2021 YOUniversity Deal Challenge

DevourAll Group plc

Valuation & Discovery Document

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DevourAll

Executive Summary

Situation Overview	• Quick service and casual dining restaurant, café, and pub operator chain based in the UK with international presence seeking valuation Pre- and Post-COVID-19 pandemic
COVID-19 Pandemic	• Analysis of the impact of the COVID-19 pandemic on US and UK macro environment and restaurant industry, including look at vaccine rollout and restaurant reopening projections
DevourAll Valuation	• Analysis of Pre- and Post-COVID valuation utilizing discounted cash flow, trading comps, and precedent transaction analysis

Industry Overview & SWOT Analysis

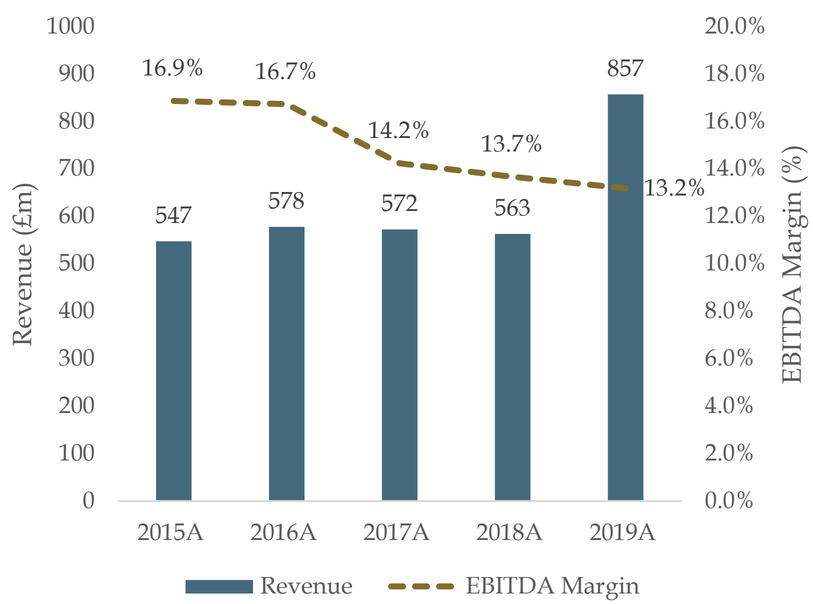
DevourAll

Industry Overview
Company Overview

History

- DevourAll Group plc ("DevourAll" or the "Company") is a quick service and casual dining restaurant, pub, and café business that operates in the UK, United States, and Europe
- The Company was founded in 1991 and is headquartered in London, United Kingdom
- Restaurant portfolio features a wide range of cuisine suitable for all occasions

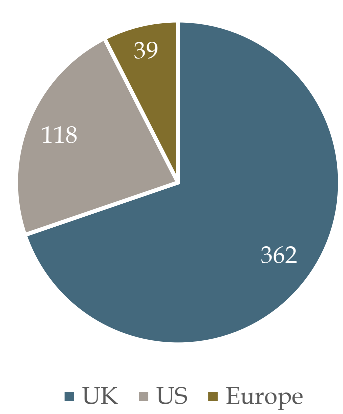
Historical Revenue and EBITDA Margins



Restaurant Portfolio

- Billy's Restaurant – one of the largest full-service Spanish restaurants in the UK
- Henry's Grill & Bar – popular sports-bar style restaurant in the United States
- Smith's Steakhouse – Scottish steakhouse famous for fresh meats of all kinds
- Cecilia's Bistro – French bistro featuring traditional French cuisine, wine, and drinks
- Other brands – Café Rosé, Cheeky Chicken, Salad Monster, and MunchMunch

Dining Locations (2019A)



Company Overview
Acquisition of Billy's Restaurant

Acquisition Overview

- On September 14, 2018, DevourAll completed its acquisition of Billy's Restaurant
- The acquisition is expected to provide a growth platform in the casual dining space and is expected to contribute to the Company's future revenue growth and margin expansion

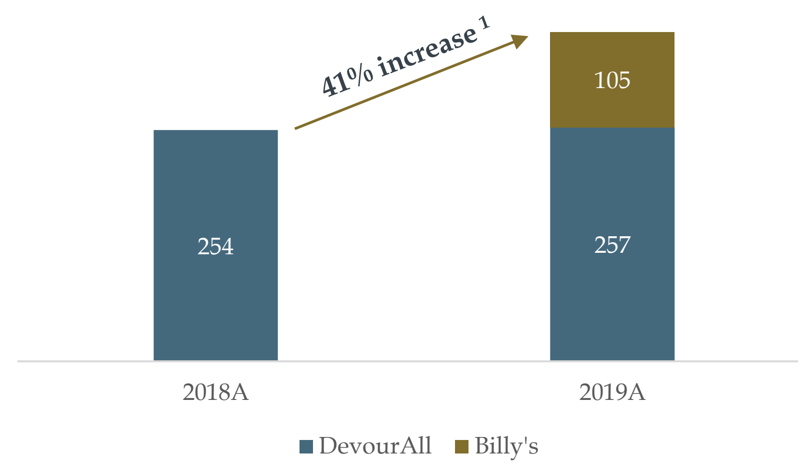
Pro Forma Post-COVID Outlook

- Tangible book value as a percentage of total assets decreased from 42.9% in 2017 to -14.3% in 2019
- Furthermore, D&A as a percentage of revenue decreased from 6.0% in 2018 to 4.7% in 2019, which implies the majority of intangible assets acquired during the transaction was goodwill
- Increasing debt by 10x and decreasing the TBV/TA ratio is not advantageous for the current or future possible distress scenarios
- We advise the company to write-down a significant portion of the goodwill

Financial Impact of Acquisition (£m)

	Prior 2017A		Post-Acq 2018A
Assets			
Land, Buildings and Equipment	287.5	3% increase	296.7
Intangibles & Goodwill	21.1	2,245% increase	494.7
Liabilities			
Long-Term Debt	24.9	1,037% increase	283.0
Capital Leases	1.1	73% increase	1.9
Other Non-Current Liabilites	49.1	125% increase	110.6
Equity			
Total Equity	170.0	88% increase	319.1

Restaurant Count in the UK

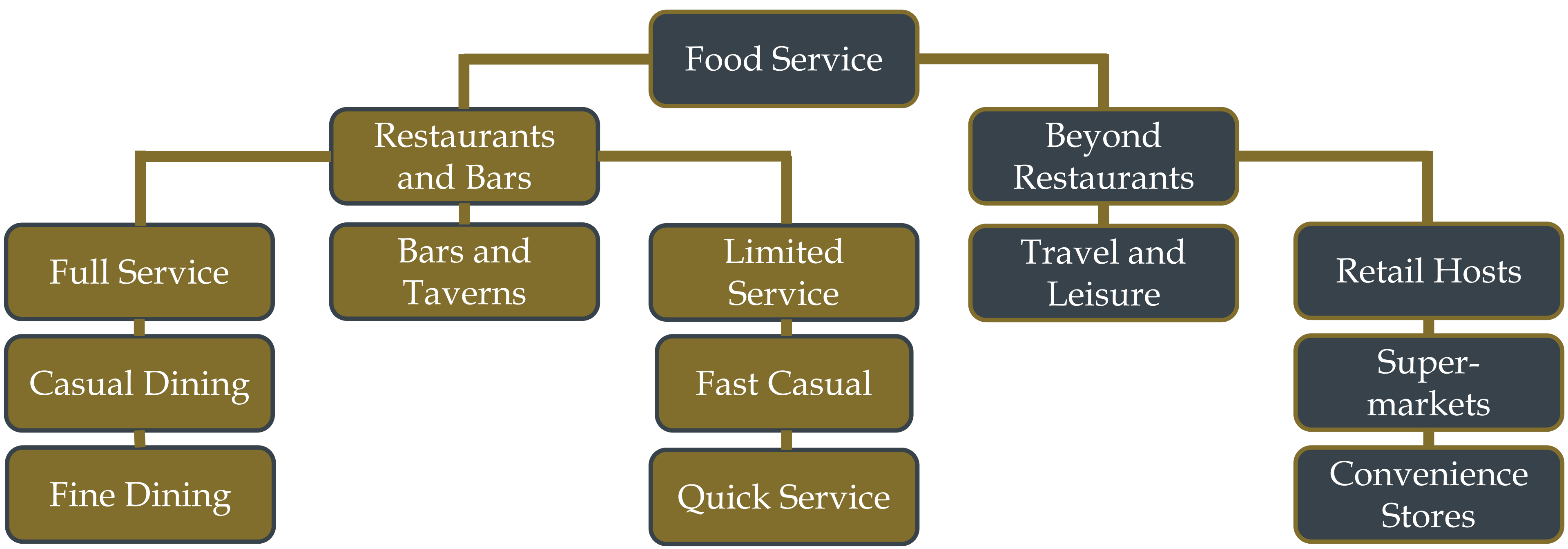


[1] Excluding organic growth from DevourAll

Industry Overview
Food Service

- **DevourAll operates in the quick service and casual dining sectors of the food service industry**
  - The global food service market reached £2.68 trillion in revenue during 2018, and is expected to reach £3.09 trillion by 2024 (3.6% CAGR 2020-2024) [1]
  - Accounting for 2.05% of the global food service revenue in 2019, the United Kingdom generated £53 billion in revenue [1]
  - Quick service accounts for 61.07% of the global restaurant market while casual dining only accounts for 19.77% [2]

Industry Structure



[1] Statista [2] QSR

Industry Overview
Growth Drivers

DevourAll

Pre-COVID labor markets increased consumer disposable income, but post-pandemic, companies are focusing on consumer convenience and smaller footprints to drive free cash flow

Pre-COVID

Healthy Labor Market

- During 2019, the unemployment rate was near all time lows at 3.5% across the United States and 3.85% within the United Kingdom [1]
- Restaurants have been a benefactor of the healthy labor market due to the consequential rise in disposable income, some of which has been spent on casual dining
- Pre-COVID consumer spending on food away from home increased 3.81% annually from 2016-2019 [1]
- Global consumer spending increases on average by 1% each year. In China and the US, this number is closer to 2% [1]
- In 2018, the average consumer spent nearly half of his or her food dollars on food away from home [2]
- The US has the highest disposable income per capita at $53,123 in 2019 [3]

Post-COVID

Consumer Convenience

- Consumers are demanding fast, convenient, and cost-effective food with delivery sales doubling over quarantine [4]
- 42% of restaurants added delivery services during the lockdown and 31% have said that they plan to invest heavily in these services [2]

Smaller Restaurant Footprints

- Quick-service restaurant footprints are shrinking as digital orders command a greater share of the available space and are a growing share of their revenue [5]
- Companies are decreasing restaurant locations to lower overhead costs and increase margins [5]
- Restaurant leases can reach up to 10-15% of total revenue which cuts into narrow profit margins

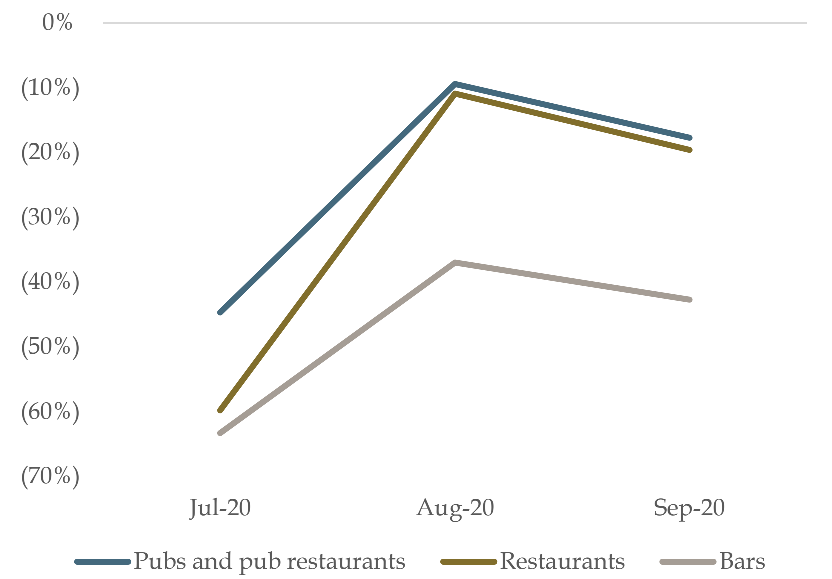
[1] Bureau of Labor Statistics [2] Restaurant Business [3] Statista [4] MarketWatch [5] Deloitte

Industry Overview
United Kingdom

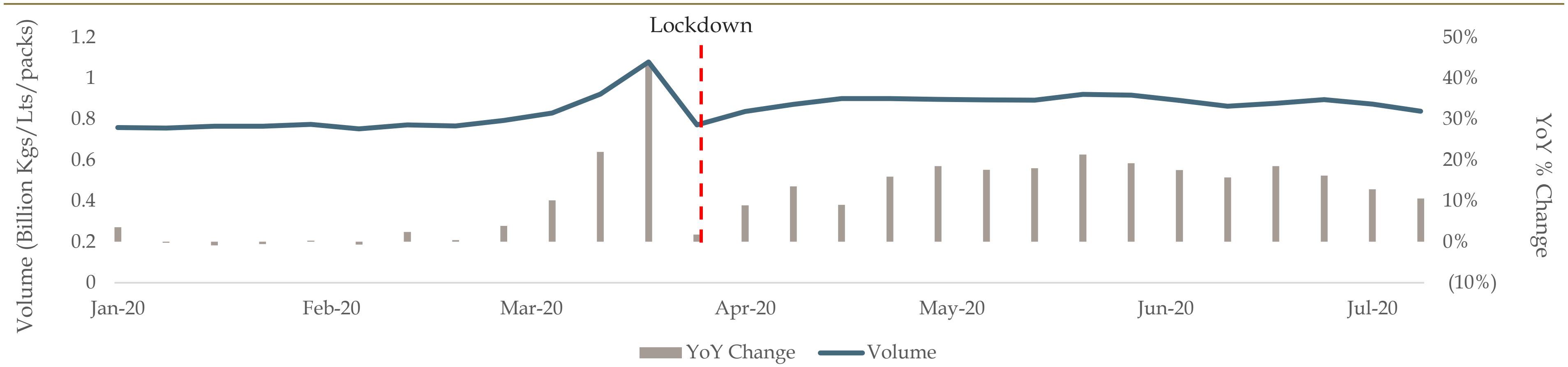
2020 Update

- Since Boris Johnson first issued a COVID-19 warning in March 2020, restaurants in the UK have seen a revenue decline of over 56%
- Industry estimates for permanent closures vary widely, from 10-30% of total sites
- Pre-COVID, the casual dining market was oversupplied, with branded restaurant count increasing 27% between 2013-2018. COVID has driven a sharp increase in restaurant closures, allowing for a market reset

