


General Market Commentary

- A total of 81 M&A transactions were announced in North America in June across Food & Beverage, Retail, Catalog, E-Commerce and Consumer Discretionary sectors.
- The number of announced M&A transactions in these verticals is up 29% from June 2016 and up 13% from May 2017.
- The F&B category remains active with 54 deals in the U.S., compared to 63 deals in the prior month. The number of deals in this sector for Q2 2017 has doubled compared to Q1 2017 and is up 136% versus Q2 2016 (see p.3).
- Retail, Catalog, E-Commerce, and Consumer Discretionary show an increase in deal activity compared to the prior month, however overall Q2 2017 activity declined 24% compared to Q1 2017 as broader activity remains sluggish.
- There has very recently been a resurgence of deal activity in the retail and e-commerce space. Most notably, Amazon has agreed to purchase Whole Foods for \$13.7B, putting pressure on other large grocery retailers and underscoring the trend of e-commerce players looking for retail partnerships where they can access customers who are more difficult to penetrate online.
- EBITDA valuations continue to remain elevated and we have seen increasing premiums paid for larger deals (i.e.\$250mm+) over the past month.

June Headline Transactions

Target	Acquirer	Acquisition Summary
		<ul style="list-style-type: none"> • Amazon.com, Inc. has agreed to acquire Whole Foods Market, Inc. for \$13.7 billion as Amazon expands its online grocer business. This represents a 27% premium on Whole Foods' share price at the time the deal was announced*. • The transaction represents an IEV to LTM EBITDA of 10.3x
		<ul style="list-style-type: none"> • Private-equity firm Sycamore Partners has agreed to buy Staples Inc. for about \$6.9 billion as they bet on the potential for Staples' e-commerce platform. Sycamore is expected to pay \$10.25 a share for Staples. • The transaction represents an IEV to LTM EBITDA of 5.2x
		<ul style="list-style-type: none"> • Liquor giant Diageo has agreed to pay up to \$1 billion to acquire the fast-growing tequila brand Casamigos, created by actor George Clooney and two other business partners. • Market sources estimate the deal to be valued at about 20.0x annual sales versus a category average of 5.0x sales*.
		<ul style="list-style-type: none"> • Walgreens Boots Alliance Inc. and Rite Aid Corp. halted their \$9.4 billion merger agreement after antitrust concerns. Instead, Walgreens agreed to buy half of Rite Aid's stores for \$5.2 billion in cash. Rite Aid stock is down 70% from its 2017 peak.

*Source: Forbes and other public sources
Sources: S&P Capital IQ and other public sources
IEV = Implied Enterprise Value

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T & H Market Trends Index

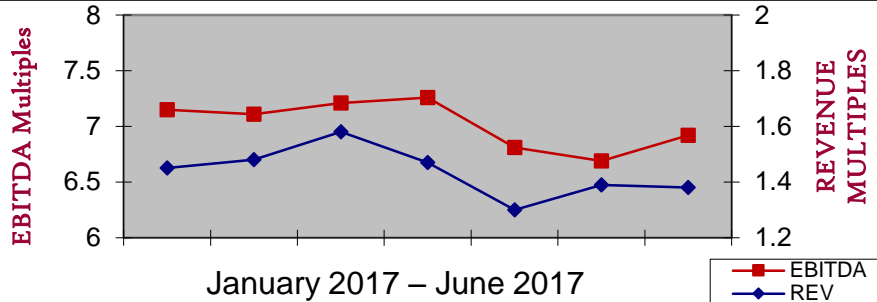
As of 6/22/2017

Deal Value (\$Millions)	EBITDA	REVENUE
<\$25	5.84x	0.94x
\$25 - \$100	6.92x	1.38x
\$100 - \$250	7.39x	0.90x
\$250 - \$500	7.55x	1.15x
>\$500	12.11x	3.78x

