



**FOR IMMEDIATE RELEASE**

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**MERITAGE REPORTS THIRD QUARTER 2016 RESULTS;  
STRONG SALES AND EARNINGS GROWTH**

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GRAND RAPIDS, Michigan, October 14, 2016. Meritage Hospitality Group Inc. (OTCQX: MHGU), one of the nation's premier restaurant operators, today reported financial results for the third quarter and the nine months ended October 2, 2016.

**2016 Third Quarter Highlights:**

- **Sales increased 15.7% to \$61.7 million compared to \$53.3 million for the same period last year.**
- **Earnings from Operations were \$2.9 million compared to \$3.0 million for the same period last year.**
- **Net Earnings increased 31.1% to \$2.0 million compared to \$1.5 million last year.**
- **Consolidated EBITDA (a non-GAAP measure) increased 18.2% to \$5.0 million compared to \$4.2 million for the same period last year.**
- **The Company acquired 10 additional Wendy's restaurants in the Oklahoma City area, bringing the Company's total to 18 Wendy's in Oklahoma.**

"During the third quarter we experienced continued strong sales and earnings growth from our Wendy's restaurants. The major drivers of success in the third quarter were double-digit sales gains associated with reimaged Wendy's restaurants and the successful integration of acquired restaurants and newly built locations. People remain the key differentiator in our growth platform which utilizes a performance-based compensation structure supported by an organizational development team dedicated to recruiting, retaining and rewarding individual success. We remain focused on continued profitable growth and scalability within the Wendy's franchise system" stated Meritage CEO Robert E. Schermer, Jr.

## 2016 Nine Months Highlights:

- Sales for the nine months ended October 2, increased 15.6% to \$174.4 million compared to sales of \$150.8 million for the same period last year.
- Earnings from Operations increased 9.8% to \$8.5 million compared to \$7.8 million for the same period last year.
- Net Earnings were \$4.6 million compared to \$4.7 million for the same period last year (which included \$862,000 of gains related to real estate in 2015).
- Consolidated EBITDA (a non-GAAP measure) increased 5.0% to \$13.4 million compared to \$12.7 million last year.

## Company Outlook:

The Company released its business plan for 2017-2021 which, it believes, will result in significant sales and earnings growth over the next five-years. Management is preparing for a major capital investment and earnings cycle driven by Wendy's acquisitions, renovations and new restaurant development. The Company continues to seek Wendy's franchise opportunities where it can add value using its operating acumen, systems and restaurant development expertise.

Meritage Hospitality Group is one of the nation's premier restaurant operators, with 183 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 6,300 employees. 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 new 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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