Consumer Products and Retail quarterly update

Q1 2018

Deloitte Corporate Finance LLC | www.investmentbanking.deloitte.com
Consumer Products and Retail trends

Innovation through renovation

As consumers become increasingly selective when it comes to defining what constitutes a clean ingredient, major corporations are revising their approach by reinventing existing brands. Kraft Heinz altered its recipes for its Oscar Mayer and Kraft Mac & Cheese brands to include healthier ingredients and remove artificial additives. Interestingly, the company shipped the product without notifying consumers, and sales remained steady after the change. 2018 will likely see a mixture of innovation and renovation among household consumer brands.

Biohacking continues to grow

As individuals continue to learn the negative effects of a poor diet, consumers are moving past simply trying to eat healthy, but instead searching for products to improve their bodies and health. According to Innova, there was a 36% increase in product launches referencing cognitive function benefits largely backed by EPA and DHA omega-3s. Consumers will continue to search for products that improve their health, whether it be from improved growing and farming practices or consumption methods.

Omni-channel operating model

Traditional big-box retailers have actively pursued new ways to bring customers into declining brick-and-mortar locations. A common initiative of ‘buy online, pick up in store’ has paid dividends, as many retailers have seen both online growth and same store sales growth. In-store pickup options and product inventory applications have driven consumers to retail locations, with big-box giant, Target, estimating that 1,400 of 1,800 US stores will fulfill online orders.

Increased use of Apple Pay

Apple Pay® mobile payments solution has quietly gained major traction in US retail locations and has surpassed PayPal in terms of physical retail acceptance. Apple Pay is now accepted at over half of all domestic retail locations and in two-thirds of the top 100 US retailers. Apple’s financials show adjusted services revenue is up 27% year-over-year growth in Q1 2018. With year-over-year volume tripling in Q1 2018, Apple Pay is here to stay and will continue its rise as a major payment option in the United States.

In the news

January 9, 2018 – JAB Holding Co.’s Keurig Green Mountain ("Keurig") announced the acquisition of Dr Pepper Snapple Group, Inc. for $18.7 billion in cash, representing a 2016 revenue multiple of 2.8x. Through the acquisition, Keurig takes another step into expanding its suite of beverage products, adding both Dr. Pepper’s traditional soft drinks and tapping into new, health-conscious brands such as Bai Brands. Logistically, Keurig expects its strong relationships with ecommerce vendors such as Amazon to help grow the Dr. Pepper brands and believes its current products will benefit from improved distribution synergies with convenience stores and drug stores.

February 9, 2018 – Deloitte Corporate Finance LLC acted as the exclusive financial advisor to Detroit, Michigan-based Buddy’s Holding Company LLC (“Buddy’s Pizza”) on its partnership with CapitalSpring, a leading private investment firm focused exclusively on the branded restaurant industry. The transaction closed on December 31, 2017. Buddy’s Pizza has served Detroit since its founding in 1946 and has received a number of awards and accolades from notable food critics and media sources, including being named one of “America’s Top 5 Pizza Places” by The Food Network. CapitalSpring plans to help Buddy’s Pizza enter into a new growth phase, while maintaining its Detroit heritage.

In this update

- Consumer trends
- Economic outlook
- Industry analysis
- Select M&A transactions
- Appendix

This update will focus on news and trends in the following areas:

- Beauty & Cosmetics
- Active Lifestyle & Apparel
- Food & Beverages
- Products & Durables
- Restaurant & Food Services
- Specialty Retail

Who we are

Deloitte Corporate Finance LLC is a leading global middle market M&A advisor. The firm’s professionals have extensive knowledge of and transaction experience in the Consumer Products and Retail space.

