

Press Release

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Oak Hill Capital Partners to Acquire Checkers & Rally's Restaurants for \$525 Million

Iconic Quick-Service Restaurant Chain Positioned for Continued Growth

NEW YORK, March 23, 2017 /PRNewswire/ -- Oak Hill Capital Partners ("Oak Hill") announced today that it has entered into a definitive agreement to acquire Checkers Drive-In Restaurants, Inc. ("Checkers" or "the Company") from Sentinel Capital Partners ("Sentinel"). Operating under the Checkers and Rally's banners, the Company is one of the nation's leading operators and franchisors of drive-thru hamburger quick-service restaurants ("QSR"). Consistent with Oak Hill's philosophy of alignment of interests, Oak Hill is investing in partnership with Checkers management. The aggregate value of the transaction is approximately \$525 million.

Founded in 1986, Checkers has over 840 locations in 29 states and the District of Columbia. Checkers differentiates itself from competitors with its singular focus on delivering high-quality, craveable meals at exceptional values. The Company, together with its outstanding franchisees, offers a distinctive menu focused on bold, innovative products that are delivered to guests with category-leading value.

Kevin Mailender, Partner at Oak Hill, said, "Checkers is a unique concept that is outpacing the growing QSR industry. The Company has been able to win share in this large, stable industry through its differentiated value proposition and attractive franchised business model. With a proven brand, a loyal customer following, and strong unit-level economics, we are confident that the business will capitalize on its large whitespace opportunity for new units. We are excited to partner with CEO Rick Silva and his talented management team to support the Company through its next phase of accelerated growth."

Rick Silva, President and CEO of Checkers, commented, "We are delivering record growth at Checkers and Rally's, and our franchisees, operators, and employees are more excited than ever about our future. Oak Hill Capital Partners is a perfect partner to help us further accelerate our growth. This is extremely positive for our brand."

Tyler Wolfram, Managing Partner at Oak Hill, added, "We believe Checkers is well-positioned to continue its long history of consistent growth. We have tremendous respect for Checkers' heritage, its iconic brand, and its fine leadership team. This transaction is consistent with Oak Hill's longstanding theme-based investment philosophy and systematized approach to value creation, and it builds upon our thirty year history of investing behind leading businesses and management teams."

The transaction, which is subject to HSR approval and other customary closing conditions, is expected to close in the second quarter of 2017. Additional financial terms of the transaction were not disclosed.

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Piper Jaffray and North Point Advisors acted as financial advisors to the Company in the transaction. Kirkland & Ellis, LLP is serving as legal counsel to the Company. Jefferies LLC acted as financial advisor to Oak Hill in the transaction. Paul, Weiss, Rifkind, Wharton & Garrison LLP is serving as legal counsel to Oak Hill.

About Checkers Drive-In Restaurants, Inc.

Based in Tampa, Fla., Checkers & Rally's Restaurants, Inc., an iconic and innovative drive-thru restaurant chain known for its "Crazy Good Food," exceptional value and people-first attitude, operates and franchises both Checkers® and Rally's® restaurants. With more than 840 restaurants and room to grow, Checkers & Rally's is a proven brand with flexible building formats that is aggressively expanding across the country. In recent years, the brand has been awarded several of the industry's most prestigious awards including: No. 1 Restaurant Franchise in Franchise Business Review's Top 50 Multi-Unit Franchises for 2015, Top 500 by Entrepreneur Magazine, and Best Drive-Thru in America by QSR Magazine.

About Oak Hill Capital Partners

Oak Hill is a private equity firm managing funds with more than \$10.0 billion of initial capital commitments since inception from leading entrepreneurs, endowments, foundations, corporations, pension funds, and global financial institutions. Over the past 30 years, the professionals at Oak Hill and its predecessors have invested in 82 significant private equity transactions across broad segments of the U.S. and global economies. Oak Hill applies an industry-focused, theme-based approach to investing in the following sectors: Consumer, Retail & Distribution; Industrials; Media & Communications; and Services. Oak Hill works actively in partnership with management to implement strategic and operational initiatives to create franchise value.

Forward-Looking Statements

Statements included herein may constitute "forward-looking statements", which relate to future events, the future performance, or financial condition of Checkers following the acquisition of Checkers by Oak Hill. These statements are not guarantees of future performance, condition, or results and involve a number of risks and uncertainties. Actual results and condition may differ materially from those in the forward-looking statements as a result of a number of factors.