



Checkers/Rally's

\$8,500,000

9 Units in the Eastern US

Confidential Information Memorandum
August 2021

Checkers/Rally's - 9 Units in the Eastern US

Disclaimer:

FranBizNetwork (“FBN”), has been retained as exclusive broker for the sale of nine Rally’s locations in the Eastern US (“Business”). This Confidential Information Memorandum (“CIM”) has been prepared by FBN from information supplied to it by the Seller and other sources believed to be reliable and is being furnished through FBN solely for the purpose of providing the recipient with general information to assist in an evaluation of the Business. This CIM does not purport to be all-inclusive or necessarily to contain all of the information a prospective purchaser may desire. FBN has not verified independently any of the information, nor does FBN make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this CIM or any other written or oral statement made to a prospective purchaser of the Business. Only those representations and warranties that may be made in a definitive written agreement, when and if it is executed, and subject to such limitations and restrictions as may be specified in such definitive agreement, shall have legal effect.

Interested parties should conduct their own investigation and analysis of the Business and of the information contained in this CIM and should consider the advice of their financial, legal, accounting, tax, and other business advisors in analyzing the books and records of the Business.

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FBN is acting as an exclusive broker to the Seller in connection with the proposed sale of this Business. Prospective purchasers agree not to contact the Seller or any of the Seller’s management or restaurant personnel. All communications, inquiries and requests for information regarding the Assets should be addressed to FBN.

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FranBizNetwork is happy to bring to the market 9 Checkers/Rally's Drive-In locations in the Eastern US. Any questions or requests for further information should be directed to Buyer's FBN advisor. Under no circumstances should prospective buyers contact Seller directly.

Overview of the sale process:

- Buyer reviews the CIM and visits the stores as a customer, taking care to be discreet and not alert employees or management to the sale
- Buyer works with FBN advisor to make an offer, contingent upon full due diligence review, franchisor approval, financing if required, and lease assignments.
- Buyer completes full review of the books and records of the business
- Buyer works with FBN advisor to submit application to Rally's
- Buyer is approved by franchisor and lender (if required)
- Buyer attends franchisor training
- Buyer and Seller complete walk-thrus of each restaurant making sure all equipment is in good working condition.
- Escrow closes and Buyer takes over the store



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Overview

- Price for the package of 9 stores is \$8,500,000, an approximate 4x multiple of post G&A YE 2020 EBITDA.
- Stores are franchisee owned, franchise agreements will be assigned to buyer with remaining term.
- Price does not include inventory, lease security deposits or franchise transfer fees.
- This will be an asset sale, with all assets delivered free and clear of liens.
- Franchisor requires a minimum of \$750k net worth with at least \$250k liquid assets, or commensurate with purchase. Restaurant experience preferred but not required. Operating partner and one other person must attend 5 weeks of training- 4 weeks in the restaurant and 1 week in Tampa.
- Headquartered in Tampa, FL, Checkers was founded in 1986 and now boasts over 577 units nationwide. Checkers acquired Rally's in 1999. The two chains combine to make one of the fastest growing restaurants in the industry with more than 800 locations across the country. Known for their bold flavored and seared burgers, indulgent milkshakes, and Famous Seasoned Fries.
- Franchise agreements are set at 4% for royalties.
- Checkers & Rally's was named a Best Franchise Deal by QSR Magazine in 2018.
- Entrepreneur Magazine "Franchise 500" Ranking – Top 100 fastest growing franchises in the U.S.

Business List Price: \$8,500,000

Store	YE 2020 Sales	Post G&A		
		YE 2020 EBITDA	Q1 2021 Sales	
			Post G&A Extrapolated YE	
1	\$1,022,621	\$112,541	\$260,970	\$159,976
2	\$2,081,565	\$626,802	\$519,049	\$1,184,130
3	\$892,152	\$123,496	\$213,318	\$95,462
4	\$1,357,648	\$263,544	\$350,548	\$335,158
5	\$749,146	\$38,987	\$175,886	\$44,938
6	\$1,467,248	\$330,863	\$366,366	\$381,584
7	\$1,124,598	\$229,284	\$265,635	\$167,468
8	\$1,130,230	\$176,786	\$223,416	\$100,210
9	\$1,073,968	\$210,055	\$230,845	\$120,631
	\$10,899,176	\$2,112,358	\$2,606,033	\$2,589,556

Sales History

Store	2019 Net Sales	2020 Net Sales	% change over 2019	P1-P4 2020 Net Sales	P1-P4 2021 Net Sales	% change
1	\$888,615	\$1,015,600	14%	\$179,295	\$260,901	46%
2	\$1,642,180	\$2,068,505	26%	\$361,273	\$520,813	44%
3	\$740,346	\$886,823	20%	\$146,459	\$217,077	48%
4	\$1,268,442	\$1,349,775	6%	\$253,728	\$363,361	43%
5	\$649,298	\$744,360	15%	\$129,433	\$175,324	35%
6	\$1,341,846	\$1,458,102	9%	\$287,383	\$373,373	30%
7	\$941,590	\$1,118,032	19%	\$189,656	\$267,818	41%
8*	\$326,554	\$1,125,422	N/A	\$258,295	\$224,760	-13%
9	\$1,034,667	\$1,068,268	3%	\$187,537	\$231,058	23%
	\$8,833,538	\$10,834,887		\$1,993,059	\$2,634,486	32%

*Opened P10 2019

Location Details

Store	Franchise Agreement Expiration	Date Business Established	Owned Since	Square Footage	Building Type	Seating Capacity
1	10/22/2033	est 1999	10/22/2013	723	Double drive thru w/ outside patio	0
2	10/22/2033	10/1/2004	10/22/2013	868	Double drive thru w/ outside patio	0
3	10/22/2033	7/25/1989	10/22/2013	717	Double drive thru w/ outside patio	0
4	10/22/2033	12/15/1989	10/22/2013	746	Double drive thru w/ outside patio	0
5	10/22/2033	9/1/1992	10/22/2013	700	Double drive thru w/ outside patio	0
6	10/22/2033	4/9/1993	10/22/2013	2863	Single drive thru w/ indoor seating	50
7	12/7/2035	5/22/2017	5/22/2017	900	Single drive thru w/ outside patio	0
8	3/13/2037	10/22/2019	10/22/2019	1778	Double drive thru w/ outside patio	38
9	3/13/2037	10/16/2018	10/16/2018	2618	TBD	52