



Dealreader Food & Beverage

Q4 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 fifteen Food & Beverage transactions since January 1, 2016

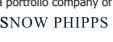
Numerous active Food & Beverage M&A assignments

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  
--	--	--	---	---

Other Selected Food & Beverage Transactions

 has been sold to  	 has sold  to  	 has acquired  from  	 has sold  to  	 has sold  to  
 has sold  to  a portfolio company of  	 has sold  to  	 has sold  to Management 	 has been sold to  	 has sold  to  
 has sold  to  	 has sold  to  	 has sold  to  	 has sold  (Castro Cheese Company) to  Dairy Farmers of America 	 has sold  to  

Market Intelligence

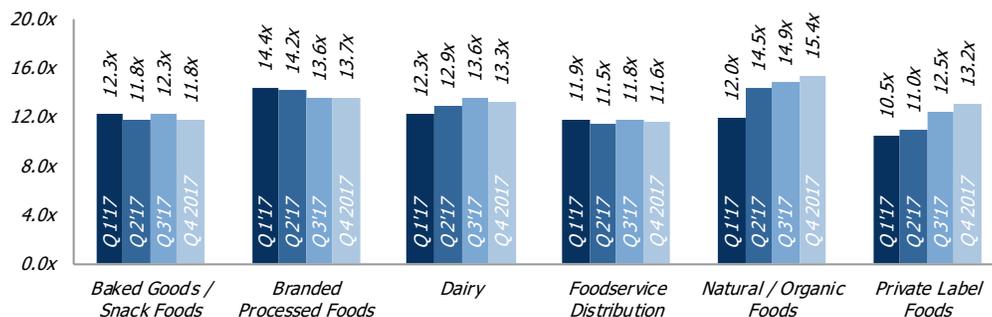
The Hershey Company's purchase of **Amplify Snack Brands** for \$1.6 billion (4.3x revenue or 19.4x EBITDA), **Campbell Soup Company's** acquisition of **Snyder's-Lance** for \$4.9 billion (2.2x revenue or 17.3x EBITDA) and **Kellogg Company's** purchase of **RxBAR** for \$600 million (5.0x revenue or ~13.0x EBITDA) demonstrate continued strong interest in snacking and better-for-you brands

Nestle's acquisition of **Chameleon Cold Brew** signals continued appetite for acquisitions of high-growth, branded beverage companies, particularly in the emerging cold brew coffee category

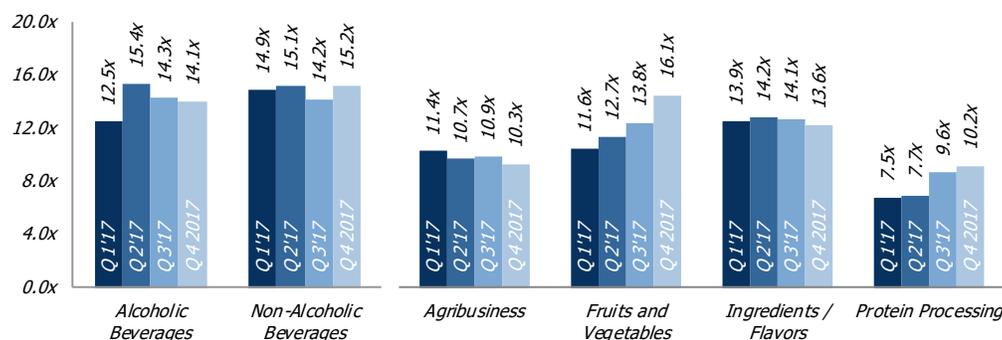
Sources: Capital IQ & Mergermarket

Food & Beverage Public Comparables

Historical Enterprise Value / EBITDA



Beverages



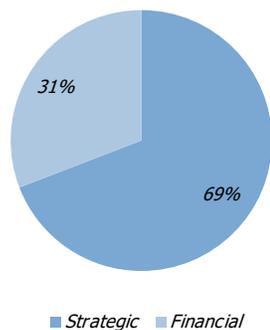
Note: * Indicates sector multiples calculated as averages rather than medians

