



# DealReader

## Food & Beverage

Q3 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 ten Food & Beverage transactions since January 1, 2016







































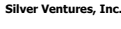


Numerous active Food & Beverage M&A assignments

## Growing Momentum

### Recently Closed North American Food & Beverage Transactions

 has been sold to 	 has been sold to 	 has sold  to 	 has acquired  from 	 has sold  to 
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### Other Selected Food & Beverage Transactions

 has sold  to 	 has sold  to  a portfolio company of 	 has sold  to 	 has sold  to Management	 has sold  to 
 has sold  to 	 has sold  to 	 has sold  to 	 has received a majority investment from 	 has been sold to 
 has been sold to 	 has sold  (Castro Cheese Company) to 	 has sold  to 	 has sold  to 	 has sold  to 

## Market Intelligence

**B&G Foods'** purchase of **Back to Nature Foods**, **Nestlé's** purchase of **Sweet Earth** and **Campbell's** purchase of **Pacific Foods of Oregon** demonstrate continued appetite for acquisitions of high-growth companies with a health-and-wellness focus

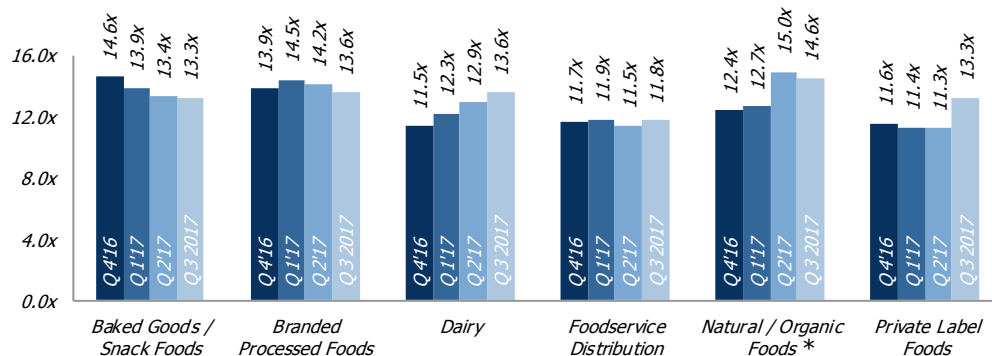
Consolidation in the RTE popcorn category intensified as **Conagra Brands** acquired **Boomchickapop** and **Eagle Family Foods** acquired **Popcorn, Indiana**

**Otsuka's** acquisition of **Daiya Foods** indicates continued strong interest in U.S. assets by Japanese companies and represents an important transaction in the dairy alternative category

