



DealReader Food & Beverage

Q3 2016

Lincoln's 2017 Consumer Conference

Lincoln International will hold its annual Consumer Conference on **Thursday, May 11, 2017** at the Hotel Nikko in San Francisco. Stay tuned for additional information and a link to register for the 2017 Consumer Conference.

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Extensive Food & Beverage Expertise

- Lincoln has closed five Food & Beverage transactions in 2016
- Over 15 active global Food & Beverage M&A assignments
- Over 75 Food & Beverage transactions completed

A Leading Food & Beverage Practice with Growing Momentum

Food & Beverage Transactions Closed in 2016

<p>Prospect Partners has sold</p> <p>KRONOS</p> <p>to</p> <p>Grey Mountain PARTNERS</p>	<p>TRIVEST has sold</p> <p>W WINE COMPANY</p> <p>to</p> <p>BRS</p>	<p>encore consumer capital has sold</p> <p>MESA</p> <p>to</p> <p>FEARDALE</p> <p>a portfolio company of</p> <p>SNOW PHIPPS</p>	<p>SUPERIOR has sold</p> <p>Dianne's FINE DESSERTS</p> <p>to</p> <p>Geneva Glen COTTAGE</p>	<p>CAPITAL PARTNERS has sold its investment in</p> <p>LOWE'S STAR BEEF PROCESSORS, L.P.</p> <p>to</p> <p>existing shareholders</p>
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Other Selected Food & Beverage Transactions

<p>NORTH CASTLE PARTNERS has sold</p> <p>Flatout</p> <p>to</p> <p>Lancaster Colony</p>	<p>AZTECA Europe has been sold to</p> <p>gruma</p>	<p>has sold</p> <p>JJ Bakers</p> <p>to</p> <p>KAINOS LANOS CAPITAL LLC</p>	<p>Palladium EQUITY PARTNERS has sold</p> <p>SAHALE SNACKS</p> <p>to</p> <p>SMUCKERS</p>	<p>Palladium EQUITY PARTNERS has sold</p> <p>FEARDALE PERKY</p> <p>to</p> <p>SNOW PHIPPS</p>
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<p>KERRY has sold</p> <p>FRUIT of the WEST</p> <p>to</p> <p>V VINOVO</p>	<p>Kernel Seasons has received a majority investment from</p> <p>YMG YOUNG & RUBICAM</p>	<p>Flatout has been sold to</p> <p>NORTH CASTLE PARTNERS</p>	<p>Palladium EQUITY PARTNERS has sold</p> <p>La Quepasa (Castro Cheese Company)</p> <p>to</p> <p>DFA Dairy Farmers of America</p>	<p>Snack Alliance Inc. has been sold to</p> <p>SHEARERS</p>
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<p>SUN CAPITAL PARTNERS, INC. has refinanced</p> <p>GREENSBORO FARMERS</p>	<p>OLYMPUS PARTNERS has sold</p> <p>WYNN'S HOT SAUCES</p> <p>to</p> <p>GRYPHON INVESTORS</p>	<p>Silver Ventures, Inc. has sold</p> <p>EGG PANIS</p> <p>to</p> <p>Campbell's</p>	<p>BAYSIDE CAPITAL has refinanced</p> <p>Ready Pac</p>	<p>Silver Ventures, Inc. has sold</p> <p>RED PONY</p> <p>to</p> <p>TreeHouse</p>
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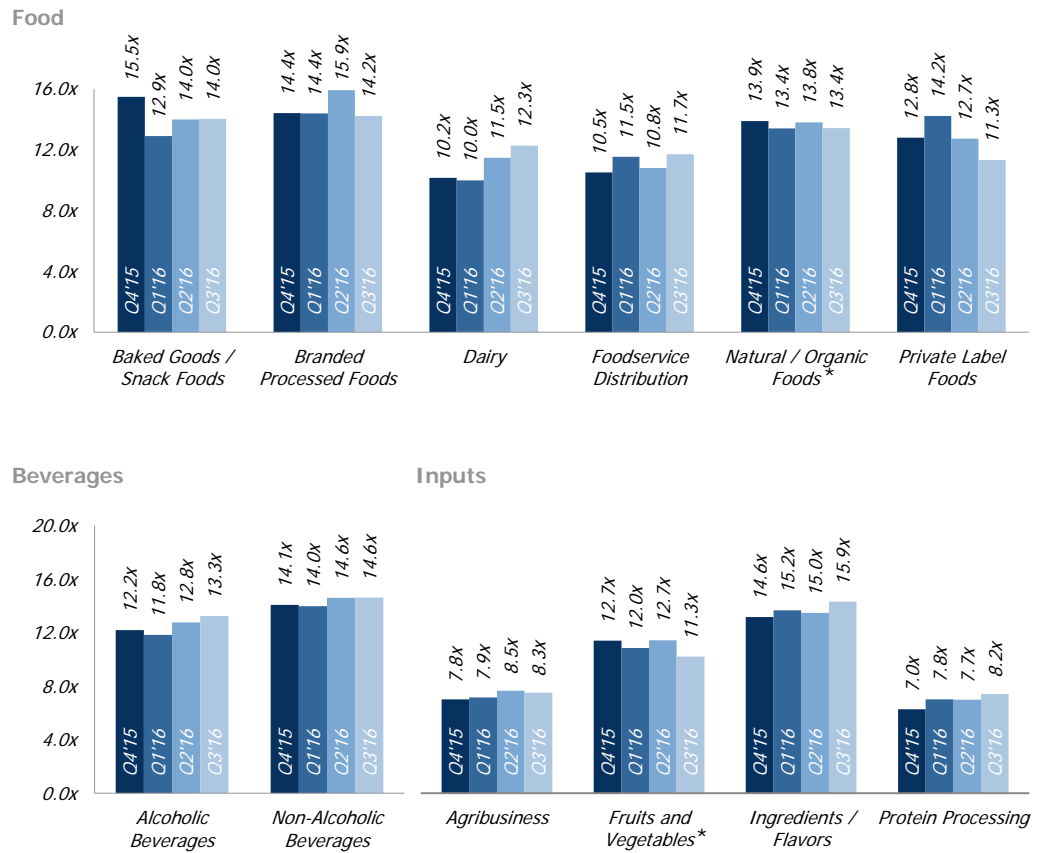
Market Intelligence

