



DealReader Food & Beverage

Q2 2016

Lincoln's 2016 Consumer Conference

Lincoln International held its annual Consumer Conference on Thursday, May 12, 2016 at the Hotel Nikko in San Francisco; the event had 41 presenting companies and was attended by over 350 people.

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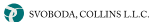


- Lincoln has closed four Food & Beverage transactions in Q2 2016
- Over 15 active M&A Food & Beverage assignments
- Over 75 Food & Beverage transactions completed

A Leading Food & Beverage Practice with Growing Momentum

Food & Beverage Transactions Closed in Q2 2016

 has sold  to  	 has sold  to  a portfolio company of SNOW PHIPPS 	 has sold  to Geneva Glen 	CAPITAL PARTNERS has sold its investment in  BEEF PROCESSORS, L.P. to existing shareholders 
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Other Selected Food & Beverage Transactions

 has sold  to  	 Court mandated change of control transaction 	 has sold  to  	 has sold  to  
 has sold  to SNOW PHIPPS 	 has been sold to  	 has received a majority investment from  	 has been sold to  
 has sold "La Vaquita" (Castro Cheese Company) to  Dairy Farmers of America 	 has been sold to  	SUN CAPITAL PARTNERS, INC. has refinanced  	 has sold  to  
Silver Ventures, Inc. has sold  to  	 has refinanced  	Silver Ventures, Inc. has sold  to  	 has sold coffee bean INTERNATIONAL to  

