



DealReader Food & Beverage

Q4 2016

Lincoln's 2017 Consumer Conference

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Extensive Food & Beverage Expertise

- Lincoln closed eight Food & Beverage transactions in 2016
- Numerous active global Food & Beverage M&A assignments
- Over 75 Food & Beverage transactions completed in firm history

A Leading Food & Beverage Practice with Growing Momentum

Selected North American Food & Beverage Transactions Closed in 2016

 has sold  to 	 has sold  to 	 has sold  to  a portfolio company of 	 has sold  to 	 has sold  to Management 
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Other Selected Food & Beverage Transactions

 has sold  to 	 has been sold to 	 has sold 	 has sold  to 	 has sold  to 
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 has sold  to 	 has received a majority investment from 	 has been sold to 	 has sold  (Castro Cheese Company) to 	 has been sold to 
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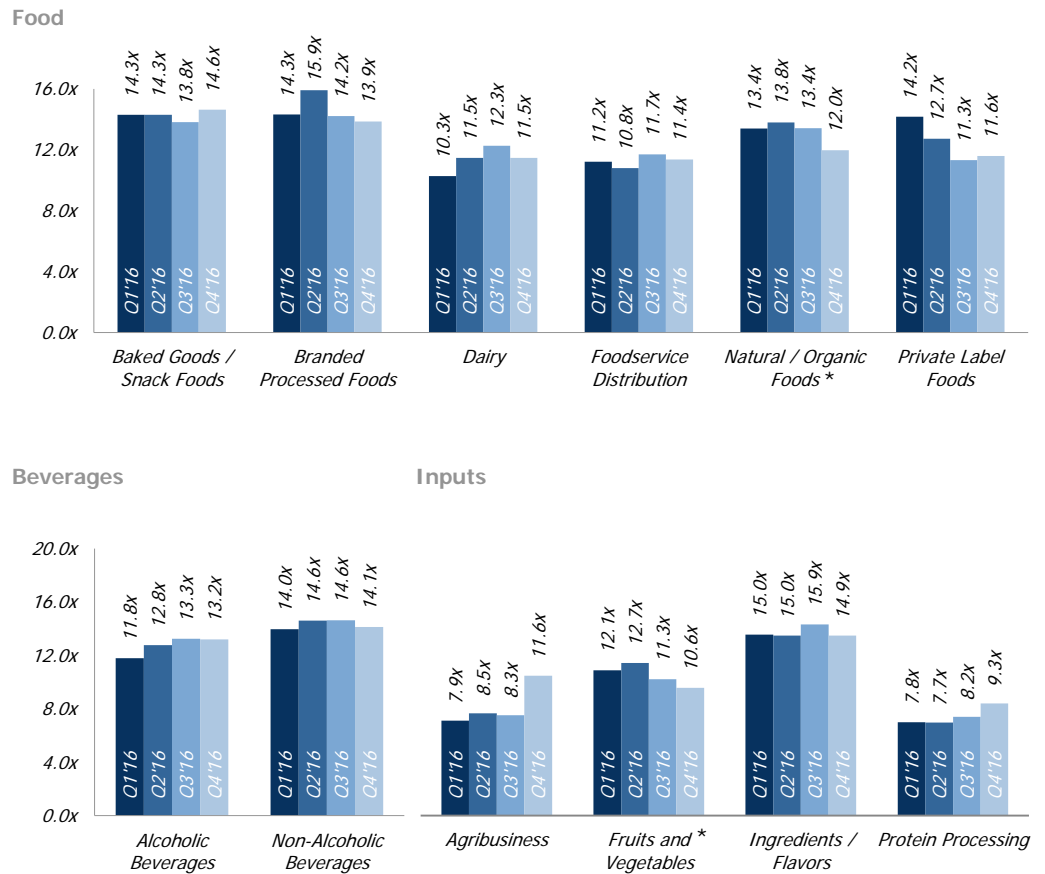
 has refinanced 	 has sold  to 	 has sold  to 	 has refinanced 	 has sold  to 
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Market Intelligence

- Better-for-you beverage brands continue to draw strong interest demonstrated by **Pepsico's** acquisition of **KeVita** and **Dr. Pepper Snapple Group's** acquisition of **BAI Brands**
- Aggressive consolidation in the alcoholic beverage sector continued in Q4 2016 with over **17 acquisitions** of North American targets including **High West Distillery, Constellation Brands Canada** and **Westland Distillery**

Food & Beverage Public Comparables

Historical Enterprise Value / EBITDA



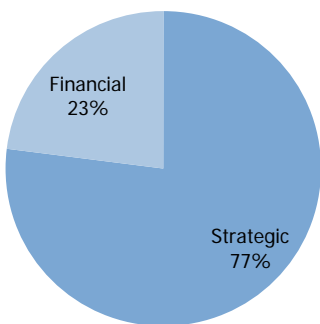
Note: * Indicates sector multiples calculated as averages rather than medians

