



## **Pinstripes, Inc Business Combination with Banyan Acquisition Corporation**

Deal Announcement Investor Conference Call Transcript

June 23, 2023

### **Operator**

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Hello and welcome to the Pinstripes, Inc and Banyan Acquisition Corporation transaction conference call. The information discussed today is qualified in its entirety by the Form 8-K that has been filed by Banyan in respect of the transaction and may be accessed on the SEC's website, including the exhibits thereto. Please note that the press release issued this morning and related SEC documents can also be found on Banyan Acquisition's website at [banyanacquisition.com](http://banyanacquisition.com) and on the Pinstripes' website at [pinstripes.com](http://pinstripes.com). The investor deck that will be presented as part of today's discussion has been publicly filed with the SEC and posted on Banyan's and Pinstripes' websites, where it is available for download. Please review the disclaimers included therein and refer to that as the guide for today's call including for a reconciliation of non-GAAP metrics. In particular, this call contains forward-looking statements that are subject to risks, uncertainties, including those set forth in the press release and investor deck, that could cause actual results to differ from those expressed in, or implied by, the forward-looking statements. In addition, further information about the proposed transaction will be contained in filings with the SEC, and we encourage you to read those carefully. For everyone on the call, Banyan and Pinstripes will not be fielding questions today. Hosting today's call from Banyan is Jerry Hyman, Chairman and Keith Jaffee, Chief Executive Officer. Hosting today's call from Pinstripes is Dale Schwartz, founder and Chief Executive Officer.

I will now turn the call over to Mr. Jerry Hyman. Please go ahead.



## **Jerry Hyman – Chairman of Banyan Acquisition Corporation**

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Thank you, operator, and thanks to all of you for joining us today. I am Jerry Hyman, the Chairman of Banyan Acquisition Corporation, and I am delighted to announce this transaction between Banyan and Pinstripes.

Upon the founding of Banyan Acquisition Corp., we declared our aim to identify an appealing business with promising growth opportunities that would benefit from our expertise and experience in the foodservice industry. We sought a company with a strong market position, competitive advantages, and a highly experienced management team that has a proven track record of maximizing value while upholding the utmost integrity. Today, we are delighted to announce that we on our way to successfully accomplishing this objective by signing an agreement to merge with Pinstripes.

Pinstripes is a brand that is uniquely positioned to capitalize on the need for human connection and the dislocation the retail industry has seen in recent years. The brand combines made-from-scratch Italian-American cuisine and the classic social games of bowling and bocce, creating experiences for guests of any age. Dale and his team have created an amazing brand and I am excited to become a part of this journey.

To share the overview of the proposed transaction, I will turn it over to Keith Jaffee, CEO of Banyan.

Keith?

## **Keith Jaffee – Chief Executive Officer of Banyan Acquisition Corporation**

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Thank you, Jerry. I could not agree more with your sentiment. Pinstripes has distinctly separated itself from its peers with its phenomenal cuisine and connection to the communities that they serve as keys to delivering exceptional results. There is substantial



opportunity ahead for the brand and I'm excited to be a part of the next chapter for Pinstripes.

Turning to the overview of the proposed transaction, the merger values Pinstripes at an enterprise value of approximately \$520 million, based upon a value of \$10 per Banyan common share, representing approximately sixteen and a half times Pinstripes' projected calendar year 2024 adjusted EBITDA. Including the upfront equity investment in Pinstripes by Middleton Partners, the transaction, together with additional planned equity financing, is intended to deliver at least \$75 million in gross cash proceeds to the combined company, which will be used to support its growth strategy and the opening of additional locations. Subject to various closing conditions, including filing and effectiveness of a Form S-4 registration statement and approval of the shareholders of Banyan, the transaction is expected to close in the fourth quarter of 2023.

On behalf of our fellow Banyan shareholders, we'd like to thank Dale Schwartz and his entire team, and we look forward to becoming part of the Pinstripes family.

Happy to introduce to you to Pinstripes, I will turn it over to Dale Schwartz, CEO and Founder.

Dale?

### **Dale Schwartz – Founder and Chief Executive Office of Pinstripes**

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Thank you, Keith. Well this all started over 50 years ago when I bowled in Cleveland as a child, and as they say, it takes 50 years to make an overnight success! I coined the name Pinstripes in 1989, and 28 years later, in 2007, the dream became a reality when we opened our flagship Pinstripes location in Northbrook, IL. With that background, let me walk you through the compelling investment opportunity.



