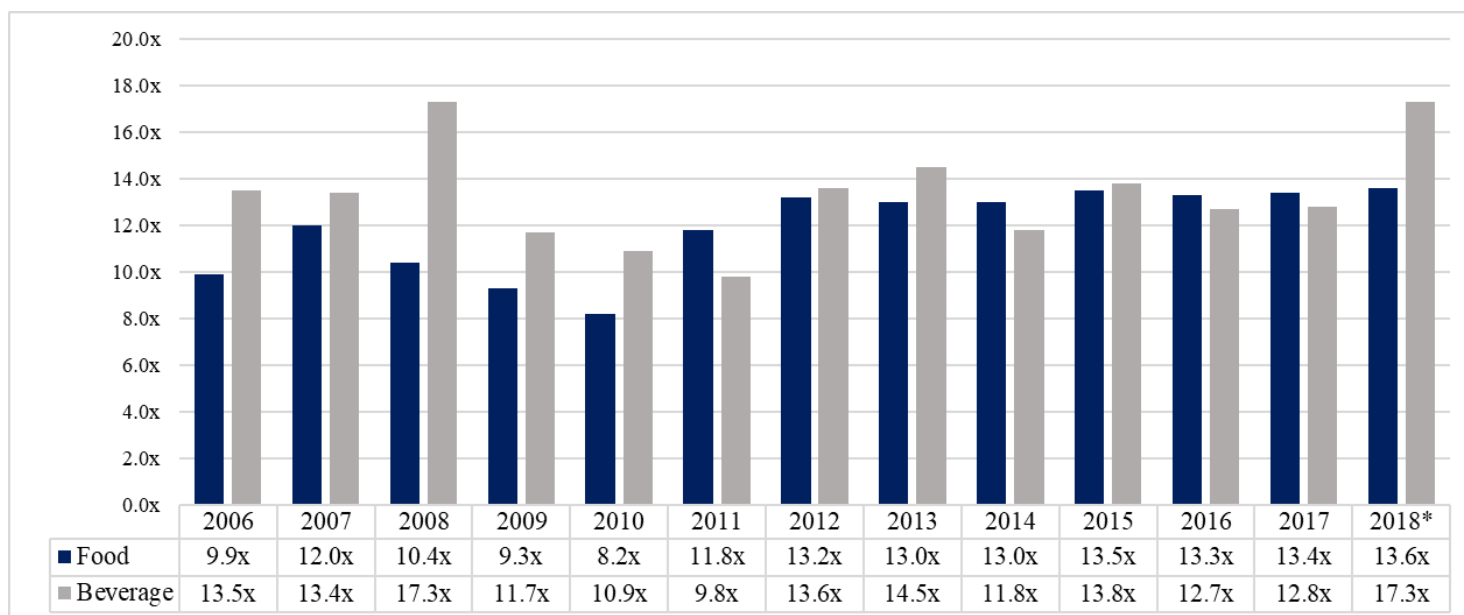


FOOD AND BEVERAGE M&A MARKET OVERVIEW

Q4 2018

The following report focuses on **Food and Beverage Transactions** both within the global industry and with a focus on the U.S. lower middle market. Globally, 2018 is on pace to be the most active year in more than a decade for M&A activity in the food and beverage sector, with over 1,000 transactions through September 2018. Global transaction multiples are also hovering near record-breaking heights, with an average EV/EBITDA multiple of 17.3x in the beverage sector and 13.6x in the food sector. The lower middle market (\$10-\$250M in Enterprise Value) is experiencing similar trends, with 2018 TEV/EBITDA multiples reported at 7.8x so far in 2018. Deal activity is expected to be strong through the remainder of 2018 and into 2019 with both financial and strategic buyers actively seeking deals in this space.

