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Case Study · Consumer / Restaurants · Take-Private

The Wendy's Company

(NASDAQ: WEN)

*The Nelson Peltz / Trian
Take-Private Bid*

*A live-market practitioner case on the anatomy
of an insider-led take-private.*

*Chain of custody, MFW special committee governance,
take-private math against QSR LBO comparables,
financing structure, and competing bidder probability.*

LIVE CASE · UPDATED AS PROCESS DEVELOPS

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Ponte Vedra Beach, Florida · August 13, 2026

Case Study — The Wendy's Company (NASDAQ: WEN)

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A live-market practitioner case on the anatomy of an insider-led take-private — chain of custody, MFW governance mechanics, take-private math against QSR LBO comparables, financing structure, and competing bidder probability

A Baratelli Institute case study. Published August 13, 2026. Live-market analysis; will be updated as the transaction develops.

Reporting attribution and author disclosure

Reporting attribution. This case study is based on public reporting from CNBC (August 12, 2026) that Nelson Peltz and Trian Fund Management have submitted a takeover bid for The Wendy's Company, and follow-up reporting from Oliver Barnes at the Financial Times (August 12-13, 2026) that Trian is assembling a consortium including Abu Dhabi-based BlueFive Capital (Bugatti-Rimac backer) and Flynn Group (one of Wendy's largest franchisees), with a formal bid expected in the coming weeks. Additional context is drawn from prior public disclosures including Trian's 13D filings (notably the February 2026 filing that flagged Wendy's as "undervalued" and disclosed outreach to potential co-investors), Wendy's proxy statements, and SEC filings covering Trian's 15+ year involvement with Wendy's. All Institute analysis is interpretive practitioner commentary on publicly reported facts.

Author disclosure. Philip A. Baratelli does not own WEN stock. The Institute has no commercial or advisory relationship with Wendy's, Trian, or any other party referenced in this case study.

WEN at a glance

Metric	Value	Note
Company	The Wendy's Company	NASDAQ: WEN · Dublin, OH
Business	QSR chain	7,000 restaurants · 95% franchised
CEO	Bob Wright	New; former Potbelly CEO; prior Wendy's COO / International
Diluted shares outstanding	190,669,930	As of July 31, 2026 (per Q2 10-Q)
Q2 2026 Adj EBITDA (total company)	\$124.1M	Per Q2 earnings presentation; down 15.4% from \$146.6M Q2 2025
Q2 2026 U.S. same-restaurant sales	-7.0%	Significant traffic pressure
Q2 2026 global systemwide sales	-6.5%	Global weakness
Full-year 2026 outlook	WITHDRAWN	New CEO pausing to develop turnaround plan
Net financial debt	\$2.41B	\$2.75B gross debt less \$341M cash (Q2 10-Q)
Pre-bid unaffected share price	\$7.55	Aug 11, 2026 close — last trading day before CNBC report
Post-report share price	\$8.65	Aug 13, 2026 close — market has already priced in ~14.5%
Pre-bid market cap (unaffected)	\$1.44B	190.7M shares × \$7.55
Triam position	16%	Largest holder · Peltz Non-Exec Chairman
Named co-investors	BlueFive Capital, Flynn Group	Per FT reporting Aug 12-13, 2026
Governance status	MFW required	Insider bid triggers special committee
Bid status	Reported / consortium assembling	CNBC + FT, Aug 12-13, 2026

Institute point of view — the one-paragraph read

The Institute number is \$14.00/share. That is where a properly-advised MFW special committee can defend a sale of Wendy's to the Trian consortium: 11.0x on the Institute's conservative \$460M full-year Adj EBITDA estimate, 85% premium over the \$7.55 unaffected pre-bid price, \$5.08B enterprise value. \$14 matches Burger King's 2010 take-private multiple (the single most distressed QSR precedent of the past 15 years), sits at the floor of the stress-adjusted peer trading range, and is below every other QSR take-private in the modern era — so it is genuinely conservative and requires no reach from the fairness bank. Sources & Uses at the \$14 base case are walked in Section 2.3; the three-methodology fair-value derivation is in Section 2.4. **This is an insider-led take-private with a named consortium already assembling.** Per FT reporting (Aug 12-13, 2026), Trian's consortium includes Abu Dhabi-based BlueFive Capital (Bugatti-Rimac backer, a Middle East sovereign-wealth-adjacent fund) and Flynn Group (one of Wendy's largest franchisees). Trian has been preparing since a February 2026 13D filing flagging Wendy's as "undervalued." Peltz's 15-year board tenure and Trian's 16% position trigger Delaware's most demanding process protection standard (the MFW framework in Section 3): independent special committee, independent legal counsel, independent financial advisor, majority-of-minority shareholder vote condition, full disclosure of interest conflicts. The customary "premium to unaffected" negotiating convention breaks in this case because the \$7.55 unaffected price is itself depressed by Q2 operational stress and withdrawn guidance; the committee must defend on methodology, not on premium. **The Institute expects the transaction to clear at \$14–15/share** after committee negotiation, with upside to \$16 (11.5–12.0x) if Roark or another QSR-focused fund enters competitively. The Institute reads the probability of a competing bidder as low-to-moderate — Trian's insider position and pre-assembled consortium deter most strategics, but Roark could plausibly enter given its QSR playbook. The transaction that emerges will be a case study in either well-executed MFW governance clearing at the fair price or in process failures that Delaware Chancery will unwind.

1. Chain of Custody — Trian's 15+ Year Position and Peltz's Board Role

Understanding this transaction requires understanding the 15+ year history that brought Nelson Peltz to a controlling-insider position at Wendy's, and how that position triggers the governance requirements the bid must navigate.

1.1 The 2008 Triarc-Wendy's merger

Nelson Peltz's involvement with Wendy's dates to 2008, when Triarc Companies (Peltz's holding company, which owned Arby's) merged with Wendy's International. The combined entity became Wendy's/Arby's Group. Peltz became Non-Executive Chairman. Trian Fund Management, the hedge fund Peltz co-founded with Peter May and Ed Garden, became the largest shareholder. In 2011, Wendy's/Arby's separated Arby's (sold to Roark Capital), and the surviving company became The Wendy's Company — the entity that is now the subject of the take-private bid.

1.2 Trian's ongoing position and Peltz's board tenure

Trian holds approximately 16% of Wendy's shares as of the current period (per FT reporting) — the largest single shareholder position by a substantial margin, though modestly reduced from historical levels closer to 19-20%. Peltz has served as Non-Executive Chairman continuously since the 2008 merger. His son Matthew Peltz has served on the Board. Trian's specific presence has shaped a set of strategic decisions including capital return programs, franchise system growth, international expansion, and technology investments.

1.2b The February 2026 preparation filing

Per FT reporting, Peltz has been preparing to launch a takeover of Wendy's since February 2026, when Trian filed a 13D amendment stating that the chain was "undervalued" and that Trian was reaching out to potential co-investors about strategic options including taking it private. That February disclosure was the public signal that the current bid effort has been under preparation for approximately six months prior to the August 2026 CNBC/FT reporting. The preparation window explains why the consortium (BlueFive Capital, Flynn Group) is already assembled at the time of the initial bid reports.