- Large CPG strategies continued to demonstrate strong M&A appetite with **ConAgra Foods** and **B&G Foods** making acquisitions in Q3 2016
- Aggressive consolidation in the alcoholic beverage sector continued in Q3 2016 with over **15 acquisitions** of North American targets
- The desserts category remained an M&A focus in Q3 2016

Sources: Capital IQ & Mergermarket

Food & Beverage Public Comparables

Historical Enterprise Value / EBITDA



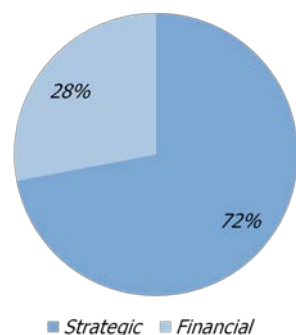
Note: * Indicates sector multiples calculated as averages rather than medians

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 (13)	(3.2%)	88.9%	1.7x	14.0x	31.1x	3.0x	1.6%	3.9%	31.0%	11.9%
Branded Processed Foods (19)	(5.6%)	89.8%	2.7x	14.2x	27.4x	2.0x	(3.4%)	4.8%	35.8%	16.9%
Dairy (9)	2.4%	93.6%	1.2x	12.3x	26.1x	1.8x	(4.9%)	8.0%	34.8%	9.8%
Foodservice Distribution (17)	1.7%	91.8%	0.9x	11.7x	26.5x	1.4x	1.1%	13.8%	31.1%	9.4%
Natural / Organic Foods (5)*	4.8%	80.0%	2.0x	13.4x	30.3x	3.3x	10.3%	5.8%	27.6%	12.3%
Private Label Foods (7)	(15.0%)	84.0%	1.1x	11.3x	29.4x	2.6x	2.5%	14.2%	18.9%	10.4%
Median			1.4x	12.8x	28.4x	2.3x	1.4%	6.9%	31.1%	11.2%
Beverage										
Alcoholic Beverages (11)	0.7%	92.8%	3.9x	13.3x	25.5x	2.9x	0.6%	1.1%	49.3%	28.6%
Non-Alcoholic Beverages (9)	(5.2%)	88.2%	2.9x	14.6x	24.1x	1.7x	8.6%	17.4%	46.8%	19.5%
Median			3.4x	13.9x	24.8x	2.3x	4.6%	9.2%	48.0%	24.1%
Inputs										
Agribusiness (9)	0.1%	89.2%	1.3x	8.3x	18.1x	2.8x	(8.4%)	(14.3%)	22.4%	13.3%
Fruits and Vegetables (3)*	(4.8%)	86.4%	0.8x	11.3x	21.0x	1.1x	1.8%	79.7%	10.9%	7.9%
Ingredients / Flavors (16)	3.7%	94.3%	1.8x	15.9x	27.9x	1.3x	(1.6%)	3.6%	33.6%	11.9%
Protein Processing (6)	11.5%	89.9%	0.8x	8.2x	17.1x	1.6x	(3.8%)	5.5%	13.3%	10.5%
Median			1.1x	9.8x	19.6x	1.5x	(2.7%)	4.6%	17.8%	11.2%
Overall Median			1.5x	12.8x	26.3x	1.9x	0.9%	5.6%	31.1%	11.9%

Source: Capital IQ as of 9/30/2016; Note: * Indicates sector statistics calculated as averages rather than medians

Deals by Acquirer Type



Food & Beverage M&A Activity — North America

Summary Observations

During Q3 2016, there were 75 announced M&A transactions involving the acquisition of North American food and beverage targets, up 9% compared to Q3 2015

