the supplemental immersive experience that caters to an expansive audience and captures additional wallet share

### Selected Limited-Service Restaurants

#### Quick Service



#### Fast Casual



### Selected Full-Service Restaurants

#### Casual Dining



#### Fine Dining



- Over the past few years, the broader restaurant landscape has evolved significantly; COVID-19 has led a significant shift in consumer preferences that prioritizes convenience/accessibility while restaurants have had to transform their operations to implement advancements that were historically considered more of a “luxury” rather than a necessity
- Though challenges such as inflation and labor shortages/higher wages have meaningfully impacted the end customer with higher pricing to help offset such matters, consumers continue to value the dining experience and overall accessibility/convenience of a quickly served meal

- Q3 was a relatively lower-producing quarter on a same-store-sales (SSS) basis (especially compared to strong results in Q1/Q2), with quick-service restaurants being an exception to the trend; however, preliminary findings show that November and December restaurant sales were up 7.8% YoY, highlighting a strong end to the year and positive momentum heading into 2024
- The long-term growth trajectory of the industry is clear, as exhibited by several underlying tailwinds and further supported by its incredible resiliency over the past 40+ years<sup>(1)</sup>, with the ability to grow and innovate despite the Great Recession, COVID-19, continuous change in consumer preferences, etc.

# Restaurant Industry Market Map

## Limited-Service Restaurants (LSR)



## Full-Service Restaurants (FSR)



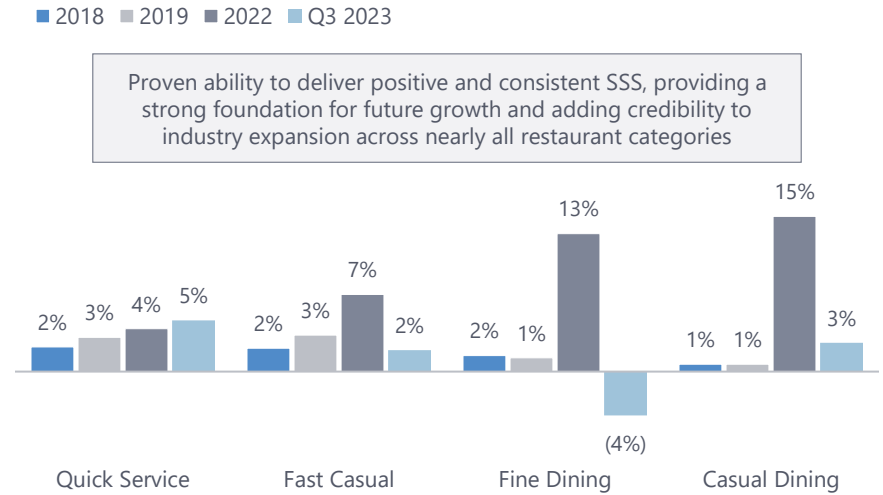
# Impressive History of Sustained Growth...

The restaurant industry has proven resilient over the past 40+ years, with a demonstrated track record of consistent growth.

## Industry Performance Overview

- On average, restaurant sales grew ~5% per annum from 2001 to 2019,<sup>(1)</sup> driven by the evolution of countless restaurant concepts across QSR, fast casual, casual dining, and fine dining coupled with the constant change in consumer/dining preferences
- 2022 proved to be another record-breaking year for the industry, buoyed by higher pricing and continued pent-up demand; 2022 represented the first normalized year post-COVID-19 with full-year operations, minimal operating restrictions, etc.
  - 2023 is expected to meaningfully outpace 2022 with \$1 trillion in estimated sales, exhibiting 11% annual growth as consumers continue to place significant value on food outside the home
- Significant tailwinds exist in 2024 and beyond as digital technologies become more prevalent, third-party delivery services broaden the reach/accessibility to a wider set of potential customers, and various current/near-term headwinds normalize to positive pre-pandemic levels

## Strong SSS Across All Subsectors<sup>(2)</sup>



## Restaurant Market Size

(\$ in billions)



Sources: National Restaurant Association, WallStreet Research.

(1) Excludes 2009.

