



# European DealReader Global Consumer Group

Q3 2017

## Lincoln Update

- Lincoln International is strengthening its European Consumer Team through hiring two new Managing Directors: Alex Masters in London and Roberto Martinez in Madrid
- Lincoln International is expanding with the opening of new offices in Texas and San Francisco
- Lincoln International is inviting its clients and contacts to attend or potentially present at our Consumer Conference in San Francisco in May 2018

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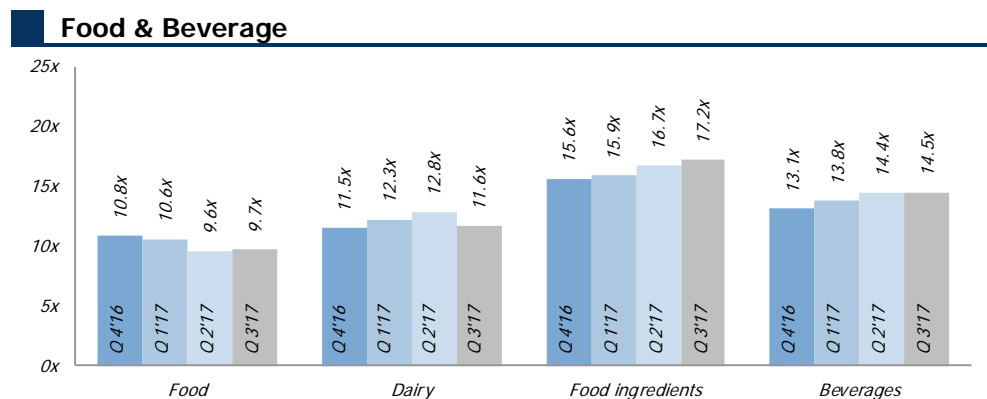
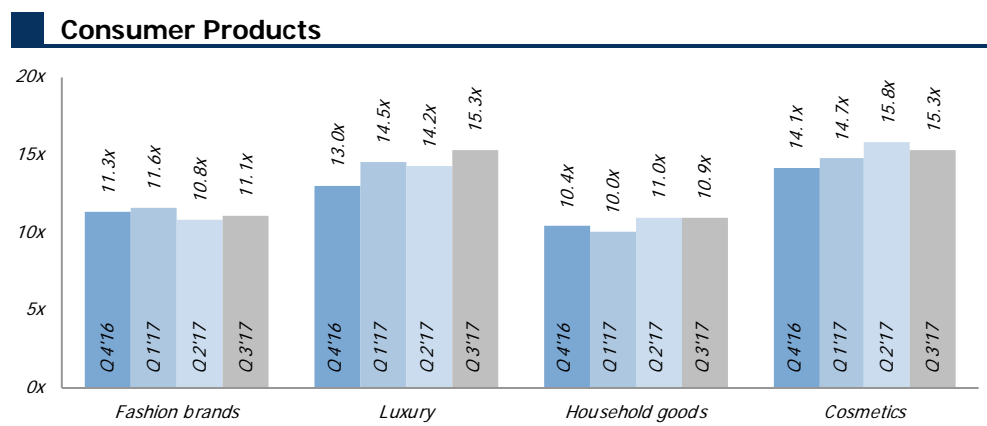
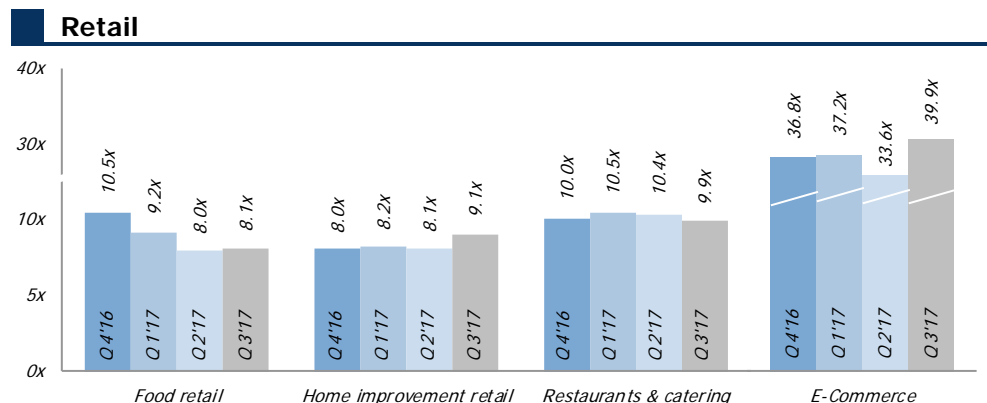
## Market Update