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)	2.8%	92.5%	1.7x	14.6x	35.0x	3.5x	20.6%	25.5%	30.7%	12.8%
Branded Processed Foods (19)	(4.3%)	86.5%	2.7x	13.9x	25.1x	2.0x	17.9%	29.0%	36.3%	17.0%
Dairy (9)	(8.9%)	90.1%	1.1x	11.5x	24.1x	1.7x	17.9%	34.0%	34.8%	9.8%
Foodservice Distribution (17)	(5.9%)	91.8%	0.9x	11.4x	21.8x	2.6x	26.2%	35.0%	31.2%	8.8%
Natural / Organic Foods (5)	(1.4%)	78.3%	1.8x	12.0x	22.1x	3.5x	38.9%	65.2%	27.3%	13.9%
Private Label Foods (7)	1.1%	90.4%	1.2x	11.6x	30.0x	3.2x	31.2%	73.4%	18.5%	10.1%
Median			1.5x	11.8x	24.6x	2.9x	23.4%	34.5%	31.0%	11.5%
Beverage										
Alcoholic Beverages (11)	(7.9%)	90.7%	4.0x	13.2x	24.8x	2.9x	22.5%	20.7%	49.3%	28.6%
Non-Alcoholic Beverages (9)	(2.0%)	88.0%	2.9x	14.1x	24.3x	1.6x	27.4%	32.7%	46.8%	19.5%
Median			3.5x	13.7x	24.5x	2.3x	25.0%	26.7%	48.0%	24.1%
Inputs										
Agribusiness (9)	11.0%	93.4%	1.4x	11.6x	18.8x	3.0x	7.0%	4.3%	22.4%	13.0%
Fruits and Vegetables (3)	12.3%	90.2%	0.8x	10.6x	19.5x	1.2x	26.2%	92.9%	11.2%	8.2%
Ingredients / Flavors (16)	(9.4%)	85.8%	1.7x	14.9x	26.4x	1.2x	18.1%	29.7%	34.0%	12.0%
Protein Processing (6)	(3.0%)	83.5%	0.8x	9.3x	14.8x	3.1x	18.0%	17.5%	13.1%	7.9%
Median			1.1x	11.1x	19.1x	2.1x	18.0%	23.6%	17.7%	10.1%
Overall Median			1.5x	11.8x	24.2x	2.8x	21.6%	31.2%	31.0%	12.4%

Source: Capital IQ as of 12/31/2016; 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 2016, there were 87 announced M&A transactions involving the acquisition of North American food and beverage targets, up 9% compared to Q4 2015

77% went to strategic acquirers, 23% went to financial and other acquirers

Notable deals announced in Q4 2016 include:

- Greencore's acquisition of Peacock Foods for \$748 million or 15.8x EBITDA
- B&G's acquisition of Victoria Fine Foods for \$70 million or 7.8x EBITDA on an annualized and integrated basis
- Grey Mountain Partners' acquisition of Kronos Foods
- Charoen Pokphand Foods' acquisition of Bellisio Foods for \$1.1 billion or 12.6x EBITDA

Selected North American M&A Transactions

Announced Date	Target	Acquirer	Enterprise Value (\$mm)	Enterprise Value /	
				Sales	EBITDA
12-22-16	Popcorn Sutton Distilling	Sazerac Company	-	-	-
12-20-16	TIC Gums	Ingredion	\$400	-	-
12-15-16	Wynwood Brewing Company	Craft Brew Alliance	-	-	-
12-12-16	Maxi Canada	Altamont Capital Partners	-	-	-
12-8-16	Smooth Ambler Spirits Co.	NBV Investments	-	-	-
12-7-16	Nestle Nutrament Business	Brynwood Partners	-	-	-
12-2-16	Victoria Fine Foods	B&G Foods	\$70	1.7x ⁽¹⁾	7.8x ⁽¹⁾
12-1-16	Westland Distillery	Rémy Cointreau	-	-	-
11-29-16	GNP Company	Pilgrim's Pride Corporation (JBS S.A.)	\$350	-	-
11-28-16	Diamond of California	Blue Road Management	-	-	-
11-28-16	Blue Lake Citrus Products	Sun Orchard (Centre Partners)	-	-	-
11-22-16	BAI Brands	Dr. Pepper Snapple Group	\$1,700	5.7x	-
11-22-16	KeVita	Pepsico	\$200	~3.3x	-
11-17-16	Aviation American Gin	Davos Brands	-	-	-
11-17-16	Bellisio Foods	Charoen Pokphand Foods	\$1,075	-	12.6x
11-15-16	Freshstone Kitchen	Tricor Pacific Founders Capital	-	-	-
11-14-16	Peacock Foods	Greencore Group	\$748	0.8x	15.8x
11-10-16	Mercer Foods	Graham Partners	-	-	-
11-7-16	George Remus whiskey brand	MGP Ingredients	-	-	-
11-3-16	Angelic Bakehouse	T. Marzetti Company	-	-	-
11-1-16	Faribault Foods, beverage manufacturing assets	Brynwood Partners	-	-	-
10-31-16	Hillside Candy	Highlander Partners	-	-	-
10-19-16	Save On Seafood Company	US Foods	-	-	-
10-17-16	Charles Smith Wines, 5 Premium Wines	Constellation Brands	\$120	-	-
10-17-16	Constellation Brands Canada	Ontario Teachers' Pension	\$783	-	-
10-13-16	Belmont Meat Products	Premium Brands Holdings	\$38	0.4x	-
10-10-16	Allied Specialty Foods	AdvancePierre Foods Holdings	\$60	-	-
10-5-16	High West Distillery	Constellation Brands	\$160	6.2x	-
10-4-16	Kronos Foods	Grey Mountain Partners	-	-	-
10-3-16	Fleischmann's Vinegar Company	Green Plains	\$250	2.3x	10.0x

Sources: Capital IQ as of 12/31/2016, Mergermarket

Note: (1) Multiples calculated off projections for the fully integrated and annualized net sales and EBITDA

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
Munich
Mumbai
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

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