

Red Lobster

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



255 Graff Road S.E.,
New Philadelphia, OH 44663

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any

guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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Investment Highlights

PRICE: \$3,492,633 | CAP: 6.00% | RENT: \$209,558



About the Investment

- ✓ Long-Term, 26.5-Year Absolute Triple-Net (NNN) Lease with Approximately 19.5 Years Remaining on the Base Term
- ✓ Corporate Tenant | Corporate Guaranty
- ✓ Attractive Rental Increases of Two Percent (2.00%) Annually
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 45 Years

About the Location

- ✓ Dense Retail Corridor | Lowe's, Dick's Sporting Goods, Kohl's, JCPenney, Marshalls, Staples, Arby's and Many More
- ✓ Heavily Trafficked Area | US-250 and South Broadway Street | Average Daily Traffic Counts Exceeding 22,000, and 23,500 Respectively
- ✓ Multiple Hospitality Accommodations | Holiday Inn Express and Suites, Travelodge by Wyndham, Hampton Inn New Philadelphia, The Schoenbrunn Inn and Conference Center and More
- ✓ Strong Real Estate Fundamentals | Multiple Points of Interest Located Within Immediate Proximity | Schoenbrunn Village and Wood's Tall Timber Resort

About the Tenant / Brand

- ✓ Red Lobster is the largest seafood restaurant concept in the world and is an iconic full-service brand with broad demographic appeal and a significant advertising budget (2nd-largest in casual dining)
- ✓ The Company was founded in 1968 and currently operates over 700 restaurants throughout the United States and Canada, and has more than 40 franchised restaurants in international markets
- ✓ Red Lobster is led by an experienced management team with a history of success leading the brand (average 27+ years experience across executive team)
- ✓ The company generates \$2.5B in revenue and is the 6th-largest casual dining concept in North America





Financial Analysis

PRICE: \$3,492,633 | CAP: 6.00% | RENT: \$209,558



PROPERTY DESCRIPTION

Property	Red Lobster
Property Address	255 Graff Road, S.E.
City, State ZIP	New Philadelphia, OH 44663
Year Opened	1995
Building Size (SF)	6,166
Lot Size (Acres)	+/- 1.66
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$3,492,633
CAP Rate	6.00%
Annual Rent	\$209,558

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant / Guarantor	Red Lobster Intermediate Holdings, LLC
Original Lease Term	26.5 Years
Lease Commencement	July 28, 2014
Lease Expiration	January 31, 2041
Lease Term Remaining	19.5 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.00% annually
Options to Renew	Four (4), Five (5)-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 7	\$205,449	\$17,121	2.00%
Year 8	\$209,558	\$17,463	2.00%
Year 9	\$213,749	\$17,812	2.00%
Year 10	\$218,024	\$18,169	2.00%
Year 11	\$222,385	\$18,532	2.00%
Year 12	\$226,832	\$18,903	2.00%
Year 13	\$231,369	\$19,281	2.00%
Year 14	\$235,996	\$19,666	2.00%
Year 15	\$240,716	\$20,060	2.00%
Year 16	\$245,531	\$20,461	2.00%
Year 17	\$250,441	\$20,870	2.00%
Year 18	\$255,450	\$21,288	2.00%
Year 19	\$260,559	\$21,713	2.00%
Year 20	\$265,770	\$22,148	2.00%
Year 21	\$271,086	\$22,590	2.00%
Year 22	\$276,507	\$23,042	2.00%
Year 23	\$282,037	\$23,503	2.00%
Year 24	\$287,678	\$23,973	2.00%
Year 25	\$293,432	\$24,453	2.00%
Year 26	\$299,300	\$24,942	2.00%
Year 27	\$305,286	\$25,441	2.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive offering for a Red Lobster located at 255 Graff Road S.E., in New Philadelphia, OH. The site consists of roughly 6,166 rentable square feet of building space on an estimated 1.66-acre parcel of land. This Red Lobster is subject to a 26.5-year absolute triple-net (NNN) lease, which commenced July 28, 2014. The current annual rent is \$209,558 and is scheduled to increase by 2.00% annually throughout the remainder of the base term and in each of the four (4), five (5)-year tenant renewal options.



