

## General Market Commentary

- A total of 65 M&A transactions were announced in North America in July across Food & Beverage, Retail, Catalog, E-Commerce and Consumer Discretionary sectors.
- The number of announced M&A transactions in these verticals is down from recent monthly levels June (90) and also below prior July periods over the last several years. We do not attribute this to any particular longer term trend as general deal interest remains high and valuations are trending upwards.
  - EBITDA and revenue valuations have been steadily increasing for mid-size companies (i.e. \$100mm-\$500mm) over the past two months. Premiums have decreased slightly for large companies (i.e. >\$500mm) in the past month (see p. 2).
- Notable announced deals include Marubeni acquiring Creekstone Farms and Schwann Foods buying Better Baked Foods, its second acquisition of a specialty pizza maker in two months.
- Consumers are increasingly demanding fresher, organic, locally produced items with less sugar, salt, preservatives, and processed ingredients. Campbell's acquisition of Pacific Foods and McCormick's acquisition of French's (see below) underscore the trend of large multi-national brands looking to acquire smaller companies with direct access to organic products and organic consumer channels.

## July Headline Transactions

Target	Acquirer	Acquisition Summary
		<ul style="list-style-type: none"> <li>• McCormick &amp; Company, Inc. has agreed to acquire the French's Food and Tigers Milk food businesses from Reckitt Benckiser for \$4.2 billion. French's mustard, Frank's Red Hot Sauce, and Cattleman's BBQ Sauce are among the brands included in the deal.</li> <li>• The transaction represents an IEV to LTM Revenue of 7.4x.</li> </ul>
JIMMY CHOO	MICHAEL KORS	<ul style="list-style-type: none"> <li>• Michael Kors Holdings Limited agreed to acquire luxury shoe maker Jimmy Choo PLC for \$1.17 billion as it looks for new sources of revenue growth. The deal is slated to close in Q4.</li> <li>• The agreed-upon transaction represents an EBITDA multiple of 17.3x.</li> </ul>
		<ul style="list-style-type: none"> <li>• Campbell Soup Co. has agreed to buy organic-soup maker Pacific Foods for \$700 million. The acquisition comes at an opportune time as consumers are becoming more health conscious and the organic foods industry continues to expand.</li> <li>• The transaction represents an IEV to LTM Revenue of 3.2x.</li> </ul>
		<ul style="list-style-type: none"> <li>• Cott Corp. has agreed to sell its beverage manufacturing business to Dutch company Refresco Group for \$1.25 billion.</li> <li>• Cott will add 29 production sites to Refresco's network with 19 in the US, currently the world's largest soft drinks market.</li> <li>• The deal is estimated to be valued at about 0.74x annual sales*.</li> </ul>

\* Source: Cott Corp. Company Website  
Sources: S&P Capital IQ and other public sources  
IEV = Implied Enterprise Value

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## Deal Value (\$Millions)