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Macroeconomic and Consumer Products and Retail sector outlook

US gross domestic product\(^1\)

US Treasury yield curve\(^2\) (nominal vs. real)

Macroeconomic and Consumer Products and Retail Outlook

US unemployment rate\(^3\)

ISM non-manufacturing index and consumer confidence index\(^4\)

US per capita disposable income\(^5\)

Monthly total US retail sales\(^6\)

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\(^1\) GDP ($ in trillions) and YoY % growth (adj. for inflation)

\(^2\) Real yield (%) and Nominal yield (%)

\(^3\) Initial jobless claims and Unemployment rate (%)

\(^4\) ISM non-manufacturing and Consumer confidence

\(^5\) $ in thousands

\(^6\) $ in billions
Consumer Products and Retail sector breakdown and trading statistics

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of companies</th>
<th>% of S2</th>
<th>Week High</th>
<th>Median Revenue CAGR (3 Yr)</th>
<th>Median LTM EBITDA ($M)</th>
<th>Median EBITDA Margin</th>
<th>Median Enterprise Value ($M)</th>
<th>EV/Revenue</th>
<th>EV/EBITDA</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beauty &amp; cosmetics</td>
<td>12</td>
<td>83.2 %</td>
<td>4.2 %</td>
<td>$824.9</td>
<td>16.0 %</td>
<td>$8,515.1</td>
<td>2.0 x</td>
<td>12.6 x</td>
<td>11.8 x</td>
<td></td>
</tr>
<tr>
<td>Food &amp; beverage</td>
<td>10</td>
<td>89.0</td>
<td>(1.2)</td>
<td>2,415.4</td>
<td>18.7</td>
<td>19,047.3</td>
<td>2.3</td>
<td>13.3</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td>Home &amp; garden</td>
<td>10</td>
<td>81.0</td>
<td>4.5</td>
<td>715.6</td>
<td>15.4</td>
<td>8,011.0</td>
<td>1.8</td>
<td>12.3</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>Restaurant &amp; food services</td>
<td>18</td>
<td>87.2</td>
<td>3.7</td>
<td>384.5</td>
<td>13.2</td>
<td>3,894.0</td>
<td>1.4</td>
<td>11.6</td>
<td>10.1</td>
<td></td>
</tr>
<tr>
<td>Apparel &amp; specialty retail</td>
<td>11</td>
<td>94.8</td>
<td>2.7</td>
<td>324.3</td>
<td>13.2</td>
<td>4,881.5</td>
<td>1.6</td>
<td>10.1</td>
<td>9.5</td>
<td></td>
</tr>
</tbody>
</table>

Consumer products index       61  86.5 %  3.5 %  $500.4  14.7 %  $5,458.8  1.7 x  12.0 x  11.1 x

Public comparables three-year stock market performance

<table>
<thead>
<tr>
<th>Index</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500 Index</td>
<td>28.31%</td>
</tr>
<tr>
<td>NASDAQ Composite Index</td>
<td>49.43%</td>
</tr>
<tr>
<td>Consumer Index*</td>
<td>10.77%</td>
</tr>
</tbody>
</table>

*S Consumer Index companies listed on pages 6 and 7 in the Appendix.
Select recent Consumer Products and Retail M&A transactions