Concept Overview

About Red Lobster



- Red Lobster is the largest seafood restaurant concept in the world and is an iconic full service brand with broad demographic appeal and a significant advertising budget (2nd largest in casual dining).
- The Company was founded in 1968 and currently operates 700+ restaurants throughout the United States and Canada and has 40+ franchised restaurants in international markets.
- Red Lobster is led by an experienced management team with a history of success leading the brand (average 27+ years experience across executive team).
- The company generates \$2.5B in revenue and is the 6th largest casual dining concept in North America.

The Transaction

- On August 31st, 2020, a group led by Thai Union Group (“TUG”) acquired Red Lobster from Golden Gate Capital.
- Thai Union Group was previously a minority owner of Red Lobster – first acquiring a 25% stake in the company in 2016.
- The new ownership group now includes Thai Union Group, current Red Lobster management, and a newly formed investment group, Seafood Alliance, which is led by two prominent global restaurant operators.





OUR HISTORY

FRESH IS IN OUR FOOD

Each day, you'll find an updated selection of fresh fish on our Today's Fresh Fish menu, not to mention live Maine lobster, freshly baked Cheddar Bay Biscuits™, crisp salads and a host of fresh seafood recipes waiting to be explored.

FRESH IS IN OUR KNOWLEDGE

No one knows seafood better than we do. As global seafood buyers, we have employees stationed throughout the world who inspect our seafood the moment it comes out of the water. They ensure it meets standards that are second to none. Then, the renowned chefs at our culinary center deliver the fresh expertise that turns it all into something truly special.

FRESH IS IN OUR DEDICATION

We hold ourselves to the highest standards for service, quality and a welcoming atmosphere. And we're focused on doing what's right – for our employees, in our communities and in the world.

