



Potbelly Sandwich Shop Accelerates Multi-Unit Franchise Growth

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Multiple Multi-Unit Deals Set Course for Brand's Expansion to New Areas of the Country

CHICAGO, Aug. 01, 2019 (GLOBE NEWSWIRE) -- Potbelly Corporation (NASDAQ: PBPB), the iconic neighborhood sandwich shop concept, announced the signing of three new franchise agreements and the continued momentum in its franchising program.

Over the last six months, Potbelly has signed franchise agreements that, when fully built out over the coming years, will nearly double its franchise footprint with multi-unit development deals for a total of 38 units spanning Las Vegas, Nevada; Tampa, Florida; and the Carolinas. In addition, Potbelly has opened a number of franchise stores this year that are driving brand penetration across several areas of the country, including recently opened shops in Irvine, California; Odessa, Texas; Richmond and Charlottesville, Virginia; Rochester, Minnesota; and Charlotte, North Carolina.

Alan Johnson, President and Chief Executive Officer of Potbelly Corporation, commented, "The momentum in our franchising business illustrates the improvements we are seeing in the strength of our brand and the execution of our strategy. We have been able to attract accomplished franchise partners that have considerable multi-unit experience and are looking for a unique concept with which to grow. Franchising is an important component of our future growth and I would like to commend our team on their early success and momentum in the first half of the year."

Franchise agreements signed in the first and second quarters of 2019 are setting the course for Potbelly's accelerated franchise growth. These include:

- **Las Vegas, Nevada:** Potbelly inked a multi-unit development deal with Eric Persson, an experienced, multi-brand restaurant operator and owner, to bring 10 shops to Las Vegas. Persson is the co-founder and co-owner of Maverick Gaming LLC, a group that currently owns the Wendover Nugget, Red Garter Hotel, Red Lion Casino and the Gold Country Casino, all in northern Nevada. Additionally, Persson owns 40 stand-alone restaurants including Tropical Smoothie Café, Qdoba and others in the Las Vegas and Phoenix markets. With his multi-brand experience, Persson embodies the type of franchise owner that Potbelly is looking to attract.
- **Tampa, Florida:** In the Sunshine State, Potbelly signed a 15-shop deal in Tampa with a multi-unit group that owns and operates multiple franchise units. The group identified Potbelly as an attractive growth opportunity as it sought to diversify its robust portfolio.
- **The Carolinas:** On the Eastern seaboard, entrepreneur Brent Brouse inked an agreement to open 13 shops in North and South Carolina in communities east of Interstate 95. Brouse's first shop will be in the bustling college town of Wilmington, North Carolina. Brouse previously held leadership roles at Lettuce Entertain You Inc., an iconic independent, family-owned restaurant group based in Chicago that owns, manages and licenses more than 130 establishments in five states and Washington D.C. where he was responsible for opening several new concepts.

"The increased pace of franchising is a key component of Potbelly's growth strategy and is premised on partnering with experienced, well-capitalized multi-unit operators. Our reception in the franchise marketplace has been very encouraging," said Potbelly's Vice President of Franchise Development Peter Ortiz. "We have enjoyed a solid first two quarters, and with additional attractive regions still available, our momentum should continue to grow as we enter 2020."

While it expands franchising strategically across the country, Potbelly continues to refine its operations and introduce new initiatives designed to grow shop revenues, specifically as it relates to the following initiatives:

- **Enhanced Menu:** Potbelly rolled out its enhanced menu early in 2019 and continues to see strong results based on the menu's improved "shopability," as well as the addition of 'Pick-Your-Pair' and 'Meal Deal' initiatives, which are driving an increase in average check.
- **Expanded Off-Premise Business:** Additional growth is being driven through the brand's recent national partnership with DoorDash, geared to address this growing consumer occasion.
- **"Shop of the Future" Initiative:** Potbelly's new "Shop of the Future" platform continues to be tested and refined, and is expected to increase customer convenience, improve shop productivity and transparency, optimize sales, and leverage technology more effectively. This initiative will be attractive to prospective franchisees as it is projected to significantly reduce development costs, as well as the expected franchisee payback period.

Currently, there are more than 450 corporate and franchise Potbelly shops in the United States. As the brand continues to expand throughout the United States, Potbelly is awarding franchise opportunities to qualified multi-unit groups who are looking to add another successful segment to their

portfolio.

For additional information about the Potbelly franchise opportunity, visit <https://www.potbelly.com/franchising>.

About Potbelly

Potbelly Corporation is a neighborhood sandwich concept that has been feeding customers' smiles with warm, toasty sandwiches, signature salads, hand-dipped shakes and other fresh menu items, customized just the way customers want them, for more than 40 years. Potbelly promises Fresh, Fast & Friendly service in an environment that reflects the local neighborhood. Since opening its first shop in Chicago in 1977, Potbelly has expanded to neighborhoods across the country - with more than 400 company-owned shops in the United States. Additionally, Potbelly franchisees operate approximately over 40 shops in the United States. For more information, please visit our website at www.potbelly.com.

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