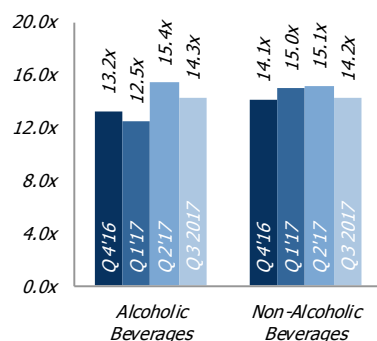
## Food & Beverage Public Comparables

### Historical Enterprise Value / EBITDA

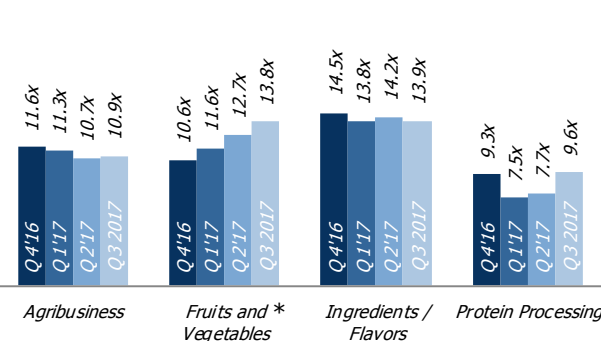
#### Food



#### Beverages



#### Inputs

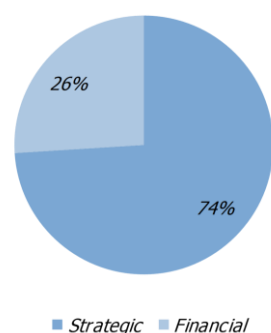


Note: \* Indicates sector multiples calculated as averages rather than medians

### 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
Food										
Baked Goods / Snack Foods (12)	(1.3%)	86.3%	1.8x	13.3x	28.6x	4.0x	0.1%	6.8%	30.2%	12.1%
Branded Processed Foods (19)	(3.7%)	82.7%	2.3x	13.6x	23.6x	2.2x	(0.7%)	1.3%	37.7%	17.7%
Dairy (9)	(2.8%)	82.4%	1.2x	13.6x	22.6x	1.9x	(1.5%)	3.9%	30.1%	9.9%
Foodservice Distribution (17)	(2.6%)	92.2%	0.7x	11.8x	25.9x	2.4x	1.0%	3.9%	30.5%	9.0%
Natural / Organic Foods (4)	(5.5%)	74.4%	1.5x	14.6x	42.2x	4.3x	18.5%	3.2%	21.8%	10.4%
Private Label Foods (7)	(0.2%)	80.9%	1.0x	13.3x	40.5x	3.7x	5.7%	8.8%	18.8%	10.2%
Median			1.4x	13.5x	27.3x	3.1x	0.5%	3.9%	30.1%	10.3%
Beverage										
Alcoholic Beverages (11)	7.5%	93.8%	3.7x	14.3x	22.8x	3.1x	(3.1%)	1.6%	52.6%	27.2%
Non-Alcoholic Beverages (9)	3.0%	93.3%	3.1x	14.2x	25.4x	1.9x	2.3%	3.3%	46.5%	21.8%
Median			3.4x	14.2x	24.1x	2.5x	(0.4%)	2.5%	49.6%	24.5%
Inputs										
Agribusiness (9)	1.2%	88.8%	1.3x	10.9x	24.8x	3.5x	(2.5%)	(1.8%)	10.4%	12.2%
Fruits and Vegetables (3)	2.1%	81.4%	0.8x	13.8x	26.3x	2.7x	4.4%	(1.9%)	9.4%	6.0%
Ingredients / Flavors (16)	2.4%	89.1%	1.7x	13.9x	23.0x	1.5x	(0.6%)	5.1%	35.1%	12.5%
Protein Processing (6)	12.6%	91.3%	1.0x	9.6x	14.9x	3.4x	1.2%	7.9%	13.4%	8.9%
Median			1.2x	12.4x	23.9x	3.1x	0.3%	1.7%	11.9%	10.6%
Overall Median			1.4x	13.6x	25.1x	2.9x	0.5%	3.6%	30.1%	11.2%

Source: Capital IQ as of 9/30/2017; Note: \* Indicates sector statistics calculated as averages rather than medians

Deals by  
Acquirer Type

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

### Summary Observations

During Q3 2017, there were 74 announced M&A transactions involving the acquisition of North American food and beverage targets, down 1% compared to Q3 2016

74% went to strategic acquirers, 26% went to financial and other acquirers

Notable deals announced in Q3 2017 include:

- Conagra Brands' acquisition of Boomchickapop for \$250 million or ~2.5x revenue
- Otsuka Pharmaceutical's acquisition of Daiya Foods for \$324 million or 4.5x revenue
- Danone's sale of Stonyfield Farm to Groupe Lactalis' for \$875 million or 20.0x EV / EBITDA
- McCormick's acquisition of Reckitt Benckiser's food division for \$4.2 billion or 7.4x revenue

### Selected North American M&A Transactions

Announced Date	Target	Acquirer	Enterprise Value (\$mm)	Enterprise Value /	
				Sales	EBITDA
9/22/17	Boomchickapop	Conagra Brands	\$250	2.5x	-
9/20/17	DineInFresh (d.b.a. Plated)	Albertsons Companies	200	-	-
9/14/17	Blue Bottle Coffee	Nestlé	700	-	-
9/7/17	Sweet Earth	Nestlé	-	-	-
9/6/17	Schlotterbeck & Foss Company	Frontenac Company	-	-	-
8/29/17	Popcorn, Indiana	Eagle Family Foods Group	-	-	-
8/21/17	Boyd Coffee Company	Farmer Bros.	59	0.6x	4.5x
8/21/17	Glutenfreeda Foods	Flagship Food Group	-	-	-
8/20/17	Back to Nature Foods Company	B&G Foods	163	2.0x	9.6x
8/17/17	Capitol Wholesale Meats	Hormel Foods Corporation	425	-	-
8/17/17	Labriola Baking Company	J&J Snack Foods	-	-	-
8/16/17	Germain-Robin	E. & J. Gallo Winery	-	-	-
8/15/17	RichGood Gourmet	Royal Cup, Inc.	-	-	-
8/15/17	Calera Wine Co.	TSG Consumer Partners	-	-	-
8/14/17	Kansas City Sausage Company	Smithfield Foods	-	-	-
8/14/17	Tasty Bite	Mars Food	173	-	-
8/10/17	Funky Buddha Brewery	Constellation Brands	-	-	-
8/3/17	Anchor Brewing Co.	Sapporo Holdings	-	-	-
8/3/17	Cold Spring Brewing	Brynwood Partners	-	-	-
8/1/17	Novel Ingredient Services	Innophos Holdings	125	1.3x	12.1x
7/27/17	Daiya Foods	Otsuka Pharmaceutical Co.	324	4.5x	-
7/24/17	Better Baked Foods & Drayton Enterprises	The Schwan Food Company	-	-	-
7/20/17	Creekstone Farms Premium Beef	Marubeni Corporation	170	0.3x	-
7/20/17	Hiball	Anheuser-Busch Companies	-	-	-
7/20/17	East Balt Bakeries	Grupo Bimbo, S.A.B. de C.V.	650	1.5x	9.3x
7/18/17	Reckitt Benckiser's Food Division	McCormick & Company	4,200	7.4x	-
7/17/17	Gold Coast Bakeries	Peak Rock Capital	-	-	-
7/12/17	Rudy's Tortillas	Teasdale Foods	-	-	-
7/12/17	Woodinville Whiskey Company	Moët Hennessy	-	-	-
7/6/17	Pacific Foods of Oregon	Campbell Soup Company	700	3.2x	-
7/3/17	Stonyfield Farm	Groupe Lactalis	875	2.4x	20.0x

Sources: Capital IQ as of 9/30/2017, 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  
San Francisco  
São Paulo  
Tokyo  
Vienna  
Zurich

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