Change in Sales from Pre-COVID [1]



Volume of Total Food and Drink Purchased by Consumers [2]



[1] Statista [2] gov.uk

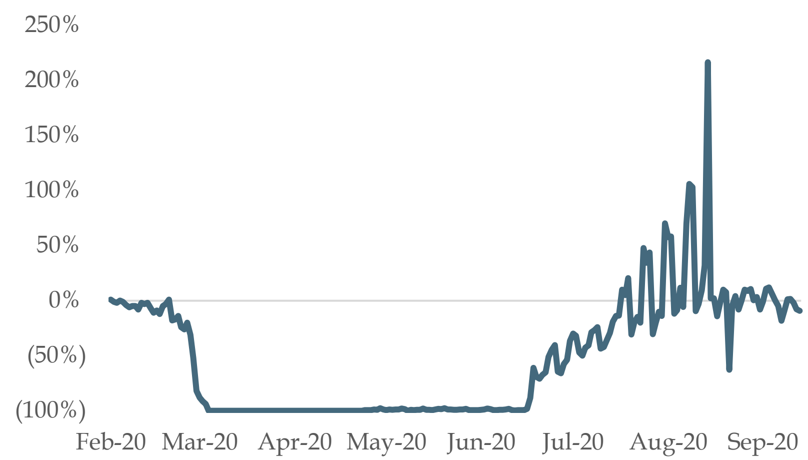
Industry Overview
United Kingdom

DevourAll

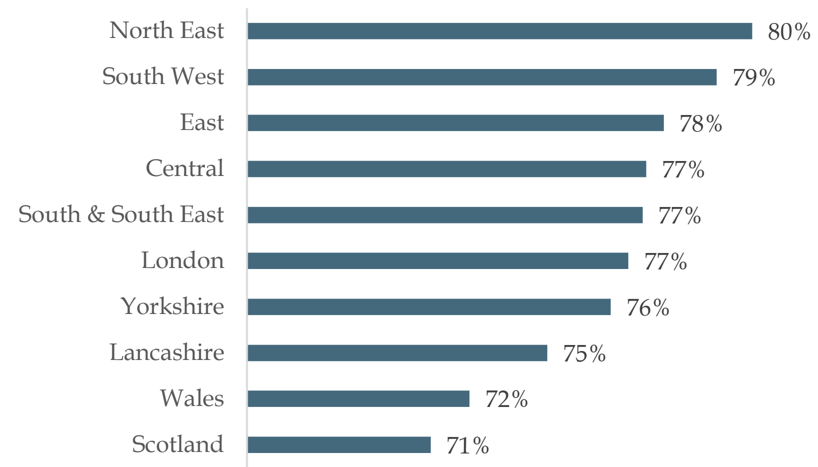
2021 Outlook

- In a survey by McKinsey, 33% of UK consumers cited dining at an indoor restaurant as a top 3 activity they are eager to get back to Post-COVID
- During August, the "Eat Out to Help Out" scheme subsidized restaurants and pubs to discount 50% off meals to boost the industry. 84,000 restaurants took part, and £522m was claimed through the program
- Despite the temporary boost, government-imposed trading restrictions and seasonal weather conditions will put pressure on the industry's recovery prospects throughout the upcoming winter
- Looking ahead, many market participants expect that restaurant sales will reach 75-85% of 2019 levels by the end of 2021

YoY Change in Seated Diners [1]



Share of Re-Opened Food Venues in the UK as of August 2020 by Region [2]



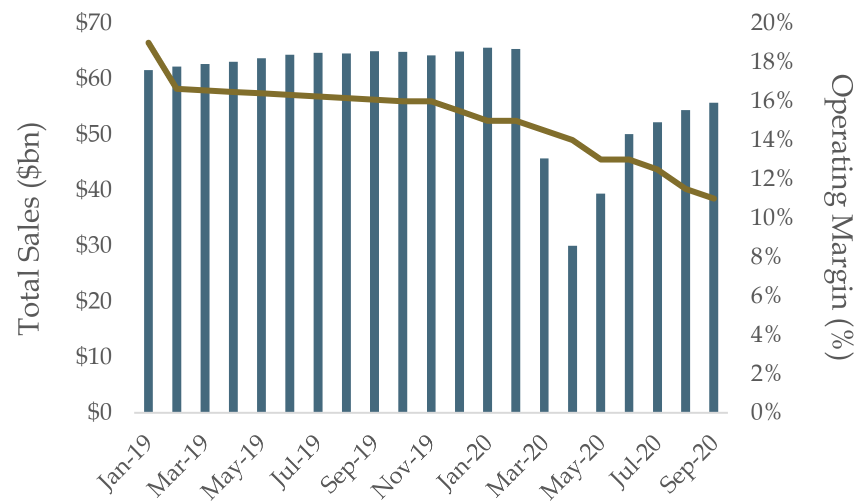
[1] OpenTable [2] Statista

Industry Overview
United States

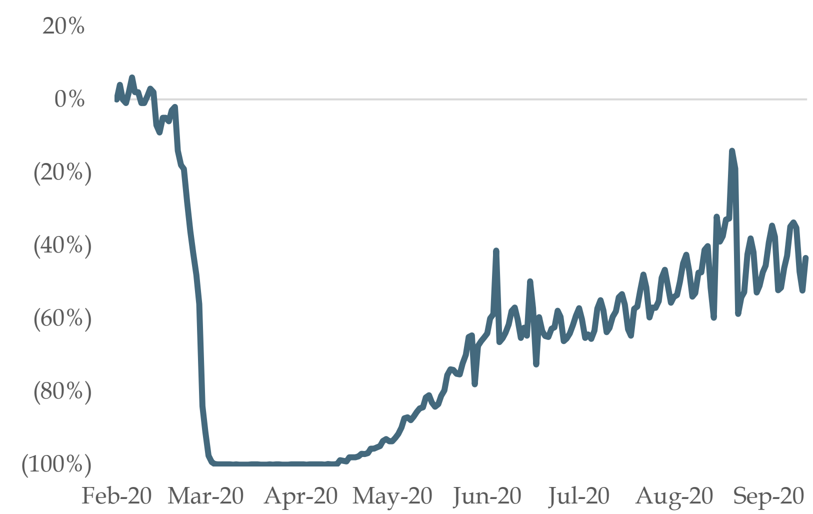
2020 Update

- After industry revenues plunged by more than 50%, the downturn bottomed out after federal stimulus checks were deposited in April 2020
- Many casual-dining establishments rapidly pivoted to off-premise channels, primarily drive-through, delivery, and takeout and were buoyed by a relatively swift recovery in May and June
- As the number of COVID cases rise across the country, governors have reissued shutdown orders and slowed the recovery
- So far, 17% of restaurants in the country have closed, and another 40% are unlikely to make it through the winter without additional relief from the federal government
- By the end of 2020, restaurants are expected to see $240bn in losses and 8 million employees laid off

Total U.S. Restaurant Sales [1]



YoY Change in Seated Diners [2]



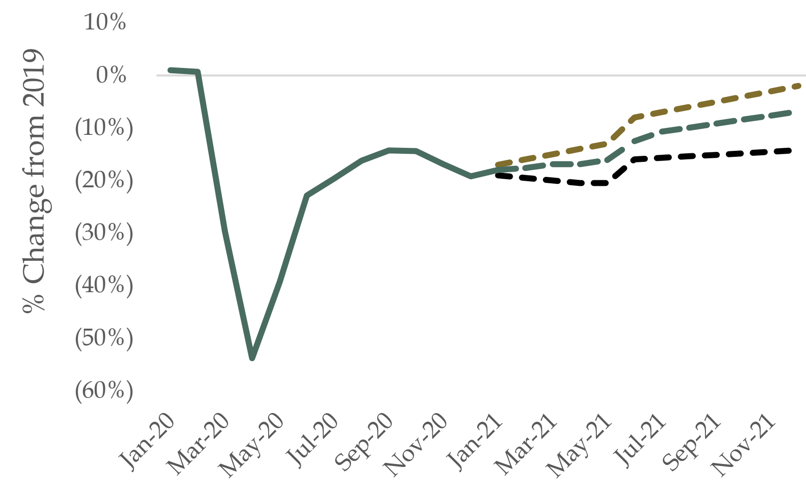
[1] National Restaurant Association, Bernstein [2] OpenTable

Industry Overview
United States

2021 Outlook

- In several states, the prospects for a full reopening look dim as local authorities could extend dining restrictions before the vaccine is fully available to the public
- However, the brief recovery in May supports the idea that restaurants will likely benefit from pent-up demand from higher income consumers
- In a recent survey, respondents indicated they are most looking forward to visiting casual dining chains post-pandemic [1]
- Across the industry, chains will likely benefit from widespread closures of independents
- A growing number of restaurant groups nationwide are beginning to pursue legal action to overturn COVID-related dining restrictions

Monthly Restaurant Sales by Scenario [2]



Bull Case

- Virus is contained until summer, and the vaccine roll-out unlocks pent-up demand from consumers

Base Case

- Local physical-distancing restrictions are periodically introduced until the vaccine roll-out in the summer

Bear Case

- Stimulus bill fails to provide sufficient relief to restaurants as cases climbs and further shutdowns occur until the widespread roll-out of the vaccine

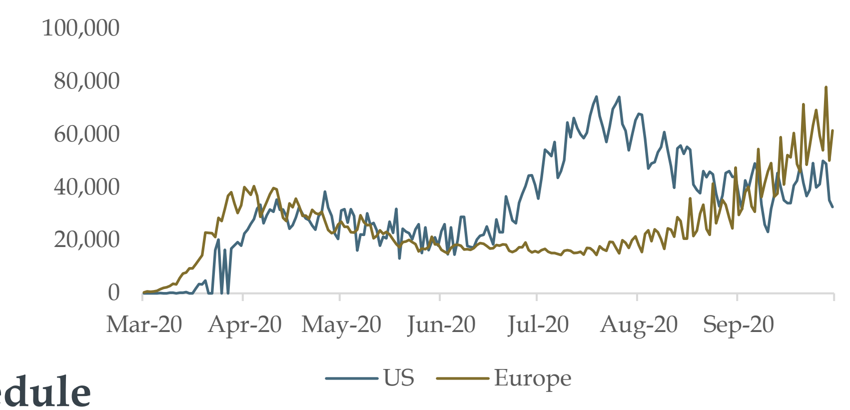
[1] Stifel [2] McKinsey, National Restaurant Association

Industry Overview
Vaccine Rollout

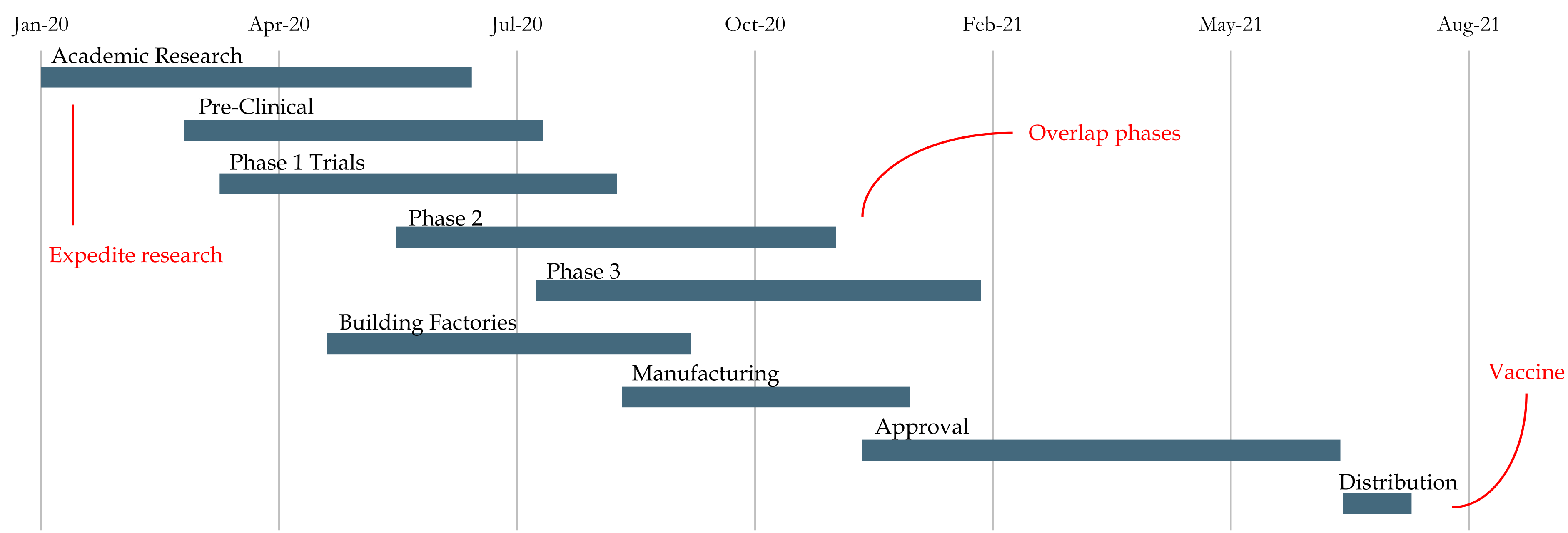
2020 Update

- Medical officials expect vaccine doses to be available for mass distribution starting in Q3 2021
- Under normal circumstances, a new vaccine for a new virus takes years to develop, but the schedule has been condensed to an unprecedented 12–18-month timeframe

New COVID Cases [1]



Vaccine Schedule



[1] Statista

Industry Overview
SWOT Analysis

DevourAll

Strengths

- A diverse portfolio of brands serves a wide customer base and provides stability in an ever-changing consumer taste and preference environment
- 500+ restaurants in UK, US, and Europe provides flexibility for targeted ROI and closing non-profitable locations
- The acquisition of Billy's restaurant creates a commanding market share position for the company in the UK's growing Spanish food segment
- Consumer preference trends are shifting to favor the quick service and casual dining segment since customers are spending less time on premise

Weaknesses

- A declining total revenue and "like-for-like" revenue with increasing labor and food costs leads to a poor EBITDA margin
- The Company's restaurants do not appeal to the health and wellness food segment of the market, which is growing at a rapid pace
- Difficult to monitor quality across international geographic locations

