



**FOR IMMEDIATE RELEASE**

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## **MERITAGE REPORTS FIRST QUARTER 2017 RESULTS STRONG EARNINGS GROWTH**

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GRAND RAPIDS, Michigan, April 18, 2017. Meritage Hospitality Group Inc. (OTCQX: MHGU), one of the nation's premier restaurant operators, today reported financial results for the first quarter ended April 2, 2017.

### **2017 First Quarter Highlights**

- **Sales increased 14.7% to a first quarter record \$62.0 million from \$54.1 million for the same period last year.**
- **Earnings from Operations increased 106.3% to \$3.4 million compared to \$1.7 million for the same period last year.**
- **Net Income increased 244.7% to \$1.9 million compared to \$541,000 for the same period last year.**
- **Consolidated EBITDA (a non GAAP measure) increased 81.3% to \$5.3 million compared to \$2.9 million for the same period last year.**
- **The Company acquired 8 Wendy's restaurants in March and 4 in April, and has an additional 57 Wendy's restaurants under definitive agreement to be acquired in four Mid-Atlantic States during the second quarter of 2017.**

"The first quarter earnings results were robust, driven by our restaurant operations focus on guest satisfaction and controllable costs. Customers continue to reward us for reimaged Wendy's restaurants. The reimaged restaurants continue to produce record restaurant-level sales for Meritage in both newly constructed and renovated locations. The Company plans to accelerate its Wendy's reimaging campaign in 2017 with 30 restaurants under development and 57 additional restaurants to be acquired. We believe these investments will provide a multi-year catalyst for earnings growth, as the brand transformation journey continues", stated Robert E. Schermer, Jr. the Company's CEO

The Company estimates the combined 69 restaurants acquired in the first half of the year will add approximately \$90 million in annual sales and be accretive to earnings going forward.

Meritage continues to distinguish itself as a leader and innovator in the quick service restaurant segment, striving for best in class results through a performance based culture committed to operational excellence, strategic acquisitions and real estate development.

The Company's 2017 financial targets will be updated following the 57 restaurant acquisition to reflect the impact of a combined 69 restaurants acquired during the first half of 2017, which is anticipated to be accretive to earnings and accelerate the five-year growth plan.

### **About Meritage**

Meritage Hospitality Group is one of the nation's premier restaurant operators, with 193 restaurants in operation located in Florida, Georgia, Michigan, North Carolina, South Carolina, Ohio, Oklahoma and Virginia. Meritage is headquartered in Grand Rapids, Michigan, operating with a workforce of approximately 6,000 employees. The Company has approximately 6.0 million (basic) common shares outstanding.

The Company's public filings can be viewed at [www.otcqx.com](http://www.otcqx.com), under the stock symbol MHGU, or the Company's website [www.meritagehospitality.com](http://www.meritagehospitality.com).

#### SAFE HARBOR STATEMENT

*Certain information in this news release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, constitutes forward-looking statements. Factors set forth in our Safe Harbor Statement, in addition to other possible factors not listed, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company's Safe Harbor Statement at <http://www.meritagehospitality.com>.*

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