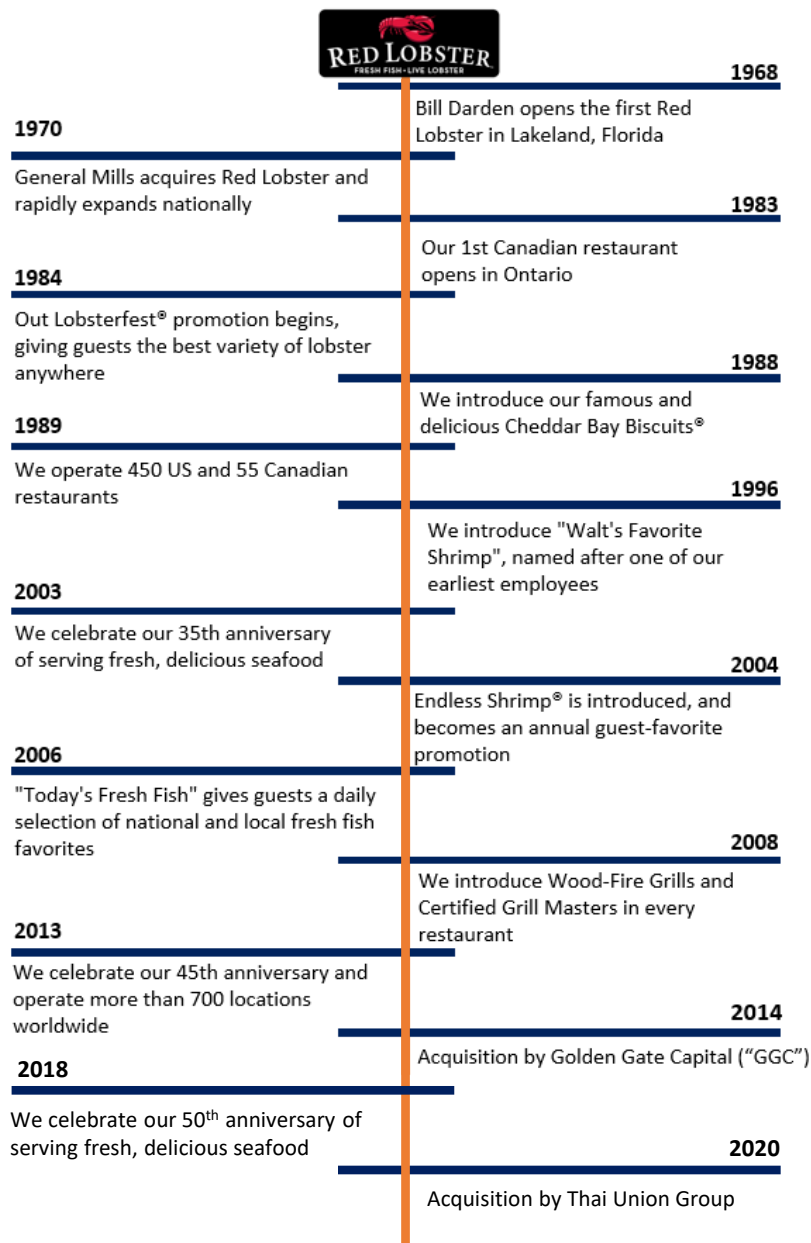
FRESH IS IN OUR COMMITMENT

You deserve the freshest food and thinking. So every time you visit one of our seafood restaurants or our online seafood store, you'll find an uncommon commitment to deliver the best of the sea with fresh energy and fresh ideas that we hope will make you want to come back again and again.

We invite you to come in and experience our commitment to quality for yourself. Whether it's choosing your favorite fresh fish from our "Today's Fresh Fish" menu, or selecting your favorite seafood to be prepared over our wood-fired grill, Red Lobster is the place you can enjoy fresh, delicious seafood now and for generations.



Concept Overview





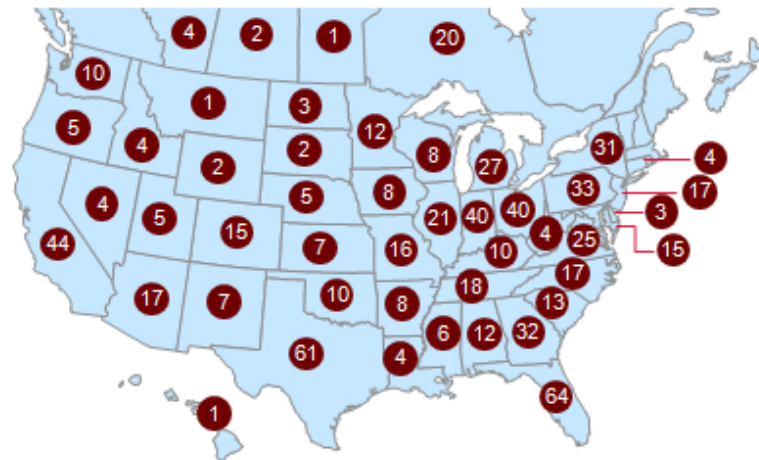
Concept Overview



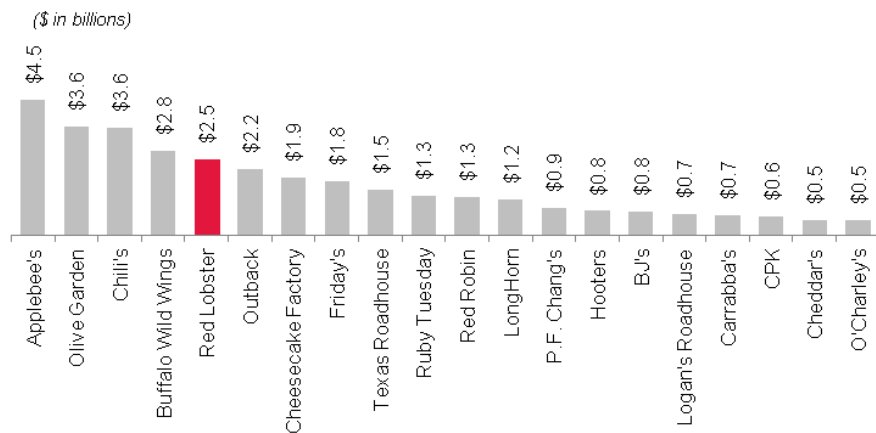
Strong Market Position

- Red Lobster is the largest seafood restaurant concept in the world and the 6th largest casual dining concept in the United States with over \$2.5 billion in annual sales and 700+ restaurants.
- The Company is the category killer in the seafood casual dining space, holding almost 50% market share.
 - Largest share of any restaurant concept in any segment.
- 6th largest overall casual dining concept in the US.