Opportunities

- Invest in delivery kitchen market and corresponding technology that connects website, app, online ordering, and inventory management
- Increase beverage options with higher margins – exploring local ordinances on drink delivery options
- Use technology for pandemic and post-pandemic optimization: touch free table-side tablet, app that includes occupancy indicators and discounts for off-peak dining, driving max occupancy across operating hours
- Pandemic hit independent, high-end restaurants the hardest and will leave growth opportunity for multi-property companies with econ. of scale
- Consumer movement toward organic and farm-to-table healthy items (could emphasize with healthy options menu)

Threats

- Pandemic will continue to put significant financial stress on the Company and relevant supply chains, timing of full re-openings unknown
- Property cost in the United Kingdom is growing faster year over year which increases the difficulty of expanding locations across the country
- Meal kits and at-home cooking are growing segments of the market that will compete directly with the Company

Industry Overview

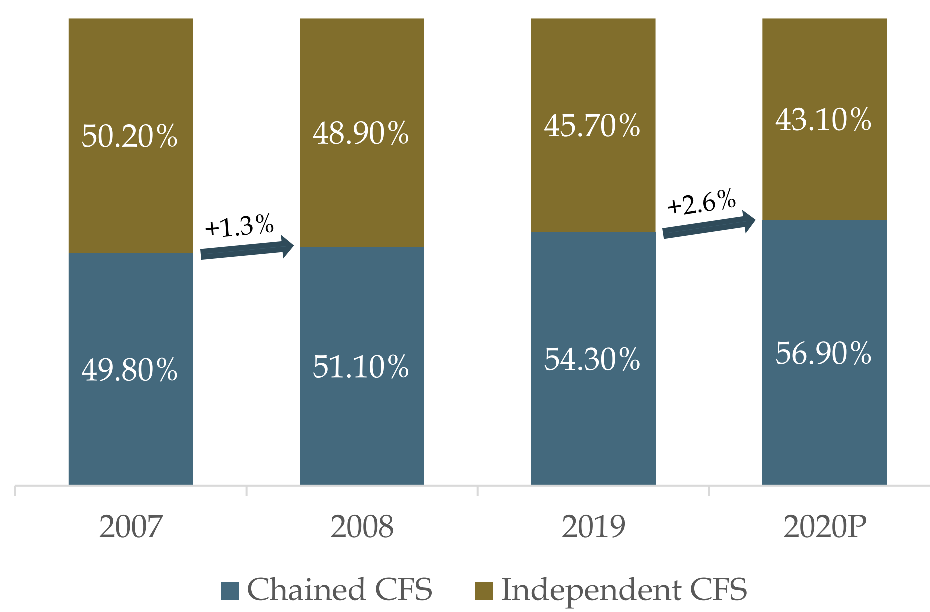
SWOT Analysis: Strength of Multi Chain Operators

DevourAll

Multi Chain vs. Independent Operators

- COVID-19 is accelerating the pace of consolidation among businesses. Chains will benefit from widespread closures among independents
- "Independent operators lack the marketing power to drive traffic and the monetary buffer to get through difficult times" [1]
- During the recession, 87% of consumers said they would not dine at an independent eatery. [1] These preferences drive consumers to chain restaurants like DevourAll
- Due to the pandemic, 60% of the temporary restaurant closures reported on Yelp are now permanent
- DevourAll should benefit from a surge in post-vaccine demand, a result of fiscal stimulus and fewer competitors in the marketplace
- A Bank of America study found that spending at independent restaurants lagged large chains by about 20% [4]

US Food Service Market Share [3]



- During the Great Financial Crisis of '08-'09, the same store sales decline was ~7%, but at the current 2020 rate, the SSS decline will annualize at nearly 20%, or roughly 3x the rate of GFC [3]
- It can be reasoned that store closures could also be a multiple of the GFC
- Conservatively, a 2x multiple would land chain operators with a commanding 56%+ total market share

[1] Los Angeles Times [2] Yelp [3] Euromonitor, Bernstein Analysis [4] CNBC

Industry Overview

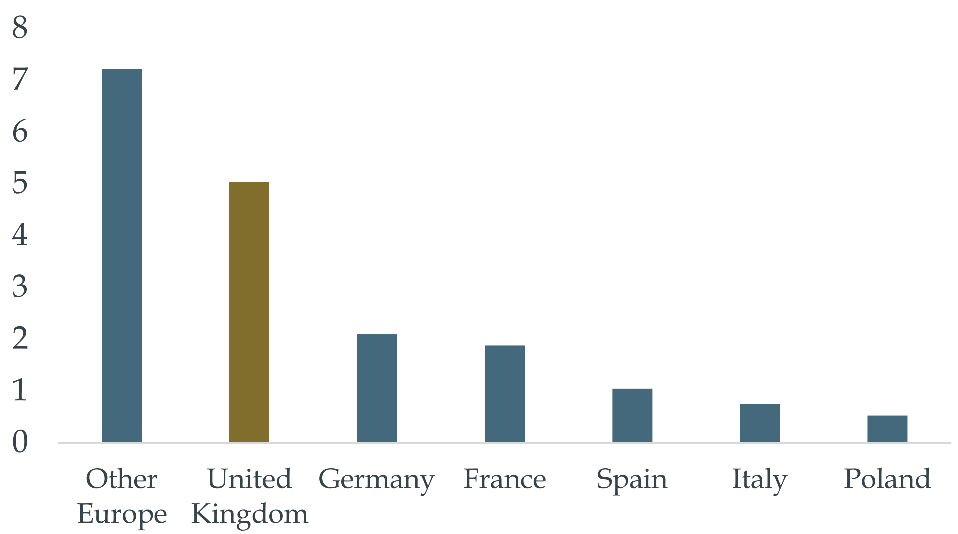
SWOT Analysis: Opportunities in Food Delivery Services

DevourAll

Food Delivery

- Delivery service collaborations only accounted for 8.2% of DevourAll's total revenue in 2019
- By 2023, the United Kingdom is expected to become the highest single food delivery market in Europe [2]
- The UK food delivery market has increased by 39% over the past three years, [1] paving the way for DevourAll to expand their relatively low market share

Online Food Delivery Revenue, £bn [1]



London Delivery Market Productivity [2]

- London delivery services have increased the country's total meals sold by 4.1%
- London is leading the United Kingdom at a £323m increase in restaurant turnover across the industry
- £189m increase in profit strictly based in the London food delivery market

[1] Statista [2] Deloitte

Industry Overview
SWOT Analysis: Weaknesses

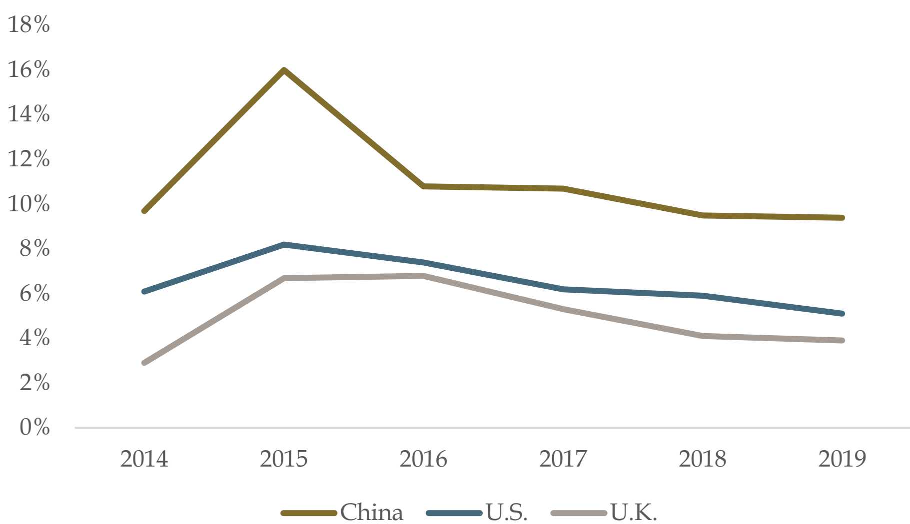
Oversaturation of UK Market

- The UK has over 90,000 restaurants total, with leading chains operating close to 2,000 locations each.[1] DevourAll only has 362 locations in the UK
- 90%+ of locations owned by DevourAll's trading comps operate in the UK
- Oversaturation has led to a decline in restaurant revenue growth rate within the UK

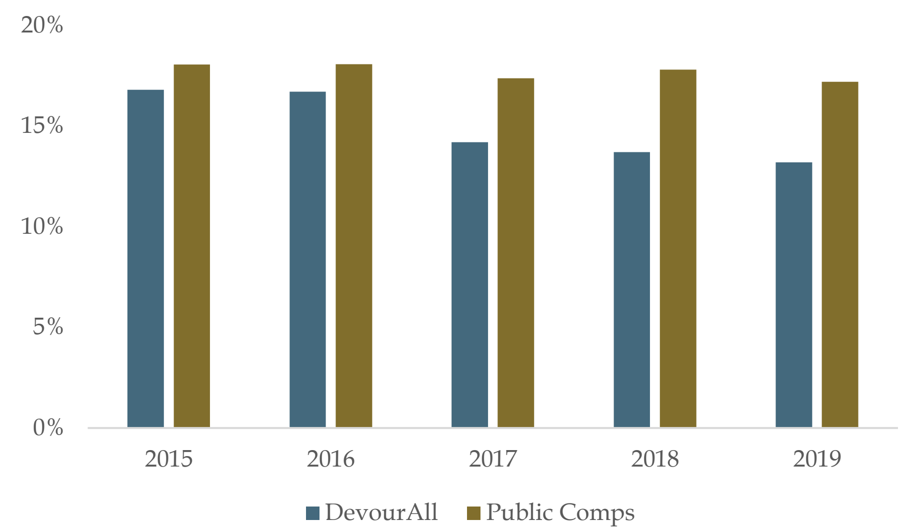
Rising Cost of Goods Sold

- DevourAll's EBITDA margin is decreasing faster than the industry average due to a steady rise in COGS
- Over the past five years, there has been a 3.2% increase in COGS as a % of revenue, which has lowered DevourAll's margins

Restaurant Industry Revenue Growth Rate [1]



EBITDA Margin [2]



[1] Statista [2] M&B, Greggs, TRG, Marston's, J D Wetherspoon

Industry Overview
Delivery Kitchens Case Study

DevourAll

Overview

Delivery kitchens are revolutionizing the restaurant industry by capitalizing on an increase in delivery/takeout demand and lowering costs

- These kitchens are centralized licensed commercial food production facilities where 1-2 dozen restaurants rent space to operate delivery services [1]
- Delivery kitchens are high-tech and take advantage of delivery apps such as UberEats, Grubhub, or Doordash while collecting and analyzing data to customize food production and delivery experience [1]
- As restaurant dining continues to slow, delivery kitchens are increasingly utilized to supplement revenue through established staff, storage, supply chain, and kitchen space

Single Brand Kitchen

- Typically involve 1-2 kitchens
- 10-15 menu items are the norm

Multi-Brand Kitchen

- Multiple brands from same company
- Different cuisines are created from same kitchen

Co-Working Kitchen

- Large kitchen infrastructure already in place
- Different restaurants rent space

Aggregator Managed

- Large working space managed by online food aggregators delegating different brands' orders

Operator Managed [2]

- Kitchen operator runs operations and fills orders of existing restaurant brands on their behalf

[1] Food Corridor [2] TRT

Industry Overview
Delivery Kitchens Case Study

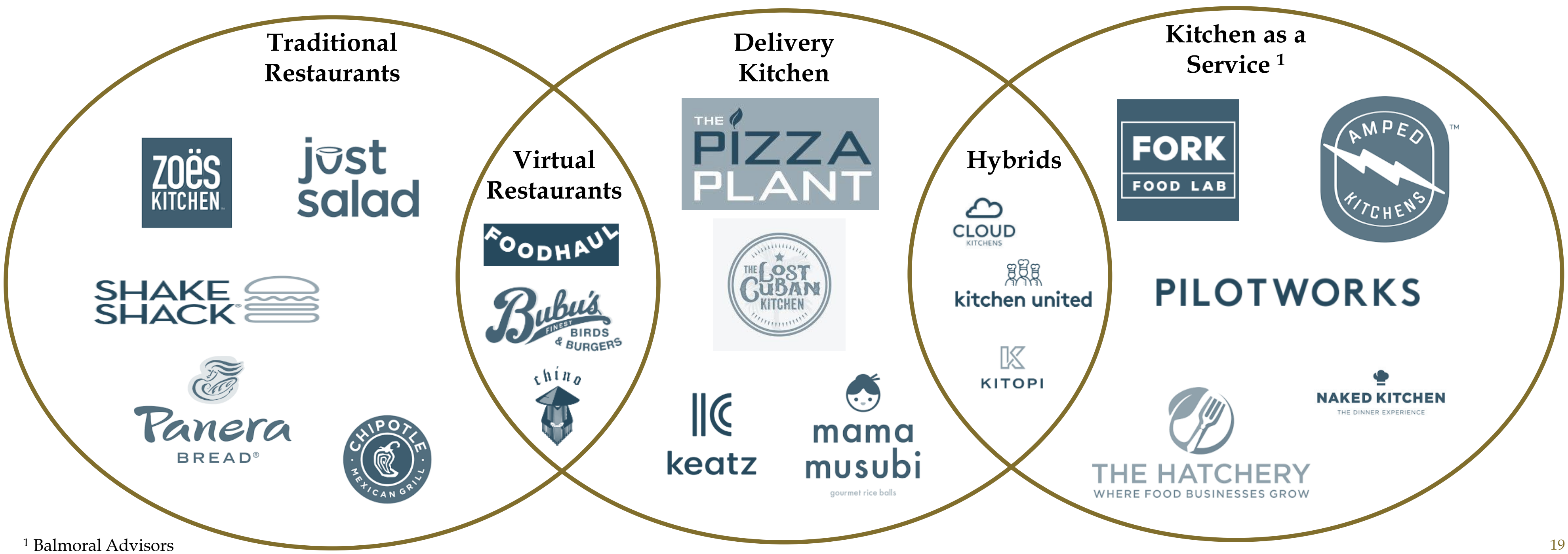
DevourAll

Traditional Food Delivery

Customer orders from restaurant → Restaurant receives and prepares order → Restaurant transports order from restaurant to customer → Order is delivered to customer and payment is received by restaurant

Modern Food Delivery

Customer orders and pays ahead through delivery app → Kitchen receives order through delivery app and prepares order → Order picked up and transported to customer → Gig worker confirms customer and delivers order → Delivery app notifies customer and requests rating and feedback