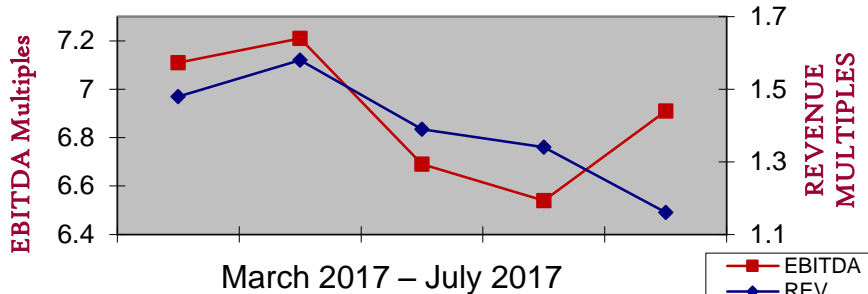
### T & H Market Trends Index

As of 8/2/2017

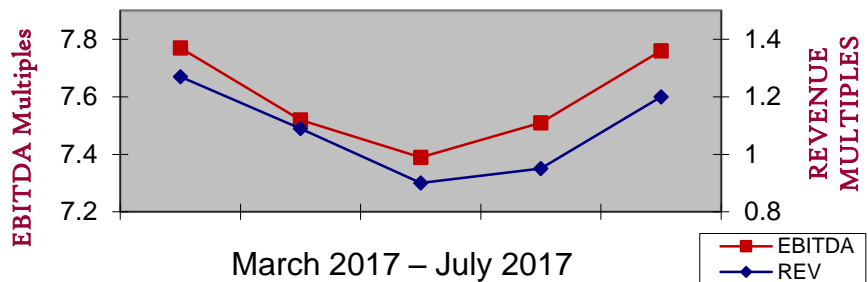
Deal Value (\$Millions)	EBITDA	REVENUE
<\$25	5.76x	0.94x
\$25 - \$100	6.91x	1.16x
\$100 - \$250	7.76x	1.20x
\$250 - \$500	8.07x	1.28x
>\$500	11.83x	3.18x

Source: Capital IQ (Data includes multiples between 3x and 20x excluding real estate and telecommunications transactions)

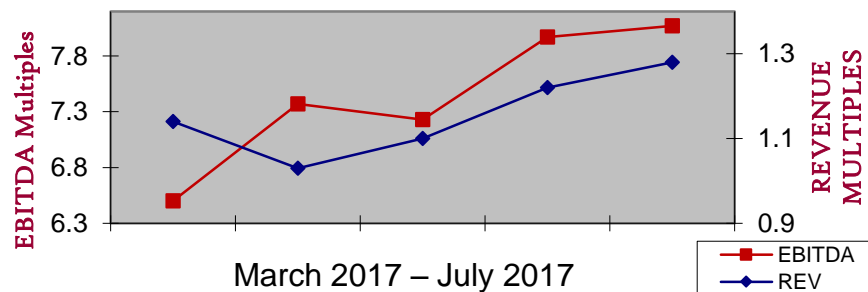
## \$25mm-\$100mm



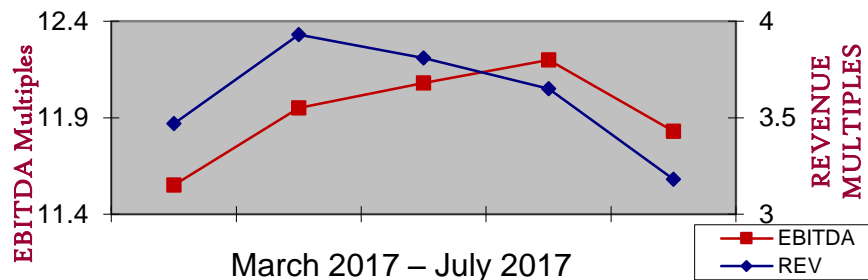
## \$100mm-\$250mm



## \$250mm-\$500mm



## Greater than \$500mm

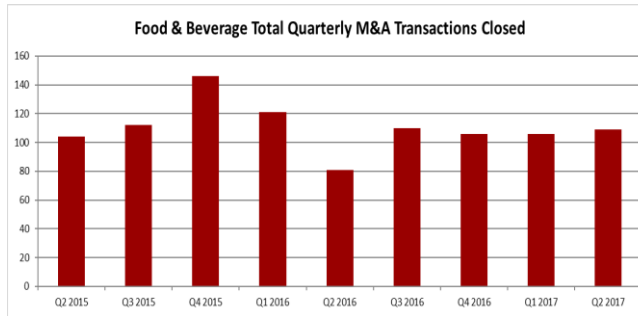


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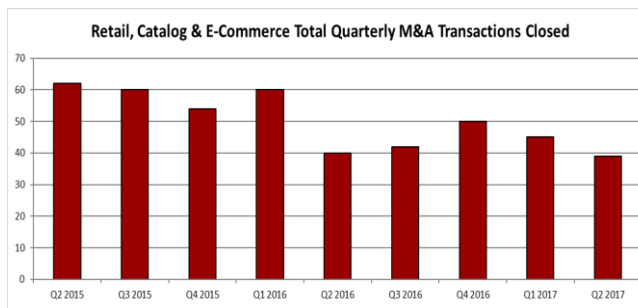
## Food & Beverage Overview