(2) Excludes 2020 due to COVID-19-related closures. Excludes 2021 due to outsized growth over 2020.

# ...And Well Positioned for Continued Expansion

The restaurant category has several underlying industry, economic, and consumer trends that support sustained growth.

## Overview

- Looking ahead, broader industry expansion is segmented between limited- and full-service operators, which are expected to accelerate at double-digit growth levels, buoyed by several underlying tailwinds—including increasing share of food away from home (FAFH), modest unit count growth, and other consumer-related trends/preferences
  - FAFH has continued to take share of total overall food spend (47% in 1997 to 56% in 2019); this trend is expected to continue as consumers look for more convenient options due to higher discretionary spend, busier lifestyles, and a continued shift of preferences to more convenient alternatives
  - Unit count represents another strong indicator of industry health and is expected to continue ticking upward ~1% from 2023 to 2025, in line with the 10-year pre-COVID-19 growth rate and provides evidence that units will not be the primary or sole generator of industry expansion but rather consumer demand, pricing, etc.
- More recently, restaurants have increased prices to offset inflationary and economic pressures with limited reduction in volume; though price increases are primarily offset by increased input and labor costs, as supply chain issues improve and digital efficiencies enhance operations, we would expect long-term margin expansion
  - That said, Q1 '24 will be critical in evaluating volume trends as recent SSS softness may indicate the consumer is “capped” in terms of price and is seeking substitutions
- SSS has remained positive over the past five years<sup>(1)</sup> across all restaurant categories, exhibiting the consistency of the industry coupled with its ability to adapt and innovate offerings to capture strong and recurring visitation/growing spend year after year; though there was some SSS slowdown at the end of 2023, the trend remains positive

## Notable Near- and Long-Term Trends Will Support Industry Momentum



Foods outside the home are high frequency and an everyday habit for a significant portion of the U.S., creating daily opportunities to capture spend/wallet share



A rising population and disposable income levels will drive demand for restaurant services and general food consumption outside the home



Technological advancements will continue to enhance and customize the customer experience, including online ordering, mobile apps, digital payment options, etc.



A shift in eating habits and daily lifestyles is leading to a rise in demand for convenience via restaurants, QSRs, and delivery options



Innovative food menus and more experiential dining options will fuel growth as restaurants enhance/adjust their offerings to adapt to any shifts in consumer preferences

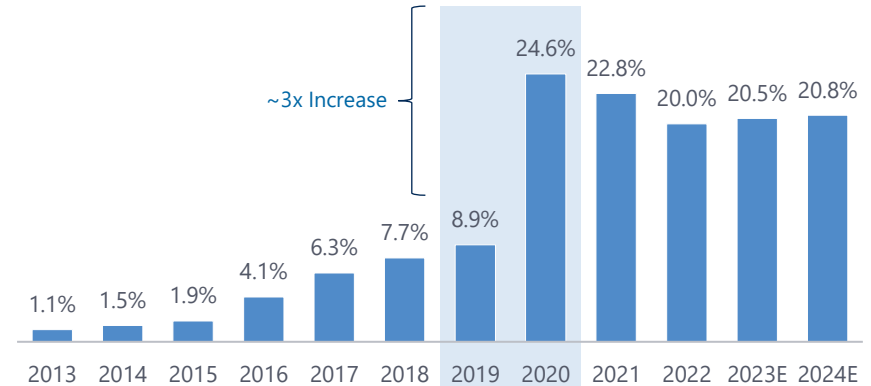
# The Shift to Digital Is Transforming the Restaurant Industry

An abundance of digital options and efficiencies have flooded the restaurant industry, offering various opportunities to expand reach, increase sales, and optimize operating models.

