



DealReader Food & Beverage

Q1 2018

Lincoln's 2018 Consumer Conference

Lincoln International will hold its annual Consumer Conference on **Thursday, May 10, 2018** at the Ritz-Carlton, Half Moon Bay in San Francisco.

Consumer and food & beverage company owners, executives and investors should visit the link below to sign up and learn more:

www.LIconsumer.com

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A Leading Food & Beverage Practice with Growing Momentum

Food & Beverage Public Comparables

Food & Beverage M&A Activity — North America




















Recent Food & Beverage Activity

Lincoln has closed fifteen Food & Beverage transactions since January 1, 2016





Numerous active Food & Beverage M&A assignments

Growing Momentum

Recently Closed Global Food & Beverage Transactions

 has sold  to  	 has agreed to acquire  	 has been sold to  a portfolio company of  	 a portfolio company of   has sold its frozen business to  	 has been sold to  
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Other Selected Food & Beverage Transactions

 has been sold to  	 has sold  to  	 has acquired  from  	 has formed a partnership with  	 has sold  to  
 has sold  to  	 has sold  to  a portfolio company of  	 has sold  to  	 has been sold to  	 has sold  to  
 has sold  to  	 has sold  to  	 has sold  to  	 has sold  to  	 has sold  to  

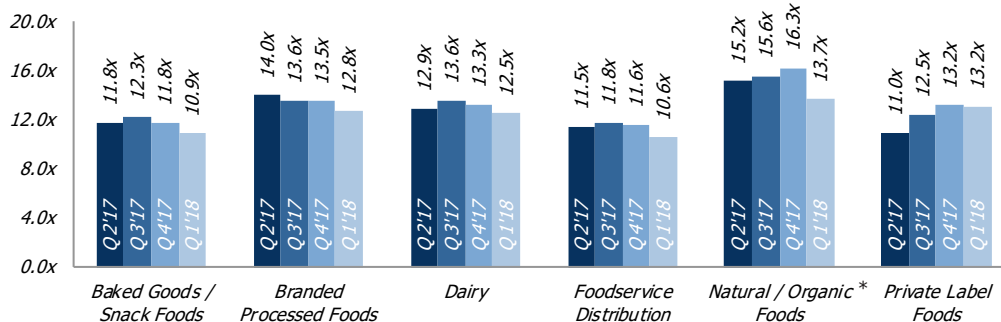
Market Intelligence

- The acquisition of **Dr. Pepper Snapple Group** by **Keurig Green Mountain**, backed by **JAB Holding**, for \$26.4 billion (3.9x revenue or 16.9x EBITDA) creates a new beverage company with significant scale, a diverse product portfolio, powerful platform of consumer brands and large-scale distribution capabilities for hot and cold beverages
- **General Mills'** acquisition of **Blue Buffalo Pet Products** for \$8.0 billion (6.3x revenue or 22.0x EBITDA) demonstrates strong interest in the high-growth natural segment of the pet food industry
- **Nestle's** divestiture of its **U.S. Confectionary Business** to **Ferrero International** for \$2.8 billion signals a focus on shifting its portfolio toward healthier foods

