

M&A in the Retail Industry – Key Trends

Year	Total no. of transactions	Total value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
2013	630	59,200	0.9x	10.6x
2014	720	206,000	0.9x	12.5x
2015	770	88,100	0.7x	11.1x
2016	690	78,000	1.2x	8.8x

Source: Capital IQ

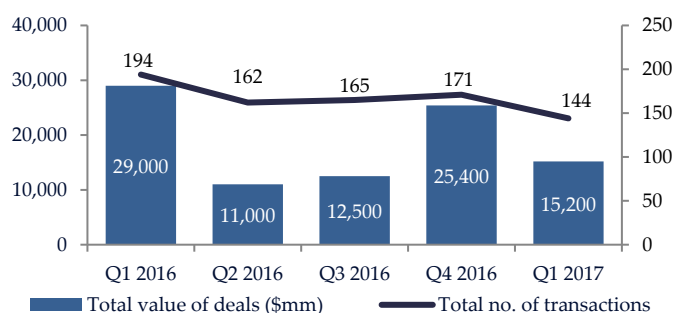
M&A in the Retail Industry – 2016 Overview

- In 2016, M&A activity in the Retail industry shifted towards lower number of transactions with deal value decreasing 11% from 2015.
- In 2016, the total deal value in the US and Canada accounted for 37% of the global deal value.
- The total number of global M&A transactions in the Retail industry was 3,200 in 2014, 3,400 in 2015, and 3,100 in 2016. Deals in the US and Canada accounted for 23% of the global transactions from 2014 to 2016.
- In 2016, valuation multiples for the US and Canada (median TEV/Revenue of 1.2x versus global median of 0.8x and median TEV/EBITDA of 8.8x versus 9.3x) were similar to global multiples.
- Total deal value in Q1 2016 was higher than that of the other three quarters and included the Acorn Holdings \$14.3 billion acquisition of Keurig Green Mountain and the Molson Coors \$ 12 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	194	162	165	171	144
Total value of deals (\$mm)	29,000	11,000	12,500	25,400	15,200
Average deal size (\$mm)	550	270	310	650	520
Median deal size (\$mm)	20	63	55	29	30
Median Revenue Multiple	1.9x	0.8x	1.2x	1.0x	1.0x
Median EBITDA Multiple	13.3x	7.0x	11.1x	8.4x	9.6x
Mid-market deals, % of total	87%	83%	85%	87%	83%

Source: Capital IQ

Activity Summary Chart, Last 5 Quarters

Deal Breakdown by Type of Buyer in 2016

Type of Buyer	No. of deals	Discl-osed deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
Strategic Buyer	532	139	67,800	490	1.2x	8.8x
Financial Buyer	94	20	10,000	500	0.6x	7.0x
Both	3	0	n/a	n/a	n/a	n/a
Not available	63	14	150	10	1.3x	12.8x

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	93	1,030	11	0.8x	7.0x
\$50 - \$250	45	5,410	120	1.4x	8.4x
\$250 - \$500	10	3,390	340	1.9x	10.5x

Source: Capital IQ

10 Notable Retail 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
December 5	Ingram Micro Inc.	Tianjin Tianhai Investment Co., Ltd. (SHSE:900938)	7,300	0.1x	8.1x

January 31	PETCO Animal Supplies, Inc.	CVC Capital Partners Limited; Canada Pension Plan Investment Board	4,600	n/a	n/a
January 12	Legend Pictures, LLC	Dalian Wanda Group Co Ltd	3,500	n/a	n/a
September 14	Mattress Firm Holding Corp.	Steinhoff International Holdings N.V. (JSE:SNH)	3,000	1.2x	16.0x
May 20	Rona Inc.	Lowe's Companies Canada, ULC	2,300	0.8x	14.2x
December 28	Rexall Pharma Plus Ltd.	McKesson Canada Corporation	2,200	n/a	n/a
January 23	Northern Tier Energy LP	Western Refining, Inc. (NYSE:WNR)	1,900	0.8x	5.3x
August 1	Tumi Holdings, Inc.	Samsonite International S.A. (SEHK:1910)	1,800	3.2x	14.2x

Source: Capital IQ