



# DealReader

## Food & Beverage

Q2 2017

## Inside this Issue

**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 nine Food & Beverage transactions since January 1, 2016







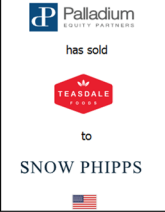











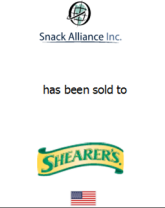

Numerous active Food & Beverage M&A assignments

## Growing Momentum

### Recently Closed North American Food & Beverage Transactions

 <p>has been sold to</p>	 <p>has sold</p>  <p>to</p>	 <p>has acquired</p>  <p>from</p> <p>KILMER GROUP</p>	 <p>has sold</p>  <p>to</p> <p>Grey Mountain</p>	 <p>has sold</p>  <p>to</p>
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### Other Selected Food & Beverage Transactions

 <p>has sold</p>  <p>to</p> <p>a portfolio company of</p> <p>SNOW PHIPPS</p>	 <p>has sold</p>  <p>to</p> <p>Geneva Glen</p>	 <p>has sold</p>  <p>to</p> <p>Management</p>	 <p>has sold</p>  <p>to</p> <p>Lancaster Colony</p>	 <p>has sold</p>  <p>to</p> <p>KAINOS</p>
 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> <p>SNOW PHIPPS</p>	 <p>has received a majority investment from</p> 	 <p>has been sold to</p> 	 <p>has been sold to</p> <p>NORTH CASTLE PARTNERS</p>
 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> <p>GRYPHON INVESTORS</p>	 <p>has sold</p>  <p>to</p> 	 <p>has been sold to</p> 

**Market Intelligence**  
Unilever's purchase of Sir Kensington's demonstrates CPG companies' continued appetite for acquisitions of high growth, innovative brands

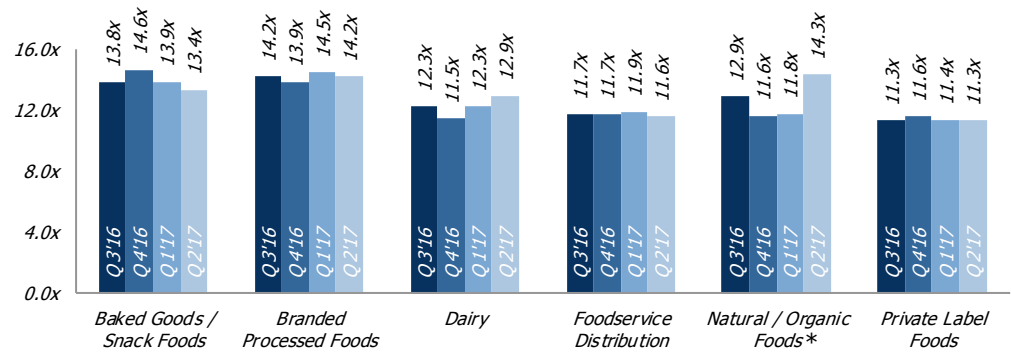
Amazon's acquisition of Whole Foods represents a catalyst for change in food retail, potentially impacting pricing and competition and resulting in a greater use of technology in grocery shopping

Sources: Capital IQ & Mergermarket

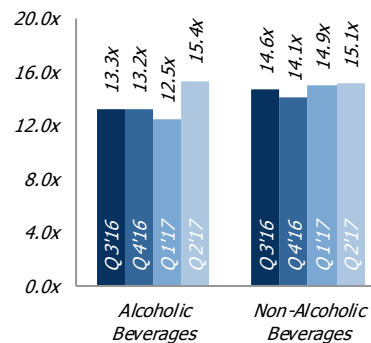
## Food & Beverage Public Comparables

### Historical Enterprise Value / EBITDA

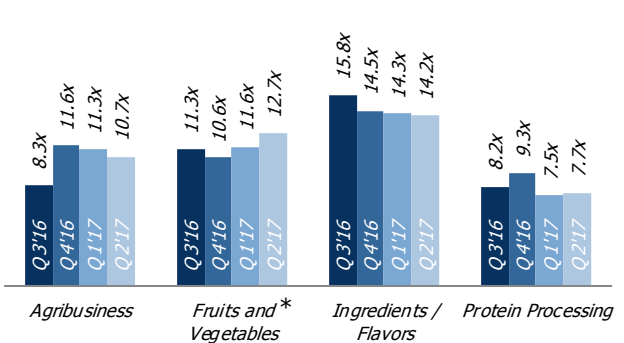
#### Food



#### Beverages



#### Inputs



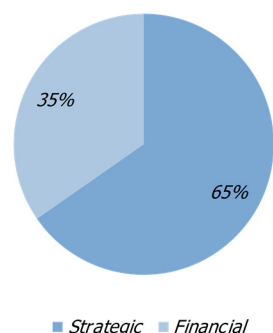
Note: \* Indicates sector multiples calculated as averages rather than medians