<table>
<thead>
<tr>
<th>Announce date</th>
<th>Target/acquiror</th>
<th>Target business description</th>
<th>Enterprise Value (&quot;EV&quot;)</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-18</td>
<td>The Finish Line, Inc.</td>
<td>The Finish Line, Inc., together with its subsidiaries, operates as a retailer of athletic shoes, apparel, and accessories for men, women, and kids in the United States.</td>
<td>$465.2</td>
<td>4.7 x</td>
</tr>
<tr>
<td>Mar-18</td>
<td>Nutranext LLC</td>
<td>Nutranext LLC develops, packages, and markets nutritional products.</td>
<td>700.0</td>
<td>N/A</td>
</tr>
<tr>
<td>Feb-18</td>
<td>Blue Buffalo Pet Products, Inc.</td>
<td>Blue Buffalo Pet Products, Inc. operates as a natural and healthy pet food company in the United States.</td>
<td>8,043.9</td>
<td>25.6</td>
</tr>
<tr>
<td>Feb-18</td>
<td>Rite Aid Corporation</td>
<td>Rite Aid Corporation operates a chain of approximately 4,500 retail drugstores in the United States.</td>
<td>5,537.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Feb-18</td>
<td>Mighty Fine, Inc.</td>
<td>Mighty Fine, Inc. designs and markets apparel for men, women, tweens, and toddlers.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Jan-18</td>
<td>Dr Pepper Snapple Group, Inc.</td>
<td>Dr Pepper Snapple Group, Inc. manufactures and distributes non-alcoholic beverages in the United States and internationally.</td>
<td>23,131.0</td>
<td>14.7</td>
</tr>
<tr>
<td>Jan-18</td>
<td>Jack Black LLC</td>
<td>Jack Black LLC provides skin care products for men.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Jan-18</td>
<td>U.S. Confectionary Business of Nestlé S.A.</td>
<td>Nestlé’s U.S. confectionery business includes popular chocolate brands such as Butterfinger, Crunch, BabyRuth, 100Grand, and Raisinets.</td>
<td>2,800.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Jan-18</td>
<td>BH Cosmetics, Inc.</td>
<td>BH Cosmetics, Inc. manufactures color cosmetics products for the face, lips, eyes, and brows.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Annual Consumer Products and Retail M&A transaction volume

- Undisclosed
- <$100M
- $100-$250M
- $250M-$500M
- $500M-$1,000M
- >$1,000M
## Consumer Products and Retail trading multiples