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)	4.0%	88.3%	1.8x	11.8x	31.9x	3.5x	3.6%	5.9%	30.3%	13.4%
Branded Processed Foods (19)	6.9%	92.9%	2.6x	13.7x	25.1x	2.3x	0.5%	3.8%	37.0%	18.4%
Dairy (9)	1.6%	88.8%	1.3x	13.3x	23.9x	1.9x	7.9%	2.9%	30.1%	9.9%
Foodservice Distribution (17)	12.6%	93.6%	0.9x	11.6x	26.2x	2.9x	7.2%	2.7%	27.0%	9.6%
Natural / Organic Foods (3)	3.6%	86.0%	1.0x	15.4x	37.5x	3.7x	3.4%	(6.2%)	15.4%	6.0%
Private Label Foods (6)	(9.6%)	78.8%	0.9x	13.2x	48.2x	3.1x	0.1%	(8.1%)	17.4%	7.6%
Median			1.1x	13.2x	29.0x	3.0x	3.5%	2.8%	28.5%	9.7%
Beverage										
Alcoholic Beverages (11)	12.0%	98.5%	4.0x	14.1x	25.3x	3.0x	3.7%	4.8%	53.3%	28.7%
Non-Alcoholic Beverages (9)	7.6%	97.6%	3.3x	15.2x	27.0x	1.8x	4.6%	6.7%	46.5%	22.2%
Median			3.7x	14.6x	26.1x	2.4x	4.1%	5.7%	49.9%	25.4%
Inputs										
Agribusiness (7)	(2.5%)	84.5%	1.3x	10.3x	23.1x	3.6x	(0.9%)	(0.2%)	9.8%	12.0%
Fruits and Vegetables (3)	3.1%	83.1%	0.9x	16.1x	41.3x	3.6x	5.3%	(27.0%)	8.7%	5.3%
Ingredients / Flavors (16)	(0.7%)	87.2%	1.5x	13.6x	20.3x	1.5x	2.7%	5.9%	35.1%	12.6%
Protein Processing (6)	9.1%	91.1%	0.9x	10.2x	15.8x	3.2x	(0.7%)	7.4%	14.0%	8.8%
Median			1.1x	12.0x	21.7x	3.4x	1.0%	2.8%	11.9%	10.4%
Overall Median			1.3x	13.5x	25.7x	3.1x	3.5%	3.4%	28.5%	10.9%

Source: Capital IQ as of 12/31/2017; Note: * Indicates sector statistics calculated as averages rather than medians

Deals by Acquirer Type



Food & Beverage M&A Activity — North America

Summary Observations

During Q4 2017, there were 81 announced M&A transactions involving the acquisition of North American food and beverage targets, down 7% compared to Q4 2016

69% went to strategic acquirers, 31% went to financial and other acquirers

Notable deals announced in Q4 2017 include:

- KKR & Co.'s acquisition of Unilever's spreads business for \$8.0 billion or 10.0x EBITDA

- Campbell Soup Company's acquisition of Snyder's-Lance for \$4.9 billion or 17.3x EBITDA
- Hershey's acquisition of Amplify Snack Brands for \$1.6 billion or 19.4x EBITDA
- Hormel Foods Corporation's acquisition of Columbus Foods for \$850 million or 2.8x revenue