### 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
<b>Food</b>										
Baked Goods / Snack Foods (12)	(1.4%)	83.6%	1.7x	13.4x	31.8x	3.9x	1.8%	6.1%	30.5%	12.3%
Branded Processed Foods (19)	(2.8%)	84.6%	2.5x	14.2x	24.9x	2.0x	0.0%	6.7%	36.5%	17.5%
Dairy (9)	6.1%	90.7%	1.3x	12.9x	23.6x	1.3x	0.3%	13.3%	30.0%	9.8%
Foodservice Distribution (17)	5.4%	90.0%	0.8x	11.6x	26.4x	2.9x	3.5%	9.4%	30.5%	8.9%
Natural / Organic Foods (5)	19.8%	77.4%	1.6x	14.3x	28.7x	3.4x	15.4%	13.5%	25.0%	10.5%
Private Label Foods (7)	(3.3%)	78.1%	1.1x	11.3x	24.5x	4.1x	3.9%	2.2%	18.6%	10.0%
<b>Median</b>			<b>1.5x</b>	<b>13.2x</b>	<b>25.6x</b>	<b>3.2x</b>	<b>2.7%</b>	<b>8.0%</b>	<b>30.3%</b>	<b>10.3%</b>
<b>Beverage</b>										
Alcoholic Beverages (11)	2.2%	92.2%	3.8x	15.4x	23.7x	3.2x	1.1%	1.7%	51.8%	29.4%
Non-Alcoholic Beverages (9)	7.4%	92.9%	3.3x	15.1x	27.0x	1.9x	7.6%	8.4%	46.9%	19.8%
<b>Median</b>			<b>3.5x</b>	<b>15.2x</b>	<b>25.4x</b>	<b>2.5x</b>	<b>4.4%</b>	<b>5.0%</b>	<b>49.4%</b>	<b>24.6%</b>
<b>Inputs</b>										
Agribusiness (9)	(6.3%)	80.0%	1.2x	10.7x	22.6x	3.1x	(6.5%)	(8.9%)	19.6%	12.6%
Fruits and Vegetables (3)	(4.6%)	79.6%	0.8x	12.7x	22.8x	2.6x	4.0%	18.3%	10.2%	6.5%
Ingredients / Flavors (16)	8.7%	90.2%	1.7x	14.2x	25.0x	1.4x	0.9%	9.3%	35.0%	12.8%
Protein Processing (6)	0.7%	85.0%	0.8x	7.7x	13.1x	2.9x	(0.0%)	11.8%	13.1%	8.7%
<b>Median</b>			<b>1.0x</b>	<b>11.7x</b>	<b>22.7x</b>	<b>2.7x</b>	<b>0.4%</b>	<b>10.6%</b>	<b>16.4%</b>	<b>10.7%</b>
<b>Overall Median</b>			<b>1.5x</b>	<b>13.2x</b>	<b>24.7x</b>	<b>2.9x</b>	<b>1.5%</b>	<b>8.9%</b>	<b>30.3%</b>	<b>11.4%</b>

Source: Capital IQ as of 6/30/2017; Note: \* Indicates sector statistics calculated as averages rather than medians

Deals by Acquirer Type



## Food & Beverage M&A Activity — North America

### Summary Observations

During Q2 2017, there were 75 announced M&A transactions involving the acquisition of North American food and beverage targets, down 3% compared to Q2 2016

65% went to strategic acquirers, 35% went to financial and other acquirers

Notable deals announced in Q2 2017 include:

- Tyson Foods' acquisition of AdvancePierre Foods for \$4.2 billion or 17.0x EV / EBITDA
- Post Holdings' acquisition of Weetabix for \$1.8 billion or 11.7x EV / EBITDA
- Conagra Brands' sale of its Wesson Oil division to J.M. Smucker for \$285 million or 9.5x EV / EBITDA
- Amazon's acquisition of Whole Foods for \$13.5 billion or 10.3x EV / EBITDA