1.2c The consortium composition

Per FT reporting, Trian's assembling consortium includes:

- **Trian Fund Management** — the lead sponsor. Peltz's hedge fund; 16% existing Wendy's position; specific 15-year insider role.
- **BlueFive Capital (Abu Dhabi)** — the Middle East co-investor. Notable for backing Bugatti-Rimac; sovereign-wealth-adjacent capital pool; the specific first named Middle East participation in a US QSR take-private in recent memory. The presence of BlueFive signals meaningful non-US equity capital in the deal and the broader pattern of Middle East sovereign / SWF capital flowing into US brand transactions (analogous to LIV Golf / PIF and specific SoftBank plays with Middle East backing).

- **Flynn Group** — the franchisee co-investor. One of Wendy's largest franchisees. The franchisee-to-owner transition is an unusual structural feature — Flynn Group has both operational knowledge of the Wendy's system and specific commercial interests in the franchisor-franchisee relationship post-closing. The consortium participation may signal specific post-closing changes to the franchisor-franchisee economics.
- **Additional co-investors expected** — the consortium is "likely to include" additional participants per FT. Expect mega-cap PE participation or consumer-focused fund participation as additional equity providers before the formal bid submission.

1.3 The governance implication

Trian is not simply a large shareholder submitting an outside bid. Trian is a insider — Peltz has been Chairman during the same period he was making the decision to bid for the company. That configuration is the fact pattern that triggers Delaware's most demanding process protection standard, treated in detail in Section 3 below.

Practitioner note on the "activist-to-acquirer" transition. Trian's transition from largest activist shareholder to acquiring party fits a pattern that has become more common over the past decade — activists who cannot achieve desired strategic outcomes through Board pressure eventually attempt to acquire the target outright and execute the strategy under private ownership. Bill Ackman's Howard Hughes / Ackman Sports acquisition attempt (2024) and Carl Icahn's specific take-private attempts (Blockbuster, Motorola) fit the same pattern. The transition raises specific fiduciary questions the standard sell-side process does not have to answer.

1.3 The operational context — Q2 2026 pressure and the new CEO

The "why now" question is meaningfully clarified by Wendy's Q2 2026 results and the management transition disclosed alongside them.

New President and CEO Bob Wright. Per the Q2 2026 earnings presentation (August 7, 2026), Bob Wright was introduced as the new President and CEO. Wright has previous senior leadership experience at Wendy's — most notably as Executive Vice President, Chief Operations Officer, and International — and most recently served as President and Chief Executive Officer of Potbelly Sandwich Works. The CEO transition is a meaningful signal — insider promotion (rather than external search) typically indicates the Board wanted operational continuity and Wendy's-specific knowledge more than fresh outside perspective.

Q2 2026 operational pressure. The Q2 metrics show the operational challenge the take-private is being contemplated against:

- **U.S. same-restaurant sales: -7.0%** — significant traffic-driven decline
- **Global systemwide sales: -6.5%** — global weakness, not just U.S.
- **International same-restaurant sales: -2.3%** — less bad than U.S. but still negative
- **Q2 operating profit: \$79.3M** (down 24% from \$104.3M Q2 2025)
- **Q2 net income: \$32.6M** (down 41% from \$55.1M Q2 2025)
- **H1 2026 U.S. segment Adjusted EBITDA: \$230M** (down 11% from \$258M H1 2025) — per 10-Q segment disclosure; U.S. business only
- **H1 2026 total company Adjusted EBITDA: \$235.4M** (down 13.2% from \$271.2M H1 2025) — per Q2 press release reconciliation; U.S. segment plus International plus Global Real Estate. This is the figure Section 2.1 uses as the base for all take-private math.

Full-year 2026 outlook withdrawn. Per the Q2 earnings presentation, the Company withdrew its full-year 2026 outlook, citing "new leadership reviews the business and establishes a comprehensive turnaround plan." Company also flagged specific back-half considerations: "back-half sales trends expected to remain consistent with Q2 performance," "ongoing traffic headwinds expected to constrain systemwide sales growth," and "pressure on Company-operated restaurant margin expected from sales deleverage and 5% to 6% commodity inflation."

The practitioner read. The operational deterioration is the market catalyst that made now the right time for Trian to move. Trian's February 2026 13D flagging Wendy's as "undervalued" preceded the Q1 and Q2 operational data by several months — Trian was positioning ahead of the decline. The new CEO Bob Wright inherits a franchise system under pressure and a short window to demonstrate a turnaround before the take-private process forces a decision. That timing dynamic is not accidental — the market weakness is precisely what creates the opportunity for insider capital to acquire the asset at a discount to intrinsic value.

Green shoots the practitioner should note. Not all Q2 metrics were negative:

- **U.S. systemwide customer satisfaction scores improved** — brand health signal
- **Company-operated restaurants outperformed the broader system** in same-restaurant sales — specific operational execution at the corporate level exceeded specific franchisee execution
- **Development activity continued** — 21 new U.S. + 27 new international restaurants opened in Q2
- **YTD free cash flow: \$120.3M** — cash generation remains meaningful despite earnings pressure

The green shoots support the investment thesis: the brand and specific system remain intact; the challenges are specific operational rather than specific structural. That interpretation is what makes the take-private attractive at these specific multiples.

1.4 Company-reported Q2 2026 Financial Results (verbatim from earnings presentation, page 13)

Reproduced verbatim so the reader can verify every downstream number in the case against the company's own reported figures.

Metric	Q2 2026	Q2 2025	B/(W)
Global Systemwide Sales Growth	(6.5)%	(1.8)%	2-Yr (8.3)%
Global System SRS	(6.3)%	(2.9)%	2-Yr (9.2)%
U.S. Company-Operated Restaurant Margin	13.8%	16.2%	(240) bps
G&A	\$66.2M	\$59.5M	(11.3)%
Adjusted EBITDA	\$124.1M	\$146.6M	(15.4)%
Adjusted EPS	\$0.18	\$0.29	(37.9)%
Year-to-Date Free Cash Flow (H1)	\$120.3M	\$109.5M	9.9%

All quarterly comparison figures except YTD Free Cash Flow which is H1 2026 vs H1 2025. Source: Q2 2026 Earnings Presentation, page 13.

Two observations the reader should specifically note:

1. **YTD FCF is UP 9.9%** while Adj EBITDA is DOWN 15.4% — a specific working-capital tailwind or capex timing benefit is masking the underlying earnings deterioration. Reader should watch whether that specific cash-flow strength persists through the back half.
 2. **G&A is UP 11.3%** while EBITDA is DOWN 15.4% — the specific cost structure has not yet adjusted to the revenue decline. That's one specific reason a take-private under private-market cost discipline could unlock EBITDA recovery quickly.
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2. The Take-Private Math — Institute Show-the-Math Walk

The numbers underneath the reported bid, walked with the Institute's Show-the-Math discipline. All figures are approximate and based on publicly reported data.