<table>
<thead>
<tr>
<th>Company (ticker)</th>
<th>% of 52 Week High</th>
<th>LTM Revenue</th>
<th>Historical Revenue CAGR (3 Yr)</th>
<th>LTM EBITDA Margin</th>
<th>Enterprise Value (&quot;EV&quot;)</th>
<th>NTM EV / Revenue</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beauty &amp; cosmetics (12)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avon Products, Inc. (NYSE:AVP)</td>
<td>58.6 %</td>
<td>$5,715.6</td>
<td>(9.3) %</td>
<td>$416.1</td>
<td>7.3 %</td>
<td>$2,281.9</td>
<td>0.4 x</td>
</tr>
<tr>
<td>Coty Inc. (NYSE:COTY)</td>
<td>83.6</td>
<td>9,149.3</td>
<td>26.8</td>
<td>1,184.1</td>
<td>12.9</td>
<td>20,641.0</td>
<td>2.3</td>
</tr>
<tr>
<td>L’Occitane International S.A. (SEHK:973)</td>
<td>77.2</td>
<td>1,359.8</td>
<td>6.4</td>
<td>256.6</td>
<td>16.5</td>
<td>2,441.4</td>
<td>1.6</td>
</tr>
<tr>
<td>L’Oréal S.A. (ENXT:OR)</td>
<td>97.2</td>
<td>31,248.4</td>
<td>4.9</td>
<td>6,973.6</td>
<td>22.3</td>
<td>130,033.7</td>
<td>4.2</td>
</tr>
<tr>
<td>Nu Skin Enterprises, Inc. (NYSE:NUS)</td>
<td>98.6</td>
<td>2,279.1</td>
<td>(3.9)</td>
<td>346.0</td>
<td>15.2</td>
<td>4,028.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Oriflame Holding AG (OM:ORI)</td>
<td>95.5</td>
<td>1,636.8</td>
<td>2.5</td>
<td>214.1</td>
<td>13.1</td>
<td>2,728.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Revlon, Inc. (NYSE:REV)</td>
<td>79.9</td>
<td>2,693.7</td>
<td>11.5</td>
<td>194.0</td>
<td>7.2</td>
<td>3,905.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Sally Beauty Holdings, Inc. (NYSE:SBH)</td>
<td>77.1</td>
<td>3,933.7</td>
<td>1.4</td>
<td>611.7</td>
<td>15.6</td>
<td>3,882.8</td>
<td>1.0</td>
</tr>
<tr>
<td>The Estee Lauder Companies Inc. (NYSE:EL)</td>
<td>99.5</td>
<td>12,769.0</td>
<td>5.3</td>
<td>2,708.0</td>
<td>21.2</td>
<td>57,300.5</td>
<td>4.5</td>
</tr>
<tr>
<td>The Procter &amp; Gamble Company (NYSE:PG)</td>
<td>82.8</td>
<td>65,732.0</td>
<td>(4.9)</td>
<td>17,841.0</td>
<td>27.1</td>
<td>216,546.1</td>
<td>3.3</td>
</tr>
<tr>
<td>Ulta Beauty, Inc. (NasdaqGS:ULTA)</td>
<td>70.2</td>
<td>5,884.5</td>
<td>22.0</td>
<td>1,038.0</td>
<td>17.6</td>
<td>13,001.3</td>
<td>2.2</td>
</tr>
<tr>
<td>Unilever PLC (LSE:ULVR)</td>
<td>86.6</td>
<td>64,499.3</td>
<td>3.5</td>
<td>11,977.7</td>
<td>18.6</td>
<td>177,536.4</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>83.2 %</td>
<td>4.2 %</td>
<td>16.0 %</td>
<td>2.0 x</td>
<td>12.6 x</td>
<td>11.8 x</td>
<td></td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>83.9 %</td>
<td>5.5 %</td>
<td>16.2 %</td>
<td>2.2 x</td>
<td>13.5 x</td>
<td>11.9 x</td>
<td></td>
</tr>
<tr>
<td><strong>Food &amp; beverage (10)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conagra Brands, Inc. (NYSE:CAG)</td>
<td>89.8 %</td>
<td>$7,833.8</td>
<td>(15.0) %</td>
<td>$1,393.7</td>
<td>17.8 %</td>
<td>$18,030.0</td>
<td>2.3 x</td>
</tr>
<tr>
<td>General Mills, Inc. (NYSE:GIS)</td>
<td>73.3</td>
<td>15,656.8</td>
<td>(3.9)</td>
<td>3,190.0</td>
<td>20.4</td>
<td>35,061.3</td>
<td>2.2</td>
</tr>
<tr>
<td>Hormel Foods Corporation (NYSE:HRL)</td>
<td>93.0</td>
<td>9,218.6</td>
<td>(0.9)</td>
<td>1,320.8</td>
<td>14.3</td>
<td>19,207.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Mondelēz International, Inc. (NasdaqGS:MDLZ)</td>
<td>88.4</td>
<td>25,896.0</td>
<td>(8.9)</td>
<td>4,607.0</td>
<td>17.8</td>
<td>80.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Nestlé S.A. (SWX:NESS)</td>