### Selected North American M&A Transactions

Announced Date	Target	Acquirer	Enterprise Value (\$mm)	Enterprise Value /	
				Sales	EBITDA
6/30/17	Les Plats du Chef	C.H. Guenther & Son	-	-	-
6/27/17	Stampede Meat	Wynnchurch Capital	-	-	-
6/22/17	Uncle Matt's Organic	Dean Foods Company	-	-	-
6/22/17	FooDelicious	Alasko Foods (Catterton Partners)	-	-	-
6/21/17	Casamigos Spirits	Diageo North America	\$1,000	-	-
6/16/17	Whole Foods	Amazon	13,464	0.9x	10.3x
6/16/17	Robert Rothschild Farm	Clearbrook Farms	-	-	-
6/16/17	Schrader Cellars	Constellation Brands	-	-	-
6/13/17	A & R Wholesale Distributors	Gold Star Foods (Castle Harlan)	-	-	-
6/8/17	Rao's Specialty Foods	Sovos Brands (Advent International)	-	-	-
6/1/17	Avena Foods Limited	Ironbridge Equity Partners	-	-	-
5/31/17	MaMa Rosa's Pizza	Schwan's	-	-	-
5/30/17	Wesson Oil	The J. M. Smucker Company	285	1.2x	9.5x
5/24/17	Kicking Horse Coffee	Luigi Lavazza	160	-	-
5/23/17	Gypsy Crunch	Hispanica International Delights of America	-	-	-
5/22/17	Nutraceutical International Corporation	HGGC	427	1.8x	9.9x
5/8/17	Tillamook Country Smoker	Insignia Capital Group	-	-	-
5/5/17	XanGo	Zija International	-	-	-
5/4/17	The Lagunitas Brewing Company	Heineken USA	-	-	-
5/3/17	Wicked Weed Brewing	AB Inbev	-	-	-
4/25/17	AdvancePierre Foods Holdings	Tyson Foods	4,244	2.8x	17.0x
4/25/17	Treehouse Foods – Soup Division	Riverbend Foods (Insight Equity)	-	-	-
4/20/17	Sir Kensington's	Unilever	-	-	-
4/18/17	Weetabix	Post Holdings	1,786	3.4x	11.7x
4/11/17	Atkins Nutritionals and Conyers Park	The Simply Good Foods Company	730	-	-
4/10/17	Rupari Food Services	CBQ	26	-	-
4/5/17	Kar Nut Products Company	Palladium Equity Partners	-	-	-

Sources: Capital IQ as of 6/30/2017, Mergermarket

## 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

## Global Locations

Amsterdam  
Beijing  
Chicago  
Dallas  
Frankfurt  
London  
Los Angeles  
Madrid  
Milan  
Moscow  
Mumbai  
Munich  
New York  
Paris  
São Paulo  
Tokyo  
Vienna  
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## Lincoln's United States Food & Beverage Group

### United States

#### Brad Akason

Managing Director (Chicago)  
[bakason@lincolninternational.com](mailto:bakason@lincolninternational.com)  
+1 (312) 580-8351

#### Chris Stradling

Managing Director (Chicago)  
[cstradling@lincolninternational.com](mailto:cstradling@lincolninternational.com)  
+1 (312) 580-8325

#### Aaron Goldstein

Director (Chicago)  
[agoldstein@lincolninternational.com](mailto:agoldstein@lincolninternational.com)  
+1 (312) 506-2721

#### Alberto Sinesi

Vice President (New York)  
[asinesi@lincolninternational.com](mailto:asinesi@lincolninternational.com)  
+1 (312) 506-1957

#### Eddie Krule

Vice President (Chicago)  
[ekrule@lincolninternational.com](mailto:ekrule@lincolninternational.com)  
+1 (312) 506-2728

#### David Houser

Managing Director (Chicago)  
[dhouser@lincolninternational.com](mailto:dhouser@lincolninternational.com)  
+1 (312) 580-5805

#### Dominic Rispoli

Managing Director (New York)  
[drispoli@lincolninternational.com](mailto:drispoli@lincolninternational.com)  
+1 (212) 257-7755

#### Mark Jones-Pritchard

Director (Chicago)  
[mjonespritchard@lincolninternational.com](mailto:mjonespritchard@lincolninternational.com)  
+1 (312) 506-2724

#### Charles Walder

Vice President (Los Angeles)  
[cwalder@lincolninternational.com](mailto:cwalder@lincolninternational.com)  
+1 (213) 283-3704

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