2.1 Pre-bid market baseline (verified against June 28, 2026 10-Q)

Line	Value (\$M unless noted)	Source
Pre-bid unaffected share price	\$7.55/sh	Aug 11, 2026 close (last trading day before CNBC report)
Post-report share price	\$8.65/sh	Aug 13, 2026 close (market has priced in ~14.5% takeout premium)
Diluted shares outstanding	190.7	Q2 2026 10-Q as of July 31, 2026
Pre-bid unaffected market cap	1,440	190.7M × \$7.55
Long-term debt	2,719	Q2 2026 10-Q
Current portion of long-term debt	30	Q2 2026 10-Q
Total gross debt	2,749	Sum
Less: Cash and equivalents	(341)	Q2 2026 10-Q
Net financial debt	2,408	Gross debt less cash
Pre-bid enterprise value (financial-debt basis)	3,848	Unaffected market cap + net financial debt
Plus: Long-term operating lease liabilities	596	If treated as debt-like
Pre-bid EV (including operating leases)	4,444	Alternative treatment
Q2 2026 total company Adjusted EBITDA	124.1	Company-reported (Q2 earnings presentation page 13, and press release reconciliation). Down 15.4% from \$146.6 Q2 2025.
H1 2026 total company Adjusted EBITDA	235.4	Company-reported (press release reconciliation table). Down 13.2% from \$271.2 H1 2025.
Q1 2026 total company Adjusted EBITDA (derived)	111	H1 \$235.4 less Q2 \$124.1
Back-half 2026 estimate	225	Company guided back-half "remains consistent with Q2 performance" per earnings presentation
Full-year 2026 total company Adj EBITDA (Institute estimate)	460	H1 \$235 + back-half \$225. Company withdrew formal guidance
Pre-bid EV / EBITDA (financial-debt basis)	8.4x	\$3,848 / \$460
Pre-bid EV / EBITDA (with leases)	9.7x	\$4,444 / \$460

EBITDA sensitivity — the numbers move meaningfully with the EBITDA assumption.

EBITDA scenario	Full-year Adj EBITDA (\$M)	Pre-bid EV/EBITDA (financial-debt basis)	Institute base case (\$14/share, 85% premium) EV/EBITDA
Downside (deeper deceleration, Bob Wright turnaround takes longer)	420	9.2x	12.1x
Institute base case (EBITDA)	460	8.4x	11.0x
Upside (Wright turnaround gains early traction)	490	7.9x	10.4x

Company withdrew full-year 2026 guidance concurrent with the Q2 earnings release citing new leadership review; the Institute \$460M estimate uses the H1 run rate less an explicit haircut for the back-half deceleration company management flagged in the earnings presentation.

2.2 Take-private premium scenarios and Institute base case

QSR take-privates historically clear at 25-40% premiums to pre-bid market prices. That convention breaks in this case because the \$7.55 unaffected price is itself depressed by Q2 operational stress and withdrawn guidance — well below the level standard valuation methodologies (peer trading, precedent transactions, DCF) support. Section 2.4 walks the methodologies. The Institute base case is \$14/share (11.0x on \$460M EBITDA, 85% premium over \$7.55), matching the low end of the stress-adjusted peer trading range and the Burger King 2010 take-private precedent — the single most distressed QSR precedent in the past 15 years. The special committee must defend on methodology, not on premium.

Computed against verified 190.7M share count and \$2.41B net financial debt. All multiples on \$460M Institute full-year Adj EBITDA estimate.

Scenario	Premium over \$7.55	Per-share price	Equity value (\$M)	Enterprise value (\$M)	EV / EBITDA
Institute base case — fair-price floor	85%	\$14.00	2,670	5,080	11.0x
Committee negotiation midpoint	100%	\$15.10	2,880	5,290	11.5x
Roark competing bid (stress-adjusted peer midpoint)	116%	\$16.30	3,108	5,518	12.0x

Multiples calculated against \$460M full-year Adj EBITDA estimate (H1 actual \$235M + back-half projected \$225M per company guidance that back-half sales will remain

consistent with Q2). Actual full-year 2026 figure uncertain given company's withdrawal of guidance. If actual EBITDA comes in lower (say \$420M in a downside scenario), the take-private multiples move higher by roughly 10%; if it recovers higher (say \$490M as new CEO Bob Wright executes the turnaround), the multiples move lower by roughly 6%.

Why the Institute base case is \$14. Three independent valuation methodologies (Section 2.4) each point to fair value at or above \$14/share. The special committee's fiduciary duty under *Kahn v. M&F Worldwide* requires the committee to negotiate for the highest price reasonably available and to obtain a fairness opinion from an independent bank. \$14 at 11.0x is the floor — the lowest price the committee can defend, matching Burger King 2010, sitting at the bottom of the stress-adjusted peer trading range, and requiring no reach from the fairness bank. A price meaningfully below this floor invites Chancery litigation and loses on the merits.

2.3 The equity-financing structure (at \$14 Institute base case)

Trian's 16% position means Trian's rollover equity is approximately \$427 million at the Institute base case (\$14 × 30.5M shares). Trian is raising additional equity from the consortium (BlueFive Capital, Flynn Group, and likely additional co-investors per FT reporting) to complete the transaction.

Institute sources & uses at the \$14 base case (85% premium, 11.0x on \$460M EBITDA), under the Institute-recommended Option B structure (roll the WBS in place; add modest holdco debt on top). Full walk with transaction and debt issue costs shown separately. All transaction and debt cost line items are Institute estimates calibrated to typical patterns for a take-private of this size and MFW complexity; specific final figures will be disclosed in the proxy statement when the transaction reaches definitive documentation.

MFW structures materially raise the advisor bill because the special committee requires its own independent legal counsel and independent financial advisor in addition to the company's ordinary advisors.

USES (cash out at closing) — at the \$14.00/share Institute base case. Cash-in/cash-out convention: the Trian rollover is a non-cash contribution and appears as a memo item below rather than as a gross use offset by a source. Line items benchmarked to industry-median fee data for take-privates in the \$5B enterprise value range (per published proxies, Refinitiv/S&P LCD data, and Preqin transaction-cost studies). Deal costs scale with enterprise value (bankers priced as % of EV, R&W insurance priced as % of purchase-price base), not with equity purchase price.

Use (\$M)	Value	What's in it
Cash to non-Trian public shareholders	2,243	160.2M non-Trian shares × \$14.00 Institute base-case take-private price (190.7M total less 30.5M Trian shares that roll). This is the actual cash the consortium wires to public shareholders at closing.
Working capital cash to balance sheet	75	Operating liquidity for the private company post-closing. Not a fee. Funds day-to-day operations, seasonal working capital, and the cash reserves the WBS structure requires the operating parent to maintain. Does not scale with purchase price.
Debt costs	32	New-holdco arranger fees on the \$800 holdco term loan (~16 at ~2.0%), financing legal (~3), and rating agency (~1) — aggregate new-debt issue costs ~20. Plus WBS noteholder consent fee (~12, roughly 45 bps of the \$2,749 WBS balance) paid to noteholders in exchange for covenant amendments allowing new holdco debt to sit above the WBS. Anchored to the \$800M holdco raise, not to the equity purchase price.
Trian side (buy-side) transaction fees	29	Trian's buy-side investment banker (~14, 0.28% of the \$5,080M EV — industry-median for a \$4-5B buy-side advisory; scales with EV). Buy-side M&A legal counsel (~10 — largely fixed). Diligence firms — QoE, commercial diligence, IT diligence, HR, environmental (~3 aggregate — industry median for public-company target diligence). Tax adviser for take-private structuring (~2, fixed fee). BlueFive Capital and Flynn Group each also incur consortium-side advisor costs typically borne by those parties directly, outside this line.
Special committee / sell-side transaction costs	58	Wendy's ordinary M&A legal counsel (~10 — fixed) + ordinary financial advisor (~16, 0.32% of TV; scales with EV, fixed plus success bonus). Special committee independent legal counsel (~8) + independent fairness-opinion bank (~2, fixed fee — industry median for \$4-5B fairness opinion) — the ~10 MFW increment vs. a standard sell-side transaction. D&O tail insurance (~10, 6-year tail at ~250% of annual premium — fixed). R&W insurance (~9, scales with purchase-price base — probability-weighted, since R&W is used in only 30-50% of public-company take-privates; assume 50% probability × \$18 gross premium at higher EV). Proxy solicitor (~1.5), SEC filings + printing (~1.5).
Total cash uses	2,437	Closing cash outlay under Option B (WBS rolled) at Institute base case

The MFW increment inside the special committee line. Of the \$58M sell-side transaction cost total, approximately \$20M is the incremental cost the MFW structure adds vs. a non-insider-led transaction — the independent legal counsel and independent fairness-opinion bank the special committee retains separately from Wendy's ordinary advisors. That \$20M is a structural cost of

the insider-led take-private that a standard sell-side transaction does not carry.