- In Q3'17, consumer sector share price performance (median of +1.1%) is slightly behind the general Euro Stoxx 50 performance (+4.4%)
- Luxury saw the highest improvement in quarterly stock price (+6.9%), driven by strong performances of Moncler (+19.1% following continued financial improvement) and Kering (+13.0% following announcement of strong half year results)
- Fashion Brands and Food Ingredients also performed strongly (+6.9% and +5.7% respectively)
- Food, however, showed the largest decrease in share price (median -5.1%), a result of share price falls of companies including Greencore Group (-20.5%) Cloetta (-19.4%) and ARYZta (-10.0%)
- Overall, valuation levels based on EBITDA multiples decreased by 0.2x over the quarter

Sources: Capital IQ, Bloomberg

## European Public Comparables

## Historical Enterprise Value / EBITDA Valuation Performance (median)



Source: Capital IQ, Bloomberg

## Median Statistics

(Euro in millions)

Sub-sector (# companies)	Median EV	Quarterly Stock Performance	% of 52 Week High	EV / LTM			Net Debt / LTM EBITDA	LTM Growth		LTM Margin	
				Revenue	EBITDA	P / E Multiple		Revenue	EBITDA	Gross	EBITDA
Food retail (10)	11,753	(3.3%)	88.8%	0.42x	8.1x	17.7x	1.8x	7.5%	19.6%	21.4%	5.6%
Home improvement retail (10)	825	2.5%	84.8%	0.69x	9.1x	15.1x	1.5x	4.8%	0.1%	38.4%	8.4%
Restaurant & catering (9)	3,732	(2.6%)	86.9%	1.24x	9.9x	22.6x	1.8x	7.2%	2.3%	21.5%	10.0%
E-Commerce (10)	1,590	1.3%	83.9%	1.16x	39.9x	92.4x	2.4x	22.4%	20.2%	29.6%	4.3%
Fashion brands (10)	1,467	5.7%	86.3%	1.73x	11.1x	23.2x	0.8x	5.3%	1.0%	56.5%	15.4%
Luxury (10)	7,645	6.9%	95.4%	2.92x	15.3x	30.0x	0.4x	9.9%	7.4%	65.7%	19.8%
Household goods (10)	890	(4.9%)	88.4%	1.15x	10.9x	15.5x	1.2x	4.7%	3.1%	42.8%	11.4%
Cosmetics (10)	10,970	(1.3%)	91.2%	2.59x	15.3x	21.8x	1.2x	5.6%	13.6%	50.5%	16.5%
Food (10)	1,964	(5.1%)	89.7%	1.10x	9.7x	24.6x	1.6x	7.1%	7.6%	37.1%	11.9%
Dairy (7)	3,304	0.9%	90.7%	1.16x	11.6x	22.6x	1.7x	5.0%	1.1%	34.0%	12.4%
Food ingredients (10)	7,660	4.3%	95.2%	2.53x	17.2x	28.2x	1.8x	9.9%	13.7%	41.5%	14.1%
Beverages (10)	12,935	2.3%	94.1%	3.65x	14.5x	22.7x	2.4x	4.0%	7.6%	55.6%	22.2%
<b>Median</b>		<b>1.1%</b>		<b>1.20x</b>	<b>11.4x</b>	<b>22.7x</b>	<b>1.7x</b>	<b>6.4%</b>	<b>7.5%</b>	<b>39.9%</b>	<b>12.1%</b>

Source: Capital IQ as of 30/09/2017

## Comments

- Despite a slow Q3, YTD European M&A volume remains 20.2% ahead of the same period in 2016 by value, largely as a result of the strong first six months of the year
- Q3 saw a distinct lack of “megadeals” (>US\$10bn) with just two announced in Q3 compared to nine in H1
- Following the sharp drop in the value of sterling in the wake of the EU referendum, total inbound activity in 2017 has reached €85bn across 484 deals, the highest YTD deal count on Mergermarket record since 2001
- The UK has also seen its second highest YTD value since the financial crash and a 16.3% rise compared to YTD 2016
- The consumer sector has performed strongly in deal value, with total deal value of €85bn YTD 2017 vs €25bn YTD 2016

## European M&amp;A Activity

## Selected European Consumer Goods &amp; Retail Transactions

## Food

(Euro in millions)