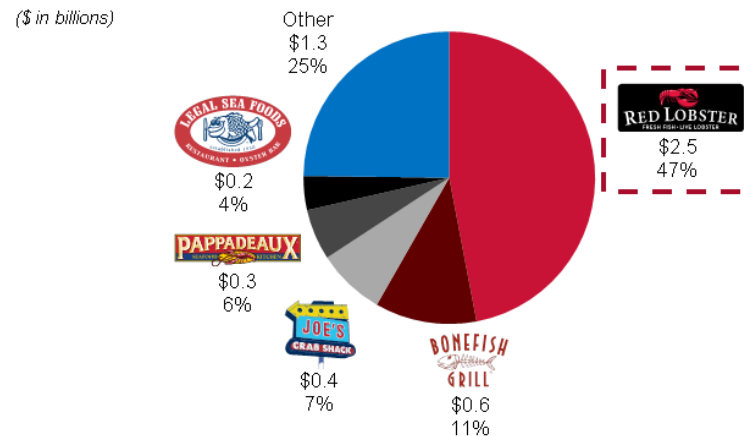
Significant Scale With Broad Geographic Reach



6th Largest Casual Dining Concept in the US



~50% Share in Seafood Casual Dining





Concept Overview



Iconic Brand With Unparalleled Customer Loyalty

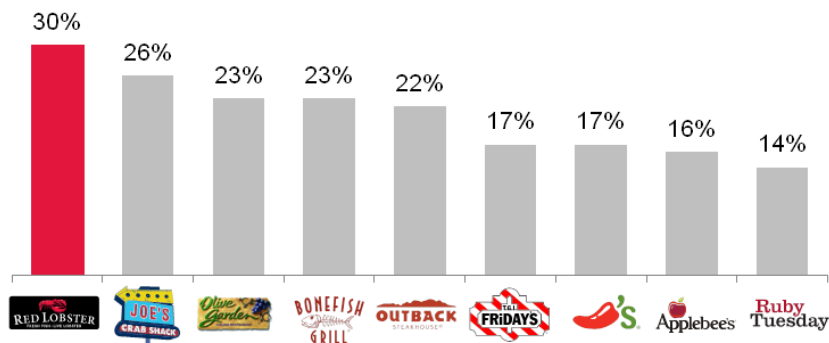
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster is the clear leader in casual dining seafood, and the most indispensable brand among major casual dining concepts, further indicating strong consumer loyalty.

Healthy and Recently Remodeled Restaurant Base

- Over \$320 million invested in remodels covering >90% of restaurants over the past 9 years.
- \$1.4 billion in overall capital expenditure investment over the past 11 years.
- New Bar Harbor format has strong appeal across customer base.

Indispensability vs. Peers

Indispensability (How difficult it would be for me to ‘give up’ ever going there again) - % very difficult (10 out of 10) shown



New Bar Harbor Format

Before



After





Concept Overview



Red Lobster is led by an experienced management team with prior success leading the brand.



Kim Lopdrup
CEO
(31 years in Restaurant Industry)

- Kim served as President of Red Lobster from FY2005 to FY2011, a period of consistent, above-market growth for the brand
- Prior to his return to Red Lobster, Kim served as President of Specialty Restaurant Group and New Business
- Before joining Darden, Kim served as EVP and COO of North America for Burger King, and at Dunkin' Brands as VP of Marketing and CEO of its international division
- BBA, College of William & Mary; MBA with distinction, Harvard Business School



Salli Setta
President
(28 years in Restaurant Industry)

- Salli was named President of Red Lobster in July of 2013
- Prior to her promotion to President, Salli served as Red Lobster's EVP of Marketing, before which she held numerous roles in Marketing and Culinary at Olive Garden during its turnaround, including VP Marketing and SVP Culinary and Beverage
- 24 years of experience in restaurant marketing, advertising and menu development; named "Menu Strategist of the Year" in 2003; recipient of three Menu Masters' Awards and a Silver Effie for her work on the "Hospitaliano" ad campaign
- BA, University of Central Florida; MBA, Florida Institute of Technology



Bill Lambert
CFO
(12 years in Restaurant Industry)

- Bill served as CFO of Red Lobster from FY2006 to FY2010
- Prior to his return to Red Lobster, Bill served as CFO of LongHorn Steakhouse
- Prior to joining Darden and Red Lobster, Bill spent 21 years with Federated Department Stores in various roles including CFO of Macy's Central
- BS, Duke University; MBA, University of Michigan



Chip Wade
EVP Operations
(30 years in Restaurant Industry)