## Digital Capabilities Fueling Industry Expansion

- The U.S. food delivery market represents a rapidly expanding industry and is on pace to grow at a 10% CAGR from 2022 to 2028 (\$26 billion to \$47 billion)
  - Both limited- and full-service operators are looking for ways to expand their reach and optimize their third-party delivery efforts, ultimately benefiting both sides of the spectrum
  - Partnerships will continue to drive top-line growth; operators will seek alternative digitally driven efficiencies to maintain/drive margins while leaning on increased pricing on third-party apps to compensate for the incremental fees
- Loyalty programs have proven effective at generating unique insights into consumer behavior, resulting in increased visitation (new and repeat), higher spend per visit, and stronger data collection
- Operators are seeking every opportunity to leverage technology to enhance operations, including the use of QR codes to replace menus, POS systems to streamline online/third-party ordering, and other food prep automation efforts to mitigate costs
  - Artificial intelligence is another powerful lever to reduce labor demand, particularly with respect to labor scheduling, phone ordering/chat, and potential meal creation while also capturing and analyzing customer data to better understand guest preferences, predict habits, and personalize the overall experience

## Digital Sales Mix in the U.S.



- *Digital ordering, delivery, kiosks, etc. were accelerated during the pandemic and are expected to hover around ~20% of total sales going forward*
- *Meaningful efficiencies for businesses and consumers alike have emerged by adding greater convenience and accessibility while offering certain cost-cutting opportunities to maintain and scale margins on the operator side*

## Key Digital Initiatives Expected to Bolster the Restaurant Industry



Sources: QSR Magazine, Research and Markets, WallStreet Research.

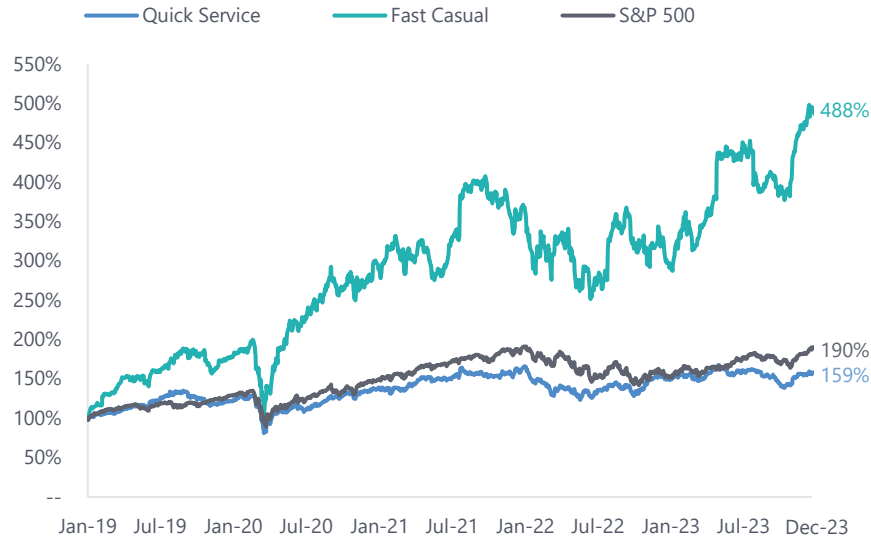
# Category-Specific Differentiators and Value Drivers

Limited-Service Operators (LSOs)		Full-Service Operators (FSOs)	
QSR	Fast Casual	Casual Dining	Fine Dining

Average Transaction Size				
Average Unit Volume				
Table Service				
Quality				
Ambiance				
Wait Time				
Value Per Dollar Spend				
Franchising Capacity				
Repeat Visitation				
Technological Adaptability				