Source: Capital IQ

Transaction Value	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Not Disclosed	68	77	94	91	63	81	74	79	86
<\$10 mm	15	10	15	9	3	11	10	9	9
\$10 - 25 mm	1	7	10	6	4	8	5	5	1
\$25 - 50 mm	5	4	6	2	1	4	2	2	3
\$50 - 100 mm	5	4	6	3	3	1	3	4	2
\$100 - 500 mm	9	7	10	3	5	5	5	5	5
>\$500 mm	1	3	5	7	2	0	7	2	3
<b>Total # Quarterly Transactions</b>	<b>104</b>	<b>112</b>	<b>146</b>	<b>121</b>	<b>81</b>	<b>110</b>	<b>106</b>	<b>106</b>	<b>109</b>
<b>% Change vs. Prior Year Period</b>	<b>-12.6%</b>	<b>5.7%</b>	<b>27.0%</b>	<b>1.7%</b>	<b>-22.1%</b>	<b>-1.8%</b>	<b>-27.4%</b>	<b>-12.4%</b>	<b>34.6%</b>

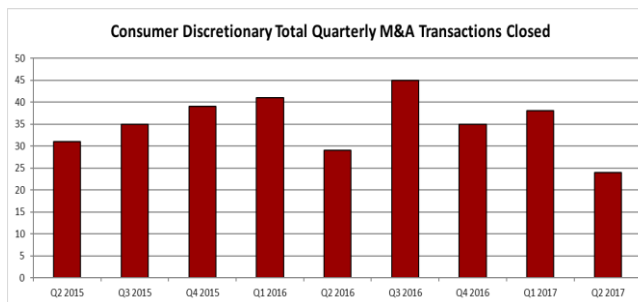
## Retail, Catalog & E-Commerce Overview



Source: Capital IQ

Transaction Value	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Not Disclosed	46	43	42	47	33	32	38	38	33
<\$10 mm	7	5	5	5	2	4	4	3	2
\$10 - 25 mm	4	3	2	1	2	1	2	0	0
\$25 - 50 mm	0	1	2	3	1	0	2	1	3
\$50 - 100 mm	1	1	0	0	0	1	3	2	0
\$100 - 500 mm	3	3	1	2	1	2	1	1	1
>\$500 mm	1	4	2	2	1	2	0	0	0
<b>Total # Quarterly Transactions</b>	<b>62</b>	<b>60</b>	<b>54</b>	<b>60</b>	<b>40</b>	<b>42</b>	<b>50</b>	<b>45</b>	<b>39</b>
<b>% Change vs. Prior Year Period</b>	<b>5.1%</b>	<b>-1.6%</b>	<b>17.4%</b>	<b>7.1%</b>	<b>-35.5%</b>	<b>-30.0%</b>	<b>-7.4%</b>	<b>-25.0%</b>	<b>-2.5%</b>

## Consumer Discretionary Overview<sup>1</sup>



Source: Capital IQ

Transaction Value	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Not Disclosed	25	29	31	28	25	31	27	30	16
<\$10 mm	3	1	1	5	0	4	5	2	5
\$10 - 25 mm	1	1	1	1	0	0	0	0	1
\$25 - 50 mm	0	2	1	2	0	1	1	1	1
\$50 - 100 mm	1	1	1	1	2	2	0	1	0
\$100 - 500 mm	0	1	4	4	1	3	0	3	1
>\$500 mm	1	0	0	0	1	4	2	1	0
<b>Total # Quarterly Transactions</b>	<b>31</b>	<b>35</b>	<b>39</b>	<b>41</b>	<b>29</b>	<b>45</b>	<b>35</b>	<b>38</b>	<b>24</b>
<b>% Change vs. Prior Year Period</b>	<b>-13.9%</b>	<b>-10.3%</b>	<b>-4.9%</b>	<b>28.1%</b>	<b>-6.5%</b>	<b>28.6%</b>	<b>-10.3%</b>	<b>-7.3%</b>	<b>-17.2%</b>

<sup>1</sup>Consumer Discretionary transactions are comprised of Arts & Crafts, Toys, Gifts & Collectibles, Sporting Goods & Leisure Products and Home Décor

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## U.S. July Food & Beverage Transactions