SOURCES (cash in at closing) — at the \$14.00/share Institute base case:

Source (\$M)	Value	Note
New cash equity from consortium (BlueFive + Flynn + others + fresh Trian)	1,637	Consortium cash equity per FT reporting. Funds the cash equity purchase to non-Trian public shareholders plus the working capital and transaction fees, net of the new holdco debt.
New holdco debt (first-lien term loan + mezzanine + PIK)	800	Approximately 1.75x EBITDA at holdco level. Option B is defined as modest holdco debt on top of the WBS. Sponsor could push higher (up to ~\$1.1B, 2.4x holdco) trading leverage headroom for a smaller consortium equity check; Institute holds leverage at the conservative \$800M.
Excess cash on target balance sheet (used at closing)	0	Cash retained as WBS operating buffer
Total cash sources	2,437	Matches cash uses at \$14.00/share

Memo — total equity capital committed at \$14.00/share (cash + non-cash rollover):

Equity component (\$M)	Value
New cash equity from consortium (from Sources above)	1,637
Trian rollover equity (30.5M shares × \$14.00, non-cash contribution)	427
Total equity capital in the deal	2,064

Cross-check to enterprise value. Enterprise value at \$14.00/share = $190.7\text{M} \times \$14 + \$2,410\text{M}$ existing net debt = **\$5,080M**. Funded by: total equity capital \$2,064M + existing net debt \$2,410M assumed under Option B + new holdco debt \$800M = \$5,274M — the \$194M excess above EV is the working capital and transaction costs funded from the consortium equity check, which sit above enterprise value.

The consortium equity check at \$14.00/share. Total equity contributed (Trian rollover \$427M + new cash consortium \$1,637M) is **\$2,064M** — the equity Trian must assemble from BlueFive, Flynn, and any additional co-investors to fund a price the special committee can defend. Two dials the sponsor can turn if the cash portion of the check is too large: (a) push holdco debt above the modest \$800M in Option B (feasible up to ~\$1.1B before interest coverage tightens below 2.5x, reducing the cash equity need by ~\$300M), or (b) walk. The Institute's read is neither dial gets turned meaningfully — Trian has been preparing this bid since February 2026 with a named consortium already assembling; walking is not the base case, and BlueFive's Middle East sovereign-adjacent capital pool is deep enough to fund its allocated share.

Note on the alternative structures. The sources & uses above reflects the Institute-recommended Option B — roll the existing WBS in place and add modest new holdco debt.

2.4 The three-methodology fair-value walk — how \$14 is derived

The single most important question in this case: what price can the special committee actually defend? The committee's independent financial advisor will apply three independent valuation methodologies to answer that question — comparable public trading multiples, precedent QSR take-privates, and DCF. The Institute walks each here, arrives at the \$14/share fair-price floor (11.0x on \$460M EBITDA) that the base case S&U in Section 2.3 is built on, and shows why any price meaningfully below it is indefensible under a fairness opinion.

Method 1 — Comparable public company trading multiples

Current QSR peer trading multiples (approximate EV/NTM EBITDA):

Peer	Trading EV/EBITDA
McDonald's	~15x
Yum! Brands	~19x
Restaurant Brands International	~15x
Domino's	~19x
Chipotle	~35x (growth premium)
Wingstop	~55x (hyper-growth)
Peer median (mature QSR)	~17x
Wendy's pre-bid (unaffected)	~8.4x

Wendy's trades at approximately a 50% discount to the mature-QSR peer median. Applied straight-up, peer-median multiples would suggest EV of \$7.8B (\$460M × 17x) implying **\$28/share** — obviously not defensible given WEN's operational stress. Adjusting the fair multiple down to reflect ongoing challenges (say 11-13x), fair value works out to **\$14-19/share**. **\$14 sits at the floor of this range** and is what the Institute base case uses.

Method 2 — Precedent QSR take-private transactions

Comp	Multiple	Applied to \$460M WEN EBITDA	Implied per-share
Burger King (2010)	11x	\$5.06B EV → \$2.65B equity	\$13.90
Panera Bread (2017)	18x	\$8.28B EV → \$5.87B equity	\$30.80
Popeyes (2017)	21x	\$9.66B EV → \$7.25B equity	\$38.00
Dunkin' Brands (2020)	17x	\$7.82B EV → \$5.41B equity	\$28.40
Subway (2023)	20x	\$9.20B EV → \$6.79B equity	\$35.60
Adjusted for WEN's operational stress (12-14x)			\$16-21

Even the operational-stress-adjusted precedent range (12-14x) points to \$16-21/share, comfortably above the \$14 Institute floor. Every precedent comp applied straight-up produces an implied per-share value at or above \$14.

Method 3 — DCF across three scenarios

Scenario	2028 Adj EBITDA	2028 FCF	Implied DCF EV	Implied per-share
Downside (turnaround fails, EBITDA stays at current levels)	\$460M	\$240M	\$3.4B	\$5.25
Base case (modest turnaround under Wright)	\$520M	\$280M	\$4.4B	\$10.50
Upside (strong turnaround, back to 2025 levels)	\$600M	\$340M	\$5.2B	\$14.70

DCF assumes 10% cost of equity capital and 2.5% terminal growth rate. Downside assumes zero EBITDA growth for 3 years. Base case assumes modest turnaround delivering ~13% EBITDA growth over 3 years. Upside assumes strong turnaround returning to 2025 EBITDA levels by 2028.

DCF base case at \$10.50 assumes only a modest turnaround; DCF upside at \$14.70 lands essentially on top of the \$14 fair-price floor derived from the multiples methodologies. The scenario spread (\$5.25 downside to \$14.70 upside) shows how sensitive the DCF is to turnaround assumptions; the multiples methodologies (which the fairness bank weights alongside DCF) are less sensitive and more defensible under a Chancery deposition. The \$14 floor holds whether DCF weights toward the base or upside scenario.

Consolidated verdict

Methodology	Suggested per-share range	Multiple on \$460M	\$14.00 verdict
Comparable public trading (stress-adjusted 11-13x)	\$14-19	11.0-13.0x	At floor
Precedent transactions (stress-adjusted 12-14x)	\$16-21	12.0-14.0x	Below range (conservative)
DCF (three-scenario range)	\$5.25-\$14.70	n/a	Consistent with modest-to-strong turnaround

Institute practitioner conclusion on the \$14 fair-price floor.

\$14.00/share (11.0x on \$460M EBITDA, 85% premium over \$7.55) is the fair-price floor. It matches the low end of the stress-adjusted peer trading range. It matches the Burger King 2010 take-private multiple — the single most distressed QSR precedent of the past 15 years. It sits below every other QSR take-private of the past 15 years (Panera 18x, Popeyes 21x, Dunkin' 17x, Subway 20x), so it cannot be attacked as aggressive. The fairness bank can opine on \$14 without reaching, the committee members can defend it under oath, and it survives a books-and-records action.