[1] Balmoral Advisors

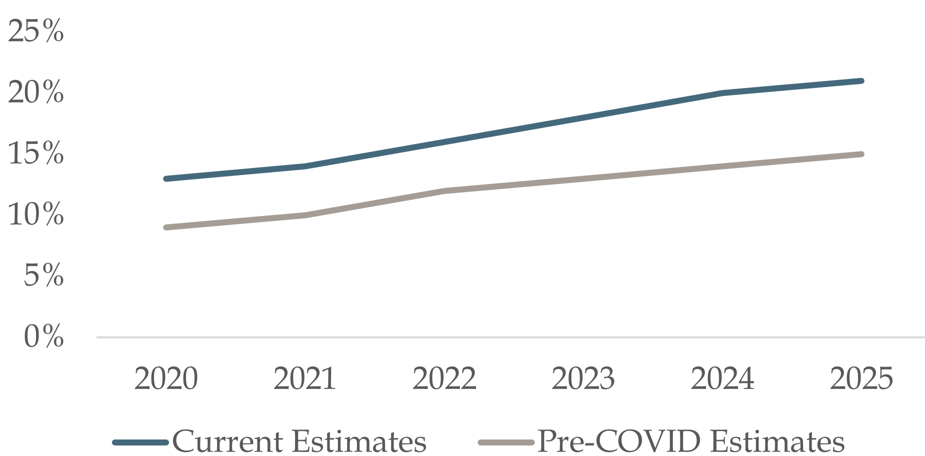
Industry Overview
Delivery Kitchens Case Study

DevourAll

Emerging Trends

- Venture capital investment activity in delivery kitchen businesses has risen over the past five years, with deal values increasing at least 2.4x each year since 2016 [1]
- VC funds have recognized the increased stability of food delivery, investing £1.24bn in the first quarter of 2019 alone [1]
- Digital and online delivery was gaining momentum before the pandemic, but COVID-19 has increased the rate at which this market share increases

Online Delivery's Total Share of Market [2]



Largest Delivery Kitchen Deals of 2020 [1]

Company	Close Date	Deal Size (£m) [3]	Stage	Lead Investor	Location
REEF	19 – Mar	£785	Late-Stage VC	SoftBank	U.S.
CLOUD KITCHENS	19 – Jan	£538	Early-Stage VC	N/A	U.S.
zume	18 – Nov	£283	Early-Stage VC	Grishin Robotics, SoftBank	U.S.
REBEL FOODS	19 – Aug	£95	Series D	Evolvence Capital, Sistema Asia Capital	India
MUNCHERY	15 – May	£71	Series C	ACME Capital, Menlo Ventures	U.S.
KITOPI	20 – Feb	£47	Series B	Knollwood, Luma Capital	UAE
熊猫星厨 Panda Selected	19 – Feb	£39	Series C	Tiger Management	China
zume	17 – Sep	£37	Series B	SGH Capital	U.S.
sprig	15 – Apr	£36	Series B	Greylock Partners, Social Capital	U.S.
kitchen united	19 – Sep	£31	Series B	GV, RXR Realty	U.S.

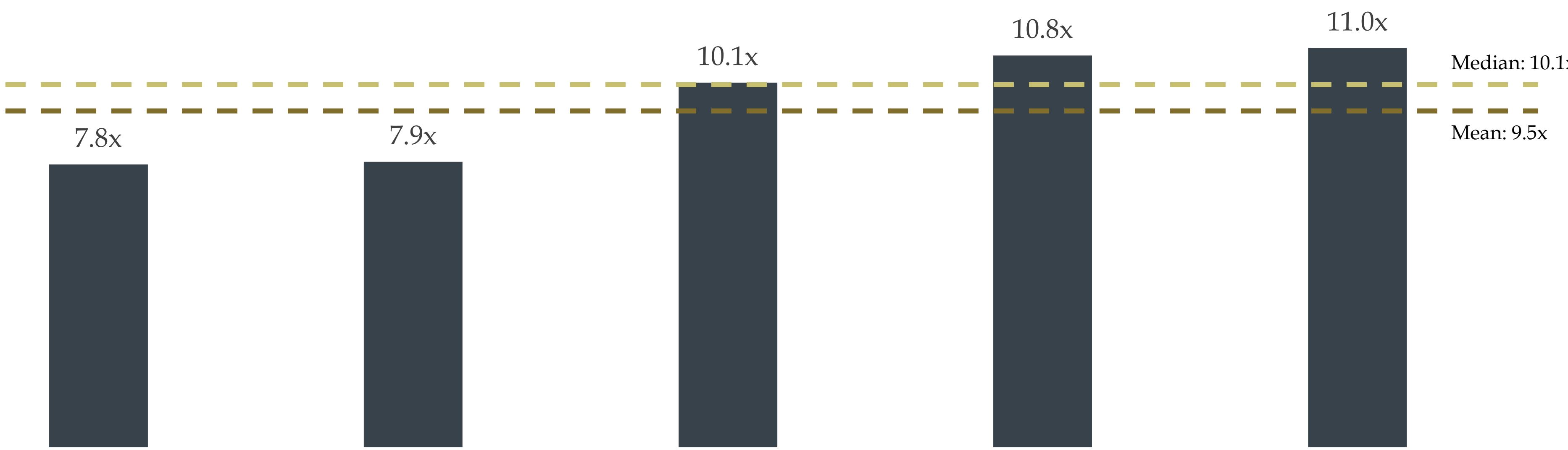
[1] Balmoral Advisors [2] Morgan Stanley [3] Conversion as of close date

Pre-COVID Valuation

DevourAll

Pre-COVID Valuation
Public Trading Comparables

2019 EV/EBITDA [1]

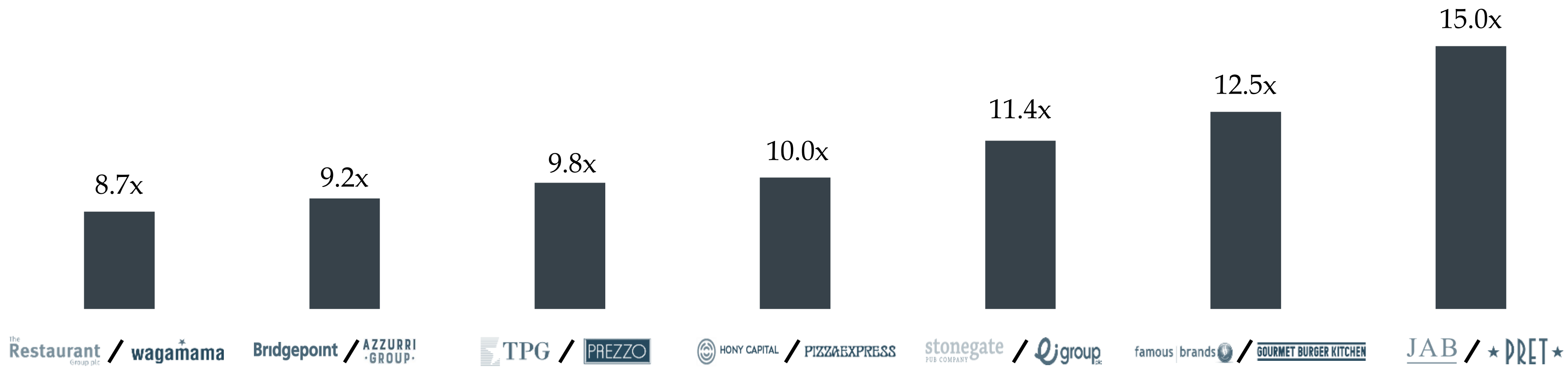


DevourAll Group Trading Comparables Analysis (£ millions)

Company	Market Cap	Total Enterprise Value	Net Debt / FY19 EBITDA	Gross Margin	% Equity	% Debt	Enterprise Value / EBITDA 2019A	Enterprise Value / EBITDA 2020P	Enterprise Value / EBITDA 2021P	Price / Earnings 2019A	Price / Earnings 2020P	Price / Earnings 2021P
Mitchells & Butlers plc	1,643	3,262	3.9x	72.0%	50.4%	49.6%	7.8x	7.3x	6.4x	11.5x	9.8x	8.1x
Greggs plc	2,323	2,507	0.8x	64.7%	92.64%	7.36%	10.8x	8.1x	6.3x	26.7x	21.9x	19.2x
JD Wetherspoon	1,618	2,355	3.5x	9.9%	68.7%	31.3%	11.0x	10.6x	9.8x	22.2x	20.2x	18.8x
Marston's plc	826	2,227	6.3x	0.0%	37.1%	62.9%	10.1x	9.7x	9.1x	(46.7)x	39.3x	17.2x
Restaurant Group plc	785	1,079	2.1x	13.3%	72.8%	27.2%	7.9x	5.9x	4.7x	(19.4)x	112.2x	41.3x
Median	**£1,618**	**£2,355**	**3.5x**	**13.3%**	**68.7%**	**31.3%**	**10.1x**	**8.1x**	**6.4x**	**11.5x**	**21.9x**	**18.8x**
Mean	**£1,439**	**£2,286**	**3.3x**	**32.0%**	**64.3%**	**35.7%**	**9.5x**	**8.3x**	**7.2x**	**(1.1)x**	**40.7x**	**20.9x**

[1] As of 12/31/2019

Pre-COVID Valuation
Precedent Transactions



Date Announced	Acquirer	Target	EV / LTM EBITDA	Transaction Value *(£m)*	Target LTM EBITDA *(£m)*
October 2018	The Restaurant Group plc	wagamama	8.7x	559	64.3
January 2015	Bridgepoint	Azzurri Group	9.2x	250	27.2
November 2014	TPG	Prezzo	9.8x	304	31.0
July 2014	Hony Capital	PizzaExpress	10.0x	900	90.0
July 2019	stonegate Pub Company	ei group plc	11.4x	2,970	260.5
September 2016	famous brands	Gourmet Burger Kitchen	12.5x	120	9.6
May 2018	JAB	Pret	15.0x	1,500	100.0
Mean			**10.9x**		
Median			**10.0x**		

Pre-COVID Valuation
Pre-COVID Income Statement

DevourAll

DevourAll Group Income Statement (£ millions)

Fiscal Year	2019A	2020P	2021P	2022P	2023P	2024P
Fiscal Year End Date	*12/31/19*	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/31/24*
Total Revenue	**£ 856.8**	**£ 890.5**	**£ 938.1**	**£ 1,013.3**	**£ 1,068.0**	**£ 1,115.0**
% Growth	*52.2%*	*3.9%*	*5.3%*	*8.0%*	*5.4%*	*4.4%*
Cost of Goods Sold	(699.9)	(728.3)	(762.4)	(821.0)	(863.8)	(900.4)
Gross Profit	**£ 156.9**	**£ 162.2**	**£ 175.7**	**£ 192.3**	**£ 204.2**	**£ 214.6**
% Margin	*18.3%*	*18.2%*	*18.7%*	*19.0%*	*19.1%*	*19.2%*
SG&A	(44.0)	(45.9)	(48.9)	(52.9)	(54.7)	(55.9)
EBITDA	**£ 112.9**	**£ 116.3**	**£ 126.8**	**£ 139.4**	**£ 149.5**	**£ 158.7**
% Margin	*13.2%*	*13.1%*	*13.5%*	*13.8%*	*14.0%*	*14.2%*
Less: Depreciation & Amortization	(40.6)	(43.0)	(44.5)	(46.8)	(54.7)	(60.3)
EBIT	**£ 72.3**	**£ 73.3**	**£ 82.3**	**£ 92.6**	**£ 94.8**	**£ 98.4**
% Margin	*8.4%*	*8.2%*	*8.8%*	*9.1%*	*8.9%*	*8.8%*

Income Statement Assumptions

- Complete Pre-COVID financial projections provided by management
- **Revenue:** The Company's revenue growth is expected to outperform the industry, amplified by new site openings (40-50 in 2022) and the acquisition of Billy's Restaurant
- **Gross Profit:** The Company projects a greater supply chain integration that will gradually reduce Cost of Goods Sold and increase Gross Profit from 18.2% in 2020 to 19.2% in 2024
- **EBITDA:** The Company anticipates a benefit from reduced operating expenses that will result in a ~1% increase over the next five years
- **Depreciation & Amortization:** Management projects a significant increase in capex in 2021 and 2022 on account of the new site openings and bespoke delivery stations, thereby causing a 16.8% and 9.3% increase in D&A in 2023 and 2024, respectively

Pre-COVID Valuation
Pre-COVID Analysis

DevourAll

DevourAll Group Pre-COVID Discounted Cash Flow Analysis (£ millions)

Free Cash Flow Build-Up					
Fiscal Year	**2020P**	**2021P**	**2022P**	**2023P**	**2024P**
Fiscal Year End Date	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/30/24*
EBITDA	116.3	126.8	139.4	149.5	158.7
EBIT	73.3	82.3	92.6	94.8	98.4
Tax Rate	19%	19%	19%	19%	19%
EBIAT (NOPAT)	**£ 59.4**	**£ 66.7**	**£ 75.0**	**£ 76.8**	**£ 79.7**
+Depreciation & Amortization	43.0	44.5	46.8	54.7	60.3
- Increases in Net Working Capital	4.4	6.7	10.5	7.7	6.6
Unlevered CFO	**£ 106.7**	**£ 117.8**	**£ 132.3**	**£ 139.1**	**£ 146.6**
-Capital Expenditures	(60.9)	(75.0)	(100.2)	(63.4)	(62.1)
Unlevered Free Cash Flow	**£ 45.8**	**£ 42.8**	**£ 32.1**	**£ 75.7**	**£ 84.5**
% Growth	37.0%	(6.6%)	(25.0%)	135.7%	11.5%
Discount period	0.50	1.50	2.50	3.50	4.50
Discount factor	0.96	0.89	0.83	0.77	0.72
Present value of Unlevered FCF	**£ 44.2**	**£ 38.3**	**£ 26.7**	**£ 58.5**	**£ 60.6**

Perpetuity Approach	
FCF in Last Forecast Period	84.5
FCF^{t+1}	86.2
Long term growth rate (g)	2.0%
Terminal value	1,518.1
Present value of terminal value	1,088.3
Present value of stage 1 cash flows	228.3
Enterprise value	1,316.6
Implied TV exit EBITDA multiple	9.6x

Implied Equity Value	Perpetuity	EBITDA
Enterprise value	1,316.6	1,335.6
Less: Net debt	(227.7)	(227.7)
Equity value	1,088.9	1,107.9