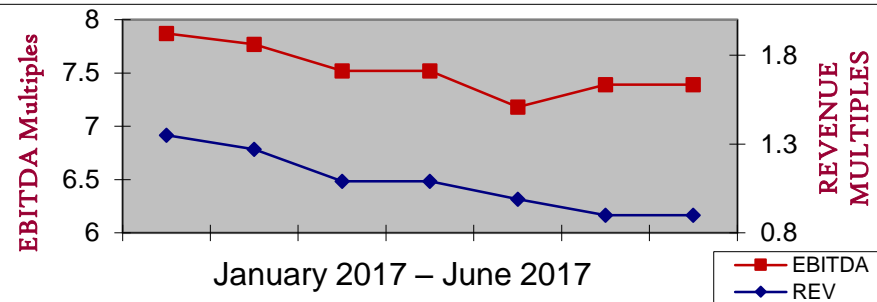
Source: Capital IQ (Data includes multiples between 3x and 20x excluding real estate and telecommunications transactions)

Deal Value (\$Millions)

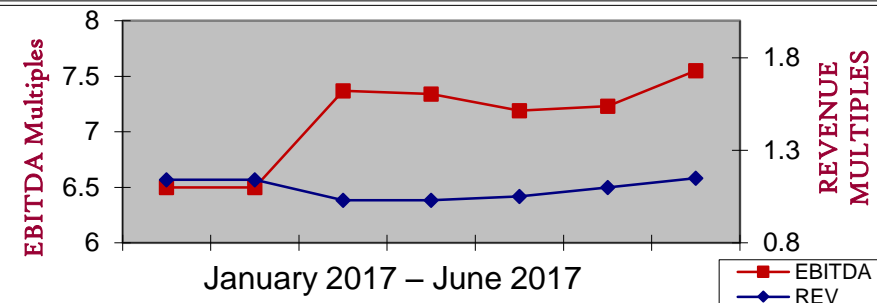
\$25mm-\$100mm



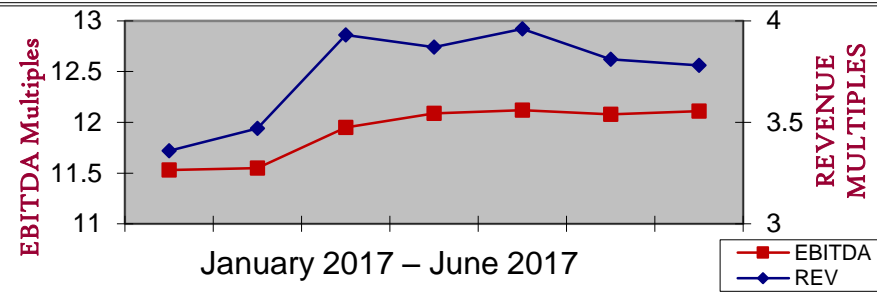
\$100mm-\$250mm



\$250mm-\$500mm



Greater than \$500mm

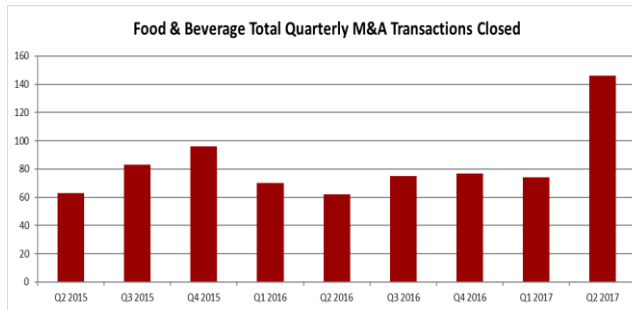


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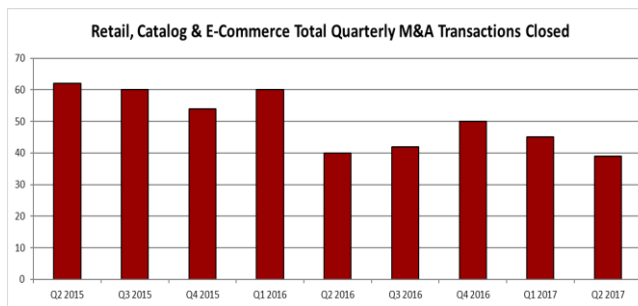
Food & Beverage Overview