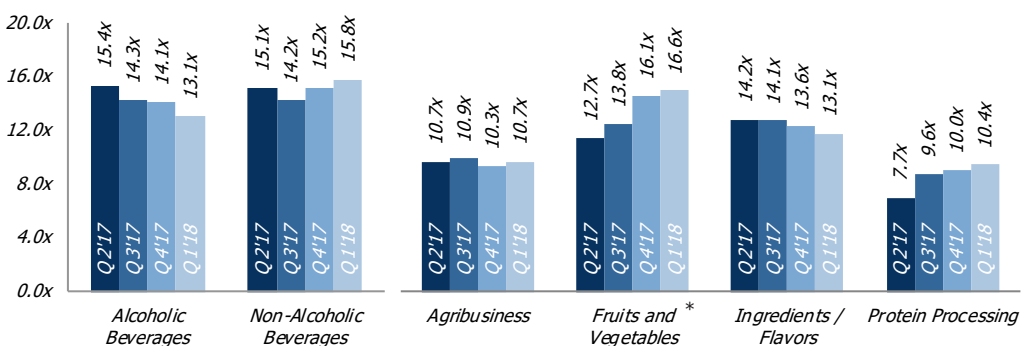
Food & Beverage Public Comparables

Historical Enterprise Value / EBITDA

Food



Other Food & Beverage



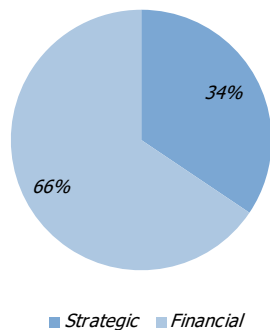
Note: * Indicates sector multiples calculated as averages rather than medians

Median Statistics

Sector (# of Companies)	Quarterly Stock Performance	% of 52 Week High	EV / LTM		P / E Multiple	Net Debt / LTM EBITDA	LTM Growth		LTM Margin	
			Revenue	EBITDA			Revenue	EBITDA	Gross	EBITDA
Food										
Baked Goods / Snack Foods (10)	(4.5%)	85.9%	1.7x	10.9x	23.0x	2.9x	7.7%	7.0%	30.3%	13.3%
Branded Processed Foods (19)	(9.3%)	86.8%	2.3x	12.8x	18.0x	2.4x	1.0%	5.3%	37.6%	19.6%
Dairy (9)	(3.6%)	86.9%	1.2x	12.5x	17.8x	1.6x	17.3%	4.5%	27.9%	9.5%
Foodservice Distribution (17)	(6.2%)	83.6%	0.8x	10.6x	25.0x	2.8x	10.1%	5.4%	27.0%	10.0%
Natural / Organic Foods (3)*	(15.0%)	73.2%	0.8x	13.7x	23.9x	3.6x	2.1%	(7.3%)	15.4%	5.9%
Private Label Foods (6)	(4.4%)	77.8%	0.8x	13.2x	44.5x	3.4x	1.1%	(15.2%)	17.0%	7.2%
Median			1.0x	12.6x	23.4x	2.8x	4.9%	4.9%	27.4%	9.7%
Beverage										
Alcoholic Beverages (11)	(1.0%)	92.2%	3.2x	13.1x	22.0x	3.0x	11.3%	14.5%	50.9%	27.5%
Non-Alcoholic Beverages (9)	(5.3%)	89.2%	3.6x	15.8x	24.8x	2.0x	8.3%	5.9%	49.7%	21.9%
Median			3.4x	14.4x	23.4x	2.5x	9.8%	10.2%	50.3%	24.7%
Inputs										
Agribusiness (7)	(0.1%)	88.3%	1.2x	10.7x	22.3x	3.5x	3.4%	(2.5%)	10.4%	12.0%
Fruits and Vegetables (3)*	(1.9%)	80.6%	0.9x	16.6x	42.2x	4.1x	4.5%	(28.0%)	8.5%	5.3%
Ingredients / Flavors (16)	(4.7%)	80.4%	1.6x	13.1x	18.3x	1.2x	12.5%	16.6%	34.6%	13.5%
Protein Processing (6)	(5.1%)	86.6%	0.8x	10.4x	20.2x	2.4x	7.3%	(0.4%)	16.0%	9.1%
Median			1.1x	11.9x	21.2x	2.9x	5.9%	(1.4%)	13.2%	10.5%
Overall Median			1.2x	12.9x	22.6x	2.8x	7.5%	4.9%	27.4%	11.0%

Source: Capital IQ as of 03/31/2018; Note: * Indicates sector statistics calculated as averages rather than medians

Deals by Acquirer Type



Food & Beverage M&A Activity — North America

Summary Observations

During Q1 2018, there were 61 announced M&A transactions involving the acquisition of North American food and beverage targets, down 25% compared to Q1 2017