Selected North American M&A Transactions

Announced Date	Target	Acquirer	Enterprise Value (\$mm)	Enterprise Value /	
				Sales	EBITDA
12/21/17	Sandwich Bros. Of Wisconsin	Conagra Brands	-	-	-
12/18/17	Amplify Snack Brands	The Hershey Company	\$1,600	4.3x	19.4x
12/18/17	Snyder's-Lance	Campbell Soup Company	\$4,870	2.2x	17.3x
12/15/17	Choice Foods	Arbor Private Investment Company	-	-	-
12/15/17	Spreads Business of Unilever	KKR & Co.	\$8,032	2.3x	10.0x
12/15/17	Sweet Leaf Tea and Tradewinds Businesses	Dunn's River Brands; Fireman Capital	-	-	-
12/15/17	Tillen Farms	Stonewall Kitchen	-	-	-
12/8/17	Stir Foods and Pacifica Foods	Wind Point Partners	-	-	-
12/5/17	Atrium Innovations	Nestlé Health Science	\$2,300	3.3x	-
12/4/17	Genysis Brand Solutions	Nellson Nutraceutical, LLC	-	-	-
11/30/17	Field Roast Grain Meat Co.	Maple Leaf Foods	\$120	3.2x	-
11/30/17	Squirrel Brand	John B. Sanfilippo & Son	\$32	0.9x	-
11/27/17	Deep River Snacks	Arca Continental, S. A. B. de C. V.	-	-	-
11/22/17	Raybern Foods and Buddy's Kitchen	Premium Brands Holdings Corporation	-	-	-
11/21/17	Colgin Cellars	LVMH Moët Hennessy Louis Vuitton	-	-	-
11/20/17	Bento Sushi	YO! Sushi Group	\$78	1.3x	9.5x
11/20/17	Italian Rose Garlic Products	Blue Point Capital Partners	-	-	-
11/15/17	Nuun and Company	TSG Consumer Partners	-	-	-
11/14/17	Nonni's Foods	Vestar Capital Partners	-	-	-
11/13/17	Kii Naturals	Nustef Baking	-	-	-
11/3/17	Chameleon Cold Brew	Nestlé USA	-	-	-
11/3/17	Open Range Beef	High Street Capital	-	-	-
11/3/17	Original Philly Holdings	Tyson Foods	-	-	-
11/2/17	Richelieu Foods	Freiberger USA	\$435	1.3x	-
11/2/17	Tazo Tea Company	Unilever	\$384	3.4x	-
11/1/17	Betin (d.b.a. Montchevre)	Saputo	\$265	2.3x	-
10/31/17	Columbus Foods	Hormel Foods Corporation	\$850	2.8x	-
10/27/17	Standard Functional Foods Group	Hearthside Food Solutions	-	-	-
10/26/17	Inventure Foods	Utz Quality Foods	\$165	0.6x	-
10/20/17	Keybrand Foods	Tricor Pacific Founders Capital	-	-	-
10/20/17	Saxon Chocolates	Tricor Pacific Founders Capital	-	-	-
10/6/17	Omega Protein Corporation	Cooke	\$488	1.4x	8.1x
10/6/17	RxBAR	Kellogg Company	\$600	5.0x	~13.0x
10/5/17	LuckyVitamin Corporation	TSG Consumer Partners	-	-	-
10/3/17	Decopac	Snow Phipps Group	-	-	-
10/2/17	Parker Products	The Riverside Company	-	-	-

Sources: Capital IQ as of 12/31/2017, 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
Tokyo
Vienna
Zurich

Advisory Services

Mergers & Acquisitions
Debt Advisory
JV & Partnering
Valuations & Opinions
Special Situations

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.

Lincoln's United States Food & Beverage Group

United States

Brad Akason

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

Chris Stradling

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

Aaron Goldstein

Director (Chicago)
agoldstein@lincolninternational.com
+1 (312) 506-2721

Charles Walder

Director (Los Angeles)
cwalder@lincolninternational.com
+1 (213) 283-3704

Eddie Krule

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

David Houser

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

Dominic Rispoli

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

Mark Jones-Pritchard

Director (Chicago)
mjonespritchard@lincolninternational.com
+1 (312) 506-2724

Alberto Sinesi

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

Disclaimer

This document contains significant assumptions and has been prepared based on publicly available information, or additional information supplied by the owners and/or managers of the company(ies) described in this document, which has not been independently verified. Accuracy and completeness of the information provided has been presumed and, therefore, its content may or may not be accurate and complete. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information or statements made in this document and Lincoln International, its affiliates, directors, officers, employees and representatives expressly disclaim any and all liability with regards thereto. This document has been prepared for informational purposes only, is not a research report (as such term is defined by applicable law and regulations) and is not to be relied on by any person for any purpose. In addition, it is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form, or redistributed, without the prior written consent of Lincoln International.