<td>88.8</td>
<td>92,473.5</td>
<td>(0.6)</td>
<td>18,192.8</td>
<td>19.7</td>
<td>263,459.2</td>
<td>2.4</td>
</tr>
<tr>
<td>PepsiCo, Inc. (NasdaqGS:PEP)</td>
<td>89.3</td>
<td>63,525.0</td>
<td>(1.6)</td>
<td>12,723.0</td>
<td>20.0</td>
<td>175,058.3</td>
<td>2.8</td>
</tr>
<tr>
<td>The Coca-Cola Company (NYSE:KO)</td>
<td>90.5</td>
<td>35,410.0</td>
<td>(8.4)</td>
<td>10,870.0</td>
<td>30.7</td>
<td>214,674.3</td>
<td>6.1</td>
</tr>
<tr>
<td>The Hain Celestial Group, Inc. (NasdaqGS:HCX)</td>
<td>67.1</td>
<td>2,915.1</td>
<td>5.7</td>
<td>277.0</td>
<td>9.5</td>
<td>3,808.9</td>
<td>1.3</td>
</tr>
<tr>
<td>The J. M. Smucker Company (NYSE:SIM)</td>
<td>92.7</td>
<td>7,359.6</td>
<td>10.3</td>
<td>1,631.7</td>
<td>22.2</td>
<td>18,866.2</td>
<td>2.6</td>
</tr>
<tr>
<td>TreeHouse Foods, Inc. (NYSE:THS)</td>
<td>43.2</td>
<td>6,307.1</td>
<td>28.9</td>
<td>598.7</td>
<td>9.5</td>
<td>4,590.8</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>89.0 %</td>
<td>(4.2) %</td>
<td>18.7 %</td>
<td>2.3 x</td>
<td>15.3 x</td>
<td>11.5 x</td>
<td></td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>91.6 %</td>
<td>0.6 %</td>
<td>18.2 %</td>
<td>2.3 x</td>
<td>15.9 x</td>
<td>11.1 x</td>
<td></td>
</tr>
<tr>
<td><strong>Home &amp; garden (10)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Garden &amp; Pet Company (NasdaqGS:CENT)</td>
<td>97.6 %</td>
<td>$2,077.0</td>
<td>8.6 %</td>
<td>$204.9</td>
<td>9.9 %</td>
<td>$2,599.4</td>
<td>1.3 x</td>
</tr>
<tr>
<td>Helen of Troy Limited (NasdaqGS:HELE)</td>
<td>83.8</td>
<td>1,567.8</td>
<td>4.3</td>
<td>227.8</td>
<td>14.5</td>
<td>2,729.5</td>
<td>1.7</td>
</tr>
<tr>
<td>iRobot Corporation (NasdaqGS:IRBT)</td>
<td>61.0</td>
<td>883.9</td>
<td>16.7</td>
<td>96.7</td>
<td>10.9</td>
<td>3,852.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Newell Brands Inc. (NYSE:NWL)</td>
<td>46.9</td>
<td>14,742.2</td>
<td>37.0</td>
<td>2,055.8</td>
<td>13.9</td>
<td>22,611.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Snap-on Incorporated (NYSE:SNA)</td>
<td>79.2</td>
<td>4,000.3</td>
<td>4.6</td>
<td>1,006.1</td>
<td>25.2</td>
<td>9,444.1</td>
<td>2.4</td>
</tr>
<tr>
<td>Stanley Black &amp; Decker, Inc. (NYSE:SWK)</td>
<td>86.0</td>
<td>12,747.2</td>
<td>4.0</td>
<td>2,077.1</td>
<td>16.3</td>
<td>26,645.6</td>
<td>2.1</td>
</tr>
<tr>
<td>The Clorox Company (NYSE:CLX)</td>
<td>84.4</td>
<td>6,040.0</td>
<td>2.8</td>
<td>1,247.0</td>
<td>20.6</td>
<td>18,227.0</td>
<td>3.0</td>
</tr>
<tr>
<td>The Toro Company (NYSE:TTC)</td>
<td>82.8</td>
<td>2,537.6</td>
<td>4.9</td>
<td>425.2</td>
<td>16.8</td>
<td>6,577.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Tupperware Brands Corporation (NYSE:TUP)</td>
<td>56.1</td>
<td>2,255.8</td>
<td>(4.7)</td>
<td>407.6</td>
<td>18.1</td>
<td>2,727.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Whirlpool Corporation (NYSE:WHR)</td>
<td>73.8</td>
<td>21,253.0</td>
<td>2.3</td>
<td>2,042.0</td>
<td>9.6</td>
<td>14,613.1</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>81.9 %</td>
<td>4.5 %</td>
<td>15.6 %</td>
<td>1.8 x</td>
<td>12.5 x</td>
<td>11.4 x</td>
<td></td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>75.2 %</td>
<td>8.0 %</td>
<td>15.6 %</td>
<td>1.8 x</td>
<td>11.9 x</td>
<td>10.5 x</td>
<td></td>
</tr>
<tr>
<td>Company (ticker)</td>
<td>% of S2 Week High</td>
<td>LTM Revenue</td>
<td>Revenue CAGR (3 Yr)</td>
<td>LTM EBITDA</td>
<td>EBITDA Margin</td>
