

Jersey Mike's Subs, Inc.



Jersey Mike's began as a local New Jersey sub shop before Peter Cancro, who started working there at age 14, bought the original store and eventually built it into one of the largest sandwich chains in the U.S. The company started 2026 with 3,300 locations and \$4.3 billion in U.S. sales and is now backed by Blackstone following its 2025 acquisition at an \$8 billion valuation. 🟢🟢

Inspire Brands, Inc.



Inspire Brands is a Roark Capital-backed restaurant platform formed in 2018 after Arby's acquisition of Buffalo Wild Wings and Rusty Taco, later expanding through brands including Dunkin', Sonic, Jimmy John's, and Baskin-Robbins. The company generated \$33.4 billion in global sales across more than 33,000 locations, giving it a broad portfolio across breakfast, coffee, lunch, dinner, and dessert. 🟢🟢

COMPANY DESCRIPTION

DIFFERENTIATION

Jersey Mike's differentiates itself through a focused, single-brand model concentrated primarily in the U.S. sandwich market. Unlike Inspire, the company does not need to manage multiple restaurant categories or global brand systems, which allows management to focus capital, marketing, franchisee support, and digital investment around one brand. This creates greater dependence on a single brand and category but also gives public investors a clearer growth path centered on domestic space, unit expansion, and consistency at the store-level. Its simpler model may support growth but has less downside protection. 🟢🟢

Inspire Brands differentiates itself through its diversified portfolio of restaurants. By operating brands across multiple restaurant categories, the company has positions in a broad range of consumer spending and dining occasions. As in any portfolio, diversification reduces dependence on any one category while also allowing brands to benefit from shared technology, marketing, supply chain, and franchise support resources. Inspire's scale and business model are designed to prioritize stability and efficiency over any individual brand's growth trajectory or rapid expansion. 🟢🟢

IPO

Jersey Mike's made its S-1 filing public on July 2, 2026, with the potential Blackstone-backed exit less than two years after the acquisition. Recent reports suggest a raise of \$1 billion at a \$12 billion valuation, supported by investor interest in high-growth franchise businesses, with proceeds used to repay debt and corporate purposes. Additionally, the hiring of former Wingstop CEO Charlie Morrison further supports the potential growth, given Wingstop's strong performance following its 2015 IPO. 🟢🟢

Inspire Brands has confidentially filed for a U.S. IPO, creating a potential exit for Roark Capital after years of building the company through restaurant acquisitions. Reports suggest Roark is seeking a roughly \$20 billion valuation and a potential \$2 billion raise, with proceeds expected to help repay debt, making the IPO more of a scale/deleveraging move than a pure growth raise. 🟢🟢

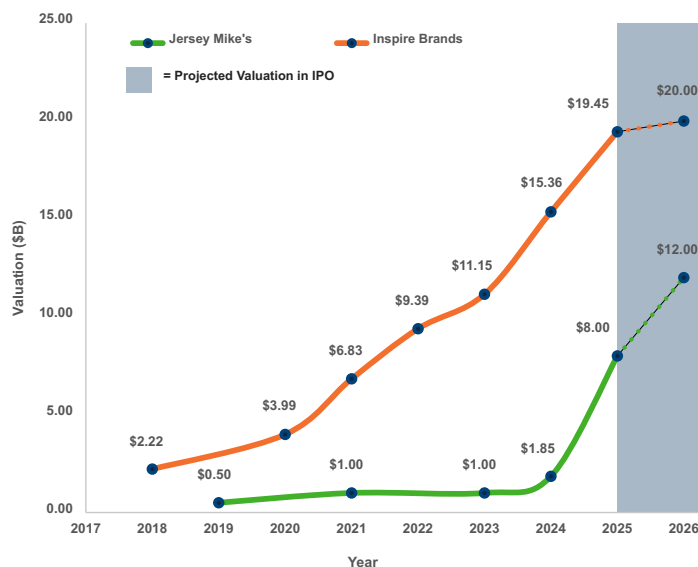
OPPORTUNITIES/RISKS

Both firms present different strategies as potential sources of growth. Jersey Mike's is relatively underpenetrated compared to larger chains, citing potential for 7,500 U.S. restaurants and 15,000 stores globally and increasing demand for higher-quality convenience meals vs. traditional fast food. Inspire Brands' prospects are more tied to leveraging scale through operational efficiencies, shared investments, and franchise resources. More broadly, U.S. food service sales are projected to reach \$1.55 trillion in 2026, although real growth is expected to remain modest at 1.3%. However, both firms face risks from changing consumer preferences, increased competition, and profitability pressures. Restaurants continue to face elevated labor, food, and occupancy costs, while consumers have become more selective in their spending amid persistent inflation and economic uncertainty. A prolonged slowdown might make growth unsustainable. 🟢🟢

