

Press Release

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Roark Capital acquires Dave's Hot Chicken for \$1 Billion

June 2, 2025 - Roark Capital acquired the Los Angeles-based Dave's Hot Chicken in a deal valued at \$1 billion.

The long-rumored deal brings a high-flying growth brand into the restaurant-deep portfolio of Atlanta-based Roark, a private-equity firm that paid more than \$9 billion to acquire Subway in 2023. The firm is also parent of two multi-brand platform companies: GoTo Foods (Auntie Anne's, Carvel, Cinnabon and more) and Inspire Brands (Arby's, Sonic, Dunkin' and more). And it owns Culver's, the Hardee's and Carl's Jr. brands, and Jim N' Nick's Bar-B-Q.

With the deal, Dave's management team will remain in place, including Bill Phelps as CEO, Jim Bitticks as president. Co-founder Arman Oganessian is chief brand officer and co-founder Dave Kopushyan is chief culinary officer. "We're all staying. Nobody is leaving. The goal is to keep it growing," said Bitticks.

With 315 units and up to 175 expected to open this year, the almost entirely franchised chain has seen extraordinary growth in recent years across the U.S. and now into Canada, the United Kingdom and the Middle East.

International growth is a huge opportunity, said Bitticks. After "opening huge" in London, the brand is planning to push into other European countries. And the chain sees Asia as having potential, especially given that KFC has some 10,000 restaurants there. "You'll see us popping up everywhere," Bitticks said.

Domestically, Dave's plans to move into nontraditional growth in airports and college campuses, for example. Currently, Dave's has only a handful of nontraditional locations.

Joining the Roark portfolio opens doors to a wealth of franchise operators, both domestically and internationally, said Bitticks. But he noted that Dave's deliberately avoided being "gobbled up" into GoTo Foods or Inspire Brands. "We stand alone within their portfolio and that was on purpose," he said. "We expect to be a super high performer, like, the new rock star within the portfolio."

In 2024, Dave's recorded domestic systemwide sales of nearly \$617 million, a 57% increase over the prior year, with 245 units, a 43% increase, according to the Top 500 Restaurant Chain report by Technomic, a sister brand to Restaurant Business. Dave's was among the top 100 brands, ranking at No. 89 on the list. Bitticks expects systemwide sales to top \$1.2 billion this year. Roark officials did not immediately respond to requests for more detail.

About Dave's Hot Chicken

Dave's has a colorful back story. The brand was founded in 2017 as a popup in a Los Angeles parking lot by four friends who pooled their savings (\$900): Kopushyan, brothers Tom and Gary

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Rubenyan and Oganessian. The menu was simple: chicken tenders or sandwiches with spice levels that can vary from no spice to “the Reaper” (with disclaimer required).

They opened their first brick-and-mortar location the following year. In 2019, an investor group led by Wetzel’s Pretzel’s co-founder Phelps stepped in and began to expand the brand through franchising. Phelps had also invested in, grew and later sold Blaze Pizza, and many of the same investors joined the partnership behind Dave’s. But Dave’s also attracted some highly visible celebrity backers, including the rapper and musician Drake (who gives away free hot chicken on his birthday every Oct. 24), as well as singer/songwriter Usher (also a franchisee), and the actor Samuel L. Jackson.

Earlier this year, Dave’s Hot Chicken was celebrated with the annual Pacesetter Award at the Restaurant Leadership Conference.

With Roark, Bitticks envisions a potential initial public offering within three to five years, modeling the private-equity firm’s plan with Wingstop. Roark took Wingstop public in 2015 and that brand has continued to grow.

“Bill [Phelps] likes to call it the three-year sprint to IPO,” said Bitticks. “We will see. I don’t want to sound arrogant, but the goal is to keep it going and keep it growing. Roark sees that and wouldn’t be putting \$1 billion into something that it didn’t think it could continue to grow and scale up.” Bitticks also noted that the Roark deal was negotiated to ensure “significant bonuses” for restaurant-level managers and support center staff. “About 20 people were made millionaires out of this deal, and that wasn’t just investors,” he said.