What this means for the special committee's fairness opinion. A fairness opinion at \$14 (11.0x) is defensible without reaching. A fairness opinion at \$15-16 (11.5-12.0x) is defensible with the additional support of a market check that produces no higher competing bid. The committee's fiduciary duty under Kahn v. M&F Worldwide and Revlon pushes toward the \$14+ range and toward a rigorous market check to test whether Roark or another QSR-focused fund will bid higher. Any recommended price meaningfully below \$14 invites Chancery litigation and loses on the merits.

Bottom line. \$14 is where the special committee can defend the transaction. If a competing bidder emerges, the clearing price moves toward \$15-16 (11.5-12.0x). The Institute base case for closing price: **\$14-15/share**, with upside to \$16 if Roark bids competitively.

--- Under Option A (full refinance), the uses table would include a \$2,749M line to refinance the existing WBS plus higher debt issue costs (approximately \$87M vs. \$28M) plus WBS make-whole prepayment premiums (approximately \$50-150M), and the sources table would include \$2,850M of new LBO debt instead of \$800M of holdco debt. Under Option C (partial refinance), the figures sit between the two. Section 5.6 walks all three options with side-by-side comparison.

Existing WBS debt at closing (rolled forward, not refinanced under Option B).

Layer	Amount (\$M)	Rate	Annual interest (\$M)
Existing WBS Class A-2 Notes (all tranches rolled)	2,749	3.79% weighted avg	105
New holdco debt (Option B additions from above)	800	8.85% weighted avg	71
Total post-close debt	3,549	4.93% blended	176

Post-close interest coverage under Option B: \$460M Adj EBITDA / \$176M interest = 2.61x
— healthy and within lender covenant comfort zones.

Aggregate transaction and debt costs identified above (Option B, at \$14 Institute base case): approximately \$119M (roughly 2.3% of the \$5.08B enterprise value at 85% premium — within the industry-standard 2-4% range for take-privates of this size). Broken down using the same 5-bucket structure:

Cost bucket	Amount (\$M)	Share	% of EV
Debt costs (new holdco issue costs + WBS consent fee)	32	27%	0.6%
Triar side (buy-side) transaction fees	29	24%	0.6%
Special committee / sell-side transaction costs	58	49%	1.1%
Total transaction & debt costs	119	100%	2.3%

Within the \$58M sell-side bucket, approximately **\$10M is the MFW increment** — the incremental cost the insider-led structure adds vs. a standard sell-side transaction (special committee's independent legal counsel + independent fairness-opinion bank). Approximately \$19M is D&O tail + probability-weighted R&W insurance (R&W scales modestly with the higher purchase-price base). The remaining approximately \$29M is Wendy's ordinary M&A counsel, ordinary financial advisor (which scales with EV), proxy solicitor, and SEC filing costs.

Under Option A (full refinance), aggregate transaction and debt costs rise to approximately \$220-320M — higher debt issue costs (approximately \$60M vs. \$20M for new-debt issuance) and WBS make-whole prepayment premiums (approximately \$50-150M) drive the increase. The \$100-200M cost increment is one specific reason Option B is materially more economical.

The practitioner observation on the MFW cost impact. The special committee's independent legal counsel and independent fairness-opinion bank add approximately **\$10M** to the transaction cost — roughly 9% of the total transaction & debt cost bill and roughly 23 basis points of the enterprise value. That is not a criticism of the MFW governance framework; it is the cost of the

process protection MFW provides, and a well-spent investment in litigation defense given the alternative (entire fairness review with meaningfully higher legal costs and specific damages exposure). But it is a real line item that a standard sell-side transaction does not carry — a structural cost of the insider-led transaction type that practitioners should recognize as an ongoing feature of MFW deals.

The consortium capital sourcing. Per FT reporting, the consortium is already forming with BlueFive Capital (Abu Dhabi sovereign-wealth-adjacent) and Flynn Group (Wendy's largest franchisee) as named participants. Additional co-investors are expected. The \$2.7B new equity requirement is achievable through the combination of BlueFive's substantial sovereign capital plus Flynn Group's franchisee-operator capital plus additional PE co-investors. Trian itself is likely contributing \$400-800M of incremental equity on top of the rollover, with the balance coming from consortium partners. The consortium composition — hedge fund + Middle East sovereign-adjacent + franchisee — is unusual and tailored to this transaction's specific dynamics.

3. The Special Committee Governance Mechanics — MFW Standard

The insider status of Peltz and Trian means this transaction is governed by *Kahn v. M&F Worldwide Corp.* (Del. 2014) — the Delaware Supreme Court decision that established the process protections required for controlling-shareholder or specific insider-led transactions to receive business judgment rule protection rather than the more demanding entire fairness standard.

3.1 The six MFW conditions

Under MFW, for an insider-led transaction to receive business judgment rule protection, the transaction must be:

#	MFW condition	Specific requirement
1	Conditioned on approval by independent special committee	Committee formed at outset; empowered from the beginning
2	Committee is independent	No specific ties to insider group; disclosed on the record
3	Committee empowered to reject and select advisors	Real "just say no" power, not consulting role
4	Committee meets duty of care in negotiation	Documented negotiation process, market check where appropriate
5	Conditioned on majority-of-minority approval	Vote of shares held by non-insiders required for approval
6	No coercion of minority shareholders	Fair disclosure and process for the vote

3.2 What Wendy's Board must do specifically

The expected sequence based on MFW-compliant transactions in similar circumstances:

- **Special committee formation.** Board resolution forming a committee of independent directors excluding Nelson Peltz, Matthew Peltz, and any other Trian-affiliated directors.
- **Independent legal counsel retention.** Counsel not previously affiliated with Wendy's ordinary corporate matters or with Trian. Typical selections are drawn from the top-tier M&A defense bar with Delaware Chancery experience.
- **Independent financial advisor retention.** A bank not previously affiliated with Trian or with Wendy's ordinary advisory relationships. Elite boutique investment banks (without conflicting Trian or Wendy's mandates) are typically preferred over bulge-brackets that may have ongoing relationships with either side.
- **Committee empowerment.** Public disclosure of committee authority including specific power to reject the transaction, evaluate alternatives, and conduct a market check.
- **Market check.** Specific process of contacting potential competing bidders (see Section 6). Executed either formally through the banker or informally through direct outreach.
- **Negotiation.** Committee negotiates transaction terms with Trian. Iterative process typically takes 4-12 weeks.
- **Fairness opinion.** Financial advisor delivers specific fairness opinion. The reading discipline for a fairness opinion is a separate practitioner topic — the supporting analysis (comp set

selection, DCF assumptions, LBO analysis, precedent transactions) is where the opinion earns or loses its credibility.

- **Recommendation to full Board.** Committee recommendation. Full Board vote with insider directors recused.
- **Merger agreement with majority-of-minority condition.** Definitive documentation includes the MFW protective conditions.
- **Proxy filing and shareholder vote.** Standard SEC proxy process with majority-of-minority approval requirement.

The practitioner point. Any process failure at any MFW condition converts the transaction from business judgment review to entire fairness review — the standard under which the burden of proof shifts to the defendants (the insider group and the Board) to prove the transaction was fair in both process and price. Entire fairness litigation is expensive, time-consuming, and often produces specific damages awards or transaction unwinds. Well-executed MFW protection is essential; poorly-executed MFW protection creates the litigation exposure the process was designed to eliminate.

4. QSR Take-Private Comparables

The market has a substantial history of QSR take-privates over the past 15 years. Each transaction produces a implied multiple range for the Wendy's specific bid.