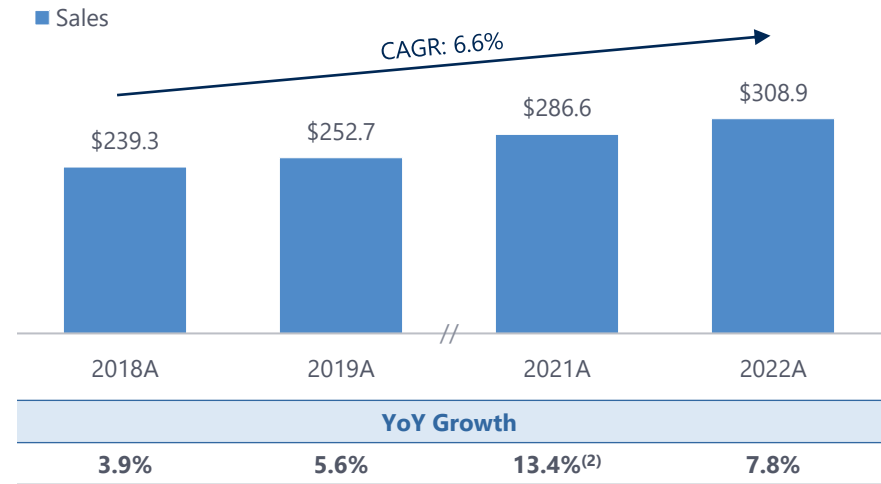
# Limited-Service Operator Overview

## Public Market Performance



## Top 500 Historical Restaurant Sales: LSOs<sup>(1)</sup>

(\$ in billions)



## Industry Trends

- Sales among limited-service operators have been on a consistent growth trajectory from 1992 through 2019, including through the Great Recession, demonstrating the unique resiliency of this category
- Momentum has continued post-COVID-19 with the top 500 limited-service restaurants<sup>(1)</sup> performing exceptionally well; 2021 meaningfully outperformed 2019 (13%) with 2022 exhibiting sustained year-over-year growth (8%)
  - Coffee, Mexican, and chicken concepts were the top performers in the category and will continue to drive new unit growth over the next few years
- LSOs' more flexible operating model with respect to drive-through and other off-premise capacities has allowed them to meaningfully accelerate sales growth relative to FSOs, particularly in a post-pandemic world where consumers have become accustomed to such convenience and accessibility; as of November 2023, spending at fast casual restaurants grew 2.1% faster than spending across casual dining operators
  - Additionally, LSOs enjoy the luxury of maintaining a flexible footprint with the ability to leverage smaller boxes in favor of drive-throughs/curbside pickup to counter any rise in real estate value, ultimately adding credibility to new unit growth going forward and a continuation of a stronger margin profile
- With respect to the public markets, fast casual concepts have meaningfully outperformed quick-service restaurants as consumers have favored and prioritized higher-quality ingredients and healthier alternatives despite the more premium price
  - Younger demographics (i.e., Gen Z and Millennials) are prioritizing healthier alternatives, which further serves as a core tailwind for fast casual sector performance

Sources: Technavio, WallStreet Research.

Note: Companies included in each category have been trading from 1/1/2019 through 12/31/2023. Pricing as of 12/31/2023.

(1) Summarizes sales for the 326 LSOs within the top 500 restaurant operators.

(2) 2021 reflects growth compared to 2019.

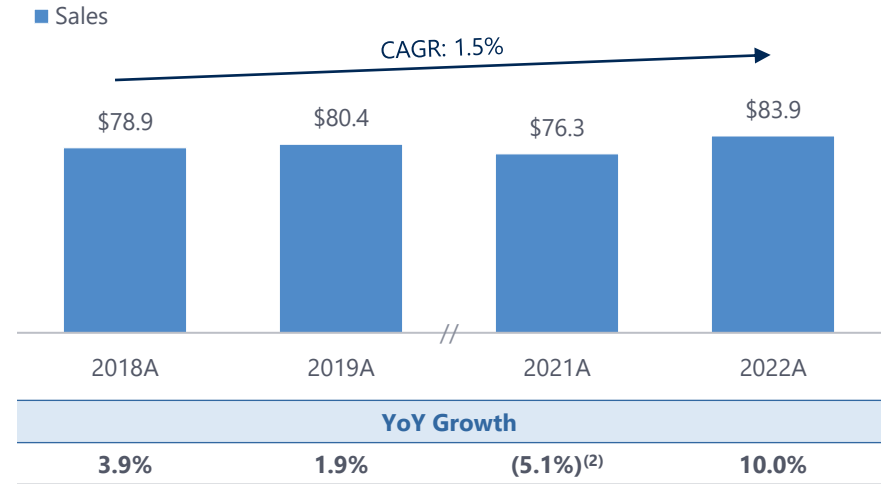
# Full-Service Operator Overview

## Public Market Performance



## Top 500 Historical Restaurant Sales: FSOs<sup>(1)</sup>

(\$ in billions)



