

M&A in the Food & Beverage Industry – Key Trends

Year	Total no. of transactions	Total value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
2013	270	68,200	0.9x	10.7x
2014	320	62,000	1.0x	10.8x
2015	330	131,600	1.1x	9.6x
2016	270	47,500	1.4x	12.9x

Source: Capital IQ

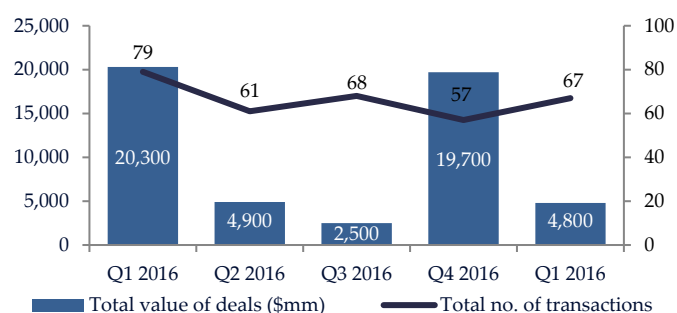
M&A in the Food & Beverage Industry – 2016 Overview

- In 2016, M&A activity in the Food & Beverage industry shifted towards lower number of transactions and deal value decreasing 64% from 2015.
- In 2016, the total deal value in the US and Canada accounted for 19% of the global deal value.
- The total number of global M&A transactions in the Food & Beverage industry was 2,100 in 2014, 2,300 in 2015, and 2,000 in 2016. Deals in the US and Canada accounted for 14% of the global transactions from 2014 to 2016.
- In 2016, valuation multiples for the US and Canada (median TEV/Revenue of 1.4x versus global median of 1.3x and median TEV/EBITDA of 12.9x versus 9.8x) were higher than global multiples.
- The majority of mega mergers took place in Q1 and Q2 2016, including Acorn Holdings' \$14.3 billion acquisition of Keurig and Molson Coors' \$12.0 billion acquisition of MillerCoors.
- 25% disclosed deals in terms of transaction value.

Activity Summary, Last 5 Quarters

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Total no. of transactions	79	61	68	57	67
Total value of deals (\$mm)	20,300	4,900	2,500	19,700	4,800
Average deal size (\$mm)	1,070	380	140	1,230	230
Median deal size (\$mm)	16	76	20	205	20
Median Revenue Multiple	2.0x	0.9x	1.5x	2.2x	0.7x
Median EBITDA Multiple	13.3x	7.0x	17.2x	12.2x	5.5x
Mid-market deals, % of total	79%	77%	94%	63%	90%

Source: Capital IQ

Activity Summary Chart, Last 5 Quarters

Deal Breakdown by Type of Buyer in 2016

Type of Buyer	No. of deals	Disclosed deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
Strategic Buyer	205	58	45,000	780	1.4x	13.3x
Financial Buyer	37	4	2,400	610	0.7x	7.0x
Both	1	0	n/a	n/a	n/a	n/a
Not available	22	4	2	2	1.0x	n/a

Source: Capital IQ

Middle Market Deals in 2016

Deal breakdown by size (\$mm)	No. of deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
\$0 - \$50	36	400	11	1.0x	14.5x
\$50 - \$250	10	1,180	118	1.1x	10.9x
\$250 - \$500	6	1,780	197	1.8x	11.1x

Source: Capital IQ

10 Notable Food & Beverage Transactions in 2016

Closed date	Target/Issuer	Buyers/Investors	Transaction value (\$mm)	Implied EV/Revenue	Implied EV/EBITDA
March 3	Keurig Green Mountain, Inc.	Acorn Holdings B.V.	14,300	3.1x	13.3x
October 11	MillerCoors LLC	Molson Coors Brewing Company (NYSE:TAP)	12,000	2.7x	12.4x

February 1	TreeHouse Private Brands, Inc.	Treehouse Foods, Inc. (NYSE:THS)	2,700	0.8x	n/a
November 4	Hostess Brands, LLC	Hostess Brands, Inc. (NasdaqCM:TWNB)	2,200	3.5x	12.1x
December 28	Rexall Pharma Plus Ltd.	McKesson Canada Corporation	2,200	n/a	n/a
February 29	Diamond Foods, LLC	Snyder's-Lance, Inc. (NasdaqGS:LNCE)	1,900	2.2x	17.9x
January 23	Northern Tier Energy LP	Western Refining, Inc. (NYSE:WNR)	1,900	0.8x	5.3x
April 21	The Fresh Market, Inc.	Apollo Global Management, LLC (NYSE:APO)	1,400	0.7x	7.0x
July 27	Krispy Kreme Doughnuts, Inc.	Cotton Parent, Inc.	1,300	2.5x	18.1x
December 22	Bellisio Foods, Inc.	Charoen Pokphand Foods Public Company Limited (SET:CPF)	1,100	n/a	n/a

Source: Capital IQ