Analysis as of 12/31/2019

DCF Assumptions

- **Tax Rate:** The main corporate tax rate for companies (excluding ring fence profits) confirmed for the year beginning April 1, 2019
- **Net Changes in Working Capital:** NWC assumed to hold steady at 14% (2019A level) of sales throughout the projection period
- **Capital Expenditures**: Capex is expected to increase to 8.0% and 9.9% as a % of revenue in 2021 and 2022, respectively on account of the new site openings and bespoke delivery stations
- **Mid-Year Discounting**: We assume that cash flows are generated evenly throughout the time period, which more accurately reflects the nature of the business than an end of period assumption
- **Long-term Growth Rate:** Assumed DevourAll will grow in perpetuity at the rate of inflation and utilized the Bank of England's target of 2% inflation

Pre-COVID Valuation
WACC & Capital Structure Assumptions

DevourAll

WACC Calculations Pre-COVID

Capital Weights	
% Debt	41.8%
% Equity	58.2%
Cost of Debt	
Pre-Tax Cost of Debt	6.51%
Assumed Tax Rate	19.0%
After-Tax Cost of Debt	5.27%
Cost of Equity	
Risk Free Rate	3.00%
Unlevered Beta	0.55
Debt / Equity	71.8%
Relevered Beta	0.867
Equity Risk Premium	5.69%
Size Premium	1.47%
Cost of Equity	9.40%
WACC	**7.7%**

WACC Analysis for DevourAll Group

Tickers	Company	Debt / Equity	Debt / Total Cap.	Adj. 2 Year Beta	Unlevered Beta 2-Year
MAB.L	Mitchells & Butlers plc	98.5%	49.6%	0.746	0.415
GRG.L	Greggs plc	7.9%	7.4%	0.620	0.583
JDW.L	JD Wetherspoon	45.6%	31.3%	0.879	0.652
MARS.L	Marston's plc	169.6%	62.9%	0.631	0.234
RTN.L	Restaurant Group plc	37.4%	27.2%	0.753	0.548
Mean		**71.8%**	**35.7%**	**0.73**	**0.49**
Median		**45.6%**	**31.3%**	**0.75**	**0.55**

WACC Assumptions

- **Beta:** Average of comparable companies' Bloomberg Adjusted Two-Year Beta (regressed against Bloomberg European 500)
- **Capital Weights:** Average of comparable companies' debt/equity ratio which implies the debt to capital ratio
- **Cost of Debt:** Estimated using firm's synthetic bond rating [1]
- **Assumed Tax Rate:** Marginal UK corporate tax rate for year starting April 1, 2019 [2]
- **Risk Free Rate**: Normalized to UK 3.00% per Duff & Phelps as of December 31, 2019
- **UK Equity Risk Premium:** As of December 31, 2019, per Damodaran research
- **Size Premium:** Per 7th decile Duff & Phelps size premium [3]

[1] Slides 43-44 [2] gov.uk [3] Slide 49
WACC as of 12/31/2019

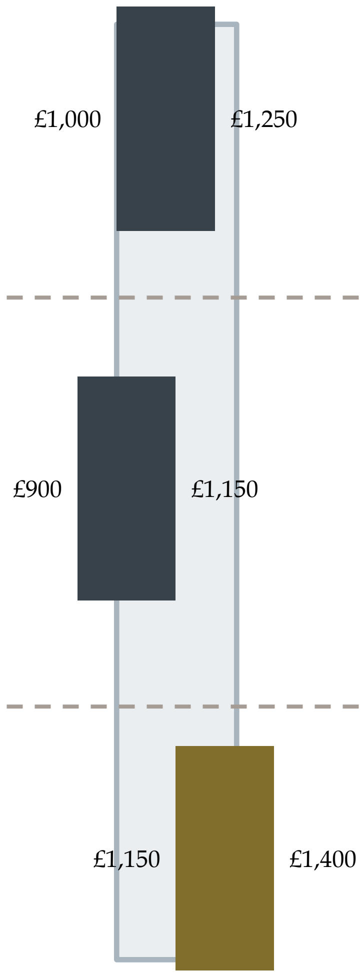
Pre-COVID Valuation
Valuation Summary

DevourAll

Valuation Methodology

Precedent Transactions [1]

2019 EBITDA: £113m
Multiple: 9.0x – 11.0x



Trading Comparables [2]

2019 EBITDA: £113m
Multiple: 8.0x – 10.0x

Intrinsic Analysis [3]

WACC: 7.7%
Perpetuity Growth Rate: 1.75% - 2.25%

Preliminary Valuation
£1,000m - £1,300m

Commentary

- Analysis consisted of 7 transactions with dates ranging from 2014 to 2019
- Median EBITDA multiple of 10.9x and mean EBITDA multiple of 10.0x

- Analysis consisted of 5 publicly traded peers
- Median 2019 EBITDA multiple of 10.1x and mean EBITDA multiple of 9.5x

- Assumed a perpetuity growth rate between 1.75% - 2.25% - implies an Exit EBITDA multiple between 8.5x – 10.5x

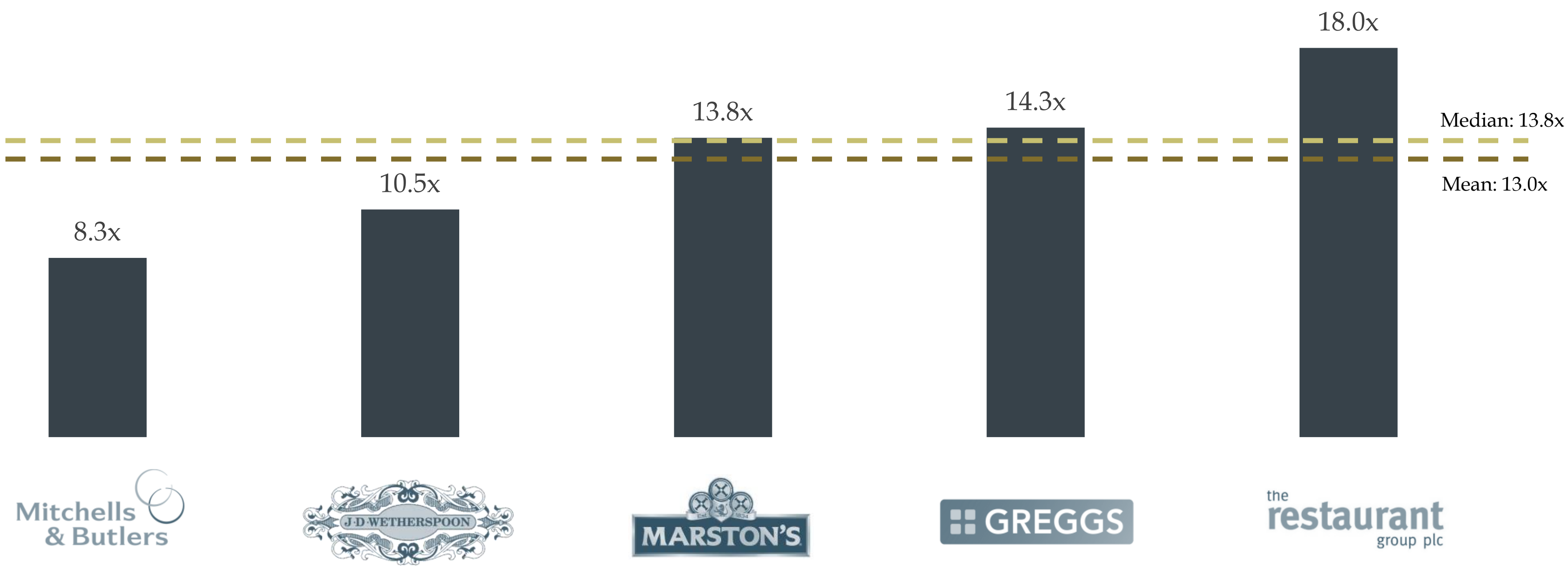
[1] Slide 23 [2] Slide 22 [3] Slide 25

Post-COVID Valuation

DevourAll

Post-COVID Valuation
Public Trading Comparables

2021P EV/EBITDA



DevourAll Group Trading Comparables Analysis (£ Millions)

			2019A				2021P				2022P		
Company	Market Cap	Enterprise Value	EBITDA Margin	EV / EBITDA	19' - 21' Rev CAGR	EV / Revenue	EBITDA Margin	EV / EBITDA	21' - 23' Rev CAGR	EV / Revenue	EBITDA Margin	EV / EBITDA	EV / Revenue
Mitchells & Butlers	580	2,726	18.6%	6.5x	(9.7%)	1.2x	18.0%	8.3x	10.1%	1.5x	19.9%	6.4x	1.3x
Greggs	1,705	1,861	19.8%	8.0x	(5.1%)	1.6x	16.8%	10.5x	10.9%	1.8x	19.0%	8.3x	1.6x
Marston's	253	1,954	18.8%	8.9x	(23.8%)	1.7x	20.7%	13.8x	4.9%	2.9x	24.1%	11.2x	2.7x
JD Wetherspoon	1,074	2,445	11.7%	11.5x	(7.7%)	1.3x	11.0%	14.3x	10.2%	1.6x	13.0%	10.2x	1.3x
Restaurant Group	341	1,479	12.7%	10.8x	(19.7%)	1.4x	11.9%	18.0x	10.9%	2.1x	13.8%	13.8x	1.9x
Median	**£580**	**£1,954**	**18.6%**	**8.9x**	**(9.7%)**	**1.4x**	**16.8%**	**13.8x**	**10.2%**	**1.8x**	**19.0%**	**10.2x**	**1.6x**
Mean	**£791**	**£2,093**	**16.3%**	**9.1x**	**(13.2%)**	**1.4x**	**15.7%**	**13.0x**	**9.4%**	**2.0x**	**18.0%**	**10.0x**	**1.8x**

Post-COVID Valuation
Valuation Approach

DevourAll

**Our approach to intrinsic valuation of DevourAll is to separate two possible scenarios for the Company.
We believe that it is imperative to recognize the possibility of DevourAll entering unnavigable distress during this pandemic.**

Going Concern

- In this scenario, DevourAll is not expected to enter into voluntary/involuntary restructuring. Over time, the Company will return to profitability, conservative leverage levels, and growth
- Operating projections under the going concern scenario are based off management guidance
- As the Company recovers from the adverse effects of the pandemic, we expect the capital structure and cost of capital to change significantly. Therefore, we have calculated a cost of capital for each year of the explicit forecast period of the DCF

Distress

- In this scenario, the Company is not expected to survive the COVID pandemic, but rather to enter administration and cease to exist through the event of a distress sale
- We have chosen to estimate the proceeds from a distress sale as a percentage of book value of non-cash assets
- The percentage of book value of non-cash assets is derived from precedent distressed restaurant M&A transactions in the post-COVID era. Precedent transactions are predominately U.S.-based due to the availability of public information

- The cumulative probability of distress is derived from the company's synthetic bond rating
- In accordance with the explicit forecast period in the DCF, we are concerned with the 5-year cumulative probability of distress
- The value of the firm is then derived from an expected value formula that weights the value from each scenario according to its associated probability

Cumulative Probability of Distress [1]

Rating	5 years	10 years
B+	19.25%	28.25%
B	27.50%	36.80%
B-	31.10%	42.12%
CCC	46.26%	59.02%
CC	54.15%	66.60%
C+	65.15%	75.16%
C	72.15%	81.03%
C-	80.00%	87.16%

Firm Value = Going Concern Value * (1 – Probability of Distress) + Distress Sale Value * Probability of Distress

[1] Altman, E.I. 20
Source: Dealing with Distress In Valuation (Damodaran)

Post-COVID Valuation
Probability of Distress

DevourAll

In order to evaluate the probability of a distress scenario for the Company, we must apply a synthetic credit rating to the business via an implied interest coverage ratio.

Synthetic Credit Rating

- Similar to our cost of debt analysis, we estimate a cumulative probability of distress for the business by assuming a synthetic credit rating for DevourAll
- The synthetic credit rating is derived from an implied interest coverage ratio. Interest expense is not available in the historical financials but is estimated using Pre-COVID pre-tax cost of debt
- The implied interest coverage ratio of 0.8x in 2020 translates to a synthetic credit rating of CC [1]
- Incorporating a synthetic CC rating, the Company has a cumulative probability of distress over the next 5 years of 54.15%

Interest Coverage Ratio	Credit Rating	Spread
0.00-0.49	D2/D	15.12%
0.50-0.79	C2/C	11.34%
0.80-1.249	Ca2/CC	8.64%
1.25-1.49	Caa/CCC	8.20%

Cumulative Probability of Distress [2]

Rating	5 years	10 years
AAA	0.04%	0.07%
AA	0.44%	0.51%
A+	0.47%	0.57%
A	0.20%	0.66%
A-	3.00%	5.00%
BBB	6.44%	7.54%
BB	11.90%	19.63%
B+	19.25%	28.25%
B	27.50%	36.80%
B-	31.10%	42.12%
CCC	46.26%	59.02%
CC	54.15%	66.60%
C+	65.15%	75.16%
C	72.15%	81.03%
C-	80.00%	87.16%

[1] Slide 43 [2] Altman, E.I. 20
Source: Dealing with Distress In Valuation (Damodaran)

Post-COVID Valuation
Distress Sale Value

DevourAll

Asset Value Adjustments

- The distressed sale proceeds ratio is applied to the book value of non-cash assets
- In addition, due to the expected goodwill impairment associated with the Billy's Restaurant acquisition the book value of non-cash needs to exclude the expected write-down

Adj. Book Value of Non-Cash Assets [1]	
Book Value of Assets	827.3
Cash and Cash Equivalents	(82.6)
Book Value of Non-Cash Assets	744.7
Expected Goodwill Impairment	(235.7)
Adj. Book Value of Non-Cash Assets	**509.0**

Distress Sale Value

- Precedent distressed transactions imply that DevourAll could expect to receive proceeds from a sale process during administration that amount to approximately 65% of adjusted book value of non-cash assets

Distress Sale Value	
Adj. Book Value of Non-Cash Assets	509.0
Distress Sale Proceeds Ratio	65.0%
Distress Sale Value	**330.9**

Precedent Distressed Transactions

Date Announced	Acquirer	Target	Distress Sale Value (*$m*)	Book Value of Non-Cash Assets (*$m*)	Proceeds as a Percent of Book Value of Assets
September 2020	FLYNN RESTAURANT GROUP	npc international	816	1,064	76.7%
May 2020	FORTRESS	Krystal	48	142	33.8%
September 2020	aurifybrands	MAISON KAYSER PARIS	3	32	9.4%
June 2020	aurifybrands	Le Pain Quotidien PQ New York	3	105	2.8%
Weighted Average [2]					**64.8%**