OUTLOOK

Public market precedent shows that single brand restaurant IPOs, such as Jersey Mike's, have had a median 20% first-day pop and a median IPO-to-1-year return of 8%, while Inspire Brands-style diversified restaurant platforms have a median 8% first day move and median IPO-to-1-year return of -7%. 🟢🟢

Jersey Mike's & Inspire Brands Historical Valuation Milestones



INDUSTRY COMPARISON (AS OF JULY 1, 2026)

Company	Ticker	IPO Date	Beta to Benchmark	Sales (FY2025, \$B)	YOY Sales Growth (FY2024 & 2025)	Mkt Cap/Valuation (\$B)	P/S Ratio
INSPIRE	TBA	Est. 2026	N/A	\$33.40	2.45%	Est. \$20.00	0.60x
rbi restaurant brands international	QSR	05/18/2006	0.39	\$46.76	5.14%	\$25.12	0.54x
Jersey Mike's Subs	JMKE	Est. 2026	N/A	\$4.22	12.90%	Est. \$12.00	2.84x
Wingstop	WING	06/12/2015	1.72	\$5.30	12.10%	\$4.76	0.89x

Sample Construction and Classification

The sample consists of global, publicly listed restaurant companies for which an identifiable IPO offer price, first trading date, and subsequent market-price history were available. Companies are divided into two equally weighted groups: individual-focused brand companies and portfolio-diversified companies according to the nature of the exposure received by public investors at the time of the offering. 🟢🟢

Individual-focused brand companies are those whose revenue, operating performance, and valuation depend principally on one consumer-facing restaurant brand (e.g., Wingstop). These companies may operate across multiple geographic markets, store formats, or franchise arrangements, but their investment proposition remains centered on the expansion of a single dominant brand. Unit growth, average unit volume (AUV), franchise returns, and sales therefore represent the sources of aftermarket value creation. 🟢🟢

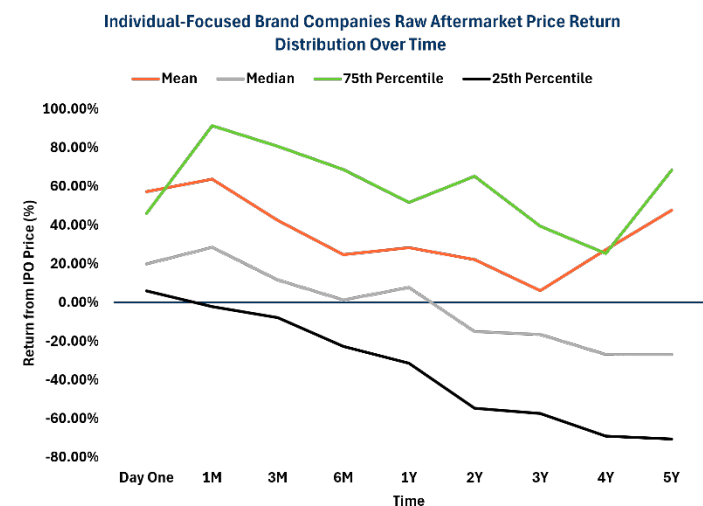
Portfolio-diversified companies are those whose performance depends on a portfolio of brands packaged into one overarching company. The category includes holding companies (e.g., Restaurant Brands International), diversified groups (e.g., Bloomin' Brands), and master franchisees (e.g., Americana Restaurants) whose results show the combined performance of more than one brand or market. 🟢🟢

Classification is based on the company's operating model at the time of the IPO rather than its ownership structure, PE sponsorship, or legal organization. A company with a minor secondary concept may remain classified as an individual-brand company when one brand represents the clear majority of operating value. 🟢🟢

Return Measurement

Returns are measured from the IPO offer price to the closing market price observed at each subsequent horizon. The initial day one return is calculated from the offer price to the first closing price, while the later time measures capture the total price change from the offer price through the applicable post-IPO date. All horizons are defined using calendar time rather than a fixed number of trading days (e.g., a one-month horizon reflects one calendar month after the IPO date, not a standardized 21-day trading period). The results presented on this page are raw returns and therefore do not measure performance relative to the broader equity market or restaurant sector. Benchmark-adjusted and first-week-based results are considered separately on page 3. 🟢🟢

Raw IPO Return = (Price at Horizon ÷ IPO Offer Price) - 1



Takeaway: Individual brand companies receive a strong initial market response. Their median initial return is 20.0% compared with 8.0% for portfolio companies. The initial advantage does not persist in the median results. By the four-year horizon, the median return is negative for both groups. The long-run averages are influenced by a small number of winners. The gap between the mean and median returns indicates substantial positive skewness in both samples. Initial returns provide limited information about subsequent performance. 🟢🟢

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Sample Composition by Return Horizon