## Industry Trends

- Although growing at a slower pace relative to LSO, the demand for full-service experiences remains high, with strong growth expected going forward (11% CAGR from 2023 to 2029)
  - Certain pandemic-related restrictions (e.g., closures, capacity limitations, etc.) caused a slower reversion to pre-COVID-19 performance; FSOs<sup>(1)</sup> have since experienced a strong rebound as operations have normalized with 10% growth from 2021 to 2022 (reflecting 4% growth vs. 2019)
  - The growing number of individuals in the ~35- to 50-year-old range—who are considered the primary spending demographic for FSOs—continues to rise, serving as another strong catalyst for the industry for years to come
- The shift to healthier and more convenient options has also negatively impacted FSOs where LSOs can more easily alter, market, and innovate their menus to adapt to changes in preferences; however, FSOs have successfully leaned into more irreproducible aspects of on-premise dining to stay competitive and rationalize a more premium price (e.g., service, ambiance, quality, superior alcohol, etc.)
  - By providing a wider array of menu options, a more formal/upscale atmosphere, personalized customer service, etc., FSOs continue to be a highly attractive alternative for consumers seeking an experiential, sit-down meal
- Like LSOs, FSOs are also benefitting from technological advancements in the broader restaurant industry (e.g., food delivery/mobile ordering, digital menu displays, self-paying processes, etc.) that are leading to greater convenience, efficiencies, and better experiences that resonate with a broader customer base
  - Such attributes will be key to capturing visitation going forward as consumer preferences continue to shift toward convenience and value; brand loyalty, accessibility of locations, and the overall customer experience, on the other hand, will continue to support the FSO thesis and value proposition

Sources: Technavio, WallStreet Research.





Note: Companies included in each category have been trading from 1/1/2019 through 12/31/2023. Pricing as of 12/31/2023.

(1) Summarizes sales for the 174 FSOs within the top 500 restaurant operators.

(2) 2021 reflects growth compared to 2019.

# Industry Trends Summarized

LSOs and FSOs present customers with distinct value propositions, each providing relatively different paths with respect to growth and adaptability to shifting dining preferences.

	LSOs	FSOs
 <b>Historical Growth</b>	<p>Strong historical growth trajectory, with sales increasing at a 6.6% CAGR between 2018 to 2022<sup>(1)</sup>; compelling category resilience even through recessionary periods</p>	<p>Consistent although weaker historical growth compared to LSOs, with sales increasing at a 1.5% CAGR between 2018 and 2022<sup>(1)</sup>; slower growth is attributed to the more damaging impacts of COVID-19 restrictions, while the premium pricing hinders performance in more difficult economic cycles, as consumers elect for more affordable dining alternatives</p>
 <b>Flexibility</b>	<p>Highly adaptable operating model that benefits from growing emphasis on convenience and accessibility; flexible footprint by virtue of overall need for space and franchising capacity with ability to leverage drive-throughs, curbside pick-up, etc. more effortlessly</p>	<p>Relatively limited operational flexibility; however, operators can generate larger average check sizes through higher-margin products and a wider array of options that cover various meal courses</p>
 <b>Demographic</b>	<p>Appeals to a cohort consisting of Gen Z and Millennials seeking a wide variety of meal options and convenience</p>	<p>Attracts a growing population of ~35- to 50-year-olds, in favor of more traditional dining experiences</p>
 <b>Consumer Preferences</b>	<p>Increasing priority of quality ingredients and healthy meal options at a lower cost favors LSO operators alongside a drive toward convenience</p>	<p>Want for holistic meal experiences that promote group belonging, including ambiance, waited service, and superior alcohol offerings</p>

# Important Near-Term Considerations

The long-term growth and value drivers of the restaurant category are clear; however, there are several notable headwinds impacting the industry that are worth highlighting.