[1] 2020P balance sheet data per management guidance
[2] Weighting based on target's book value of non-cash assets

Post-COVID Valuation

Intrinsic Going Concern Valuation Summary

DevourAll

DevourAll Group Post-COVID Discounted Cash Flow Analysis

Free Cash Flow Build						
Fiscal Year	**2020P**	**2021P**	**2022P**	**2023P**	**2024P**	
Fiscal Year End Date	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/30/24*	
EBITDA	12.4	36.3	58.1	82.5	89.6	
EBIT	(25.0)	6.4	31.9	54.4	59.7	
Tax Rate	0%	0%	14%	19%	19%	
NOL	--	15.0	8.6	--	--	
EBIAT (NOPAT)	**£ (25.0)**	**£ 6.4**	**£ 27.5**	**£ 44.1**	**£ 48.4**	
+Depreciation & Amortization	35.3	29.9	26.3	28.1	29.9	
- Increases in Net Working Capital	20.2	(7.2)	(14.4)	(19.2)	(3.6)	
Unlevered CFO	**£ 30.5**	**£ 29.0**	**£ 39.3**	**£ 53.0**	**£ 74.6**	
-Capital Expenditures	(25.2)	(27.2)	(29.2)	(31.2)	(33.2)	
Unlevered Free Cash Flow	**£ 5.3**	**£ 1.8**	**£ 10.1**	**£ 21.8**	**£ 41.4**	
% Growth	(77.9%)	(65.0%)	451.0%	115.0%	90.0%	
Discount period	0.13	0.75	1.75	2.75	3.75	
Beta	2.25	1.91	1.56	1.21	0.87	[1] 0.87
Cost of Equity	20.3%	17.6%	14.9%	12.1%	9.4%	9.4%
Pre-Tax Cost of Debt	11.1%	10.0%	8.8%	7.7%	6.5%	6.5%
After-Tax Cost of Debt	11.1%	10.0%	7.6%	6.2%	5.3%	5.3%
Debt Ratio	75.1%	66.8%	58.5%	50.1%	41.8%	41.8%
Cost of Capital	13.4%	12.5%	10.6%	9.2%	7.7%	7.7%
Discount factor	0.98	0.92	0.84	0.79	0.76	
Present value of Unlevered FCF	**£ 5.2**	**£ 1.7**	**£ 8.5**	**£ 17.1**	**£ 31.4**	

DCF Assumptions

- **Net Operating Loss:** Per gov.uk, an allowance of up to £5m, plus 50% of remaining trading profits after deduction of the allowance
- **Net Changes in Working Capital:** Ref. slide 45
- **Mid-Year Discounting**: We assume that cash flows are generated evenly throughout the time period, which more accurately reflects the nature of the business than an end of period assumption
- **Dynamic Cost of Capital During Explicit Forecast Period:** Assuming DevourAll remains a going concern, the adverse effects of COVID on the Company's cost of capital are temporary. We reflect that the cost of capital steps down from post-COVID levels to pre-COVID levels (2020P to 2024P)
- **Goodwill Impairment:** The goodwill impairment associated with the Billy's Restaurant acquisition is added back to cash flow
- **After-Tax Cost of Debt Reflects Effective Tax Rate:** The benefits of interest deductibility are only as impactful as the effective tax rate for the associated year

Perpetuity Approach	
FCF in Last Forecast Period	41.4
FCF^{t+1}	42.3
Long term growth rate (g)	2.0%
Terminal value	744.7
Present value of terminal value	564.3
Present value of stage 1 cash flows	63.9
Enterprise value	**628.2**
Implied TV exit EBITDA multiple	8.3x

[1] Illustrates WACC normalizing to Pre-COVID levels in perpetuity

Post-COVID Valuation
Intrinsic Valuation Summary

DevourAll

Going Concern

- We expect the Company will grow in perpetuity at the rate of inflation and utilized the Bank of England's target of 2% inflation to estimate DevourAll's long-term growth rate

Going Concern Perpetuity Approach [1]	
FCF in Last Forecast Period	41.4
Long term growth rate (g)	2.0%
Present value of terminal value	564.3
Present value of stage 1 cash flows	63.9
Going Concern Value	**628.2**
Implied TV exit EBITDA multiple	8.3x

Distress

- Precedent distressed transactions imply that DevourAll could expect to receive proceeds from a sale process during administration that amount to approximately 65% of book value of non-cash assets

Distress Sale Value [2]	
Adj. Book Value of Non-Cash Assets	509.0
Distress Sale Proceeds Ratio	65.0%
Distress Sale Value	**330.9**

- The implied interest coverage ratio of 0.8x in 2020 translates to a synthetic credit rating of CC [3]
- Incorporating a synthetic CC rating, the Company has a cumulative probability of distress over the next 5 years of 54.15% [4]
- The probability of distress and going concern valuation assumptions will be sensitized in the valuation conclusion to provide a range for intrinsic valuation of the firm

Going Concern

		WACC:				
		5.7%	6.7%	7.7%	8.7%	9.7%
Long-term Growth Rate:	1.0%	791.4	642.6	539.1	463.2	405.3
	1.5%	882.5	701.6	580.1	493.1	428.0
	2.0%	998.3	773.1	628.2	527.5	453.6
	2.5%	1,150.6	861.9	685.7	567.4	482.7
	3.0%	1,359.8	974.7	755.5	614.4	516.2

Firm Value

		Probability of Distress:				
		75.0%	65.0%	54.2%	45.0%	35.0%
Distressed Sale Proceeds Ratio:	45.0%	328.8	368.7	412.1	448.6	488.5
	55.0%	367.0	401.8	439.6	471.5	506.3
	65.0%	405.2	434.9	467.2	494.4	524.1
	75.0%	443.4	468.0	494.7	517.3	541.9
	85.0%	481.5	501.1	522.3	540.2	559.7

Firm Value = Going Concern Value * (1 – Probability of Distress) + Distress Sale Value * Probability of Distress

[1] Slide 33 [2] Slide 32 [3] Slide 43 [4] Slide 31
Source: Dealing with Distress In Valuation (Damodaran)

Post-COVID Valuation
Precedent Transactions Valuation Summary

DevourAll

Precedent Transactions Methodology

- We assume that the Company reaches normalized EBITDA in 2024 and that transactions multiples will return to Pre-COVID levels by that time. Therefore, we will assume the business is sold in 2024 at Pre-COVID transaction multiples
- For us to assume that the company is sold in 2024, we also must consider the cumulative probability of distress as mentioned in the intrinsic valuation. The firm value using precedent transactions must use the weighted probability scenario formula.
- In order to calculate the going concern valuation, we will apply the Pre-COVID multiple to 2024 EBITDA that is discounted back to present
- We believe this approach to precedent transactions is the only logical option given that the Company will not reach normalized operating EBITDA levels until later in the projection period

Inherent Challenges

- Several challenges arise when approaching the Company from a precedent transactions valuation perspective in the Post-COVID era
- It relies on assumptions regarding discount rates, operating projections and cumulative probability of distress

Going Concern

Going Concern Precedent Transactions Approach (£ millions)	
2024P EBITDA	89.6
2024 Cost of Capital	7.7%
PV of 2024P EBITDA	65.4
EV/EBITDA Multiple [1]	10.0x
Going Concern Value	**653.7**

Going Concern

		WACC:				
		5.7%	6.7%	7.7%	8.7%	9.7%
	7.0x	495.5	476.1	457.6	440.0	423.2
	8.5x	601.7	578.1	555.7	534.3	513.9
Exit Multiple:	10.0x	707.9	680.2	653.7	628.5	604.5
	11.5x	814.1	782.2	751.8	722.8	695.2
	13.0x	920.3	884.2	849.8	817.1	785.9

Firm Value

		Probability of Distress:				
		75.0%	65.0%	54.2%	45.0%	35.0%
	45.0%	335.2	377.7	423.8	462.6	505.1
Distressed Sale	55.0%	373.4	410.8	451.3	485.5	522.9
Proceeds Ratio:	65.0%	411.6	443.9	478.9	508.4	540.7
	75.0%	449.7	476.9	506.4	531.3	558.5
	85.0%	487.9	510.0	534.0	554.2	576.3

Firm Value = Going Concern Value * (1 – Probability of Distress) + Distress Sale Value * Probability of Distress

[1] Slide 23

Source: Dealing with Distress In Valuation (Damodaran)

Post-COVID Valuation
Goodwill Impairment: Habit Restaurants Case Study

DevourAll

Transaction Overview

- On March 18, 2020, before the impacts of COVID-19 were known, YUM! Brands, an international owner and operator of restaurant chains (including KFC, Pizza Hut, Taco Bell, and WingStreet), acquired The Habit Restaurants, Inc. for ~$408m in cash
- At the time of the transaction, Habit operated 245 directly-owned restaurants and 31 franchised restaurants in the US and China
- YUM! recorded $219m in goodwill and $98m in brand/trademark value as a result of the transaction (based on third-party valuation)
- Within the same filing, YUM! disclosed that virtually all Habit's restaurants were impacted by COVID-19 and, as a result, recorded an interim impairment of $139m, indicating a 63% write-off of goodwill less than two weeks after the transaction closed
- This case is particularly pertinent to DevourAll's acquisition of Billy's Restaurant in terms of the unfortunate timing and the fact that a significant portion of the deal value is represented by intangible assets

Impairment Triggering Event

- While goodwill is normally tested annually for impairment, if it is determined that economic circumstances caused a "triggering event," an interim test may be necessary
- A triggering event can be caused by deterioration in economic conditions, industry or market conditions, declining financial performance or other entity-specific events
- YUM! management determined that the COVID-19 pandemic had an immediate detrimental impact on the financial performance of Habit and, therefore, qualified it as a triggering event

Transaction Comparison

	the Habit BURGER GRILL	Billy's
Transaction Date	March 2020	September 2018
Goodwill	$219m	£472m
Goodwill Impairment	$120m *63%*	£236m *50%*

Source: Evergreen Advisors

Post-COVID Valuation
WACC & Capital Structure Assumptions

DevourAll

WACC Calculations Post-COVID

Capital Weights	
% Debt	75.1%
% Equity	24.9%
Cost of Debt	
Pre-Tax Cost of Debt	11.14%
Assumed Tax Rate	0.0%
After-Tax Cost of Debt	11.14%
Cost of Equity	
Risk Free Rate	2.50%
Unlevered Beta	0.56
Debt / Equity	302.4%
Relevered Beta	2.253
Equity Risk Premium	6.92%
Size Premium	2.22%
Cost of Equity	20.31%
WACC	**13.4%**

WACC Analysis for DevourAll Group

Tickers	Company	Debt / Equity	Debt / Total Cap.	Adj. 2 Year Beta	Unlevered Beta 2-Year
MAB.L	Mitchells & Butlers	370.0%	78.7%	1.643	0.350
JDW.L	JD Wetherspoon	127.8%	56.1%	1.333	0.585
MARS.L	Marston's	671.5%	87.0%	1.812	0.235
GRG.L	Greggs	9.2%	8.4%	1.190	1.125
RTN.L	Restaurant Group	333.6%	76.9%	2.428	0.560
Mean		**302.4%**	**61.4%**	**1.68**	**0.57**
Median		**333.6%**	**76.9%**	**1.64**	**0.56**

WACC Assumptions

- **Beta:** Average of comparable companies' Bloomberg Adjusted Two-Year Beta (regressed against Bloomberg European 500)
- **Capital Weights:** Average of comparable companies' debt/equity ratio which implied the debt to capital ratio
- **Cost of Debt:** Estimated using firm's implied bond rating [1]
- **Assumed Tax Rate:** DevourAll's effective tax rate for 2020P is projected to be 0% due to net operating loss
- **Risk Free Rate**: Normalized to UK 2.5% per Duff & Phelps as of 6/30/20
- **U.K. Equity Risk Premium:** As of September 30, 2020, per Damodaran research
- **Size Premium:** Per 9th decile Duff and Phelps size premium [2]

[1] Slide 31 [2] Slide 49
WACC as of 9/30/2020

Post-COVID Valuation
Valuation Summary

DevourAll

Valuation Methodology

Precedent Transactions [1]

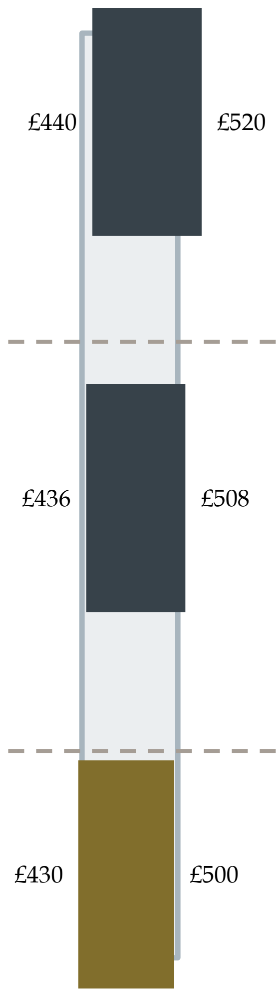
2024 EBITDA: £89m
PV of 2024 EBITDA: £65m
Multiple: 9.0x – 11.0x

Trading Comparables [2]

2021 EBITDA: £36m
Forward Multiple: 12.0x – 14.0x

Intrinsic Analysis [3]

Perpetuity Growth Rate: 1.75% - 2.25%
Cumulative Probability of Distress: 45% - 65%



Preliminary Valuation
£435m - £505m

Commentary

- 9.0x – 11.0x multiple applied to PV of 2024 EBITDA
- Utilized a weighted probability scenario of going concern or success
- Challenges associated with this approach grant it less consideration with regards to final valuation

- Analysis consisted of 5 publicly traded peers
- Median 2021 forward EBITDA multiple of 13.8x and mean 2021 forward EBITDA multiple of 13.0x
- Utilized the 2021 forward multiple since EBTIDA margins of peers return to Pre-COVID levels at that time

- Utilized a weighted probability scenario of going concern or success
- Proceeds from a distress sale amounted to £330.9m, which is calculated by applying a distress sale ratio of 65% to adjusted book value of non-cash assets
- Dynamic cost of capital throughout the explicit forecast period that converges over time with Pre-COVID levels