- Darryl "Chip" Wade is EVP of Operations at Red Lobster
- Previously, Chip held positions in Enterprise Operations at Darden and as SVP of its Smokey Bones brand
- Outside of Darden, Chip previously served as COO of Legal Sea Foods and in various operations management roles at TGI Friday's
- BA, Widener University; MBA, University of Texas



Concept Overview



- Founded in 1977, Thai Union has a rich history of commitment to seafood expertise and innovation around the world.
- Thai Union Group, based out of Thailand with offices North America, Europe, the Middle-East and Asia, currently serves as a main supplier of seafood for Red Lobster's across the world.
- Thai Union Group has been listed on the Stock Exchange of Thailand (SET) since November 1994
 - Prior to the Red Lobster acquisition, Thai Union Group reported annual sales of over \$4.1 Billion
- Through acquisitions and organic growth, TUG's ambitious expansion strategy has established a diverse global brand portfolio. Covering three continents, their brands are consumer favorites and market leaders with a wide range of products including shelf-stable seafood products, frozen and chilled seafood, PetCare products and more.
- TUG has a long, successful track record and significant experience servicing consumers, supermarkets, restaurants, hospitality and others.

Global Brands and Partnerships





Surrounding Area

255 Graff Road S.E., New Philadelphia, OH 44663





Location Overview

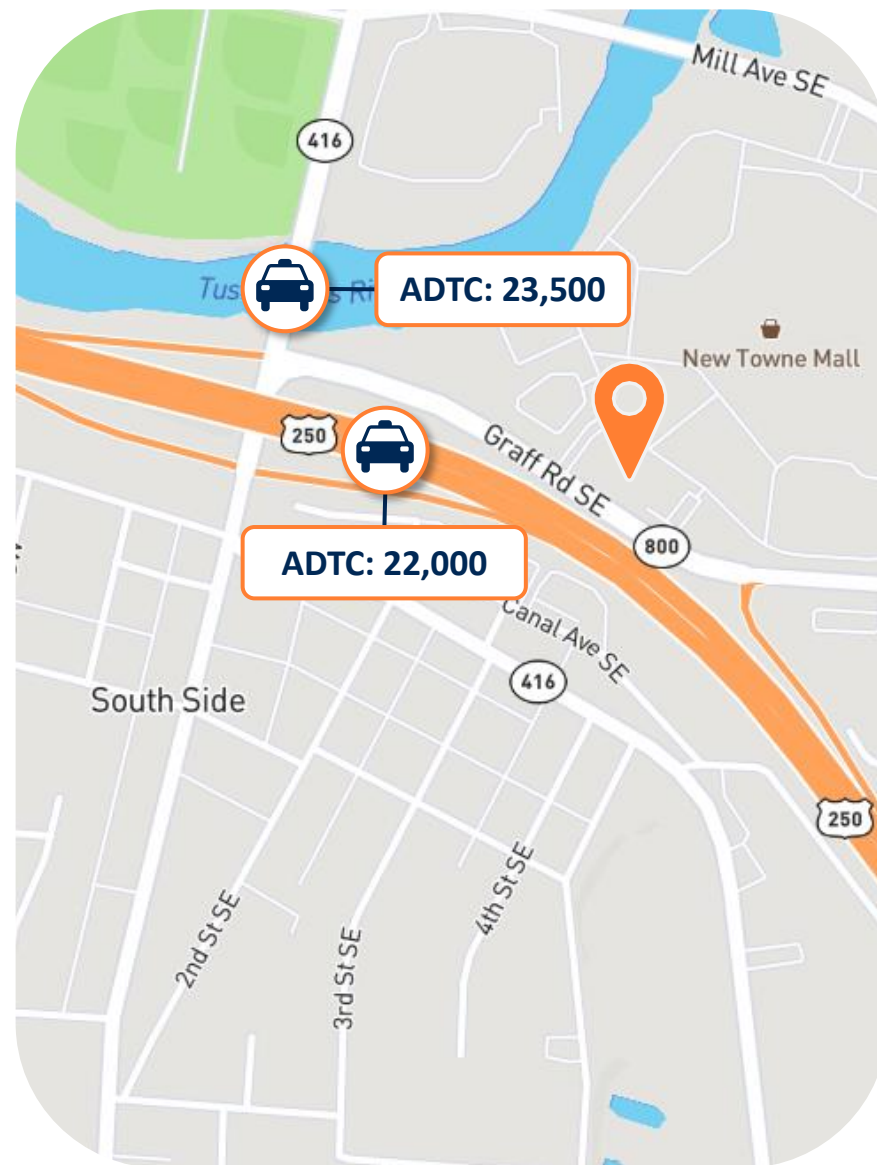
255 Graff Road S.E., New Philadelphia, OH 44663