This table reports the number of valid companies in each category from day one after the IPO to each subsequent aftermarket horizon

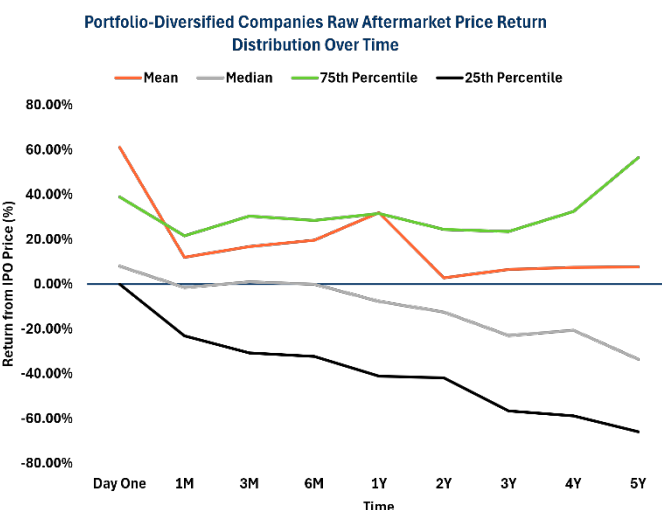
Return Horizon	Individual-Focused	Portfolio-Diversified	Total
Day One	57	116	173
1 Month	55	101	156
3 Months	55	102	157
6 Months	55	101	156
1 Year	53	97	150
2 Years	51	86	137
3 Years	45	86	131
4 Years	39	80	119
5 Years	32	77	109

Note: Sample sizes reflect the number of companies with valid offer-price and raw market-price observations at each horizon. The number of observations declines at longer horizons because more recent issuers have not completed the applicable holding period and because some companies were acquired, taken private, or delisted.

Raw Aftermarket Performance Summary

Return Statistic	Individual-Focused	Portfolio-Diversified
Median Day One	20.00%	8.00%
Mean Day One	57.29%	61.09%
Median 1 Month	28.55%	-1.40%
Mean 1 Month	63.83%	11.98%
Median 6 Month	1.30%	0.00%
Mean 6 Month	24.74%	19.62%
Median 1 Year	7.73%	-7.66%
Mean 1 Year	28.40%	31.94%
Median 5 Year	-26.84%	-33.59%
Mean 5 Year	47.65%	7.67%

Note: The substantially higher mean returns indicate that a limited number of large positive observations materially increased the average performance in each group.

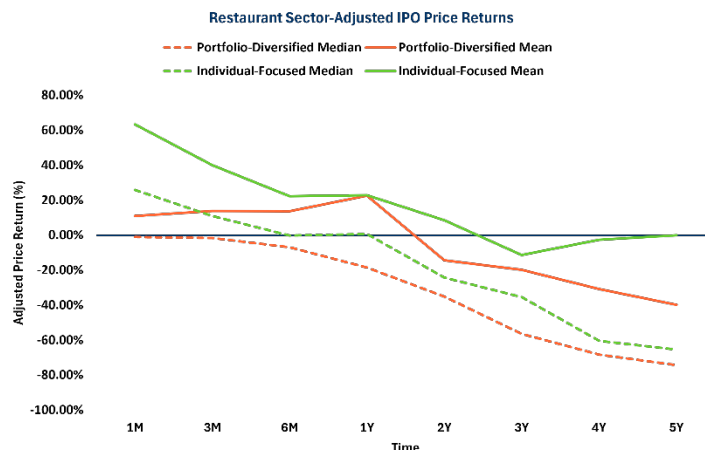
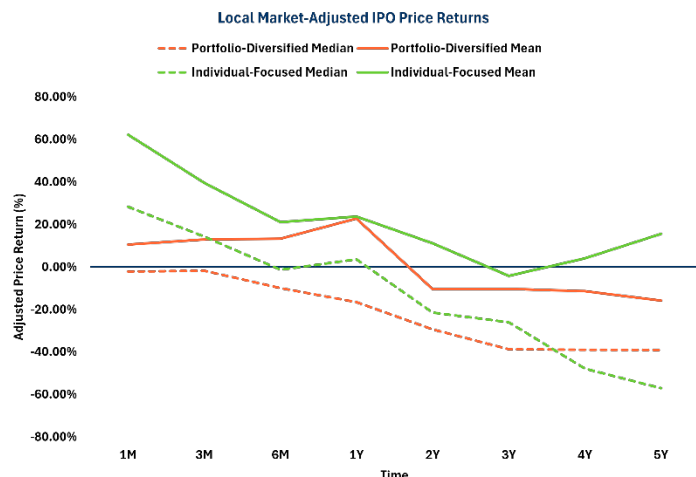