[1] Slide 35 [2] Slide 29 [3] Slide 34

Situation Analysis
Conclusion

DevourAll

Pre-COVID Valuation	• Pre-COVID, DevourAll should be valued at £1,000-1,300m based on a discounted cash flow, precedent transaction, and trading comps methodology
Post-COVID	• Post-COVID, DevourAll should be valued at £435-505m based on a discounted cash flow, precedent transaction, and trading comps methodology with adjustments for distress
Next Steps	• Moving forward, the Company should monitor the COVID-19 macro environment and continue with their phased plan to reopen stores and open new sites post-pandemic, beginning 2022

Appendix

DevourAll

Appendix
Pre-COVID Analysis: Growth Rates and Margins

Growth Rates and Margins						
Fiscal Year	**2019A**	**2020P**	**2021P**	**2022P**	**2023P**	**2024P**
Fiscal Year End Date	*12/31/19*	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/31/24*
Revenue Metrics						
Total Revenue Growth	52.2%	3.9%	5.3%	8.0%	5.4%	4.4%
Revenue per Site (£ millions)	1.65	1.68	1.72	1.74	1.81	1.87
Cost Metrics						
COGS as a % of Revenue	(81.7%)	(81.8%)	(81.3%)	(81.0%)	(80.9%)	(80.8%)
Gross Margin	18.3%	18.2%	18.7%	19.0%	19.1%	19.2%
SG&A as a % of Total Revenue	(5.1%)	(5.2%)	(5.2%)	(5.2%)	(5.1%)	(5.0%)
EBITDA Margin	13.2%	13.1%	13.5%	13.8%	14.0%	14.2%
EBIT Margin	8.4%	8.2%	8.8%	9.1%	8.9%	8.8%
Restaurant Metrics						
UK Restaurant Count	362	367	375	393	398	401
% Growth	*42.5%*	*1.4%*	*2.2%*	*4.8%*	*1.3%*	*0.8%*
% Total	*69.7%*	*69.1%*	*68.7%*	*67.4%*	*67.3%*	*67.2%*
US Restaurant Count	118	121	126	136	139	140
% Growth	*9.3%*	*2.5%*	*4.1%*	*7.9%*	*2.2%*	*0.7%*
% Total	*22.7%*	*22.8%*	*23.1%*	*23.3%*	*23.5%*	*23.5%*
Europe Restaurant Count	39	43	45	54	54	56
% Growth	*5.4%*	*10.3%*	*4.7%*	*20.0%*	*--*	*3.7%*
% Total	*7.5%*	*8.1%*	*8.2%*	*9.3%*	*9.1%*	*9.4%*
Total Number of Restaurants	519	531	546	583	591	597
% Growth	*30.1%*	*2.3%*	*2.8%*	*6.8%*	*1.4%*	*1.0%*
Additional Information						
Capital Expenditures	£ 55.7	£ 60.9	£ 75.0	£ 100.2	£ 63.4	£ 62.1
Capital Expenditures as a % of Revenue	6.5%	6.8%	8.0%	9.9%	5.9%	5.6%
Depreciation & Amortization	£ 40.6	£ 43.0	£ 44.5	£ 46.8	£ 54.7	£ 60.3
Depreciation & Amortization as a % of Capex	72.9%	70.6%	59.3%	46.7%	86.3%	97.1%
Growth Trends						
Cost of Goods Sold	53.5%	4.1%	4.7%	7.7%	5.2%	4.2%
SG&A	47.7%	4.3%	6.5%	8.2%	3.4%	2.2%
Total Costs	**53.1%**	**4.1%**	**4.8%**	**7.7%**	**5.1%**	**4.1%**
EBITDA	46.8%	3.0%	9.0%	9.9%	7.2%	6.2%
EBIT	67.4%	1.4%	12.3%	12.5%	2.4%	3.8%

Appendix
Post-COVID Analysis: Growth Rates and Margins

DevourAll

Growth Rates and Margins						
Fiscal Year	**2019A**	**2020P**	**2021P**	**2022P**	**2023P**	**2024P**
Fiscal Year End Date	*12/31/19*	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/31/24*
Revenue Metrics						
Total Revenue Growth	52.2%	(54.5%)	42.9%	6.0%	6.0%	6.0%
Revenue per Site (£ millions)	1.65	1.04	1.49	1.54	1.59	1.64
Cost Metrics						
COGS as a % of Revenue	(81.7%)	(79.9%)	(87.6%)	(84.6%)	(81.7%)	(81.0%)
Gross Margin	18.3%	20.1%	12.4%	15.4%	18.3%	19.0%
SG&A as a % of Total Revenue	(5.1%)	(16.9%)	(5.9%)	(5.5%)	(5.1%)	(5.5%)
EBITDA Margin	13.2%	3.2%	6.5%	9.8%	13.2%	13.5%
EBIT Margin	8.4%	(6.4%)	(41.2%)	5.4%	8.7%	9.0%
Restaurant Metrics						
UK Restaurant Count	362	262	262	269	275	282
% Growth	*42.5%*	*(27.6%)*	--	*2.5%*	*2.5%*	*2.5%*
% Total	*69.7%*	*69.9%*	*69.9%*	*69.9%*	*69.9%*	*69.9%*
US Restaurant Count	118	85	85	87	89	92
% Growth	*9.3%*	*(28.0%)*	--	*2.5%*	*2.5%*	*2.5%*
% Total	*22.7%*	*22.7%*	*22.7%*	*22.7%*	*22.7%*	*22.7%*
Europe Restaurant Count	39	28	28	29	29	30
% Growth	*5.4%*	*(28.2%)*	--	*2.5%*	*2.5%*	*2.5%*
% Total	*7.5%*	*7.5%*	*7.5%*	*7.5%*	*7.5%*	*7.5%*
Total Number of Restaurants	519	375	375	384	394	404
% Growth	*30.1%*	*(27.7%)*	--	*2.5%*	*2.5%*	*2.5%*
Additional Information						
Capital Expenditures	£ 55.7	£ 25.2	£ 27.2	£ 29.2	£ 31.2	£ 33.2
Capital Expenditures as a % of Revenue	6.5%	6.5%	4.9%	4.9%	5.0%	5.0%
Depreciation & Amortization	£ 40.6	£ 35.3	£ 29.9	£ 26.3	£ 28.1	£ 29.9
Depreciation & Amortization as a % of Capex	72.9%	140.0%	110.0%	90.0%	90.0%	90.0%
Growth Trends						
Cost of Goods Sold	53.5%	(55.5%)	56.7%	2.4%	2.3%	5.1%
SG&A	47.7%	50.1%	(50.3%)	(0.9%)	(1.4%)	13.8%
Total Costs	**53.1%**	**(49.3%)**	**38.0%**	**2.2%**	**2.1%**	**5.6%**
EBITDA	46.8%	(89.0%)	192.9%	60.3%	41.9%	8.6%
EBIT	67.4%	(134.6%)	817.4%	(113.9%)	70.8%	9.7%

Appendix
Cost of Debt Analysis

DevourAll

Credit Default Risk Spread [1]

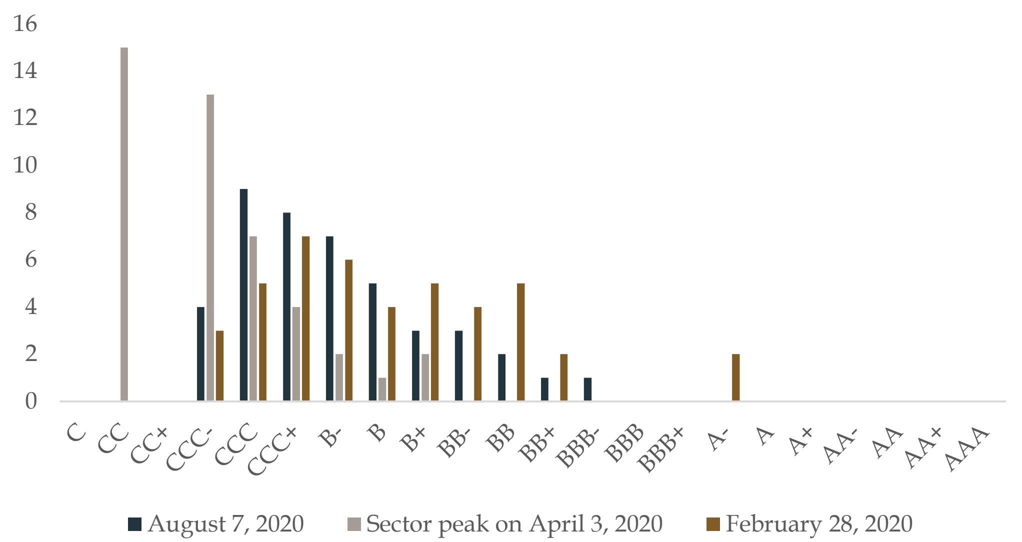
Interest Coverage Ratio	Credit Rating	Spread [2]
0.00-0.49	D2/D	15.12%
0.50-0.79	C2/C	11.34%
0.80-1.249	Ca2/CC	8.64%
1.25-1.49	Caa/CCC	8.20%
1.5-1.99	B3/B-	5.15%
2.00-2.49	B2/B	4.21%
2.50-2.99	B1/B+	3.51%
3.00-3.49	Ba2/BB	2.40%
3.50-3.99	Ba1/BB+	2.00%
4.00-4.49	Baa2/BBB	1.56%
4.5-5.99	A3/A-	1.22%
6.00-7.49	A2/A	1.08%
7.50-9.49	A1/A+	0.98%
9.50-12.49	Aa2/AA	0.78%
12.5+	Aaa/AAA	0.63%

Pre-COVID Post-COVID

Synthetic Rating Rationale

- Several assumptions must be made since historical interest expense nor capital lease information is given
- We estimate that DevourAll would be able to raise debt at a cost similar to B1/B+ rated companies Pre-COVID and Ca2/CC Post-COVID
- A rating of B+ indicates a company is more vulnerable to non-repayment than "BB", as it is non-investment grade, however the obligor currently retains the ability to repay commitments on the obligation [3]
- A rating of CC indicates a high vulnerability to non-repayment. As is the case with B+ as well, adverse business, financial, or economic conditions are likely to severely impair the company's capacity to make repayment [3]
- In addition to these qualitative measures, a study of comparable restaurant chains creditworthiness was studied Pre-COVID to estimate the Company's cost of debt

Public US Restaurants' Credit Rating [4]



[1] NYU Stern, for firms with a market cap of <£5bn [2] Spread over normalized risk-free rate of 3% [3] Standard & Poor's [4] S&P Global Market Intelligence

Appendix
Cost of Debt Analysis

Company	2019 Interest Coverage *(EBITDA/Interest Expense)*	Implied 2019 Credit Rating
Mitchells & Butlers	2.8x	B+
GREGGS	18.6x	AAA
J·D·WETHERSPOON	5.8x	A-
MARSTON'S	2.1x	B
the restaurant group plc	5.2x	A-
DevourAll Estimated Pre-COVID Credit Rating		B+

- Synthetic credit rating of B+ derived from peer group coverage ratio is used for Pre-COVID cost of debt and Post-COVID implied interest expense
- Since Billy's Restaurant acquisition occurred Pre-COVID, assumed incremental debt from acquisition (~92% of total post-acquisition debt balance) was financed at Pre-COVID cost

Appendix
Post-COVID NWC Assumptions

DevourAll

Net Working Capital Analysis (£ millions)

Fiscal Year	2020P	2021P	2022P	2023P	2024P
Fiscal Year End Date	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/31/24*
Change in Current Assets Excl. Cash	(13.1)	10.8	(0.7)	2.2	2.5
Change in Current Liabilities	7.1	3.6	(15.1)	(17.0)	(1.1)
Change in Net Working Capital	**£ (20.2)**	**£ 7.2**	**£ 14.4**	**£ 19.2**	**£ 3.6**
Current Assets					
Receivables					
Beginning of Period	17.4	12.4	18.3	19.4	20.6
Change	(5.0)	5.9	1.1	1.2	1.2
End of Period	12.4	18.3	19.4	20.6	21.8
Days Sales Outstanding	14.0	12.0	12.0	12.0	12.0
Inventory					
Beginning of Period	7.4	4.0	6.1	5.9	5.7
Change	(3.4)	2.1	(0.2)	(0.2)	(0.0)
End of Period	4.0	6.1	5.9	5.7	5.7
Inventory Turnover	54.6	80.0	85.0	90.0	95.0
Prepaid Expenses & Other					
Beginning of Period	24.2	19.5	22.3	20.7	21.9
Change	(4.7)	2.8	(1.6)	1.2	1.3
End of Period	19.5	22.3	20.7	21.9	23.2
Prepaid Expenses as a % of Sales	5%	4%	4%	4%	4%
Current Liabilities					
Trade Accounts Payable					
Beginning of Period	52.2	62.2	60.2	54.8	49.1
Change	10.0	(2.0)	(5.4)	(5.7)	(4.9)
End of Period	62.2	60.2	54.8	49.1	44.2
Days Payable Outstanding	67.0	45.0	40.0	35.0	30.0
Accrued Expenses					
Beginning of Period	80.9	78.0	83.6	73.8	62.6
Change	(2.9)	5.6	(9.7)	(11.2)	3.8
End of Period	78.0	83.6	73.8	62.6	66.4
Accrued Expenses as % of Sales	20%	15%	13%	10%	10%

DCF Assumptions

- The following net working capital assumptions incorporate the Company's business model, current level of distress, and expected return to normalcy in 2021 (90% of Pre-COVID sales per site)
- **Receivables:** £5m reduction in 2020 per management guidance. Operations normalize in 2021, but remain at elevated days sales outstanding levels due to more credit card sales and less cash sales in a Post-COVID world
- **Inventory:** £3.4m reduction in 2020 per management guidance. Inventory turnover begins to normalize in 2021 and conform to Pre-COVID levels
- **Prepaid Expenses**: Decreases in 2020 as the distressed firm attempts to avoid pre-payment for services/assets.
- **Trade Accounts Payable:** £10m increase in 2020 per management guidance. Days payable outstanding gradually reverts to Pre-COVID levels
- **Accrued Expenses:** Increase as a % of sales in 2020 and gradually revert to Pre-COVID levels throughout the remainder of the projection period