Target (year)	Acquirer	Transaction value	Implied EV/EBITDA	Notes
Burger King (2010)	3G Capital	\$4.0B	11x	Classic 3G operational-transformation playbook; roll-up eventually into RBI
Panera Bread (2017)	JAB Holding	\$7.5B	18x	Fast-casual premium; JAB private consumer platform
Popeyes (2017)	Restaurant Brands Intl.	\$1.8B	21x	Strategic add to RBI/3G platform; growth premium
Dunkin' Brands (2020)	Inspire Brands (Roark)	\$11.3B	17x	Roark consumer platform; rate environment factor
Subway (2023)	Roark Capital	\$9.5B	20x	Most recent large-cap QSR take-private; loaded specific Inspire platform
Arby's (2011, private already)	Roark Capital	\$0.43B	7x	Distressed sale from Wendy's/Arby's; became Inspire platform anchor
Wendy's — Institute base case (\$14, 85% premium)	Triam consortium	\$5.08B	11.0x	Matches Burger King 2010; low end of stress-adjusted peer range; the price the special committee can defend
Wendy's — Roark competing bid (upside)	Roark or QSR-focused fund	\$5.29-5.52B	11.5-12.0x	Committee-negotiated or competitive clearing price

Practitioner read on the comp set. The Institute base case of 11.0x (\$14/share) matches the Burger King 2010 distressed-QSR precedent — the single most distressed comparable in the modern era — and sits at the floor of the stress-adjusted peer trading range. That is genuinely conservative given WEN's operational pressure (Q2 U.S. same-restaurant sales down 7.0%, full-year guidance withdrawn) and a rate environment that limits LBO leverage capacity compared to the 2017-2020 cycle, while remaining defensible for the special committee's fairness opinion. A Roark competing bid would plausibly push to 11.5-12.0x (\$15-16/share). Any multiple below 11.0x sits below every QSR take-private in the past 15 years except Burger King 2010, which is why the \$14 floor is where the committee's fiduciary duty lands.

5. Financing Structure — Current Debt, Proposed Debt, and the WBS Question

5.1 What is WBS (whole-business securitization), in plain English

Wendy's existing debt uses a corporate finance structure called **whole-business securitization**, or WBS. It is the structure that most large franchisor QSR chains use — Domino's, Restaurant Brands International (Burger King, Popeyes, Tim Hortons), Jack in the Box, Sonic pre-Roark, Dunkin' pre-2020, and Wendy's. Understanding the WBS structure is essential to understanding what happens to Wendy's debt in the take-private.

The mechanics in plain English:

1. **The parent company transfers specific brand assets into a bankruptcy-remote SPV** — the trademark, the franchise agreements, the royalty stream from franchisees, and specific related IP.
2. **The SPV becomes the "Master Issuer"** — it owns the asset pool independently of the parent.
3. **The SPV issues debt (the WBS notes) secured by the asset pool.** Because the debt is secured by cash-flowing IP assets (not by the operating company's general credit), the notes typically achieve investment-grade ratings even when the corporate parent might not.
4. **Franchise royalties and brand fees flow into the SPV.** The SPV pays debt service from those specific cash flows first.
5. **Excess cash after debt service flows up to the parent as dividends** — that residual is what funds the parent's operations, capital return programs, and any additional non-WBS obligations.

The commercial appeal:

- **Lower cost of financing** — WBS ratings are typically investment-grade because the asset pool is stable and diversified across many franchisees. Wendy's got their 2021-1 tranche done at 2.37% because of this structure.
- **Longer maturities** — WBS notes typically carry 5-7 year Anticipated Repayment Dates (ARDs).
- **Bankruptcy remoteness** — if the operating company goes bankrupt, the WBS asset pool is protected because it's owned by the SPV. Noteholders continue to receive cash flow from franchisees regardless of what happens to the parent.
- **Structural insulation from corporate credit swings** — whether the operating company has a bad quarter doesn't change the royalty flows the SPV collects.

Why WBS matters for the Trian take-private:

WBS notes typically do NOT have automatic change-of-control put rights, unlike traditional corporate bonds. That structural feature means Trian can take Wendy's private without automatically triggering the existing debt. The SPV continues to own the brand and service the notes; the corporate parent above it changes ownership. This is materially different from a traditional corporate LBO where existing debt typically must be refinanced at closing.

5.2 Current debt schedule (verified against Q2 2026 10-Q)

Wendy's WBS notes are all "Class A-2" tranches issued in series across multiple vintages, each with fixed coupons and anticipated repayment dates.

Series	Coupon	Balance (\$M)	ARD
2025-1 Class A-2-I	5.422%	448	2032
2022-1 Class A-2-I	4.236%	96	2029
2022-1 Class A-2-II	4.535%	380	2032
2021-1 Class A-2-I	2.370%	412	2029
2021-1 Class A-2-II	2.775%	617	2031
2019-1 Class A-2-II	4.080%	392	2029
2018-1 Class A-2-II	3.884%	429	2028
Total / weighted average	3.79%	2,774	

Current annualized interest expense: approximately \$105M ($\$2,774\text{M} \times 3.79\%$).

5.3 What full refinance would actually look like — a new WBS issuance, not corporate LBO debt

A sensible practitioner note. If the Trian consortium chose to fully refinance the existing WBS at closing (Option A below), the right replacement is another WBS issuance — not a corporate first-lien term loan + mezzanine + PIK stack. The asset underlying the WBS (Wendy's franchise royalty stream) is unchanged when Wendy's goes private. The SPV structure still works. The rating agencies still support investment-grade tranches secured by that royalty stream. Sponsors of QSR franchisors — Roark with Dunkin' and Subway, 3G with Burger King, JAB with Panera — reliably use WBS structures for exactly this reason. Corporate LBO debt on the same asset would be materially more expensive because it prices as LBO paper (B1/B+ rated) rather than as investment-grade securitization (BBB range).

Estimated pricing of a new WBS issuance at August 2026 market rates. Rates on new WBS issuances have risen materially from the 2021 zero-rate window when Wendy's did its most attractive tranches (2.37% and 2.775%). A refinance today would clear at approximately:

New WBS tranche	Amount (\$M)	Rate	Annual interest (\$M)
5-year Class A-2-I (BBB+)	1,000	~5.75%	58
7-year Class A-2-II (BBB)	1,000	~6.25%	63
10-year Class A-2-III (BBB)	750	~6.75%	51
Total / weighted average	2,750	~6.24%	~172

Plus a one-time make-whole prepayment premium to retire the existing WBS. The 2021 tranches (\$1,029M at 2.37% and 2.775%, with ARDs in 2029 and 2031) trade at 400-500 bps below current rates. Make-whole calculations (typically present-value the remaining coupon stream at Treasury + a modest spread) would produce a prepayment penalty in the range of **\$150-250M** concentrated on those below-market tranches. The 2018, 2019, and 2022 tranches carry smaller make-wholes; the 2025 tranche (5.422%) is close to market and carries negligible make-whole.

Corporate LBO alternative (first-lien + mezz + PIK — what a non-franchisor take-private would use) would price at approximately 8.86% blended on \$2,850M = \$253M/year annual interest. That is a plausible fallback if the sponsor cannot access the securitization market at closing but is not the Institute base case for Option A because a sophisticated sponsor of a QSR franchisor would default to the WBS structure. The Option A comparison in Section 5.4 uses the new-WBS pricing.