Announced Date	Target/Issuer	Acquirer	Sellers
07/31/2017	ZEN HERO, Inc.	MJ Biotech, Inc. (OTCPK:MJTV)	-
07/31/2017	Phila Foods	Land O Lakes Inc.	-
07/29/2017	The Coca-Cola Company, 12 Coca-Cola Distribution Facilities	ABARTA, Inc.	The Coca-Cola Company (NYSE:KO)
07/27/2017	Gordy's Market, Two Market Locations in Eau Claire and One in Tomah	Skogen's Foodliner, Inc.	Gordy's Market, Inc.
07/26/2017	Costa Farms, LLC	Markel Ventures, Inc.	-
07/26/2017	Short's Brewing Company, Inc.	The Lagunitas Brewing Company	-
07/25/2017	Traditional Carbonated Soft Drinks & Juice business in US, Canada, Mexico and UK	Refresco Group N.V. (ENXTAM:RFRG); Refresco US	Cott Corporation (TSX:BCB); Cott Retail Brands Ltd.; Cott Holdings
07/25/2017	Chosen Foods, LLC	SESAJAL S.A. de C.V.	-
07/24/2017	Better Baked Foods & Drayton Enterprises, LLC	The Schwan Food Company, Inc.	Ne Foods Inc.
07/23/2017	Schull Coffee Co Inc.	Not Disclosed	Not Disclosed
07/20/2017	Creekstone Farms Premium Beef, LLC	Marubeni Corporation (TSE:8002)	Sun Capital Partners, Inc.
07/20/2017	Hiball, Inc.	Anheuser-Busch Companies, LLC	-
07/20/2017	East Ball, Inc.	Grupo Bimbo, S.A.B. de C.V. (BMV:BIMBO A)	OEP Capital Advisors, L.P.
07/19/2017	PDQ Food Stores, Inc.	Kwik Trip, Inc.	-
07/18/2017	French's Food companies and Tigers Milk LLC	McCormick & Company, Incorporated (NYSE:MKC)	Reckitt Benckiser LLC; The R.T. French's Food Group Limited
07/18/2017	Monkey Paw Brewing Company	Coronado Brewing Company, Inc.	-
07/17/2017	Gold Coast Bakeries, LLC	Peak Rock Capital	-
07/17/2017	Albertville Quality Foods, Inc.	OK Foods, Inc.	H.I.G. Capital, LLC
07/17/2017	BakeMark USA LLC	Pamplona Capital Management LLP, Private Equity	CSM Bakery Solutions Europe Holding B.V.
07/14/2017	Legacy Ventures International Inc. (OTCPK:LGIV)	Not Disclosed	Not Disclosed
07/14/2017	H&N Distribution, Inc.	United 1 International Laboratories LLC	RiceBran Technologies (Nasdaq:CMRIBT)
07/14/2017	Braunger Foods and The Thompson Company and Variety Foods L.L.C.	US Foods Holding Corp. (NYSE:USFD)	TOBA, Inc.
07/14/2017	Michael Farmers Supermarket, LLC	iFresh Inc. (Nasdaq:CM:IFMK)	-
07/12/2017	Oasis Baklava	Dishdash Middle Eastern Cuisine	-
07/12/2017	Rudy's Tortillas, Inc.	Teasdale Latin Foods	-
07/12/2017	B and R Farms, LLC	Not Disclosed	Not Disclosed
07/12/2017	The Jersey Tomato Co.	KEEN Growth Capital	-
07/12/2017	Woodinville Whiskey Company, LLC	Moët Hennessy USA, Inc.	-
07/12/2017	34 Panera Bread Bakery-Cafes in Kansas & Missouri of Original Bread Inc.	Pan American Group LLC	Original Bread, Inc.
07/11/2017	Affinity Flavors, Inc.	T. Hasegawa U.S.A. Inc.	-
07/11/2017	Dairy Farmers of America, Inc., Yogurt Manufacturing Plant in Batavia	HP Hood LLC	Dairy Farmers of America, Inc.
07/10/2017	Home Bistro, Inc.	AlphaPoint Technology, Inc. (OTCPK:APPO)	Dinewise, Inc. (OTCPK:DWIS)
07/10/2017	Borden Dairy Company	ACON Investments, L.L.C	Laguna Dairy, S. de R.L. de C.V.
07/06/2017	Nevada Food Brokerage, Inc.	KeyImpact Sales & Systems, Inc.	-
07/06/2017	Pacific Foods of Oregon, Inc.	Campbell Investment Company	-
07/06/2017	Mi Pueblo LLC	Cardenas Markets, Inc.	Cha Cha Enterprises, LLC
07/06/2017	Kutoa Company, LLC	Toosum Healthy Foods, LLC	-
07/06/2017	Athena Brands, Inc.	Minerco, Inc. (OTCPK:MINE)	MSF International, Inc.
07/03/2017	Stonyfield Farm, Inc.	Groupe Lactalis S.A.	Danone (ENXTPA:BN)
07/01/2017	Six Convenience Stores in Colorado	Loco Inc.; Alta Convenience	-