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	42	49	65	55	48	61	50	54	112
<\$10 mm	10	10	9	2	2	6	10	7	15
\$10 - 25 mm	1	6	5	4	4	2	4	4	2
\$25 - 50 mm	2	3	5	1	2	2	1	0	4
\$50 - 100 mm	3	5	4	1	0	0	2	3	2
\$100 - 500 mm	4	8	4	1	5	4	5	5	6
>\$500 mm	1	2	4	6	1	0	5	1	5
Total # Quarterly Transactions	63	83	96	70	62	75	77	74	146
% Change vs. Prior Year Period	-25.9%	2.5%	14.3%	-11.4%	-1.6%	-9.6%	-19.8%	5.7%	135.5%

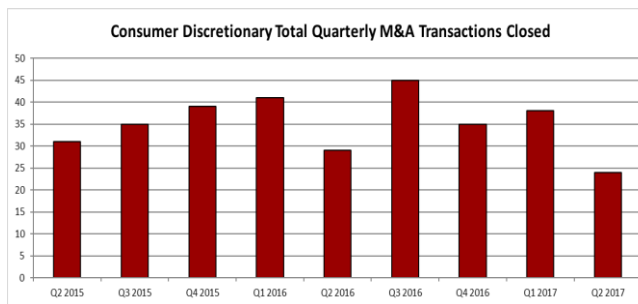
Retail, Catalog & E-Commerce Overview



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
Total # Quarterly Transactions	62	60	54	60	40	42	50	45	39
% Change vs. Prior Year Period	5.1%	-1.6%	17.4%	7.1%	-35.5%	-30.0%	-7.4%	-25.0%	-2.5%

Consumer Discretionary Overview¹



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
Total # Quarterly Transactions	31	35	39	41	29	45	35	38	24
% Change vs. Prior Year Period	-13.9%	-10.3%	-4.9%	28.1%	-6.5%	28.6%	-10.3%	-7.3%	-17.2%

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

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U.S. June Food & Beverage Transactions

