

Press Release

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Brentwood Associates Announces Sale of K-MAC Holdings Corp.

LOS ANGELES--(BUSINESS WIRE)--Brentwood Associates, a leading consumer-focused private equity investment firm, announced that it has sold K-MAC Holdings Corp. K-MAC, headquartered in Fort Smith, Arkansas, is one of the largest Taco Bell franchisees in the country, and also operates KFC and Golden Corral restaurants. Financial terms were not disclosed.

Brentwood, in partnership with Arlon Food and Agriculture Investment Program, invested in K-MAC in 2011. Since then, K-MAC significantly expanded its geographic footprint, increasing its restaurant count from 190 in 2011 to 294 today, with restaurants located across 9 states. The company has grown over the past few decades through a combination of new store openings and acquisitions. Today, K-MAC operates 271 Taco Bell restaurants, 17 KFC restaurants and 6 Golden Corral restaurants and has over 7,500 employees.

K-MAC is led by CEO Sam Fiori and President and COO Tina Reagan, who will continue to lead the business going forward. Commenting on the transaction, Fiori said, "Brentwood has been a wonderful partner over the last five years, and provided very helpful support and resources to help drive our growth." Tina Reagan also commented, "It was very important to us to have a partner that really understood and allowed us to invest in our one-of-a-kind K-MAC culture of high performance stores and operational excellence. We look forward to continuing to build upon our success as a leading franchisee into the future."

Brentwood and Arlon are exiting their ownership position as part of the transaction. Rahul Aggarwal, Partner at Brentwood, commented, "It's been a pleasure to partner with Sam, Tina and the entire K-MAC team, and be part of the 50-year legacy of excellence at K-MAC. Their leadership, along with strong brand stewardship by our franchisor partners, has been a great combination."

The sale of K-MAC is Brentwood's third transaction in the restaurant industry in 2016. Earlier this year, Brentwood completed equity investments in Pacific Catch, a polished casual seafood concept, and Veggie Grill, a premium fast casual concept, both based in California.

North Point Advisors LLC and Houlihan Lokey Capital, Inc. acted as financial advisors, and Burr & Forman LLP acted as legal counsel to K-MAC in connection with the transaction.

K-MAC Holdings Corp.

K-MAC Holdings Corp. is a leading quick-service restaurant franchisee founded in 1964 by Ken McGruder, and headquartered in Fort Smith, Arkansas. The company is one of the largest Taco Bell franchisees in the country, operating 271 Taco Bell restaurants. The company also operates 17 KFC restaurants and 6 Golden Corral restaurants, for a total of 294 locations. The company has a regional concentration in the South Central region of the U.S., with restaurants located in Arkansas, Missouri, Oklahoma, Texas, Indiana, Illinois, Tennessee, Kentucky and Mississippi.

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Brentwood Associates

Brentwood Associates is a leading consumer-focused private equity investment firm with a 30-year history of investing in leading middle-market growth companies. Brentwood focuses on investments in growing businesses where it is able to leverage its extensive experience in areas such as: branded consumer products; multi-location strategies; direct-to-customer marketing, including direct mail and e-commerce; niche brands with specialty distribution; education; and business services. Since 1984, Brentwood's dedicated private equity team has invested in over 50 portfolio companies with an aggregate transaction value of over \$6 billion. With significant experience in both investing and brand building, Brentwood is a value-added partner with entrepreneurs and senior management teams building world-class companies. For more information about Brentwood, please visit www.brentwood.com.

Arlon Food and Agriculture Investment Program

Arlon Group is a food and agriculture investment firm with a global network that invests in middle-market businesses across the entire food supply chain in the Americas. Arlon's team brings extensive investment expertise and deep, local industry contacts as they seek to partner with growth-oriented businesses in the food and agriculture sectors. Arlon's investment focus comes from its founding investor, Continental Grain Company, a 200-year-old leader in the food and agriculture space. Arlon Group is headquartered in New York with an office in Sao Paulo, Brazil. For more information, visit www.arlongroup.com.