72% went to strategic acquirers, 28% went to financial and other acquirers

Notable deals announced in Q3 2016 include:

- Danone announced an acquisition of WhiteWave Foods for \$12.5 billion or 24.9x EBITDA
- Cott Corporation acquired S&D Coffee for \$355 million
- B&G Foods acquired the Spices and Seasonings businesses of ACH Food Companies for \$365 million or 9.4x EBITDA
- The Gores Group, through a special purpose acquisition company, made a significant investment in Hostess Brands at a valuation of \$2.2 billion or 10.4x EBITDA
- Tenth and Blake Beer Company, a subsidiary of MillerCoors, acquired Hop Valley Brewing, Terrapin Beer Company and Revolver Brewing

Selected North American M&A Transactions

Announced Date	Target	Acquirer	Enterprise Value (\$mm)	Enterprise Value /	
				Sales	EBITDA
9/30/16	Caterina Foods, LLC	Archer-Daniels-Midland Company	-	-	-
9/30/16	BoDeans Baking Company, LLC	Joy Cone Company	-	-	-
9/26/16	Frontera Foods, Inc., Packaged Foods Businesses	ConAgra Foods, Inc.	\$109	-	-
9/26/16	Red Fork LLC, Packaged Foods Businesses	ConAgra Foods, Inc.	-	-	-
9/21/16	ACH Food Companies, Inc., Seasonings Business	B&G Foods North America, Inc.	\$365	1.6x ⁽¹⁾	9.4x ⁽¹⁾
9/13/16	David Michael & Co., Inc.	International Flavors & Fragrances Inc.	-	-	-
9/12/16	China Mist Tea Company	Farmer Brothers Co.	\$11	-	-
9/9/16	Boathouse Beverage, LLC	Anheuser-Busch InBev SA/NV	-	-	-
9/8/16	All Seasons Mushrooms, Inc.	Fyffes plc	\$46	-	-
9/1/16	National Pasteurized Eggs, Inc.	Michael Foods, Inc. (Post Holdings)	-	-	-
8/29/16	Duckhorn Wine Company, Inc.	TSG Consumer Partners	-	-	-
8/23/16	Milkmakers, LLC	Munchkin, Inc. (Teacher's Capital)	-	-	-
8/16/16	High Liner Foods, Inc.	Blue Harvest Fisheries (Bregal Investments)	-	-	-
8/15/16	H. Fox & Co., Inc.	Westminster Foods II, LLC (LaSalle Capital)	-	-	-
8/15/16	InterHealth Nutraceuticals, Inc.	Lonza Group, Ltd	\$300	-	10.0x
8/11/16	Revolver Brewing, LLC	Tenth and Blake Beer (MillerCoors)	-	-	-
8/11/16	Gourmet Guru Inc.	United Natural Foods, Inc.	-	-	-
8/4/16	S&D Coffee, Inc.	Cott Corporation	\$355	-	-
8/3/16	NAFTA Foods and Packaging, Inc. / Create A Treat, Ltd.	Give and Go Prepared Foods (Thomas H. Lee)	-	-	-
8/2/16	Oak State Products, Inc.	Hearthside Food Solutions LLC (Vestar Capital)	-	-	-
8/1/16	Del Monaco Foods, Inc.	Kettle Cuisine, LLC (Kainos Capital)	-	-	-
7/29/16	Dr. Smoothie Brands, Inc.	Bevolution Group (Highlander Partners)	-	-	-
7/29/16	Hop Valley Brewing, Co.	Tenth and Blake Beer (MillerCoors)	-	-	-
7/26/16	Whitlock Packaging Corporation	Refresco Group N.V.	\$129	-	7.3x
7/20/16	New Century Snacks and Snak Club	Insignia Capital Group, LLC	-	-	-
7/20/16	Mallet & Company, Inc.	Vantage Specialty Chemicals (Jordan Company)	-	-	-
7/19/16	Golden Enterprises, Inc.	UTZ Quality Foods, Inc.	\$142	1.0x	16.3x
7/18/16	Lawler Foods, Ltd.	The Original Cakerie, Ltd. (Gryphon Investors)	-	-	-
7/14/16	Puretec International, Inc.	Healthy Food Ingredients LLC (Horizon Holdings)	-	-	-
7/7/16	The WhiteWave Foods Company	Danone	\$12,475	3.0x	24.9x
7/6/16	Idaho Pacific Holdings, Inc.	Arlon Group, LLC	-	-	-
7/5/16	Hostess Brands, LLC	The Gores Group	\$2,198	3.5x	10.4x
7/5/16	Foley's Candies, Ltd.	Yellow Point Equity Partners LP	-	-	-

Sources: Capital IQ as of 9/30/2016, Mergermarket

Note: (1) Multiples calculated off the midpoint of 2017F financial projections

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
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

Advisory Services

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

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