AVERAGE EV/EBITDA MULTIPLES FOR FOOD AND BEVERAGE M&A



*2018 through September

Source: William Blair Food for Thought

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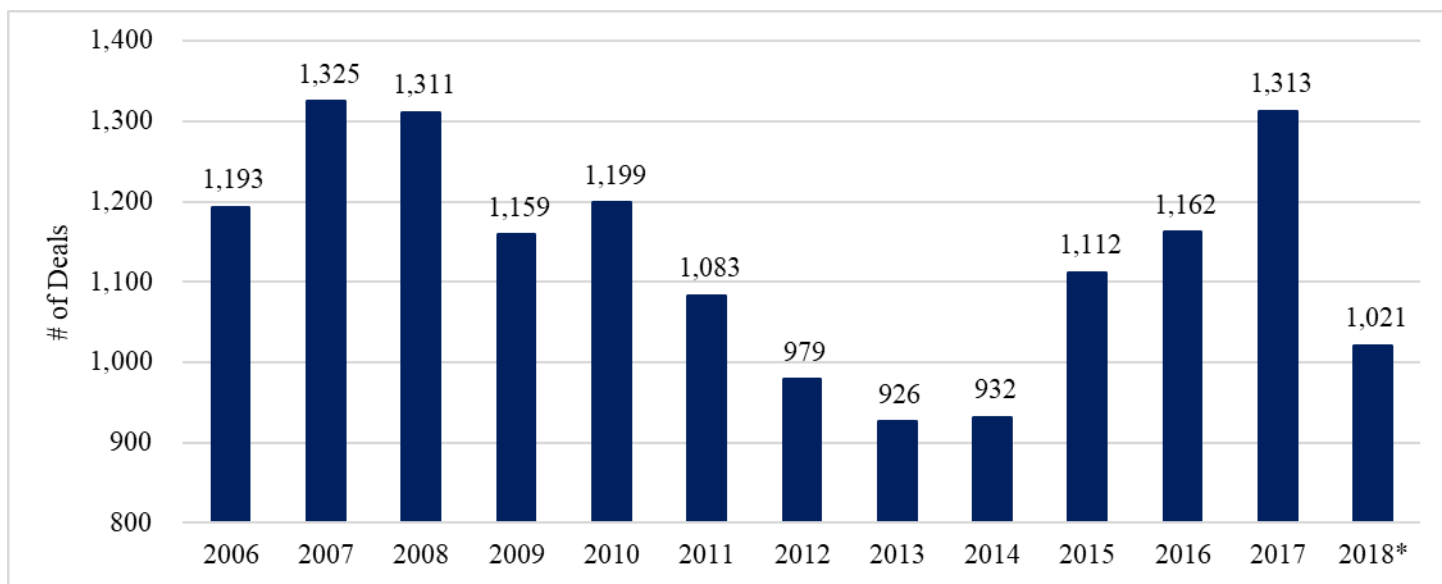
FIRM OVERVIEW:

Carleton McKenna & Co. is a boutique, independent investment banking firm providing M&A Advisory, Capital Raising, and Valuation Advisory services. Our experienced professionals maintain a client-focused and entrepreneurial outlook which enables us to be creative for our clients, unencumbered by the bureaucracies inherent in larger investment banks. Our professionals have over three decades of experience partnering with companies led by strong, entrepreneurial management teams.

Using this expertise, Carleton McKenna & Co. specializes in providing sell-side and buy-side M&A Advisory services to small- to mid-cap clients which have closely-held businesses, portfolio companies of financial sponsor firms, and divisions or subsidiaries of public companies.

Carleton McKenna & Co. has deep experience in the niche manufacturing, specialty chemicals and materials, business services, consumer products and healthcare markets.