Announced Date	Target/Issuer	Acquirer	Sellers
06/30/2017	The Kraft Heinz Company, Cheese plant located in Campbell	Upstate Niagara Cooperative, Inc.	The Kraft Heinz Company (NasdaqGS:KHC)
06/30/2017	O'Dang Hummus LLC	KEEN Growth Capital	-
06/30/2017	Tw o Restaurants located at Bowling Green and Fostoria, Ohio	Golden Gate Capital	Bob Evans Farms, Inc. (NasdaqGS:BOBE)
06/30/2017	Deep Creek Restaurant, Inc.	206 Restaurant Group, LLC	-
06/29/2017	FSC Franchise Co., LLC	-	Levine Leichtman Capital Partners
06/28/2017	The Better Bean Company	Cultivate Ventures	RenewalZ Management Company
06/28/2017	CSI, Inc.	Pan Pacific International Holdings Pte. Ltd.	Quinn Family Trust, Investment Arm; Glenn L. Evans Trust, Investment Arm
06/28/2017	Hawks View Cellars, LLC	Ponte Family Estate, LLC	-
06/27/2017	Stampede Meat, Inc.	Wynnchurch Capital, LLC	-
06/27/2017	Hidden Lake Winery and Banquet Center	Got Wines, LLC	-
06/27/2017	Skull's Rainbow Room	Not Disclosed	Not Disclosed
06/26/2017	Crumble & Flake LLC	Not Disclosed	Not Disclosed
06/23/2017	FMC Corporation, Epax® Omega-3 Business	Pelagia AS	FMC Corporation (NYSE:FMC)
06/22/2017	M-F, LLC	Freshlife Inc. (TSX:FRH)	-
06/22/2017	Uncle Matt's Organic Inc.	Dean Foods Company (NYSE:DF)	-
06/21/2017	Casamigos Spirits Co.	Diageo North America Inc.	-
06/21/2017	Brûlée Catering by Chef Jean-Marie Lacroix	Comcast Spectacor, L.P.	Libre Management, LLC
06/21/2017	60-acre Napa Valley vineyard	Far Niente Wine Estates LLC	-
06/21/2017	A & C United Agriculture Developing Inc. (OTCPK:ACUG)	Not Disclosed	Not Disclosed
06/19/2017	ITSUGAR, LLC	BBX Sweet Holdings, LLC	-
06/16/2017	Whole Foods Market, Inc. (NasdaqGS:WFM)	Amazon.com, Inc. (NasdaqGS:AMZN)	The Vanguard Group, Inc.; JANA Partners LLC; Neuberger Berman Group LLC
06/16/2017	Schrader Cellars, LLC	Constellation Brands, Inc. (NYSE:STZ)	-
06/16/2017	Robert Rothschild Farm, LLC	Clearbrook Farms, Inc.	Strength Capital
06/16/2017	Tin Man Brewing, LLC	Nesace Ventures	-
06/15/2017	Healthy Foods Markets LLC	Pacific Ventures Group, Inc. (OTCPK:PACV)	-
06/15/2017	Triple - T Foods, Inc.	Ainsworth Pet Nutrition, LLC	-
06/15/2017	Sushi Fix Holdings, LLC	Not Disclosed	Not Disclosed
06/13/2017	Bell Fish Company LLC, Certain Assets	AquaBounty Technologies, Inc. (NasdaqCMAOB)	Bell Fish Company LLC
06/13/2017	Marsh Supermarkets, LLC, 11 Grocery Stores	Topvalco, Inc.	Marsh Supermarkets, LLC
06/13/2017	Marsh Supermarkets, LLC, 15 Grocery Stores	Generative Growth, LLC	Marsh Supermarkets, LLC
06/13/2017	21 Existing Drive-Ins In The Ohio River Valley, Tennessee And Missouri	Northfork Holdings	-
06/12/2017	Four Piggly Wiggly Stores in Clinton and Roseboro	Carlie Cs IGA, Inc.	-
06/09/2017	Farmway Co-op, Inc.	Central Valley Ag Cooperative	-
06/08/2017	Rao's Specialty Foods, Inc.	Sovos Brands Intermediate, Inc.	-
06/08/2017	Firesteed Cellars Winery & Tasting Room	Vintage Wine Estates, Inc.	Firesteed Corporation
06/08/2017	Red Diamond, Inc., Red Diamond Foodservice	Gordon Food Service, Inc.	Red Diamond, Inc.
06/08/2017	Firesteed Corporation, Willamette Food Production Facility	Pacific Rim and Company	Firesteed Corporation
06/08/2017	30 Acre Flynn Vineyard in Willamette Valley	Pacific Rim and Company	-
06/08/2017	Backyard Farms, LLC	Mastroratti Produce Ltd.	Fidelity Investments
06/08/2017	Popeyes Louisiana Kitchen, Inc., 11 Popeyes Restaurants in Georgia	GPS Hospitality, LLC	Popeyes Louisiana Kitchen, Inc.
06/07/2017	Del Maguey Inc.	Pernod Ricard USA, LLC	-
06/07/2017	EZMart Food Stores, Inc., Tw o Convenience Store and Travel Center Locations	Adarna Technologies Corporation (OTCPK:ADAC)	EZMart Food Stores, Inc.
06/06/2017	Ignite Restaurant Group, Inc., Substantially all of the assets	Kelly Companies of Southern California, LLC	Ignite Restaurant Group, Inc. (OTCPK:IRGT.O)
06/06/2017	The Antler's Restaurant, LLC	4B's Holdings, Inc.	-
06/05/2017	Fresh and Healthy Markets LLC	Pacific Ventures Group, Inc. (OTCPK:PACV)	-
06/05/2017	Giant Beverage Company, Inc.	Hispanica International Delights of America, Inc. (OTCPK:HSP)	-
06/02/2017	Riverside Food Distributors, LLC	US Foods, Inc.	-
06/02/2017	Pets2X Inc.	Illumity Corp.	-
06/02/2017	Istanbul Cafe	Not Disclosed	Not Disclosed
06/02/2017	Benefit Brewing, Inc.	Not Disclosed	Not Disclosed
06/01/2017	The Wendy's Company, 140 Wendy's restaurants	NFC Quality Burgers, Inc.	The Wendy's Company (NasdaqGS:WEN)
06/01/2017	Perkins & Marie Callender's, LLC, Five Corporate Restaurants in Pennsylvania	K Investments Limited	Perkins & Marie Callender's, LLC
06/01/2017	BluDog Products LLC	International Consolidated Companies, Inc. (OTCPK:INCC)	-
06/01/2017	Four Farms Totaling 3,253 Gross Acres And 3,032 Irrigated Acres In Southw estern Arizona	Gladstone Land Corporation (NasdaqGMLAND)	-