This Red Lobster is located at 255 Graff Road S.E. in New Philadelphia, OH.. This Red Lobster investment property is situated just off of US Route 250. US Route 250 boasts an average daily traffic count of approximately 22,000 vehicles. US Route 250 is intersected by South Broadway street, which brings an additional 23,500 vehicles into the immediate surrounding area each day. There are more than 22,000 individuals residing within a three-mile radius of the subject property and approximately 37,500 individuals within a five-mile radius.

The subject property is well-positioned in a dense retail corridor, benefiting from its proximity to major national and local retailers, hospitality accommodations, and other points of interest. Major national retailers within immediate proximity to the subject property include Lowe's, Dick's Sporting Goods, Kohl's, JCPenney, Marshalls, Staples, Arby's as well as many others. Additionally, this Red Lobster is located within a 2-mile radius to multiple hospitality accommodations. These include: Holiday Inn Express and Suites, Travelodge by Wyndham, Hampton Inn New Philadelphia, The Schoenbrunn Inn and Conference Center, as well as others. This Red Lobster is also situated approximately three miles from Cleveland Clinic Union Hospital, a 158-bed, short term acute care hospital. Schoenbrunn Village, the site of several Ohio firsts, is located three miles southeast of the subject property. The village, restored to appear as it did more than two centuries ago, includes the original cemetery and 16 reconstructed log structures, as well as the church and gardens. Additionally, 157- acre Resort, Wood's Tall Timber Resort, is the perfect place to enjoy the beauty and comforts that Tuscarawas County has to offer. Including a seven acre lake, zip lining, a golf course, cottages, and recreational activities, Wood's Tall Timber Resort is located within six miles from the subject property.

New Philadelphia is the largest city in Tuscarawas County, Ohio. It is one of the principal cities of the New Philadelphia-Dover Ohio Micropolitan Statistical Area. Tuscarawas county is located along Interstate-77 between Columbus, Cleveland, and Pittsburgh, making it a key location for logistics. Major companies in the area include Lauren International, Arizona Chemical, Dover Chemical, Marlite, and Snyder Manufacturing. Top industry clusters are manufacturing, research and development, energy, health services, and trade. New Philadelphia is also conveniently located 40 miles from Akron and 70 miles from Cleveland.