Broad Equity and Restaurant-Sector Benchmark

The following returns evaluate each offering against two comparisons: a broad equity index associated with the company's listing market and a global restaurant-sector index. 🟢🟢

Local Broad-Market Benchmark. This adjustment compares each company with a broad equity-market index corresponding to its country or market of listing (e.g. S&P 500 for U.S. listings, FTSE 100 for U.K. listings, etc.). The benchmark period begins with the first available index observation on or after the company's first trading date. The local benchmark return is calculated as the percentage change in the index from the matched first trading day to each horizon. Both the company price and the market index remain in their original local currency, so foreign-exchange movements do not affect this comparison. 🟢🟢

Global Restaurant-Sector Benchmark. This adjustment uses the FR Global Restaurant & Bar Price Return Index, identified by RIC .TRXFLDGLPUREST. This index represents global publicly traded restaurant-sector exposure and is denominated in U.S. dollars. To place each company on the same currency basis as the restaurant index, the IPO offer price and each subsequent horizon price are converted into U.S. dollars using the first available daily spot exchange rate on or after the first trading date. The restaurant-sector-adjusted return is calculated as the company's U.S. dollar offer-to-horizon price return less the matched return on the global restaurant index. 🟢🟢

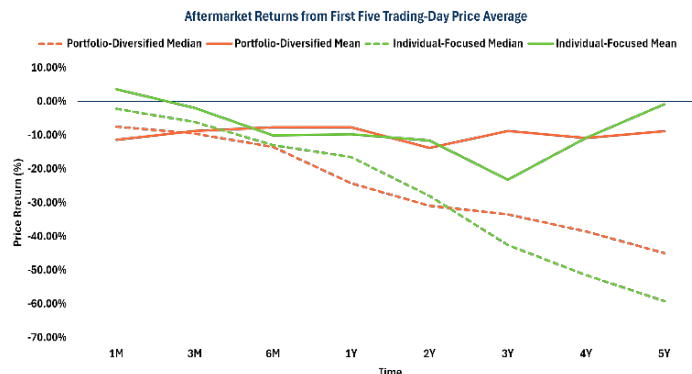


Adjustment for domestic equity-market performance leaves the strong early results for individual-focused companies largely intact, but the median advantage erodes as the holding period lengthens. From two years onward, both groups of companies have negative median adjusted returns, and portfolio-diversified companies become less negative at the longest horizons. The mean produces a different long-run result. At five years, the individual-focused mean remains positive at 15.6% despite a median of -57.0%, indicating that a limited number of companies outperformed their local markets by enough to offset substantial underperformance across the center of the sample. Portfolio-diversified companies record both a negative mean and median at five years. The local benchmark preserves evidence of exceptional individual-focused winners, while showing that their performance was not representative of the typical company. 🟢🟢

Comparison with global listed restaurant companies produces the same broad early ordering, followed by increasingly negative median performance for both groups. Individual-focused companies remain the less negative group at the longer horizons, but the benchmark also reduces the apparent strength of the outperforming tail. Although their mean remains substantially above their median, it falls to approximately zero by five years, compared with a positive mean against the local-market benchmark. The strongest individual-focused restaurant IPOs were exceptional relative to broad domestic equities, but less exceptional relative to other restaurant stocks operating within the same favorable sector environment. Portfolio-diversified means and medians remain negative at the longer horizons, indicating that their upper-tail outcomes were insufficient to offset the broader sector-relative weakness of the sample. 🟢🟢

Aftermarket Returns from First Five Trading Day Window

The IPO offer price is typically available only to allocated investors, rather than to broad aftermarket investors. To approximate a more realistic public-market entry point, raw returns are also measured from the average closing price over the first five trading days. The five-day average is aligned to the same price basis as the horizon prices, so the entry price and later return prices are comparable. Using this entry window, the individual-focused advantage is reduced but remains visible near issuance. At one month, median returns are -2.2% for individual-focused companies versus -7.5% for portfolio-diversified companies. By one year, both groups are clearly negative, at -16.5% and -24.3%, respectively. The mean-median gap indicates that there are still a small number of large winners to offset overall weakness. 🟢🟢



Summary: Restaurant IPOs tend to generate strong initial demand with high first-day pops, but long-term returns are substantially weaker. The return distribution is highly skewed, with a small number of exceptional winners (e.g. Chipotle Mexican Grill, Wingstop Inc) lifting the average performance while the typical company produces limited or negative long-term returns. This makes broad buy-and-hold exposure less compelling than selective ownership of brands with strong unit growth, franchise profitability, and clear post-IPO reinvestment opportunities. M&A and take-private exits are features of the sector, showing the appeal of recognizable brands to PE and strategic buyers, but they do not change the core pattern: weak medians, strong upside skew, and a long-term outcome driven by a narrow group of winners. 🟢🟢