U.S. June Retail, Catalog & E-Commerce Transactions

Announced Date	Target/Issuer	Acquirer	Sellers
06/30/2017	Webjet Marketing North America, LLC	-	Webjet USA Holdings Inc.
06/30/2017	Renee Claire Inc.	Komar, Inc.	-
06/30/2017	Capstone Supply LLC	ABC Supply Co., Inc.	-
06/29/2017	West Marine, Inc. (NasdaqGS:WMAR)	Monomoy Capital Partners	Franklin Templeton Investments Corp.; Select Equity Group, L.P.; Franklin Advisory Services, LLC
06/29/2017	MadVapes LLC	AMV Holdings, LLC	-
06/29/2017	The Weck Corporation	NEWGH, LLC	-
06/28/2017	Staples, Inc. (NasdaqGS:SPLS)	Sycamore Partners	Starboard Value LP, Pzena Investment Management, LP
06/26/2017	Mobility Health, Inc.	National Seating & Mobility, Inc.	-
06/26/2017	Kindler Holding Corp. (OTCPK:KDRH)	Intiva USA, Inc.	Securities Compliance Corp.
06/23/2017	AZUMA Leasing CT, LP, Substantially All Of The Assets Of Appliance Leasing Business	CSC ServiceWorks, Inc.	AZUMA Leasing CT, LP
06/20/2017	New egg Inc.	Hangzhou Lianluo Interactive Information Technology Co., Ltd (SZSE:002280)	-
06/20/2017	VoIP Supply, LLC	Sangoma Technologies Corporation (TSXV:STC)	-
06/16/2017	Lake Norman Pool & Spa Inc.	Not Disclosed	Not Disclosed
06/16/2017	MyPhone MD, LLC	uBreakFix Co.	-
06/12/2017	KooToor Design, Inc.	Satel, Inc.	-
06/09/2017	Gents, Inc.	LifeApps Brands Inc. (OTCPK:LFAF)	-
06/09/2017	Arcade Travel, Inc.	Healthway Shopping Network, Inc.	-
06/08/2017	WineBld.com, Inc.	Third Leaf Partners	-
06/07/2017	Acumen Brands, Inc., Country Outfitter	Sheplers, Inc.	Acumen Brands, Inc.
06/05/2017	Alpha Comics and Games	Not Disclosed	Not Disclosed

U.S. June Consumer Discretionary Transactions

Announced Date	Target/Issuer	Acquirer	Sellers
06/28/2017	Milestone AV Technologies, LLC	Legrand North America, Inc.	Duchossois Capital Management LLC; Pritzker Group Private Capital
06/26/2017	Columbia Shelving and Mirror Inc. and Charleston Shelving & Mirror Inc.	Installed Building Products, Inc. (NYSE:IBP)	-
06/22/2017	Per-fekt Beauty, Inc.	Synergy QHC Corp. (OTCPK:SNRY)	Beauty Holding LLC; Cosmetic Design Group LLC
06/22/2017	Nova Lifestyle, Inc. (NasdaqGMNVFY)	Not Disclosed	Not Disclosed
06/19/2017	Hayward Industries, Inc. (OTCPK:HWR)	Alberta Investment Management Corporation; CCMF Capital Advisors, LP; MSD Partners, L.P.	-
06/19/2017	Sorvana International, LLC	Youngevity International, Inc. (NasdaqCM:YGYI)	-
06/19/2017	Kingdom Animals, LLC	The Unilever Group	-
06/14/2017	BO Burke Company, LLC	The Halifax Group	Incline Equity Partners
06/12/2017	Campbell Mattress Company, Inc.	Mattress Direct, Inc.	-
06/09/2017	Pacific Coast Feather Company	Hollander Home Fashions Corporation	-
06/07/2017	Southern Motion Inc.	Gainline Capital Partners LP	-
06/05/2017	Crosman Corporation	Compass Diversified Holdings LLC (NYSE:CODI)	Wellspring Capital Management LLC
06/05/2017	Focus Surfboards, Inc.	Barton Limited	-
06/01/2017	PDC Brands	CVC Capital Partners Limited	Yellow Wood Partners, 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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