<td>Enterprise Value (&quot;EV&quot;)</td>
<td>Last twelve months</td>
</tr>
<tr>
<td>----------------------------------------</td>
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</tr>
<tr>
<td><strong>Restaurant &amp; food services (18)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aramark (NYSE:ARMK)</td>
<td>83.1 %</td>
<td>$14,834.1</td>
<td>0.1 %</td>
<td>$1,286.9</td>
<td>8.7 %</td>
<td>$16,281.3</td>
<td>1.1 x</td>
</tr>
<tr>
<td>Bloomin' Brands, Inc. (NasdaqGS:BLMN)</td>
<td>97.5 %</td>
<td>4,213.3</td>
<td>(1.8)</td>
<td>378.0</td>
<td>9.0</td>
<td>3,255.5</td>
<td>0.8</td>
</tr>
<tr>
<td>Brinker International, Inc. (NYSE:EBT)</td>
<td>83.5 %</td>
<td>3,127.1</td>
<td>1.7</td>
<td>428.6</td>
<td>13.7</td>
<td>3,131.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Cara Operations Limited (TSX:CARA)</td>
<td>95.4 %</td>
<td>618.2</td>
<td>41.0</td>
<td>152.3</td>
<td>24.6</td>
<td>1,697.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Chipotle Mexican Grill, Inc. (NYSE:CMG)</td>
<td>64.5 %</td>
<td>4,476.4</td>
<td>2.9</td>
<td>447.5</td>
<td>10.0</td>
<td>8,447.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Core-Mark Holding Company, Inc. (NasdaqGS:CMK)</td>
<td>55.6 %</td>
<td>12,225.0</td>
<td>14.4</td>
<td>93.8</td>
<td>0.8</td>
<td>1,502.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Cracker Barrel Old Country Store, Inc. (NasdaqGS:CBLR)</td>
<td>90.9 %</td>
<td>2,941.8</td>
<td>2.0</td>
<td>391.1</td>
<td>13.3</td>
<td>4,139.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Darden Restaurants, Inc. (NYSE:DRI)</td>
<td>86.5 %</td>
<td>7,880.6</td>
<td>6.4</td>
<td>1,025.7</td>
<td>13.0</td>
<td>11,549.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Dine Brands Global, Inc. (NYSE:DIN)</td>
<td>89.3 %</td>
<td>604.8</td>
<td>(2.6)</td>
<td>214.0</td>
<td>35.4</td>
<td>2,558.1</td>
<td>4.2</td>
</tr>
<tr>
<td>Domino's Pizza, Inc. (NYSE:DPZ)</td>
<td>97.8 %</td>
<td>2,788.0</td>
<td>11.8</td>
<td>546.8</td>
<td>19.6</td>
<td>3,101.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Dunkin' Brands Group, Inc. (NasdaqGS:DNKN)</td>
<td>88.0 %</td>
<td>860.5</td>
<td>4.7</td>
<td>474.8</td>
<td>55.2</td>
<td>7,037.6</td>
<td>8.2</td>
</tr>
<tr>
<td>Jack in the Box Inc. (NasdaqGS:JACK)</td>
<td>76.3 %</td>
<td>1,495.2</td>
<td>(0.2)</td>
<td>330.7</td>
<td>22.1</td>
<td>3,648.3</td>
<td>2.4</td>
</tr>
<tr>
<td>SpartanNash Company (NasdaqGS:SPTN)</td>
<td>47.3 %</td>
<td>8,128.1</td>
<td>0.9</td>
<td>214.6</td>
<td>2.6</td>
<td>1,379.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Sysco Corporation (NYSE:SY)</td>
<td>94.3 %</td>
<td>5,007.1</td>
<td>5.8</td>
<td>3,071.8</td>
<td>5.4</td>
<td>39,564.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Texas Roadhouse, Inc. (NasdaqGS:TXRH)</td>
<td>97.9 %</td>
<td>2,219.5</td>
<td>11.9</td>
<td>295.3</td>
<td>13.3</td>
<td>4,215.8</td>
<td>1.9</td>
</tr>
<tr>
<td>The Cheesecake Factory Incorporated (NasdaqGS:CAKE)</td>
<td>77.4 %</td>
<td>2,260.5</td>
<td>4.6</td>
<td>255.9</td>
<td>11.3</td>
<td>2,408.7</td>
<td>1.1</td>
</tr>
<tr>
<td>United Natural Foods, Inc. (NasdaqGS:UNFI)</td>
<td>83.3 %</td>
<td>9,696.1</td>
<td>8.7</td>
<td>327.7</td>
<td>3.4</td>
<td>2,630.2</td>
<td>0.3</td>
</tr>
<tr>
<td>YUM! Brands, Inc. (NYSE:YUM)</td>
<td>98.4 %</td>
<td>5,878.0</td>
<td>(3.7)</td>
<td>1,999.0</td>
<td>34.0</td>
<td>36,386.5</td>
<td>6.2</td>
</tr>
</tbody>
</table>