Our vision is a simple one – to create a unique dining and entertainment destination where guests can connect in an old-fashioned way. We do this by combining aesthetically beautiful venues, delicious Italian-American cuisine, best-in-class service and the timeless games of bowling and bocce, along with private event space for memorable parties.

As you know, the last couple of years have proven that human connections cannot be taken for granted, and we believe Pinstripes is distinctively positioned to provide these bonding social interactions to consumers. Through a winning combination of made-from-scratch dining and timeless entertainment, our venues foster authentic human connections across life’s every day and special events, creating broad market appeal. This has resulted in our ability to generate substantial sales while maintaining robust venue-level economics.

Pinstripes is also capitalizing on the dislocation of the retail industry, filling the void as a traffic creator. Historically, when considering malls and other large retail centers, the movie theater and anchor department stores were the key traffic drivers. Over time, streaming and the rise of e-commerce have created significant dislocations within the retail industry. By providing high-quality and connection-oriented dining, entertainment and event spaces, Pinstripes is able to address the key elements that developers need to drive traffic and establish or transition their properties as lifestyle centers.

Finally, as a founder-led leadership team, a brand that was designed and developed with expansion in mind, and substantial whitespace opportunity both domestically and internationally, we believe we have the knowledge and experience to capitalize upon the opportunity to expand the Pinstripes brand globally.

While Pinstripes is comprised of Bistro, Bowling and Bocce, our made-from-scratch dining is what truly differentiates our brand. Food and beverage comprise approximately 75% of our total revenue, with bowling / bocce comprising the balance. Equally important,



private events represent nearly 50% of our sales, both social and corporate, and are an extraordinarily important and profitable facet of our business.

In addition to the current 13 Pinstripes venues, another 6 locations are slated to open in the next several months. 85% of our current locations, and all planned new locations, are suburban, which is ideal with the post-COVID hybrid office trends. That said, the broad appeal of our brand has proven itself across both suburban and urban markets, showcasing the power of what Pinstripes has to offer.

The average unit volume for Pinstripes venues is in excess of \$8 million, with select locations in excess of \$10 million, and the locations range in size from 25,000 to 38,000 square feet of interior space, with additional outdoor patio space, generating venue-level EBITDA margins averaging over 17%. With respect to our site selection process, we consider residential and commercial demographics, co-tenancy with top brands, iconic settings and the availability of outdoor patios, ideally on two levels. Our venues span across signature mall properties, experiential lifestyle centers, and prime urban locations.

As we look ahead, we believe we have the potential for at least 150 locations domestically. In addition to the incremental six locations, we have over 30 potential sites identified for the coming years. Internationally, we further believe in an equal or greater opportunity as we do domestically, driven by global consumers yearning for interpersonal connections, much like consumers in the United States.

Looking ahead, for the next several years, our goals include total revenue and adjusted EBITDA annual growth in excess of 20%, respectively, driven primarily by opening new venues and continued same store sales growth. By the end of calendar year 2024, we expect to be generating revenue and adjusted EBITDA of approximately \$185-195 million and \$30-33 million, respectively.



In summary, we are at an exciting inflection point in our 17-year journey. Our brand is uniquely positioned for the current consumer environment, and we have a solid foundation of over 1,500 passionate team members that are excited to capitalize on the whitespace opportunity ahead of us.

To that end, today's announcement of our plans to go public through a business combination with Banyan represents a substantial milestone in Pinstripes' journey, and should ultimately provide us with the capital to build upon our 17-year history. In addition, this transaction, including Middleton's significant investment today, will also open a pathway for public investors to participate in our growth. I'd like to welcome the Banyan team, led by Jerry and Keith, and we are excited to join the Banyan team as we launch what we believe will be a tremendously successful public venture. And most importantly, I'd like to thank both our incredibly dedicated and passionate Pinstripes team members, as well as our guests who have celebrated with us for years.

If you are looking for additional information, please review the investor presentation, which can be found, along with all the other transaction-related materials, on our website at [pinstripes.com](http://pinstripes.com).

Each of us would like to thank you for your time today and we'll see you soon at Pinstripes. Thank you.