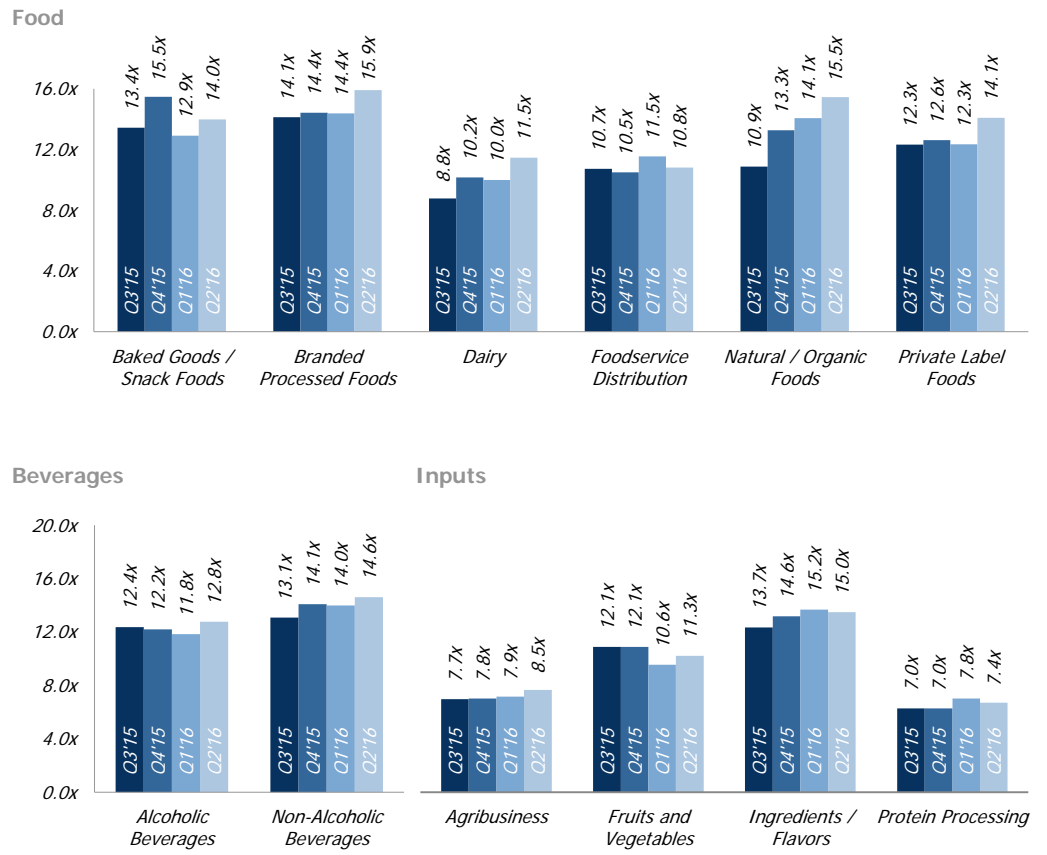
Market Intelligence

- Strong M&A activity in desserts signals a continued trend towards consolidation, highlighted by **Geneva Glen's** acquisition of **Dianne's Fine Desserts**, **Hostess'** acquisition of **Superior Cake Products** and **Thomas H. Lee's** acquisition of **Give & Go Prepared Foods**
- Big CPG strategics continue to aggressively pursue innovative, high growth brands such as **Justin's** and **barkTHINS** who are benefitting from trends toward on-the-go, snacking and protein

Sources: Capital IQ & Mergermarket

Food & Beverage Public Comparables

Historical Enterprise Value / EBITDA

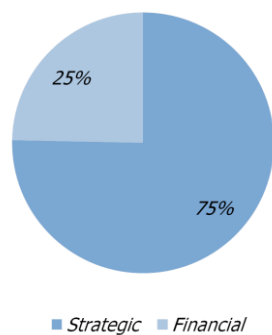


Median Statistics

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)	7.3%	93.7%	1.7x	14.0x	30.4x	3.5x	2.3%	2.6%	30.8%	11.7%
Branded Processed Foods (19)	5.0%	97.7%	2.7x	15.9x	27.4x	2.1x	(3.8%)	5.1%	36.0%	16.6%
Dairy (9)	(5.4%)	90.3%	1.2x	11.5x	26.4x	1.5x	(4.9%)	8.3%	33.6%	9.6%
Foodservice Distribution (17)	7.2%	85.2%	0.8x	10.8x	25.7x	1.1x	2.1%	13.6%	31.2%	9.2%
Natural / Organic Foods (5)	15.7%	72.1%	0.7x	15.5x	23.4x	2.1x	11.0%	7.8%	23.2%	8.9%
Private Label Foods (8)	6.8%	94.9%	1.4x	14.1x	43.9x	3.7x	2.3%	7.7%	23.2%	11.1%
<i>Median</i>			1.3x	14.0x	26.9x	2.1x	2.2%	7.8%	31.0%	10.3%
Beverage										
Alcoholic Beverages (11)	3.2%	94.4%	3.6x	12.8x	24.6x	3.0x	(0.2%)	2.1%	49.0%	28.4%
Non-Alcoholic Beverages (9)	3.2%	96.2%	3.3x	14.6x	28.8x	1.8x	8.0%	19.0%	46.8%	19.5%
<i>Median</i>			3.4x	13.7x	26.7x	2.4x	3.9%	10.6%	47.9%	23.9%
Inputs										
Agribusiness (9)	13.5%	83.5%	1.3x	8.5x	13.8x	2.3x	(8.5%)	(19.3%)	22.2%	13.9%
Fruits and Vegetables (3)	17.3%	98.2%	0.8x	11.3x	28.4x	0.9x	2.8%	12.4%	10.7%	6.6%
Ingredients / Flavors (16)	1.8%	92.1%	1.8x	15.0x	26.6x	1.4x	(1.5%)	9.8%	33.5%	11.8%
Protein Processing (6)	(4.1%)	79.1%	0.7x	7.4x	17.8x	2.9x	(3.6%)	8.7%	13.4%	10.0%
<i>Median</i>			1.0x	9.9x	22.2x	1.8x	(2.5%)	9.2%	17.8%	10.9%
Overall Median			1.3x	13.4x	26.5x	2.1x	1.0%	8.1%	31.0%	11.4%

Source: Capital IQ as of 6/30/2016

Deals by Acquirer Type



Food & Beverage M&A Activity — North America

Summary Observations

During Q2 2016, there were 77 announced M&A transactions involving the acquisition of North American food and beverage targets, up 12% compared to Q2 2015

75% went to strategic acquirers, 25% went to financial and other acquirers.

