

BurgerFi going public with blank check company's help

Gourmet burger chain is set to IPO with Opes Acquisition Corp. merger

By **Cortney Moore** | **FOXBusiness**

Yum! Brands acquiring Habit Burger will be 'formidable competitor' for McDonald's: Ed Rensi

Former McDonald's USA CEO Ed Rensi discusses the new McDonald's CEO changing company culture and Yum! Brands' acquisition of Habit Burger for \$375 million.

BurgerFi is aiming to go public after signing a non-binding letter of intent to merge with Opes Acquisition Corp., the fast-casual restaurant announced Monday. The merger will allow BurgerFi to become a publicly-traded company on the NASDAQ stock exchange, according to a company press release.

"The Opes team brings the experience and real estate expertise to maximize BurgerFi's growth potential," said BurgerFi's founder John Rosatti in a statement. "Our broad consumer appeal, strategic supply chain partnerships and state-of-the-art commissary, combined with our data-driven and technology-forward approach, puts us in a uniquely scalable position."

He also shared that he believes BurgerFi is positioned to "capitalize on the growing base of customers seeking a healthier yet indulgent fast-casual experience," which falls in line with its sustainable ethos.

BurgerFi has nearly 125 corporate-owned and franchised locations throughout 23 states and two countries abroad. The company primarily serves gourmet hamburgers, veggie and chicken sandwiches, hotdogs, fries, onion rings and ice cream-based desserts while aiming to avoid the use of antibiotics, steroids, chemicals and additives. Other characteristics of the business include takeout and delivery services with eco-friendly packaging.

The two companies will execute a definitive agreement by the end of the month and expect to close the deal in the third quarter of 2020, according to BurgerFi's release – however, it still stressed that nothing is set in stone and negotiations are pending.

As a blank check company, Opes Acquisition Corp. is making an acquisition and investment in BurgerFi with money it has secured from public stockholders.

"BurgerFi represents a tremendous partner for Opes in what we believe will be an attractive public market company given its rapid ascension as a nationally recognized brand in the 'better burger' space," said Opes Acquisition Corp. Chairman Ophir Sternberg in a statement.

"BurgerFi's crave-worthy menu of premium ingredients personifies it as a leader in consumer trends," he added. "Enhanced by its technology-driven business model, steadfast commitment to responsible procurement, highly-scalable structure and significant expansion opportunities, BurgerFi is an extremely attractive investment opportunity."

The move to go public is a very different strategy from BurgerFi's competitors, which include Bareburger and Five Guys – both of which are gourmet burger joints that have remained privately owned. However, it is along the same line of competing restaurant chain The Habit Burger Grill, which was acquired by Yum! Brands, Inc. in January.

Similarly, Big Smoke Burger was acquired by MTY Food Group Inc. in 2015 and Smashburger was acquired by Jollibee Foods Corporation in 2018. Most notably, the popular burger joint Shake Shack went public in 2015 and has a market capitalization of \$2.4 billion as of June 9.

BurgerFi intends to open additional corporate and franchise locations through 2021 in its home state, Florida, and select areas in the U.S. Southeast, Mid-Atlantic and Northeast regions.



A BurgerFi restaurant in Hickory, North Carolina. (iStock)