GLOBAL NUMBER OF FOOD AND BEVERAGE DEALS

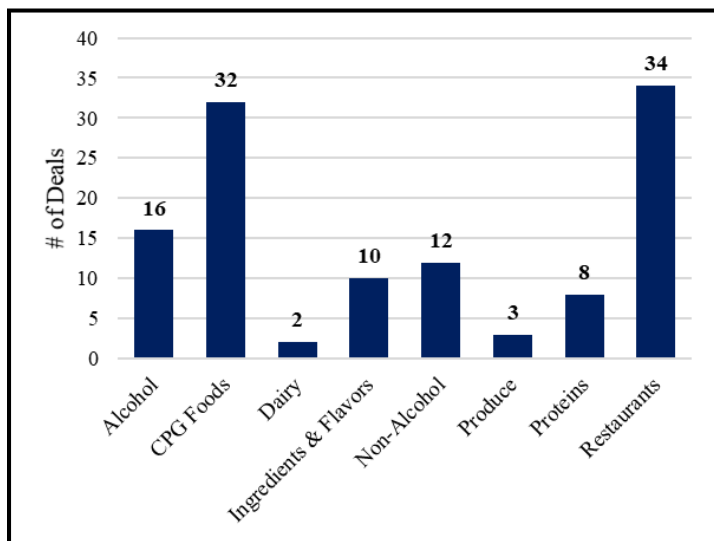


*2018 through September

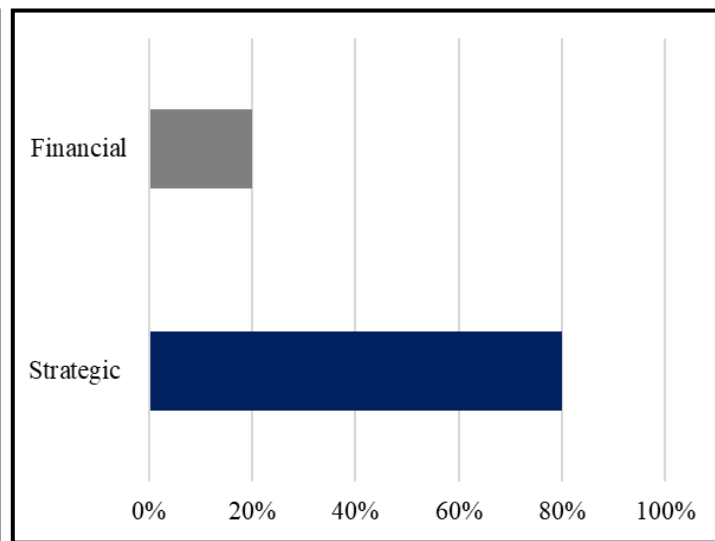
Source: William Blair Food for Thought

FOCUS ON THIRD QUARTER 2018

DEALS BY MARKET SEGMENT — # OF DEALS

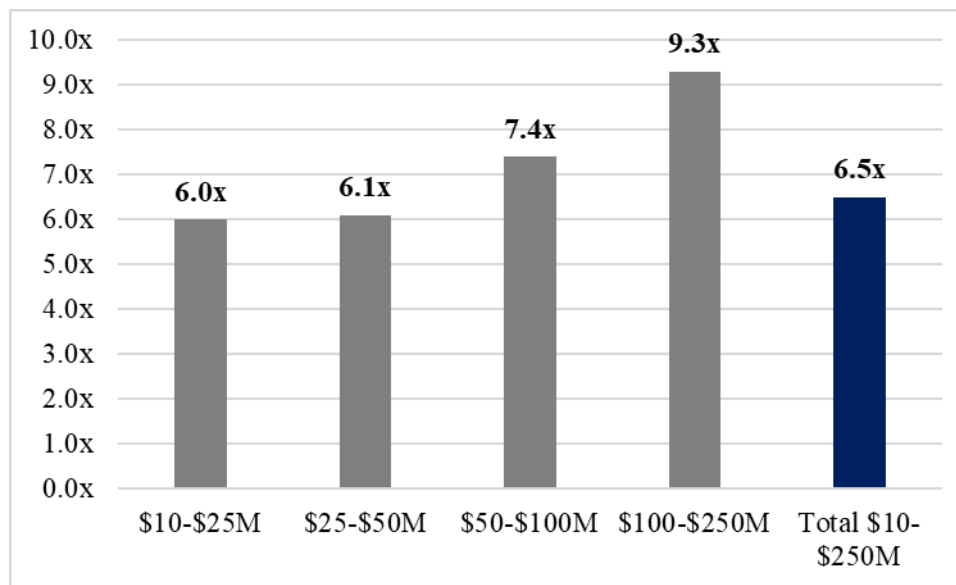


DEALS BY BUYER TYPE — % OF DEALS



Source: SDR ventures Food & Beverage Report

**PRIVATE EQUITY TRANSACTIONS—LOWER MIDDLE MARKET
TOTAL ENTERPRISE VALUE / EBITDA MULTIPLE 2003-2018**



Source: GF Data

**PRIVATE EQUITY TRANSACTIONS—LOWER MIDDLE MARKET
AVERAGE DEAL SIZE & EBITDA MULTIPLES**

Year	Avg. Total Enterprise Value \$	Avg. Revenues \$	Avg. EBITDA Margin %	TEV / EBITDA	# Deals Cited
2003	\$49.5	\$106.6	12.1%	6.3x	7
2004	\$16.6	\$28.5	15.2%	5.2x	5
2005	\$29.0	\$48.0	17.6%	7.0x	6
2006	\$56.0	\$77.6	12.9%	6.1x	5
2007	\$49.4	\$52.2	12.8%	7.0x	6
2008-2009	\$34.5	\$48.7	15.8%	5.2x	9
2010	\$34.1	\$47.1	13.0%	5.9x	11
2011	\$40.2	\$52.1	18.9%	5.0x	5
2012	\$28.5	\$24.6	20.1%	6.5x	8
2013	\$17.8	\$28.0	15.1%	5.1x	3
2014	\$22.0	\$31.2	11.5%	6.0x	4
2015	\$36.7	\$38.3	17.8%	7.3x	9
2016	\$50.5	\$38.7	19.6%	8.2x	6
2017	\$50.7	\$38.6	20.5%	7.9x	11
2018	\$23.6	\$19.4	15.9%	7.8x	4
Total	\$37.6	\$46.3	16.2%	6.5x	99

Source: GF Data