

STNL Tenant Overview

Investment Profile
Whataburger



PREPARED BY

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Company Overview

INDUSTRY	QSR
PRODUCTS	Hamburgers, Chicken Sandwiches, Fish Sandwiches, French Fries, MilkShakes
OWNERSHIP	Privately Owned; Dobson Family August 8, 1950 - June 14, 2019 BDT Capital June 14, 2019 - Present
HEADQUARTERS	San Antonio, TX
# OF LOCATIONS	855
# OF EMPLOYEES	45,000+
CURRENT STATES	Alabama (20), Arizona (28), Arkansas (5), Florida (36), Georgia (1), Louisiana(16), Mississippi (8), New Mexico (11), Oklahoma (33), Texas (697)

TIMELINE OF EVENTS

1950 - Harmon Dobson opens first location in Corpus Christi, TX
 1952 - First location established outside of Corpus (Kingsville, TX)
 1959 - First non-Texas location opens in Pensacola, FL
 1960 - Stores opening in Texas, Florida and Tennessee
 1960 - Iconic "A"-Frame store opens in Odessa, TX
 1963 - Expansion in Arizona begins. 26 Total Stores
 1967 - 40 stores in four states
 1967 - Dobson dies in plane crash; his wife, Grace, takes over the company
 1971 - First Drive-Through store opens
 1972 - 100th store opens
 1980 - 300th store opens
 1982 - Certain locations begin 24-hour service
 1987 - 400th store opens
 1993 - Tom Dobson (Son of Harmon and Grace) becomes president and CEO
 1995 - 500th store opens (eighth largest hamburger chain)
 2000 - 50th anniversary and 575 operating stores
 2001 - Texas Legislature passes bill proclaiming Whataburger a "Texas Treasure"
 2007 - 700th store opens in ten states. Total revenues surpass \$1 billion
 2011 - 728 operating stores. Dobson family owned 611; 25 franchisees owned + operated the other 117
 May 16, 2019 - Whataburger confirms reports that Morgan Stanley had been hired to sell the company
 June 14, 2019 - Dobson family sells majority stake to BDT Capital, a Chicago based investment company

Company Overview

ANNUAL REVENUE \$2,200,000,000+

AVERAGE PER-STORE ANNUAL VOLUME \$2,500,000

GROWTH PLANS New stores are currently being built in Texas, Tennessee, and Kansas City. 15 new locations expected by EOY 2021 and 25 new locations in 2022. Whataburger will also begin franchising again for the first time in 20 years to speed up growth. Whataburger is also rolling out a fresh new 24-hour, eco-friendly concept.

OPERATION Whataburger maintains a healthy balance of corporate and franchise operated stores. Some franchisees have been with the brand since the 80's. Currently, there are existing franchise opportunities in Georgia, Florida, New Mexico, and Oklahoma.

OVERALL REAL ESTATE REVIEW

AVERAGE STORE SIZE 3,200 SF

AVERAGE PARCEL SIZE 1.56 Acres

PREFERRED LOCATION Hard Corners, Midblock, Outparcel to retailers

AVERAGE RENT PER STORE \$125,000 per year

TYPICAL LEASE TYPE NNN with 10% increases every Five Years

TYPICAL NEW LEASE TERM 15 Years

FRANCHISEE REQUIREMENTS \$5 million in liquid assets and \$12.5 million net worth

SALES COMPS	Location	Cap Rate	Term Remaining	Sale Date
	Hallsville, TX	5.93%	6.7	4/29/2019
	Plano, TX	5.14%	3.5	9/19/2019
	Deer Park, TX	4.13%	15	6/10/2020
	Missouri City, TX	4.15%	15	11/16/2020
	Baytown, TX	4.05%	10.5	1/12/2021
	Thomasville, GA	5.60%	8.8	1/21/2021
	Austin, TX	4.00%	15	5/3/2021

OVERALL INVESTMENT OUTLOOK

Whataburger has been a cult-favorite burger chain for over 70 years now. While familiarity with the brand is strongest in Texas, the chain's aggressive growth plans fueled by the purchase of the restaurant chain by BDT Capital in 2019 assures that more locations in more states are soon to come. Whataburgers have some of the highest per-store unit volume of any QSR restaurant with an average \$2.6m annual per-store revenue. The recent sale of the brand comes with a few changes to the business model as well. Consumer demand fueled by the covid-requirement for touchless pickup is causing new store development to implement a smaller dining room footprint and more efficient kitchen model with priority on drive-through service. Many new stores even feature a double-drive through. Immediate effects of this change have resulted in several older Texas store locations to close down while a new, more efficient location was erected nearby. The iconic "A"-frame style buildings could prove burdensome for landlords to retrofit. All-in-all, Whataburgers make excellent investments due to high revenues, popularity, and Iconic look. Expect to see many more Whataburger restaurants likely coming to a location near you.