Property Photo

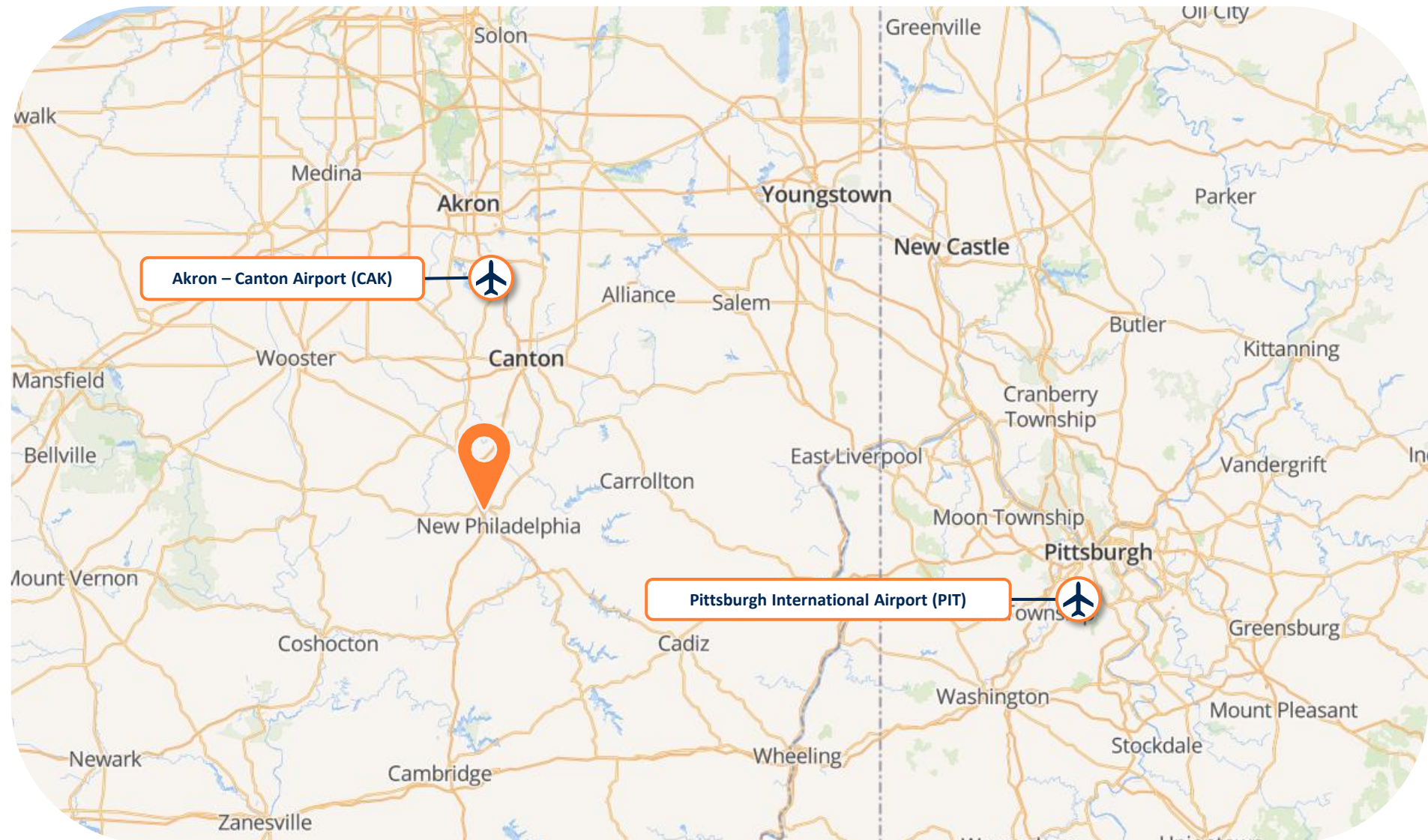
255 Graff Road S.E., New Philadelphia, OH 44663





Local Map

255 Graff Road S.E., New Philadelphia, OH 44663





Regional Map

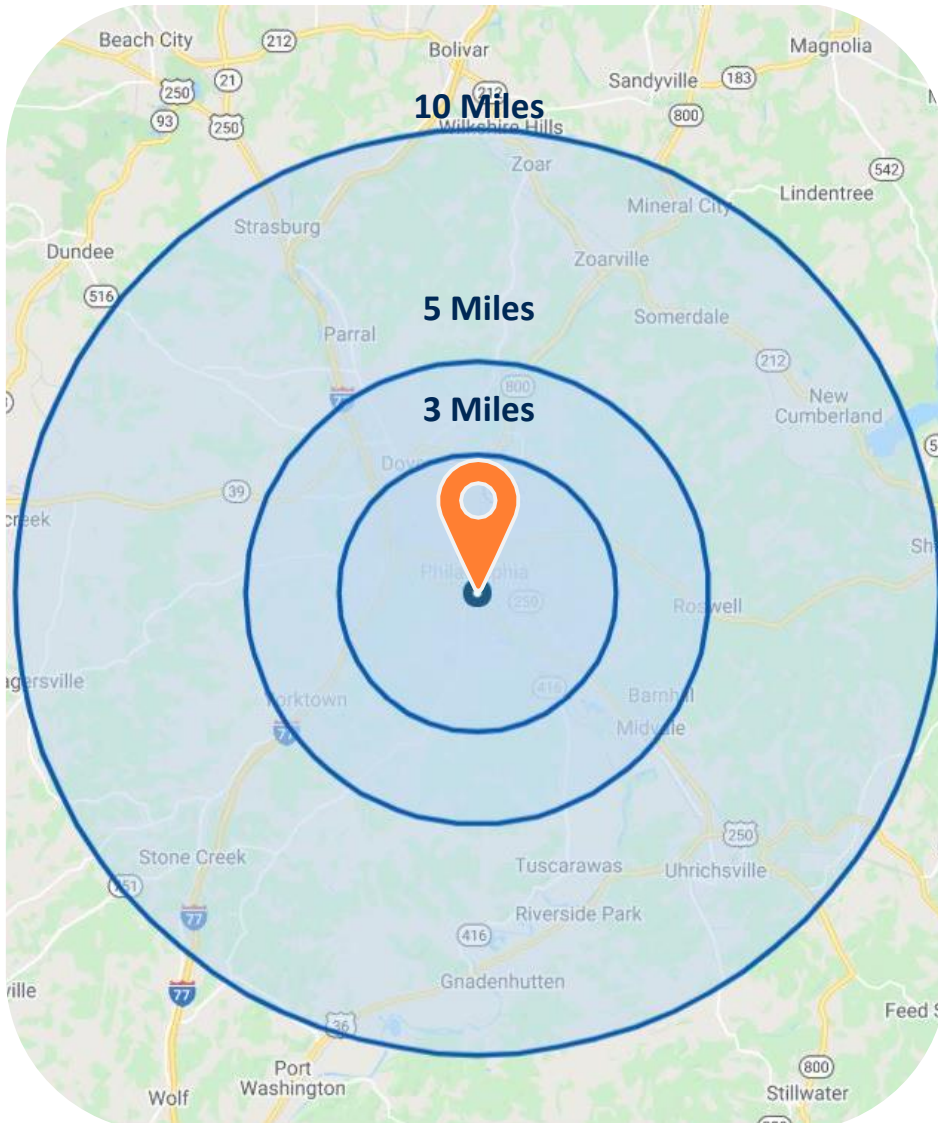
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Demographics

