

## **BARTACO - BARCELONA WINE BAR - (BARTECA RESTAURANT GROUP) - Privately Held "Up & Comer"**

**Date :** October 17, 2016

### **BARTECA RESTAURANT GROUP - Privately Held "Up & Comer"**

Norwalk, Connecticut, Barteca Restaurant Group, has become a well established, steadily expanding multi-unit casual dining company, today operating 14 Barcelona Wine Bars and 13 Bartaco restaurants, in 11 states, mostly in the northeast. Chairman, Andy Pforzheimer, the Harvard educated and chef trained restaurateur, also having been the first food editor for Martha Stewart Living magazine, and his "alterego" creative partner Sasa Mahr-Batus, opened the first Barcelona Wine Bar in South Norwalk, Conn. with 38 seats in 1996. The Company has obviously come a long way in the last twenty years, having generated over \$100 million in sales in calendar 2015. The operating team was strengthened in 2015 by its recruitment of Jeff Carcara as CEO, previously with Del Frisco's and Darden's Seasons 52, both highly regarded dinnerhouse chains.

Barcelona Wine Bars (sometimes called Barcelona "Restaurant and Wine Bar") provide full service dining and drinking, averaging 120-150 seats within 4,000 square feet. Each restaurant has a distinctive design, serve small plates of Spanish inspired food items from a menu that can change daily. The food is creatively complemented by a selection of 400 wines, predominantly from Spain and South America. With a average check around \$30., this concept does 90% of its business from "happy hour" until close, with a generally light lunch component. 40% of sales consist of alcoholic beverages, food obviously contributing the rest. The 14 current locations are located in Connecticut, MA, DC, VA, TN, and GA. The base is obviously in the northeast, with geographical expansion cautiously, strategically (and so far successfully) planned. The typical investment in leased facilities is today about \$2.5 million per unit. With average sales in 2015 of \$5 million, calculated to be comfortably over \$1000 per square foot. While the balance sheet and operating margins of this privately held company have not been disclosed, we estimate that the return on investment is at or near the top of a peer group of casual dining companies.

Bartaco Restaurants serve upscale "Street Food" from around the world, with a relatively strong emphasis on Mexican items. The average restaurant is also around 4,000 square feet, also seating from 120-150 patrons. This concept has more balanced dayparts than Barcelona (as described above), with 40% at lunch, 60% at dinner, 40% alcoholic beverages. The typical investment per unit is about \$2.0 million. The geographical base here is also the northeast, with the 11 locations in Connecticut , NY, GA, VA, TN, NC, and FL. Average sales here were approximately \$4.0M in 2015, so sales at about \$1,000 per square foot were also well above the peer group average. Once again, margins and return on investment have not been disclosed but it seems likely that the financial returns are very attractive.

The parent company, Barteca Restaurant Group, has been backed financially since 2012 by the well regarded Rosser Capital Partners, as well as a late 2015 investment by General Atlantic, a 36 year old global investment firm with \$20 billion under management. The amounts invested by Rosser and General Atlantic have not been disclosed (nor their equity ownership) but it has been announced that Citizens Bank was a lead participant in a \$74 million credit facility established early in 2016.

The Company has not been definitive about the planned pace of expansion, but with two highly successful concepts, a critical mass over \$100 million in sales and growing, an experienced and dedicated management team in place, we will no doubt hear a great deal more from Barteca in the years ahead. We will do our best to update our subscribers, as more information is disclosed.