5.4 The current vs. proposed comparison — three columns

Metric (\$M unless noted)	Current (WBS in place)	Option A — refinance with new WBS	Corporate LBO alternative
Total debt	2,749	2,750	2,850
Weighted average interest rate	3.79%	~6.24%	~8.86%
Annual interest expense	105	~172	~253
Incremental interest vs current	—	+67 per year	+147 per year
One-time make-whole prepayment	—	150-250	150-250
Full-year 2026 Adj EBITDA estimate	460	460	460
Interest coverage (EBITDA / interest)	4.5x	~2.67x	~1.82x

The irreplaceable 2021 tranches — even against a new WBS. Wendy's did the 2021-1 Class A-2-I Notes (\$412M at 2.370%) and 2021-1 Class A-2-II Notes (\$617M at 2.775%) in the 2021 zero-rate window. A new WBS today prices at roughly 6.24% — still investment-grade, still bankruptcy-remote, still the right structure for the asset, but ~350 bps more expensive than these 2021 tranches. On the \$1,029M of 2021 tranches specifically, that's approximately **\$36M per year** of interest cost differential. Blended across the full \$2,749M, the annual step-up from 3.79% to 6.24% is approximately **\$67M per year**. Over a typical 5-year LBO hold, that aggregates to \$335M before the one-time \$150-250M make-whole prepayment. That is the real cost of walking away from the existing WBS at today's rates — meaningful, but not the catastrophic \$147M/year the corporate-LBO-alternative comparison suggests.

5.5 Are Triam allowed to keep the WBS in place?

Yes, almost certainly. WBS notes typically do not have automatic change-of-control put rights (a structural feature that differentiates them from traditional corporate bonds). The Wendy's WBS documents will have specific consent provisions, specific rating maintenance covenants, and specific "permitted additional indebtedness" caps that constrain how much new debt can be layered above the SPV in the corporate hierarchy — but the existing WBS debt does not automatically accelerate or become puttable when the parent changes ownership.

What Triam must navigate:

- **WBS consent provisions on additional leverage.** WBS covenants typically restrict how much new debt can be layered above the SPV. The "permitted additional indebtedness" cap

defines the maximum new holdco debt without seeking specific noteholder consent.

- **Rating agency reactions.** S&P and Moody's monitor for changes in the corporate structure that could affect specific WBS credit quality. If Trian's structure adds enough holdco debt to depress parent dividends materially, specific rating downgrades can trigger specific consequences (cash trap events, rapid amortization, reserve requirements).
- **DSCR covenants.** Debt Service Coverage Ratio covenants must be maintained. Operational deterioration that reduces royalty income can trigger specific rapid amortization events.
- **Manager / servicing arrangements.** Changes to the Manager (typically Wendy's-affiliated) typically require specific noteholder consent.

5.6 The three structural options for Trian

Given the WBS structure and the irreplaceable 2021 tranches, Trian faces a structural choice:

- **Option A — Full refinance with a new WBS issuance.** Retire the existing \$2,749M WBS at closing; issue a new \$2,750M WBS at current market rates (~6.24% blended). Simplest post-close capital structure — one debt pool, all issued in the current era, no legacy indenture constraints. Incremental annual interest ~\$67M vs. keep-in-place. Plus one-time make-whole prepayment of \$150-250M concentrated on the below-market 2021 tranches. Over a 5-year hold, total incremental cost ~\$485-585M vs. Option B. (A corporate first-lien+mezz+PIK stack is a plausible fallback if the securitization market is closed at signing, but a sophisticated QSR-franchisor sponsor would default to the WBS structure — see Section 5.3.)
- **Option B — Keep the existing WBS in place; add modest new holdco debt on top.** Keep the entire \$2,749M WBS intact including the below-market 2021 tranches. Layer only \$500M-\$800M of new holdco debt on top at ~9%. Preserves the below-market fixed-rate financing but limits how much new leverage can be added (holdco covenants + WBS "permitted additional indebtedness" caps). No make-whole prepayment premium.
- **Option C — Partial refinance.** Take out the higher-cost 2018-1 tranche (\$429M at 3.884%, ARD 2028) as it approaches natural maturity, potentially the 2019-1 tranche (\$392M at 4.080%). Keep the below-market 2021 tranches (\$1,029M at 2.5% blended). Refinance the 2022 and 2025 tranches only if the transaction structure requires it. Layer smaller new holdco debt on top. Middle-ground option that captures the flexibility benefits of some refinancing while preserving the most valuable below-market tranches.

Institute practitioner read: Option B is materially the most economically rational for Trian. Preserving the entire existing WBS captures the full ~\$105M/year existing below-market interest expense and adds only the incremental interest cost on the new holdco layer. Under Option B, total post-close debt is approximately \$3.25B-\$3.55B (WBS \$2.75B + new holdco

\$500M-\$800M), total interest expense is approximately \$150M-\$180M, interest coverage stays healthy at 2.6x-3.2x, and there is no make-whole prepayment premium at closing. Option A full refinance is defensible if the sponsor wants a clean capital structure and one-shop covenant flexibility — but it comes at a real cost of ~\$67M/year of additional interest plus the one-time \$150-250M make-whole. That aggregated \$485-585M five-year cost is the price of simplicity.

The structural challenge with Option B is negotiating the WBS consent mechanics — the Class A-2 Notes have specific holder-consent provisions that may limit how much new debt can be layered above them. A well-structured LBO working with the WBS trustee can typically negotiate a workable arrangement, but it adds transaction complexity that the investor deck should model explicitly.

5.7 Likely lender syndicate (for the new holdco layer)

New holdco debt of \$500M-\$800M is a relatively small transaction size for the LBO financing market. Lead arrangers are typically drawn from the bulge-bracket lender group that regularly leads consumer LBO transactions of this size. Direct lending firms are strong candidates for the mezz or unitranche layers at this size. Lender selection is driven by relationships with the sponsor rather than by the target.

6. Competing Bidder Probability

The special committee is required to conduct some form of market check under MFW. That market check will surface which competing bidders, if any, would emerge.

6.1 Strategic bidders

- **Restaurant Brands International (QSR).** Already owns Burger King, Popeyes, Tim Hortons, Firehouse Subs. Wendy's would add a fourth major QSR brand. RBI has strategic-fit rationale but specific antitrust questions (BK + Wendy's overlap in fast-food burgers). Probability: **low**.
- **Yum! Brands.** Owns KFC, Taco Bell, Pizza Hut, Habit Burger. Wendy's would complicate the Habit Burger positioning but doesn't otherwise overlap. Probability: **very low**.
- **McDonald's.** Antitrust barriers essentially eliminate this. Probability: **zero**.

6.2 Financial bidders

- **Roark Capital / Inspire Brands.** Owns Dunkin', Arby's, Baskin-Robbins, Buffalo Wild Wings, Jimmy John's, Sonic, Rusty Taco. Wendy's would be the largest addition to the Inspire platform. Roark has deep QSR expertise and the capital. **Probability: moderate.** Would produce the competing bid that most affects the price.
- **3G Capital.** Track record on Burger King and Tim Hortons. Currently focused on Kraft Heinz turnaround. Uncertain appetite for a new large QSR platform. Probability: **low-to-moderate.**
- **JAB Holding.** Owns Panera, Krispy Kreme, Pret A Manger, Caribou Coffee. QSR expertise but different sub-segment focus. Probability: **low.**
- **Mega-cap PE funds generally.** Could enter as co-sponsors with Trian or as competing bidders. Probability of joining Trian: **moderate**; probability of competing: **low-to-moderate.**
- **Consumer-focused mid-to-large-cap PE funds.** Plausible participants either as co-sponsors or competing bidders. Probability: **low-to-moderate.**

6.3 Institute point of view on the competitive dynamic

The highest-probability competing bidder is Roark Capital / Inspire Brands. Roark's QSR platform strategy, existing Arby's ownership (adjacent brand that was previously joint with Wendy's), and demonstrated ability to execute large QSR take-privates (Dunkin' 2020 at 17x, Subway 2023 at 20x) would make Wendy's a strategic fit at the right price. A serious Roark bid would plausibly push the transaction multiple to **11.5-12.0x EV/EBITDA on the Institute's \$460M full-year Adj EBITDA estimate**, producing a per-share price in the **\$15-16 range** (100-116% premium over the \$7.55 unaffected pre-bid close). That is above the \$14 Institute base case (11.0x, 85% premium) that anchors the fair-price floor. The market check the special committee is required to run under MFW is the mechanism that would surface a Roark bid if Roark is going to make one.