255 Graff Road S.E., New Philadelphia, OH 44663



	3 Miles	5 Miles	10 Miles
POPULATION			
2024 Projection	22,124	37,083	67,578
2019 Estimate	22,450	37,583	68,332
2010 Census	22,592	37,735	68,543
2000 Census	22,395	37,072	67,608
INCOME			
Average	\$65,580	\$66,200	\$65,846
Median	\$53,121	\$54,646	\$54,687
Per Capita	\$28,175	\$27,652	\$27,150
HOUSEHOLDS			
2024 Projection	9,456	15,408	27,834
2019 Estimate	9,549	15,521	27,973
2010 Census	9,531	15,453	27,796
2000 Census	9,476	15,172	26,918
HOUSING			
2019	\$129,386	\$132,116	\$129,488
EMPLOYMENT			
2019 Daytime Population	28,774	43,170	68,721
2019 Unemployment	5.02%	4.85%	5.21%
2019 Median Time Traveled	21 Mins	22 Mins	23 Mins
RACE & ETHNICITY			
White	92.59%	93.43%	95.10%
Native American	0.40%	0.43%	0.27%
African American	1.41%	1.20%	0.95%
Asian/Pacific Islander	0.72%	0.57%	0.46%



Market Overview

255 Graff Road S.E., New Philadelphia, OH 44663

Akron, OH

Akron is located on the western edge of the Glaciated Allegheny Plateau, about 30 miles south of Cleveland. A long history of rubber and tire manufacturing, carried on today by Goodyear Tire, gave Akron the nickname "Rubber Capital of the World". It was once known as a center of airship development. Today, its economy includes manufacturing, education, healthcare, and biomedical research; leading corporations include Gojo Industries, FirstEnergy, Huntington Bank, and Charter Spectrum. Akron is a world-renowned center of polymer research and development. The Polymer Science Institute of the University of Akron has made us an international leader in education in the polymer field. More than 35,000 people in the Akron area are employed in approximately 400 polymer-related companies.

Akron is the home of the National Inventor's Hall of Fame and Inventure Place – an interactive museum of invention, the All-American Soap Box Derby, Alcoholics Anonymous, oatmeal, artificial fishing bait, the World Championship - Bridgestone Invitational golf tournament, and Stan Hywet Hall - one of the finest examples of Tudor Revival architecture in America. Akron is also home to the Ohio Ballet, The Akron Symphony Orchestra, and E.J. Thomas Performing Arts Hall, which brings Broadway plays and many world-famous entertainers to the city. It is also home to the Akron Rubberducks, the Cleveland Indians AA baseball team. Canal Park is the new state-of-the-art baseball stadium on Main Street in downtown Akron. The historic Ohio & Erie Canalway runs just beyond center field. It has been developed to provide a scenic area that includes a bike and hike trail and picnic area for the enjoyment of residents and visitors.



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