	RECENT HEADWINDS	LONG-TERM MITIGANTS
 <b>Inflation/ Supply Chain Issues</b>	<ul style="list-style-type: none"> <li>Supply chain issues have produced inflationary pressures (e.g., higher ingredient costs, limited inventory, etc.) that have placed considerable strain on operator margins</li> <li>Since 2019, restaurant prices have risen 25%–30%, stretching consumer willingness to spend</li> <li>As of January 2024, food at home (FAH) pricing remained below FAFH for the 10th consecutive month with a current spread differential of ~390 bps</li> </ul>	<ul style="list-style-type: none"> <li>FAFH inflation and commodity prices have recently moderated, with expectations to further decline in line with broader disinflation through the foreseeable future</li> <li>Historically, there have been extended unfavorable periods of FAFH pricing as compared to FAH; however, the broader restaurant industry has been on a consistent growth trajectory for ~40+ years as consumers continue to value convenience and optionality, a trend that is expected to persist going forward</li> </ul>
 <b>Shifting Consumer Sentiments</b>	<ul style="list-style-type: none"> <li>The pandemic created a new standard for FAH and work-from-home consumption habits that challenged the primacy of physically attending restaurant locations</li> <li>Restaurant sectors that struggled to adapt to digital dining modalities (i.e., FSOs) have shown difficulty acquiring and competing with more convenient alternatives</li> </ul>	<ul style="list-style-type: none"> <li>While alternatives to traditional dining emerged during COVID-19, the pandemic also sponsored a profound resurgence in today's dining culture, bolstering restaurant foot traffic and sales</li> <li>Operators who embrace the new consumer landscape by leaning into convenient delivery options and experimenting with loyalty programs may capitalize on each individual customer's unique preferences, resulting in greater visitation frequency</li> </ul>
 <b>Technology Adoption</b>	<ul style="list-style-type: none"> <li>Despite restaurants heavily investing in new technologies (e.g., AI, smart robotics, etc.), these concepts have yet to properly scale and remain proofs of concept</li> <li>Increasing reliance on automation and digital processing may diminish the value of human interaction that customers consider an integral part of the restaurant experience</li> </ul>	<ul style="list-style-type: none"> <li>Data generated by advanced, in-house technologies (e.g., POS systems, first-party delivery channels, etc.) can streamline restaurant operations and better inform customer retention/acquisition strategies</li> <li>Tech adoption corresponds with stickier digital customers, higher average check size, and more frequent orders overall; operators can enhance branding/loyalty programs to preserve connection to highly valued restaurant experiences</li> </ul>
 <b>Macroeconomic Concern</b>	<ul style="list-style-type: none"> <li>The possibility of a significant economic recession remains a looming concern among industry experts and consumers</li> <li>If the state of the economy worsens, consumers may pull back from certain restaurant categories (i.e., fine dining) in lieu of more affordable alternatives (i.e., QSR)</li> </ul>	<ul style="list-style-type: none"> <li>Initial predictions for a damaging recession have been replaced with talk of a soft landing</li> <li>Despite some signals of price fatigue among consumers, overall enthusiasm for restaurant experiences remains positive, with industry SSS up 3.0% in Q3 2023; this is further supported by positive SSS in the industry pre-COVID-19 and a growing industry throughout the Great Recession</li> </ul>
 <b>Labor Shortages</b>	<ul style="list-style-type: none"> <li>Greater demand for work-from-home jobs has produced labor gaps in industries that require in-person work, especially in the restaurant industry</li> <li>62% of restaurant operators report having insufficient labor supply to meet demand; 79% struggle to fill job openings</li> <li>High employee turnover rates at 19% represent the industry's challenge of retaining top talent</li> </ul>	<ul style="list-style-type: none"> <li>Labor shortages show signs of easing, with restaurant and accommodation job openings down 19.5% y/y as of November 2023</li> <li>Emerging automation technologies (e.g., QR codes, self-serve kiosks, robotic assembly lines, etc.) provide reasonable solutions to staffing deficiencies while further eliminating quality control issues that result from human error</li> </ul>

# Eatertainment: A Highly Attractive and Experiential Mix of Food and Fun

By pairing F&B with entertainment, eatertainment concepts are emerging as one of the most compelling and unique experiential attractions, eliciting greater visitation and higher spend from consumers across all ages and demographics