**Median**

- 87.2 %
- 3.7 %
- 13.2 %
- 1.4 x
- 11.6 x
- 10.1 x

**Mean**

- 83.7 %
- 6.0 %
- 16.4 %
- 2.2 x
- 12.6 x
- 11.7 x
## Recent Consumer Products and Retail M&A transactions

<table>
<thead>
<tr>
<th>Target/acquiror</th>
<th>Close Date</th>
<th>LTM Revenue</th>
<th>LTM EBITDA</th>
<th>EBITDA Margin</th>
<th>Enterprise Value (&quot;EV&quot;)</th>
<th>EV/Revenue</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Buffalo Pet Products, Inc.</td>
<td>Pending</td>
<td>$1,274.6</td>
<td>$313.8</td>
<td>24.6 %</td>
<td>$8,043.9</td>
<td>6.3 x</td>
<td>25.6 x</td>
</tr>
<tr>
<td>Rite Aid Corporation</td>
<td>Pending</td>
<td>31,955.6</td>
<td>937.2</td>
<td>2.9</td>
<td>5,537.0</td>
<td>0.2</td>
<td>5.9</td>
</tr>
<tr>
<td>Dr Pepper Snapple Group, Inc.</td>
<td>Pending</td>
<td>6,690.0</td>
<td>1,577.0</td>
<td>23.8</td>
<td>23,131.0</td>
<td>3.5</td>
<td>14.7</td>
</tr>
<tr>
<td>The Finish Line, Inc.</td>
<td>Pending</td>
<td>1,839.0</td>
<td>98.8</td>
<td>5.4</td>
<td>465.2</td>
<td>0.3</td>
<td>4.7</td>
</tr>
<tr>
<td>Fiesta Mart, LLC</td>
<td>Pending</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>300.0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Nautica brand business of V.F. Corporation</td>
<td>Pending</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Convenience Store Business of The Kroger Co.</td>
<td>Pending</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>2,150.0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Crown Laboratories, Inc.</td>
<td>Pending</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>GUND, Inc.</td>
<td>Pending</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>79.1</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>U.S. Confectionary Business of Nestlé S.A.</td>
<td>Mar-18</td>
<td>848.5</td>
<td>127.3</td>
<td>15.0</td>
<td>2,800.0</td>
<td>3.3</td>
<td>22.0</td>
</tr>
<tr>
<td>Carlisle FoodService Products, Inc.</td>
<td>Mar-18</td>
<td>320.0</td>
<td>N/A</td>
<td>N/A</td>
<td>750.0</td>
<td>2.3</td>
<td>N/A</td>
</tr>
<tr>
<td>Smuttynose Brewing Company</td>
<td>Mar-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Quest Products, Inc.</td>
<td>Mar-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Jack Black LLC</td>
<td>Mar-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mann Packing Co., Inc.</td>
<td>Feb-18</td>
<td>535.0</td>
<td>N/A</td>
<td>N/A</td>
<td>360.8</td>
<td>0.7</td>
<td>N/A</td>
</tr>
<tr>
<td>Pro-Pet, LLC</td>
<td>Feb-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mighty Fine, Inc.</td>
<td>Feb-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>All Assets of K’NEX Brands, L.P.</td>
<td>Feb-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>29.0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Minsa Corporation</td>
<td>Jan-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>75.0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>California Natural Products Inc.</td>
<td>Jan-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Culinarte Marketing Group, LLC</td>
<td>Jan-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>BH Cosmetics, Inc.</td>
<td>Jan-18</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Median**