34% went to strategic acquirers, 66% went to financial and other acquirers

Notable deals announced in Q1 2018 include:

- Castanea Partners' acquisition of Yasso for an undisclosed sum
- Groupe Lactalis' acquisition of siggi's for an undisclosed sum
- Highlander Partners' acquisition of Kernel Season's for an undisclosed sum

Selected North American M&A Transactions

Announced Date	Target	Target	Enterprise Value (\$mm)	LTM Growth	
				Revenue	EBITDA
3/29/18	Baetea	New World Natural Brands	-	-	-
3/26/18	Azure Bottling	IsoBev	-	-	-
3/20/18	Green Chef Corporation	HelloFresh	-	-	-
3/15/18	Four Canadian Protein Products Businesses	Premium Brands Holdings	\$227	1.1x	-
3/14/18	Royal Hawaiian Orchards	Buderim Group	-	-	-
3/8/18	Exo	Aspire Food Group	-	-	-
2/27/18	Capital Kombucha	Buchi Kombucha	-	-	-
2/27/18	La Mexicana Food Products	Blue Point Capital Partners	-	-	-
2/26/18	Treat Bake Shop	Quince and Apple	-	-	-
2/23/18	Blue Buffalo Pet Products	General Mills	8,044	6.3x	22.0x
2/22/18	Braaitime	Stryve Foods	-	-	-
2/20/18	Del Monte Processed Fruit and Vegetable Canada Business	Bonduelle	34	0.7x	-
2/20/18	TCHO Ventures	Ezaki Glico	-	-	-
2/15/18	Multifoods Brand	Pamplona Capital Management	-	-	-
2/12/18	Crystal Rock Holdings	Cott Corporation	35	0.6x	8.0x
2/12/18	Carolina Beverage	Brynwood Partners	300	-	10.0x
2/8/18	Pets4Life	Dane Creek Capital	-	-	-
2/7/18	Green Plate Kitchen	Celebrate Brands	-	-	-
2/6/18	Mann Packing Co.	Del Monte Fresh Produce	361	0.7x	-
2/4/18	Mullins Food Products	Newly Weds Foods	-	-	-
2/1/18	Certain U.S. Breakfast Assets of Aryzta	Hostess Brands	25	-	-
1/30/18	California Natural Products	Wind Point Partners	-	-	-
1/30/18	Minsa Corporation	Bunge North America	75	-	-
1/30/18	Paleo Meals to Go	Wild Zora Foods	-	-	-
1/29/18	Dr Pepper Snapple Group	Keurig Green Mountain (JAB Holding)	26,375	3.9x	16.9x
1/22/18	Gorilly Goods	EVOLVE Brands	-	-	-
1/22/18	Supernola	EVOLVE Brands	-	-	-
1/16/18	Kernel Season's	Highlander Partners	-	-	-
1/16/18	U.S. Confectionary Business of Nestlé	Ferrero International	2,800	-	-
1/16/18	Yasso	Castanea Partners	-	-	-
1/12/18	Bonewerks Culinarte	Kainos Capital	-	-	-
1/9/18	Atlanta Cheesecake Café	Gryphon Investors	-	-	-
1/9/18	Best Bar Ever	KKR	-	-	-
1/8/18	Best Cooking Pulses	Ironbridge Equity Partners	-	-	-
1/4/18	siggi's	Groupe Lactalis	-	-	-
1/2/18	Pro-Pet	Cargill	-	-	-

Sources: Capital IQ as of 03/31/2018, Mergermarket

Global Industry Groups

Business Services
Consumer
Energy, Power & Infrastructure
Healthcare
Industrials
Technology, Media & Telecom

Global Locations

Amsterdam
Beijing
Chicago
Dallas
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
Munich
New York
Paris
San Francisco
São Paulo
Stockholm
Tokyo
Vienna
Zurich

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Debt Advisory
JV & Partnering
Valuations & Opinions
Special Situations

About Lincoln International

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