## Overview

- Eatertainment concepts combine food and beverage with entertainment options ranging from arcade games to a variety of competitive bar/leisure activities (e.g., bowling, darts, go-karting, etc.), giving rise to environments that are more conducive to social activity and family fun than that of traditional restaurant operators
- In the past decade, consumer spending has shifted to reflect preference for experiences over material goods, generating a robust “experience economy” that well positions operators who provide memorable leisure opportunities
  - While COVID-19 negatively impacted eatertainment concepts that occasion a higher degree of social interaction by nature, it simultaneously intensified the presence of today’s experience economy and boosted eatertainment sales (via pent-up demand), increasing spend on experience-related assets by 65% between 2019 and 2023
- Eatertainment venues synthesize old-school gaming modalities like arcades or bowling with new technologies to create nostalgic yet highly stimulating atmospheres that attract an expansive demographic for families, couples, children, and more
  - By catering to a wider audience, eatertainment conjures up considerable dollar spend through a mix of F&B and entertainment sales (rather than simply F&B), generating outsized margins compared to other restaurant sectors while capturing an audience with a greater propensity to return due to the variety of experiences made available
- Multiple eatertainment formats exist, including those that prioritize food, those that prefer activities to draw in consumers, and those in-between—all of which have the same value proposition of drawing in a broader customer base on a more frequent basis to capture higher spend, resulting in a more attractive investment thesis and operating model

Sources: PwC, WallStreet Research.

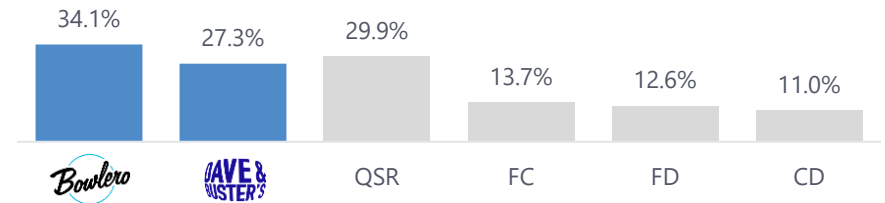
(1) AUVs for QSR, FC, CD, and FD reflect data for the top 500 operators (326 LSOs and 174 FSOs). AUV calculated as total revenue/total store count using publicly available information; does not adjust partial-year performance.

## Varying Levels of Eatertainment Categories

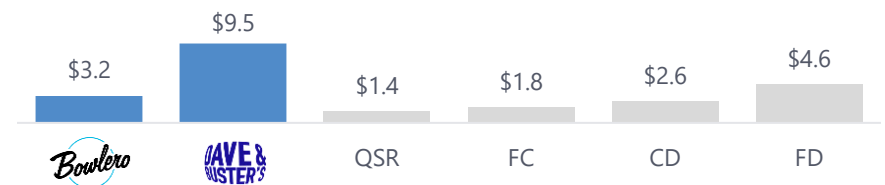
F&B Focused	Hybrid Approach	Activity Focused
Operators concentrate on food and beverage while maintaining a leisurely slant	Venues generate more holistic customer experiences by pairing F&B with interactive games	Activity-focused providers with competitive yet social opportunities for customers
		

## Highly Attractive Metrics vs. Traditional Restaurant Operators

2022 EBITDA Margin



2022 AUV (\$ in millions)<sup>(1)</sup>



# Favorable Consumer Trends Underpin Eatertainment Success

Consumers increasingly value experiential and group-oriented meal experiences, creating a differentiated category that eatertainment concepts strongly occupy and expertly capitalize.

## Pervading Consumer Sentiment



78%

Of millennials prefer spending money on eatertainment experiences over material items



62%

Of American consumers prefer to attend an eatertainment venue for a night out with friends



60%

Of Gen Z prefers experiences that are immersive and interactive



43%

Of American consumers would select an eatertainment venue to celebrate a birthday, which incites higher spend per occasion

## Leisure Preferences Reinforce Eatertainment Value

*When asked to consider the most important criteria for selecting leisure activities, consumers place higher value on experiences and group gatherings than other qualities*



Sources: PwC, Restaurant Dive, Roller.