Appendix
Post-COVID Income Statement

DevourAll

DevourAll Group Income Statement (£ millions)						
Fiscal Year	2019A	2020P	2021P	2022P	2023P	2024P
Fiscal Year End Date	*12/31/19*	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/31/24*
Total Revenue	**£ 856.8**	**£ 389.8**	**£ 557.2**	**£ 590.7**	**£ 626.1**	**£ 663.8**
% Growth	*52.2%*	*(54.5%)*	*42.9%*	*6.0%*	*6.0%*	*6.0%*
Less: Cost of Goods Sold	(699.9)	(311.4)	(488.1)	(500.0)	(511.6)	(537.7)
Gross Profit	**£ 156.9**	**£ 78.5**	**£ 69.1**	**£ 90.7**	**£ 114.6**	**£ 126.1**
% Margin	*18.3%*	*20.1%*	*12.4%*	*15.4%*	*18.3%*	*19.0%*
Less: SG&A	(44.0)	(66.1)	(32.8)	(32.5)	(32.1)	(36.5)
EBITDA	**£ 112.9**	**£ 12.4**	**£ 36.3**	**£ 58.1**	**£ 82.5**	**£ 89.6**
% Margin	*13.2%*	*3.2%*	*6.5%*	*9.8%*	*13.2%*	*13.5%*
Less: Depreciation & Amortization	(40.6)	(35.3)	(29.9)	(26.3)	(28.1)	(29.9)
Less: Restructuring Expense	--	(2.1)	--	--	--	--
EBIT	**£ 72.3**	**£ (25.0)**	**£ 6.4**	**£ 31.9**	**£ 54.4**	**£ 59.7**
% Margin	*8.4%*	*(6.4%)*	*1.1%*	*5.4%*	*8.7%*	*9.0%*
Less: Implied Interest Expense		(17.8)	(17.8)	(15.9)	(14.2)	(12.9)
Less: Loss on Disposal		(43.3)	--	--	--	--
EBT		**£ (86.1)**	**£ (11.5)**	**£ 16.0**	**£ 40.2**	**£ 46.8**
NOL		--	45.5	53.8	37.8	--
Effective Tax Rate		--	--	--	1.2%	19.0%
Taxes		--	--	--	(0.5)	(8.9)
Less: Goodwill Impairment		--	(235.7)	--	--	--
Net Income		**£ (86.1)**	**£ (247.2)**	**£ 16.0**	**£ 40.7**	**£ 55.7**

Revenue & Cost Assumptions

- **Revenue:** The Company's revenue growth is expected to decline by 54.5% in 2020
- **Gross Profit:** Gross profit is expected to slash in half in 2020 as compared to Pre-COVID levels
- **EBITDA:** The Company anticipates EBITDA Margin to decrease by 10% in 2020, then return to 2019 levels in three years
- **Depreciation & Amortization:** Assumed mid-year 2020 sale of 25% of sites sold at book value, leaving D&A as a % of Capex at 12.5% and 25% of 2019 levels in 2020 and 2021, respectively
- **Restructuring Expense:** The Company underwent a restructuring in 2020 that led to site closures and an expense of £2.1 mm
- **Goodwill Impairment:** Assume goodwill from acquisition of Billy's Restaurant is written down by 50% in 2021

Revenue & Cost Assumptions, continued

- **Implied Interest Expense:** Utilized Pre-COVID pre-tax cost of debt and multiplied by average debt balance for the year to back into implied interest expense
- **Loss on Disposal:** Assumed exit of 144 sites at 50% book value
- **Net Operating Loss:** Per gov.uk, an allowance of up to £5m, plus 50% of remaining trading profits

Appendix
Post-COVID Balance Sheet

DevourAll Group Balance Sheet (£ millions)

Fiscal Year	2018A	2019A	2020P	2021P	2022P	2023P	2024P
Fiscal Year End Date	*12/31/18*	*12/31/19*	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/31/24*
Current Assets							
Cash	52.6	39.7	100.4	54.4	23.1	21.5	50.3
Receivables	18.2	17.4	12.4	18.3	19.4	20.6	21.8
Inventory	6.9	7.4	4.0	6.1	5.9	5.7	5.7
Prepaid Expenses & Other	25.0	24.2	19.5	22.3	20.7	21.9	23.2
Total Current Assets	**102.7**	**88.7**	**136.3**	**101.1**	**69.1**	**69.7**	**101.0**
Non-current Assets							
Land, Buildings, & Equipment	296.7	311.8	215.2	212.5	215.4	218.5	221.8
Intangibles & Goodwill	494.7	492.5	492.5	256.8	256.8	256.8	256.8
Other Assets	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Total Noncurrent Assets	**792.5**	**805.4**	**708.8**	**470.4**	**473.3**	**476.4**	**479.7**
Total Assets	**£ 895.2**	**£ 894.1**	**£ 845.1**	**£ 571.5**	**£ 542.4**	**£ 546.1**	**£ 580.7**
Current Liabilities							
Trade Accounts Payable	62.9	52.2	62.2	60.2	54.8	49.1	44.2
Accrued Expenses	91.0	80.9	78.0	83.6	73.8	62.6	66.4
Short-term Debt	0.2	8.8	8.8	8.8	8.8	8.8	8.8
Other Current Liabilities	26.5	36.2	36.2	36.2	36.2	36.2	36.2
Total Current Liabilities	**180.6**	**178.1**	**185.2**	**188.7**	**173.6**	**156.7**	**155.6**
Non-current Liabilities							
Long-term Debt	283.0	258.6	288.6	258.6	228.6	208.6	188.6
Capital Leases	1.9	9.5	9.5	9.5	9.5	9.5	9.5
Other Liabilities	110.6	83.1	83.1	83.1	83.1	83.1	83.1
Total Non-current Liabilities	**395.5**	**351.2**	**381.2**	**351.2**	**321.2**	**301.2**	**281.2**
Total Liabilities	**£ 576.1**	**£ 529.3**	**£ 566.4**	**£ 539.9**	**£ 494.8**	**£ 457.9**	**£ 436.8**
Equity	319.1	364.7	278.6	31.5	47.5	88.2	143.9
Total Liabilities & Equity	**£ 895.2**	**£ 894.0**	**£ 845.0**	**£ 571.4**	**£ 542.3**	**£ 546.0**	**£ 580.6**

Assets

- **Cash:** Increase in cash balance due to restructuring sale of 144 sites
- **Receivables:** The Company expects a decrease of £5.0m in receivables in 2020
- **Inventory:** Management projects a £3.4m decrease in inventory in 2020
- **Intangibles and Goodwill:** Reflects 50% goodwill impairment

Liabilities

- **Trade Accounts Payable:** The Company anticipates the closing balance of receivables to increase £10.0m in 2020
- **Long-term Debt:** Reflects the Company's £30m increase in working capital facility in 2020, then gradual paydown with residual cash

Appendix
Post-COVID Statement of Cash Flows

DevourAll

DevourAll Group Cash Flow Statement (£ millions)					
Fiscal Year	**2020P**	**2021P**	**2022P**	**2023P**	**2024P**
Fiscal Year End Date	*12/31/20*	*12/31/21*	*12/31/22*	*12/31/23*	*12/31/24*
Net Income	(86.1)	(247.2)	16.0	40.7	55.7
D&A	35.3	29.9	26.3	28.1	29.9
Non-Cash Loss on Disposal	43.3	--	--	--	--
Goodwill Impairment	--	235.7	--	--	--
Changes in NWC	20.2	(7.2)	(14.4)	(19.2)	(3.6)
Cash Flow from Operations	**£ 12.6**	**£ 11.2**	**£ 27.9**	**£ 49.6**	**£ 81.9**
Capex	(25.2)	(27.2)	(29.2)	(31.2)	(33.2)
Disposal of Fixed Assets	43.3	--	--	--	--
Cash Flow from Investing	**£ 18.1**	**£ (27.2)**	**£ (29.2)**	**£ (31.2)**	**£ (33.2)**
Issuance (Repayment) of Debt	30.0	(30.0)	(30.0)	(20.0)	(20.0)
Cash Flow from Financing	**£ 30.0**	**£ (30.0)**	**£ (30.0)**	**£ (20.0)**	**£ (20.0)**
Change in Cash	**£ 60.7**	**£ (46.0)**	**£ (31.3)**	**£ (1.6)**	**£ 28.8**

Appendix
Size & Tax Rate Assumptions

DevourAll

Size Premium Deciles

Decile	Market Cap (£mm) Smallest	Largest	Size Premium in Excess of CAPM
1 - Largest	31,090	1,061,355	-0.28%
2	13,143	30,543	0.50%
3	6,619	13,100	0.73%
4	4,313	6,615	0.79%
5	2,689	4,311	1.10%
6	1,670	2,686	1.34%
7	994	1,668	1.47%
8	516	994	1.59%
9	230	516	2.22%
10 - Smallest	2	230	4.99%

Implied a Pre-COVID size premium of the 7th decile using intrinsic valuation output of equity value of ~ £1,050m

Implied a Post-COVID size premium of the 9th decile using intrinsic valuation output of equity value range of ~ £480m

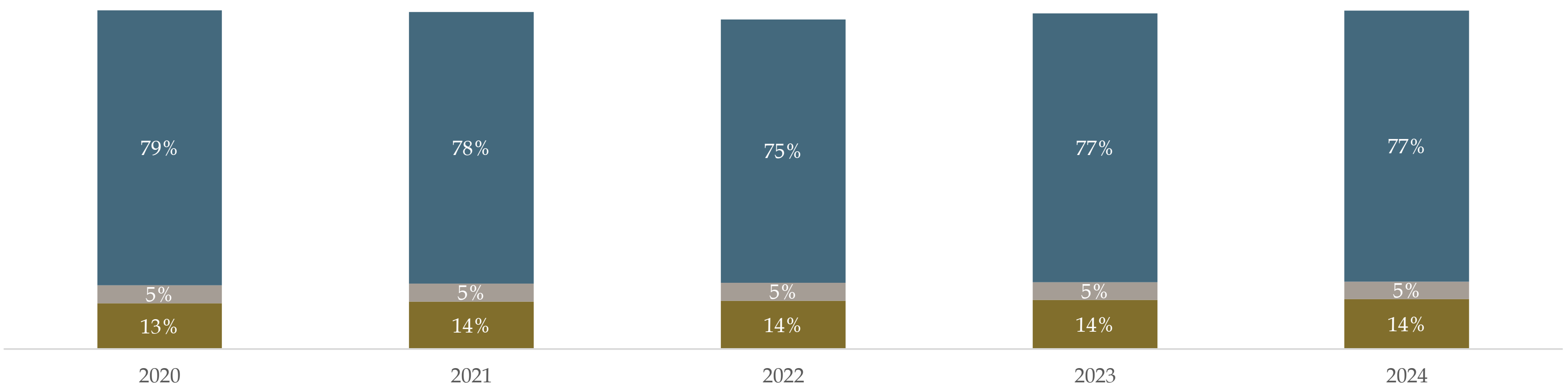
Tax Rate Assumptions

- **Pre-COVID Tax Rate:** Used Corporation Tax main rate of 19% that was set at the Summer Budget 2015 for the year beginning April 1, 2019 for Pre-COVID cost of debt and EBIAT calculations [1]
- **Post-COVID Tax Rate:** Used effective tax rate of 0% in 2020-2021P and 14% in 2022P due to NOL for Post-COVID EBIAT and cost of debt calculations, normalizing back to 19% Corporation Tax main rate in 2023P and beyond

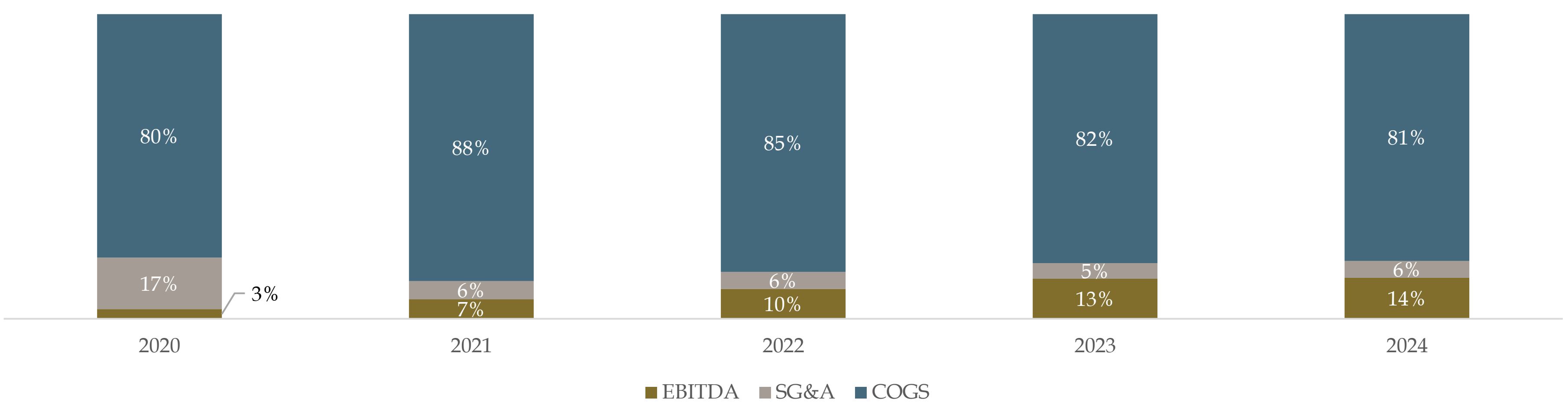
[1] gov.uk

Appendix
Profitability Comparison (% of Revenue)

Pre-COVID



Post-COVID



Appendix
Public Trading Comparables

Company	Headquarters	EV (£m)	Revenue (£m) *% EBITDA Margin*	Select Brands	Additional Comments
Mitchells & Butlers	Birmingham, UK	£3,262	£2,237 *18.60%*	Sizzling Pubs, O'Neill's, Vintage Inns, Harvester, All Bar One	One of the largest operators of restaurants, bars, and pubs in the UK
GREGGS	Newcastle-Upon-Tyne, UK	£2,507	£1,167 *19.80%*	Greggs	A bakery and sandwhich shop with over 2,000 locations in the UK
J.D. WETHERSPOON	Watford, UK	£2,355	£1,818 *11.70%*	Wetherspoon, Lloyd's No. 1 Bars, Wetherspoon Hotels	An operator of over 800 pubs in the UK and Ireland and a growing number of Wetherspoon hotels
MARSTON'S	Wolverhampton, UK	£2,227	£1,173 *18.80%*	Marston's Brewery, Marston's Inns	A British brewery, pub, and hotel operator with over 1,500 locations in England and Wales
the restaurant group plc	London, UK	£1,079	£1,073 *12.90%*	Wagamama, Chiquito, Coast to Coast, Brunning and Price	A British operator of over 350 restaurants in pubs across the UK and US

Financial information as of 12/31/19