If Roark does not emerge, the transaction likely clears at the Trian bid level (11-13x, \$16-19/share) with the market check producing no competing bids.

7. What to Watch as the Process Unfolds

The market-observable events that will indicate transaction trajectory:

Event	Timing	What it signals
Wendy's Board response	Days-to-weeks	Special committee formation confirms MFW-compliant process is being executed. Failure to form triggers specific litigation risk.
Independent advisor selection	1-3 weeks	Which specific bank and law firm the committee retains signals process seriousness. Elite boutique bank = specific commitment to independence.
Formal bid submission	Coming weeks (per FT)	Trian required to disclose formal offer in regulatory filing. Watch for consortium composition confirmation and specific bid price.
Additional consortium members announced	2-8 weeks	Which specific additional PE fund(s) join Trian, BlueFive, and Flynn Group. Additional participants signal specific final capital structure.
WBS treatment disclosure	With definitive agreement	Whether Trian is preserving the WBS in place (Option B) or refinancing (Option A/C). Preserving signals more sophisticated LBO structuring.
Market check activity	4-12 weeks	Any specific competing bid announcement (Roark most likely). Absence of competing bids after full check confirms Trian bid clears.
Definitive agreement	2-4 months	Specific terms of the merger agreement disclosed. Read the MFW protections, financing conditions, and any go-shop provisions.
Proxy filing	3-5 months	Full disclosure of the negotiation history, alternatives considered, and D&O interests.
Majority-of-minority vote	4-6 months	The final MFW protection. Approval clears the transaction; rejection kills it.
Closing	5-8 months	Subject to specific financing, regulatory, and closing conditions.

8. Institute Point of View — The Practitioner Read

The practitioner takeaways from this transaction:

MFW governance is where the deal is won or lost. The process the special committee runs is more important to the transaction's ultimate defensibility than the price. A well-executed MFW process at a moderate price is safer than a poorly-executed process at a higher price.

The market check is real leverage. Even without a competing bidder emerging, the credible threat of Roark (or another QSR-focused PE fund) entering the process gives the special committee negotiating leverage to push Trian to a higher price.

Trian's insider position cuts both ways. The insider position gives Trian deep operational knowledge, likely below-market bid discipline, and the ability to move quickly. But it also creates process constraints — every step is subject to enhanced scrutiny.

The QSR sector is at an inflection point. Digital ordering, delivery, labor cost inflation, and franchise renewal dynamics are creating pressure across the category. The reason Trian believes now is the right time is the reason a practitioner-CFO should study the transaction rationale carefully — the answer reveals what Trian believes about the next 5-7 years of QSR strategy.

The WBS structure is a competitive advantage the Trian consortium will preserve. Wendy's existing \$2.75B WBS at 3.79% weighted-average is materially below today's WBS issuance market (~6.24% blended). Preserving that below-market financing under Option B captures approximately \$67M/year of interest savings vs. a new-WBS refinance, plus avoids the \$150-250M one-time make-whole prepayment premium on the below-market 2021 tranches. Any competent LBO advisor structures to preserve as much of the WBS as the consent mechanics allow.

The franchisee-as-co-investor structure warrants attention. Flynn Group's participation as a consortium member is unusual. Franchisees typically have day-to-day operating relationships with the franchisor but are not owners of the franchisor. Flynn crossing from franchisee to co-owner changes the incentive alignment — Flynn now has direct interest in the franchisor's decisions on royalty rates, franchise fees, marketing spend, and system-wide standards. That alignment can be constructive (Flynn understands unit economics from the operator's side) or problematic (other franchisees may worry Flynn's part-owner status gives Flynn preferential treatment). The Board and special committee will need to think through franchise-system optics as part of the transaction rationale.

The reader's bottom line. If you own WEN, the Institute base case is a \$14 clearing price — 85% above the \$7.55 unaffected pre-bid close and roughly 62% above the \$8.65 post-report close. A serious Roark competing bid would push the clearing price to \$15-16 (100-116% premium to unaffected). The downside case is a walked deal — Trian pulls the bid if the special committee holds firm on a price the consortium won't fund — which would likely return the stock to the \$7-9 range given continuing operational pressure. The reasonable read is that Trian has invested too much preparation to walk, and the consortium is deep enough (BlueFive's Middle East sovereign-adjacent pool alone can absorb its share of a higher check) to fund the fair price.

Methodology, Companion Resources, and Author Disclosure

Methodology. All figures trace to publicly filed SEC documents (Q2 2026 10-Q, Q2 2026 earnings presentation and press release, historical 10-Ks and 10-Qs, Trian's Schedule 13D filings) and public reporting (CNBC Aug 12, 2026; Oliver Barnes at the Financial Times Aug 12-13, 2026). Transaction fee estimates benchmarked to published proxy statement disclosures for comparable take-privates, S&P LCD/Refinitiv league table data, and Prequin transaction-cost studies. Interest rate estimates benchmarked to current SOFR plus market-standard LBO spreads. Every quantitative reference in this case study is traceable to a filed SEC document or a publicly disclosed data source. Where estimates are Institute practitioner judgments (transaction fees, EBITDA back-half projections, LBO rate assumptions), the case labels them as estimates and shows the derivation.

Live-market case. This case study will be updated as the transaction develops — signed definitive agreement, proxy statement disclosure, competing bids, regulatory review, and closing. Readers checking back should look for updated version notes at the top of the case study on the Institute website.

Companion Institute resources — for the reader who wants the next case study on the same shelf.

- *Case Study — Dell (Michael Dell / Silver Lake take-private, 2013).* The textbook precedent for what an insider-led public-company take-private looks like when it works. Michael Dell as controlling-insider, Silver Lake as financial partner, Carl Icahn as competing bidder, MFW conditions applied, Delaware Chancery appraisal litigation. Every issue WEN readers care about — insider process risk, competing bid mechanics, fair-value determination — was live in Dell and produced the case law that governs WEN today.
- *Case Study — Paramount / Warner Bros. Discovery — The \$110B Megamerger.* Contested large-cap M&A where Board process, competing-bid mechanics, and Delaware Chancery scrutiny are all live. The reader who wants to understand what happens when a public-company M&A process goes sideways — competing bidders, revised proposals, litigation risk — will find the Paramount/WBD case a direct complement to the WEN governance and market-check discussion.
- *Institute Foundations — Corporate Finance Reference and Financial Statement Analysis Reference.* Free plain-English references on the math and accounting mechanics underlying take-private modeling: EBITDA reconciliation, enterprise-value bridge, interest coverage, and the read-through from a 10-Q reconciliation table to a comparable-multiple valuation. Both are downloadable at no cost from the Institute Foundations page.

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