## U.S. July Retail, Catalog & E-Commerce Transactions

Announced Date	Target/Issuer	Acquirer	Sellers
07/28/2017	SEI/Aaron's, Inc.	Aaron's, Inc. (NYSE:AAN)	-
07/27/2017	Active Sports, Inc.	Camping World Holdings, Inc. (NYSE:CWH)	-
07/21/2017	General Wireless Operations Inc.	Not Disclosed	Not Disclosed
07/20/2017	Eagle Ready-Mix, Inc.	Ozinga Brothers, Inc.	-
07/19/2017	ExtremeTix, Inc.	Etix, Inc.	-
07/08/2017	Bob Brandt Inc and Bob Brandt Stores Inc.	Applegreen Plc (AIM:APGN)	Bob Brandt Stations, Inc.
07/06/2017	HSN, Inc. (NasdaqGS:HSNI)	QVC Group (NasdaqGS:QVCA)	Fidelity Management & Research Company
07/05/2017	BUYSEASONS, Inc.	Rubie's Costume Company, Inc.	Liberty TripAdvisor Holdings, Inc. (NasdaqGS:LTRP.A)

## U.S. July Consumer Discretionary Transactions

Announced Date	Target/Issuer	Acquirer	Sellers
07/12/2017	Fish Tales, LLC	Baltenfeld Technologies, Inc.	-
07/11/2017	JTD Enterprises Inc., Search N Rescue Brand of Golf Ball Retrievers and Golf Course	Dynamic Brands Inc.	JTD Enterprises Inc.
07/11/2017	BK Home Furniture, LLC	M Design Village, LLC	-
07/10/2017	GlideWare LLC	Rev-A-Shelf, LLC	-
07/10/2017	Superior International Industries, Inc.	PlayCore Holdings, Inc.	-
07/03/2017	Mineral Fusion Natural Brands, LLC	BWX Limited (ASX:BWX)	North Castle Partners, LLC
07/03/2017	Altitude International, Inc.	Titan Computer Services, Inc. (OTCPK:TTNC)	-
07/02/2017	Chamber-View, LLC	X-Ring Productions, LLC	-

Source: Capital IQ

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# TULLY & HOLLAND

INCORPORATED

Tully & Holland, Inc. is a boutique investment banking firm that provides financial advisory services to the consumer sector. The firm offers services involving sales and divestitures, acquisition and debt advisory, and financings. The firm focuses on the middle market and handles merger and acquisition transactions between \$10 million and \$150 million. Tully & Holland was founded in 1992 and is a member of FINRA & SIPC.

## Food & Beverage

- Food Manufacturers & Distributors
- Food Service Mfg. & Distributors
- Specialty Foods
- Beverages

## Retail, Catalog & E-Commerce

- Multi-Channel Merchants
- Catalogers
- Specialty Retailers
- Direct Marketers
- E-Commerce

## Consumer Discretionary

- Arts & Crafts
- Toys, Gifts & Collectibles
- Health & Beauty Aids
- Sporting Goods & Leisure Products
- Home Decor

## Points of Differentiation

- Unrivaled consumer transaction experience in a host of areas including multi-channel retail, food, and consumer discretionary products.
- A unique team of senior professionals, that includes both seasoned investment bankers and former consumer industry executives.
- Longstanding, ongoing relationships with both strategic and financial buyers interested in the consumer sector.
- Significant experience with advising on cross-border transactions

## Representative Clients



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