Notable deals announced in Q2 2016 include:

- Clorox acquired ReNew Life Formulas for \$290 million or 2.5x sales
- The Hershey Company acquired barkTHINS for an undisclosed sum
- Krispy Kreme Doughnuts acquired by JAB Holdings and BDT Capital for \$1.3 billion or 18.1x EBITDA
- Hormel Foods acquired Justin's, a maker of nut butters and related products, for \$286 million
- AB InBev acquired Devil's Backbone Brewing for an undisclosed sum

Selected North American M&A Transactions

Announced Date	Target	Acquirer	Enterprise Value (\$mm)	Enterprise Value	
				Sales	EBITDA
6/27/16	Milk Specialties Company	American Securities	-	-	-
6/21/16	Mesa Foods, LLC	Teasdale Foods	-	-	-
6/16/16	The Pure Bar	General Mills' Kashi subsidiary	-	-	-
6/16/16	Main on Foods	Nagatanien Holdings Co.	50	-	-
6/14/16	Dianne's Fine Desserts, Inc.	Geneva Glen Capital, LLC	-	-	-
6/13/16	Superior Cake Products, Inc.	Hostess Brands	-	-	-
6/9/16	Brooks Peanut Company, Inc.	Olam International Limited	85	-	-
6/8/16	ConAgra Foods, JM Swank Business	Platinum Equity, LLC	-	-	-
6/8/16	Retail Relay, Inc.	Door to Door Organics	-	-	-
6/2/16	Gigi's Cupcakes, Inc.	FundCorp, Inc.	-	-	-
6/2/16	The Ridgefield's Brand Corporation	Country Pure Foods, Inc.	14	1.1x	-
5/3/16	ReNew Life Formulas, Inc.	The Clorox Company	290	2.5x	-
6/1/16	Five Star Custom Foods, Ltd.	Cargill	-	-	-
5/30/16	Laguna Dairy, Certain U.S. Branded Business Assets	Grupo Lala, S.A.B. de C.V.	246	~1.2x	-
5/23/16	New Age Beverages; Aspen Pure and Xing beverage brands	American Brewing Company, Inc.	20	-	-
5/23/16	ConAgra Foods ingredients division	Givaudan SA	340	-	-
5/18/16	Justin's, LLC	Hormel Foods Corporation	286	-	-
5/9/16	Krispy Kreme Doughnuts, Inc.	JAB Holdings and BDT Capital	1,320	2.5x	18.1x
5/9/16	Friendly's Ice Cream, LLC, Manufacturing and retail ice cream business	Dean Foods Company	155	0.9x	-
5/2/16	Boundless Nutrition, LLC	Amplify Snack Brands, Inc.	31	-	-
5/2/16	Cargill Dressing, Sauces & Oils North America	Ventura Foods, LLC	-	-	-
4/29/16	Give and Go Prepared Foods Corp.	Thomas H. Lee Partners, L.P.	-	-	-
4/27/16	The BenRiach Distillery Company Limited	Brown-Forman Corporation	414	-	-
4/26/16	Ripple Brand Collective (d/b/a barkTHINS)	The Hershey Company	-	-	-
4/26/16	Diamond Crystal Brands, Inc.	Peak Rock Capital	-	-	-
4/12/16	Devils Backbone Brewing Company LLC	Anheuser-Busch Companies, LLC	-	-	-
4/11/16	Evans Food Group Ltd.	Wind Point Partners	-	-	-
4/8/16	Flying Fish Brewing Company, LLC	L&H Brewing Partners, LP	-	-	-
4/1/16	Highline Produce Limited	Fyffes plc	111	-	-
4/28/16	Ohio Pet Foods, Inc.	Graham Partners	-	-	-
4/6/16	Huneeus Vintners (d/b/a The Prisoner Wine Company)	Constellation Brands Inc.	285	-	-
4/4/16	Sterling Foods, LLC	Cotton Creek Capital Management, LLC	-	-	-

Sources: Capital IQ as of 6/30/2016, 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
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

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