

## *The Wall Street Journal*

### **Smashburger Agrees to Sell 40% Stake to Jollibee Foods for \$100 Million**

*The deal gives the Denver-based burger chain an enterprise value of \$335 million*

JULIE JARGON -- Updated Oct. 12, 2015 8:40 p.m. ET -- Smashburger Master LLC, one of the upmarket chains shaking up the burger business, said it agreed to sell a 40% stake to Jollibee Foods Corp. of the Philippines for \$100 million.

The deal gives Smashburger, which has 335 restaurants in 35 states and seven countries, an enterprise value of \$335 million, the companies said Monday. Enterprise value is a metric that is more comprehensive than market capitalization because it includes more than just equity.

Jollibee is the largest restaurant company in the Philippines, operating more than 3,000 restaurants, including Burger King Philippines. Jollibee said it has been seeking an investment in a U.S. growth brand.

Smashburger Chief Executive Scott Crane said that the agreement will help accelerate Smashburger's international expansion, but that the initial focus is on continuing its domestic growth. Smashburger next year plans to open 80 restaurants, about 10 of them outside the U.S.

Having an investment partner rather than going public "is really a way to grow smartly without worrying about the volatility of the stock market," Mr. Crane said in an interview.

The deal values Smashburger at far less than the \$1.5 billion market capitalization of rival Shake Shack Inc., which went public in January to much fanfare. Shares of Shake Shack rose sharply through May, but have since fallen by more than half, including a 12% drop last week after the company converted some of its Class B shares into Class A shares to allow pre-IPO investors to cash out.