# Significant Long-Term Growth Expected With Several Underlying Tailwinds

Over time, there has been a considerable shift in consumer preferences to attend more experiential concepts and experiences. This trend has only accelerated and is expected to continue going forward across all notable eatertainment-based categories.

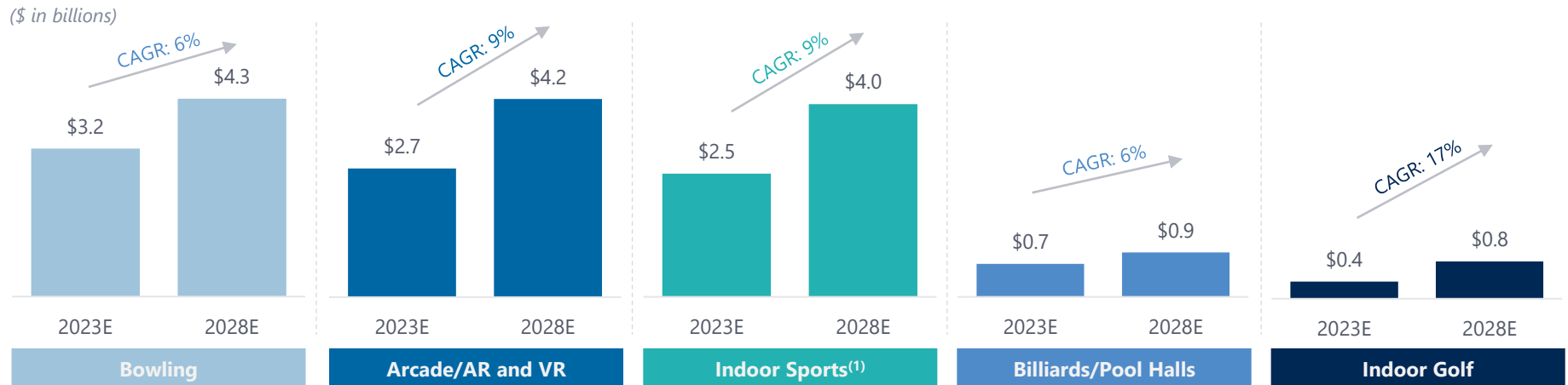
## Overview

- By virtue of an expanding experience economy and favorable consumer sentiment, eatertainment concepts demonstrate high growth potential, with spending on the broader industry expected to increase over the next five years
  - Eatertainment concepts comprise an important subset of the family entertainment center (FEC) industry, which is expected to grow at a 10% CAGR from 2023 to 2030 (\$9 billion → \$18 billion)
  - Subcategories more specific to eatertainment, however, are expected to largely outpace the FEC industry—namely, indoor sports and indoor golf growing at 11% and 17%, respectively
- Experiences remain a top priority among younger age groups, who will comprise a greater proportion of eatertainment visitation in the long-run—another strong, positive catalyst for sustained industry momentum
- In addition, eatertainment operators such as Chuck E. Cheese have proven to be relatively recession-resilient (as exhibited by positive SSS during the Great Recession), adding incremental comfort in consideration of any potential macroeconomic uncertainty

## Notable Characteristics to Buoy Future Growth

 <b>Desire for Experience</b>	Post-COVID-19, consumers increasingly value engaging, interactive experiences that promote group activity and create more memorable moments
 <b>Short Payback Period</b>	Compared against the broader leisure industry, eatertainment concepts typically generate quick payback periods of ~1–2 years
 <b>Consolidation</b>	Industry consolidation is imminent and offers countless roll-up opportunities across the fragmented eatertainment landscape
 <b>Untapped Markets</b>	The U.S. and other European countries remain under-penetrated markets with ample whitespace

## Eatertainment Includes a Broad Range of Experiential Categories That Are Expected to Meaningfully Grow Over the Next Five Years



Sources: PwC, market research, WallStreet Research.

(1) Includes concepts such as trampoline parks, indoor soccer, etc., with F&B offerings.

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