| 15.0 % | 2.3 x | 14.7 x |

**Mean**

| 14.3 % | 2.4 x | 14.6 x |
Select Deloitte Corporate Finance Consumer transactions

Kar Nut Products Company has completed a recapitalization with Palladium Equity Partners.

The undersigned acted as exclusive financial advisor to Kar Nut Products Company.

Deloitte. Deloitte Corporate Finance LLC

Great American Appetizers, Inc. has been acquired by McCain Foods USA, Inc.

The undersigned acted as exclusive financial advisor to Great American Appetizers, Inc.

Deloitte. Deloitte Corporate Finance LLC

Nothing Bundt Franchising LLC has been acquired by Levine Leichtman Capital Partners.

The undersigned acted as exclusive financial advisor to Nothing Bundt Franchising LLC.

Deloitte. Deloitte Corporate Finance LLC

S&D Coffee, Inc. has been acquired by Cott Corporation.

The undersigned acted as exclusive financial advisor to S&D Coffee, Inc.

Deloitte. Deloitte Corporate Finance LLC

Hearthside Food Solutions has been acquired by Kar Nut Products Company.

The undersigned acted as exclusive financial advisor to Specialty Commodities, Inc.

Deloitte. Deloitte Corporate Finance LLC

GraceKennedy Ltd. has acquired the assets and brands of La Fe Foods Inc.

The undersigned acted as exclusive financial advisor to GraceKennedy Ltd.

Deloitte. Deloitte Corporate Finance LLC

The J.M. Smucker Company has acquired True Roots Winery, Inc.

The undersigned acted as exclusive financial advisor to The J.M. Smucker Company.

Deloitte. Deloitte Corporate Finance LLC

Cutter’s Gloves has been acquired by Shock Doctor, Inc., a portfolio company of Norwest Equity Partners.

The undersigned acted as financial advisor to Cutter’s Gloves.

Deloitte. Deloitte Corporate Finance LLC

Yum Yum Donut Shops, Inc. has acquired Winchell’s Donut House, Inc., a division of Shafo Holdings Limited.

The undersigned acted as exclusive financial advisor to Yum Yum Donut Shops, Inc.

Deloitte. Deloitte Corporate Finance LLC

Unilever United States, Inc. has sold its Culver Specialty Brands division to BBG Foods, Inc.

The undersigned acted as exclusive financial advisor to Unilever United States, Inc.

Deloitte. Deloitte Corporate Finance LLC

Roins International (USA) Co., Ltd. has been acquired by COLOVIDE.

The undersigned acted as financial advisor to Roins International (USA) Co., Ltd.

Deloitte. Deloitte Corporate Finance LLC

Jamberry Nails, LLC has completed a majority recapitalization with Wasserstein & Co.

The undersigned acted as exclusive financial advisor to Jamberry Nails, LLC.

Deloitte. Deloitte Corporate Finance LLC

NiceSelect Brand has sold the NiceSelect brand and related assets to (B)Riviana Foods Inc., a subsidiary of Ebro Foods S.A.

The undersigned acted as exclusive financial advisor to NiceSelect Brand.

Deloitte. Deloitte Corporate Finance LLC

Buddy’s Holding Company LLC has received an investment from CapitalSpring.

The undersigned acted as exclusive financial advisor to Buddy’s Holding Company LLC.

Deloitte. Deloitte Corporate Finance LLC

Roof has been acquired by Swander Pace Capital.

The undersigned acted as advisor to Roof.

Deloitte. Deloitte Corporate Finance LLC
Sources Cited

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