Let's talk.

Interested in Whataburger as your next investment or looking to sell your location? I put no small effort into researching and becoming the expert on any particular tenant. For your next purchase or sale, please consider our firm for your advisory and transactional services.

Landan Dory

Vice President

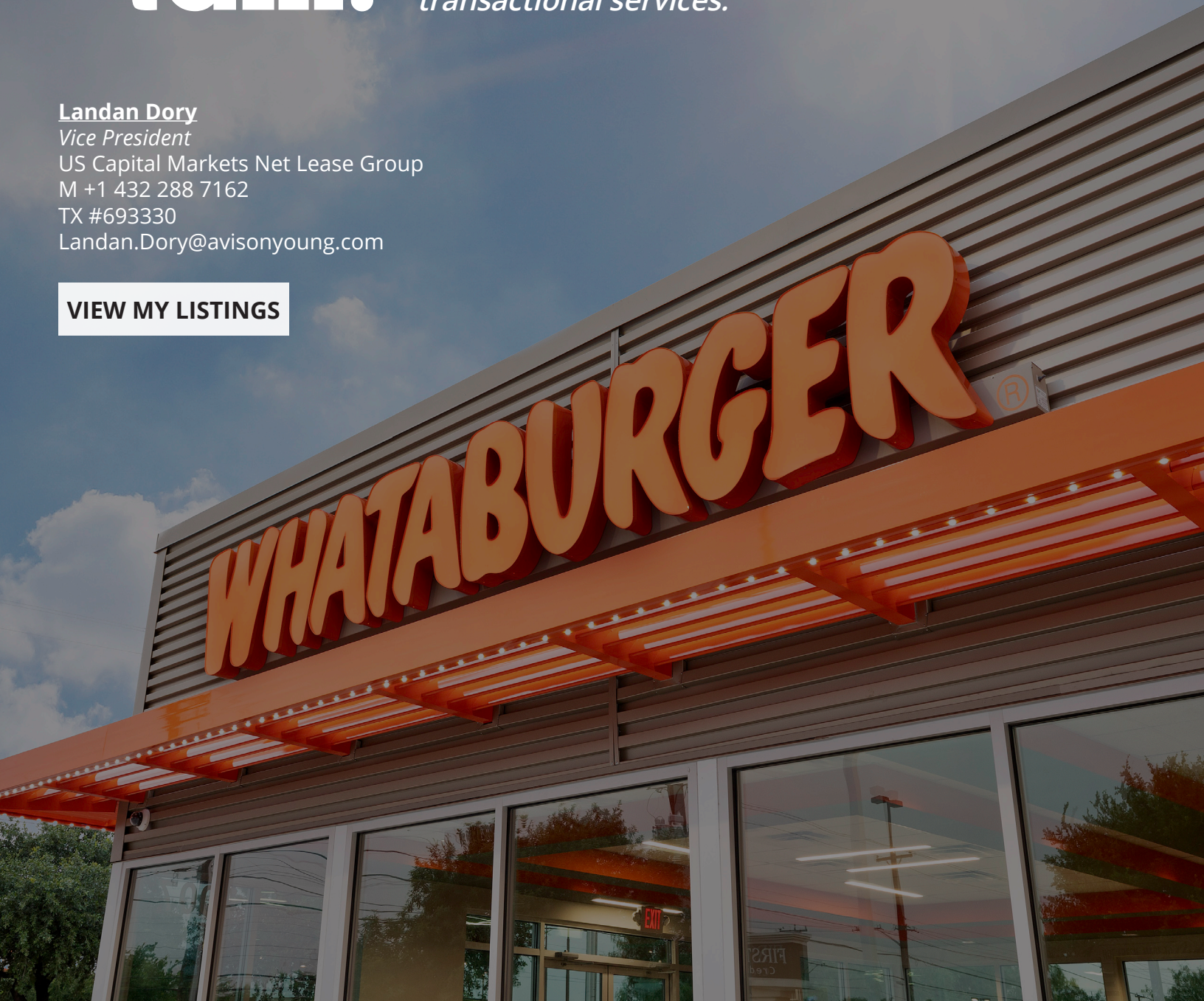
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VIEW MY LISTINGS



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