

FranCompareTM

28 CHICKEN-THEME FRANCHISORS - 2019 FDD SURVEY & IN-DEPTH ANALYSIS

Popeyes Louisiana Kitchen

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Summary

Franchised Units	2,327
Company-Owned Units	41
Total Operatng Units	2,368
Average Total Investment Per Unit	\$1,522,300
Average Franchise Fee	\$50,000
Royalty	5.0%
Term of Initial Contract (Years)	20
In Business Since	1992
IFA Member	Yes

Weighting for Primary FDD Variables (300 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Key Unit Investment Variables					
Year-End Total Franchised Units	20	2,327			
Year-End Total Company-Owned Units	20	41			
Year-End Total Operating Units	Calculated	2,368	50		50
% of Franchised Units	Calculated	98.3%			
% of Company-Owned Units	Calculated	1.7%	5		10
U.S. Footprint (# of U.S. States)	20	50	35		35
Total Low Investment	Page 1	\$423,800			
Total High Investment	Page 1	\$2,620,800			
Average Total Investment Per Unit	Calculated	\$1,522,300			
Low Unit Size Estimate (Square Feet)	7	1,600			
High Unit Size Estimate (Square Feet)	7	3,500			
Average Unit Size (Square Feet)	Calculated	2,550			
Average Total Investment Per Square Feet	Calculated	\$597			
Average Franchise Fee (Single Unit)	5	\$50,000	12		40
Average Annual Royalty Fee (On-Going After Trial Period)	6	5.0%	85		90
Term of Initial Contract (Years)	17	20	35		35
Term of First Contract Renewal (Years)	17	10+10	20		20
Average Transfer Fee (Single Unit)	6	\$6,250	9		10
Year Incorporated	1	1992	10		10
Franchising Since	1	1992			
Issuance Date of FDD (Issue Date)	Page 1	3/29/2019			

Weighting for Primary FDD Variables (250 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Real Unit Growth - Item 20 Performance Analytics					
Base-Year Beginning Franchised Units	20	1,913			
New Franchised Units Over Following 3 Years	Calculated	498			
Total Franchised Units at the End of Year 3	20	2,327			
% of New Units Over Base Year Units	Calculated	26.0%	13		40
3-Year Compound Annual Unit Growth	Calculated	6.7%	25		70
3-Year Average Continuity Rate	Calculated	106.7%	115		140

Weighting for Primary FDD Variables (350 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Real Unit Performance - Item 19 Unit Financial Analytics					
Company-Wide Average Gross Sales or Revenue	19	\$1,459,074			
Period Operated	19	1510 of 2327			
Calculation Based on # of Units Evaluated	19	12 Months			
Calculation Based on Franchised Units or Company-Owned Units	19	Franchised			
% Adjustment *	19 (See Footnote 1)	100%			
Adjusted Average Gross Sales or Revenue	Calculated	\$1,459,074			
Adjusted Unit Gross Sales Return / Average Total Investment	Calculated	95.8%	90		175
Cumulative 10-Year Gross Sales (Compound at 5% Growth Per Year)	Calculated	\$19,269,680			
10-Year Sales / Average Total Investment	Calculated	12.7	25		75
10-Year Total Royalty Payments	Calculated	\$963,484			
10-Year Royalties / Average Total Investment	Calculated	63.3%	50		50
Detailed Income Statement (EBITDA Is Optimal)		80.0%	40		50

Weighting for Primary FDD Variables (100 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Real Financial Strength - Key Balance Sheet Ratios (\$000)					
Ending Date for Financials (Closing Date on Balance Sheet)	Balance Sheet	12/31/2018			
Current Assets	Balance Sheet	\$1,500,000			
Intangibles & Goodwill *	Balance Sheet (See Footnote 2)	\$15,949,000			
Other Assets	Balance Sheet	\$2,692,000			
Total Assets	Balance Sheet	\$20,141,000			
Current Liabilities	Balance Sheet	\$1,408,000			
Long-Term Liabilities	Balance Sheet	\$15,115,000			
Total Liabilities	Balance Sheet	\$16,523,000			
Total Shareholders' Equity	Balance Sheet	\$3,618,000			
Total Liabilities & Shareholders' Equity	Balance Sheet	\$20,141,000			
Current Ratio (or Working Capital Ratio)	Calculated	106.5%	10		25
Intangibles & Goodwill As % of Total Assets	Calculated	79.2%	0		20
Total Liabilities as % of Total Assets Ratio	Calculated	82.0%	10		35
Long-Term Liabilities as % of Shareholders' Equity Ratio	Calculated	417.8%	0		20

Weighting for Primary FDD Variables (200 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Additional Analysis on Real Unit Growth - Item 20 Performance Analytics					
3-Year Total Closures		84			
Cumulative Closures as % of Start of the Year Units	Calculated	4.4%	42		45
Cumulative Closures As % of Total New Units Over 3 Years	Calculated	16.9%	24		45
3-Year Total Transfers		406			
Cumulative Transfers As % of Start of the Year Units	Calculated	21.2%	11		25
Cumulative Transfers As % of Total New Units Over 3 Years	Calculated	81.5%	0		25
3-Year Total Turnovers		490			
Cumulative Turnovers As % of Start of the Year Units	Calculated	25.6%	11		30
Cumulative Turnovers As % of Total New Units Over 3 Years	Calculated	98.4%	0		30

Total Score (With Item 19)	727		1200
Total Score (Without Item 19)	522		850

Footnotes:

- Please refer to the [General Footnotes](#) with regard to Determining Adjusted Average Gross Sales or Revenue. To compensate for the widely differing periods considered in presenting Average Unit Gross Sales, we have assumed that revenues for companies in business for 12 Months are the standard. Depending upon the **Period Operated** noted above, the following multipliers were applied against the Company-Wide Average Gross Sales or Revenue published by the franchisor in Item 19.

Period of Operating Experience	Multiplier Used
12 Months of Operating Experience	100%
24 Months of Operating Experience	95%
36 Months of Operating Experience	90%
48 Months of Operating Experience	85%
60 Months of Operating Experience	80%

- Goodwill & Intangibles include Trademarks.
- For the purpose of our analysis, we are using the data for the New Free-Standing Restaurants only.