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## &pizza Co-Founder Leads New Special Acquisition Company

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&PIZZA

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The field of restaurant-led special acquisition companies becomes more crowded by the week.

The latest entry is Sizzle Acquisition Corp., spearheaded by Steve Salis, the co-founder of &pizza and Salis Holdings. At least seven SPACs related to the restaurant industry have formed within the past year. SPACs, sometimes referred to as blank-check companies, are formed for the purpose of merging with a brand and bringing it to the public stock market.

Sizzle intends to raise \$125 million and focus on the restaurant, hospitality, food and beverage, retail, consumer, food and food-related technology, and real estate industries. This includes sectors that service or are connected to these industries inside or outside the U.S.

The other primary leaders of the SPAC—Jamie Karson, Daniel Lee, and Grace Park—are all key executives at Salis Holdings. Some notable independent directors include Karen Kelly, the current president of Jack's Family Restaurants and former COO of Panera, Sweetgreen, Pinkberry, and Jamba, and Warren Thompson, president and chairman of Thompson Hospitality.

"Our leadership team together combines experience, skills and contacts as founders, investors and operators, which we believe will allow us to identify, analyze, negotiate and close on a business combination in our targeted sectors," the corporation said in a filing. "We also expect our leadership team to generate proprietary deal flow through its own analysis and solicitations as leadership includes a chief investment officer and senior business development officers whose sole responsibilities will be to solicit deal flow and internally generate actionable opportunities."

Sizzle said it expects overall rents to decrease as a percentage of sales, but that it will be offset by increased labor and operating costs because of higher third-party delivery mix. The SPAC believes revenue choppiness combined with increased costs will cause many companies to weigh strategic alternatives.

The corporation is seeking a company with a large market opportunity, strong potential competitive positioning, experienced management team, strong cash flow, a strong

millennial and Gen Z consumer base, opportunity for broader consolidation, and one that would benefit from being a public company.

“The leadership team has had demonstrable success over a period of years creating, buying and managing businesses in these industries,” the filing said. “The leadership team has demonstrated an ability to spot undervalued assets in these industries. We also believe that businesses in these industries represent opportunities for growth and consolidation over the next 12-24 month period.”

Numerous restaurant veterans from both the quick-service and full-service sector have formed SPACs in the past several months. Earlier in March, a host of former Sonic Drive-In and Dunkin’ executives formed Do it Again Acquisition Corp, which hopes to raise \$125 million and merge with a business operating in the restaurant, food-related, and franchise sectors in North America.

Bite Acquisition Corp., a SPAC that includes former Dine Brands CEO Julia Stewart, announced intentions to raise \$150 million to acquire a traditional or nontraditional restaurant brand. Not too long after, Danny Meyer’s Union Square Hospitality Group announced its own SPAC, which is looking to raise \$250 million to merge with a growth company.

FAST Acquisition Corp, formed in August 2020, announced in early February that it will take billionaire Tilman Fertitta’s Golden Nugget casino and Landry’s restaurant business public by the end of Q2. The enterprise value of the company is expected to be \$6.6 billion.

Additionally, Red Robin Chairman Dave Pace and Bartaco and Barcelona Wine Bar Founder Andy Pforzheimer helped form Tastemaker Acquisition Corp. Starboard Value Acquisition Company, which includes former Dunkin’ and Papa John’s CEO Nigel Travis, was also created last summer.