Date	Target	Activity	Acquirer	Seller	EV	EV/Rev	EV/EBITDA
Sep-17	La Vie Saine	Organic food retailer	EDRIP	Family owned	-	-	-
Sep-17	Acetum	Vinegar producer	Associated British Foods	Clessidra SGR	-	-	-
Sep-17	Pukka Herbs	Herbal teas and supplements	Unilever	Private	-	-	-
Sep-17	Little Dish	Infant food	Profile Capital Management	Private	-	-	-
Aug-17	Heron Food Group	Retailer of discounted food products	B&M European Value Retail	Private	140	0.5x	7.7x
Jul-17	Promise Gluten Free	Gluten free bakery products	Mayfair Equity Partners	Private	100	3.3x	-
Jul-17	Stoltzenberg Nuss	Producer of nut-based snacks and dried fruit	fruitwork Handels-gesellschaft	Private	-	-	-
Jul-17	Snack Connection	Producer of nut-based snacks and dried fruit	Gimv	Trophas Capital	-	-	-
Jul-17	Reckitt Benckiser Group	Foods business of RB Group	McCormick & Company	Reckitt Benckiser	3,600	nmf	nmf
Jul-17	Cloetta Italy	Confectionery products	Katjes International	Cloetta AB	50	0.6x	-

Sources: Mergermarket, Capital IQ

## Non-Food

(Euro in millions)

Date	Target	Activity	Acquirer	Seller	EV	EV/Rev	EV/EBITDA
Sep-17	Matchesfashion	Fashion retailer	Apax Partners	Scottish Equity Partners	-	-	-
Sep-17	Stefano Serapian	Manufacturer of luxury bags	Compagnie Financiere	Private	-	-	-
Sep-17	Sport Zone	Sports goods retailer	JD Sprinter Holdings	Sonae Capital	83	0.4x	nmf
Aug-17	Sofology	Sofa retailer	DFS Furniture Company	BGF	25	0.2x	7.8x
Aug-17	JacTravel Limited	Online hotel bookings and travel services	Webjet Limited	Vitruvian Partners	200	1.1x	nmf
Aug-17	SoundCloud	Online audio platform services	DH Private Equity & others	Private	-	-	-
Jul-17	Jimmy Choo Plc	Designer of apparel and accessories	Michael Kors Holdings	JAB Holdings	1,000	2.3x	13.0x
Jul-17	Pronovias	Bridal wear designer	BC Partners	Family owned	880	3.8x	11.0x
Jul-17	Air Space Trampoline Park	Trampoline parks	Oxygen Freejumping	Adventure Forest Group	7	-	-
Jul-17	Kreuzfahrtberater	Online travel agency for cruises	www.cruise.co.uk	Private	25	-	-
Jul-17	Kookai	Apparel designer	Magi Enterprises	Vivarte	-	-	-

Sources: Mergermarket, Capital IQ

## Selected Q3 deals by Lincoln International

<p><b>MAYFAIR</b> EQUITY PARTNERS</p> <p>has acquired</p> <p><b>PROMISE</b></p> <p>Acquisition Financing</p> <p></p>	<p><b>LABEYRIE</b> TRAITEUR SURGELÉS</p> <p>has been sold to</p> <p><b>AJINOMOTO</b></p> <p></p>	<p><b>LIFEFACORY</b></p> <p>has been sold to</p> <p><b>THERMOS</b></p> <p></p>	<p><b>Eastern Outfitters</b></p> <p>has sold substantially all the assets of</p> <p><b>BOB'S STORES</b> EASTERN EUROPEAN SPORTS</p> <p>pursuant to Section 363 of the Bankruptcy Code to</p> <p><b>SPORTS DIRECT.COM</b></p> <p></p>	<p><b>Swig</b></p> <p>a portfolio company of</p> <p><b>Bridgepoint</b></p> <p>has sold</p> <p><b>SPIELE MAX</b></p> <p>to</p> <p><b>palero</b></p> <p></p>
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## Global Industry Groups

Aerospace & Defense  
Automotive & Truck  
Building & Infrastructure  
Business Services  
Chemicals  
Consumer  
Distribution  
Electronics  
Energy & Power  
Financial Institutions  
Food & Beverage  
Healthcare  
Industrials  
Packaging  
Technology, Media & Telecom

## Global Locations

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

## Advisory Services

Mergers & Acquisitions  
Debt Advisory  
Special Situations  
Joint Venture & Partnering  
Valuations & Opinions

## About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and joint venture and partnering advisory services on a wide range of transaction sizes. With nineteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at [www.lincolninternational.com](http://www.lincolninternational.com).

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