US retail and consumer deals insights

2015 year in review and 2016 outlook

January 2016

A publication from PwC's Deals Practice

At a glance

Total transaction value for 2015 surpassed the $100 billion mark for the third year in a row, exceeding the $200 billion mark and setting a new five-year high, anchored by strong mega deal activity.

Consumer sentiment wavered throughout 2015, but ended on a positive note and we expect the economy to accelerate modestly into 2016.

IPO activity declined slightly from the previous year with 17 IPOs raising $4.3 billion in 2015.

The overall factors underpinning R&C deal activity are favorable heading in to 2016, with potential headwinds around global economic uncertainty and the valuation gap between buyers and sellers.

pwc

Table of contents

Coming off of a strong year in 2014, the retail and consumer sector outperformed in 2015, driven by the largest number of mega deals seen in the sector for several years

Welcome to PwC's Deals Practice US retail and consumer (R&C) deals insights: 2015 year in review and 2016 outlook. In the R&C sector, deal value increased from 2014 but volume decreased. Accordingly, average disclosed deal size increased 43% from 2014 to $1.5 billion. The R&C sector comprised approximately 12% of total US deal volume during the year compared to 14% in 2014. Deals in the food and beverage sector continued to drive activity in the R&C sector. In addition, both inbound and outbound deal activity into Europe and Asia-Pacific and expansion into e-commerce remained prominent.

Consumer sentiment wavered throughout 2015 due to turmoil in financial markets, dropping commodity prices caused by a rising dollar, and slower growth in emerging markets. In addition, core retail sales continued to experience minimal growth. However, consumer sentiment ended on a positive note at the end of 2015 and the US economy is expected to modestly accelerate in 2016. Lower gas prices, solid employment gains, low price pressure and relatively low interest rates are likely to continue into 2016 and should drive future consumer spending.

Although retailers that cater to consumers in the lower and middle-income categories may benefit disproportionately from the decline in fuel prices, due to the fact that their customers spend a higher portion of their discretionary income on gasoline, organic growth may remain a challenge for many businesses. While the impact will vary across different retail demographics and channels, we anticipate that companies will continue to engage in deals to drive growth and reposition their businesses.

We continue to see the impact of megatrends in current market conditions, such as accelerated urbanization, demographic shifts, climate change and resource scarcity, along with shifts in economic power and technological breakthroughs. R&C companies are under continued pressure to address the implications of megatrends on their businesses, and the potential for using M&A to more quickly capitalize on market opportunities. Economic growth combined with low interest rates seen in recent years has provided plenty of cheap debt to fund deal activity. In addition, companies are being more proactive around transformative acquisitions and divestitures due to pressure from shareholder activists.

Companies need to increasingly think about capabilities (e.g. digital, omni-channel) as part of the M&A process (all the way from portfolio strategy to target screening to due diligence to post-merger integration, etc.), as we have seen that capabilities-driven transactions generate greater shareholder value than other types of transactions[1].

1. See "Shareholder Activism: Strategies for mitigating risk and responding effectively," PwC; Strategy&, March 2015.
   To download the entire document, click here.

R&C 2015 Deals: At a glance

Largest Transaction

$53.1B

The Heinz / Kraft merger accounted for 22% of the total deal value for announced deals > $50 million in 2015.

Value by the numbers

$238.1B
Deal value for announced deals > $50 million

23%
Increase in deal value versus 2014

Volume by the numbers

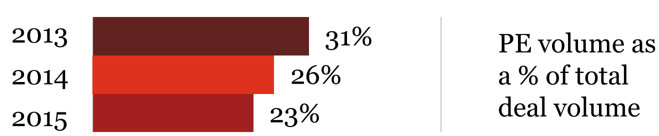
156
Deal volume for announced deals > $50 million

14%
Decrease in deal volume versus 2014

Mega deals pick up

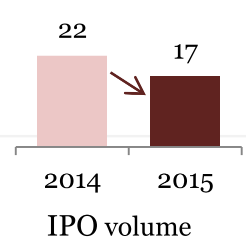
31 Number of 2015 transactions exceeding $1.0 billion (compared to 28 in 2014)

Private equity participation slows down



IPO volume and value declined

R&C IPO activity slowed down in 2015 with 17 IPOs raising $4.3 billion, compared to 22 IPOs for $4.5 billion in value in 2014. This slight decline is in stark contrast to the sharp decline in the proceeds raised in the broader IPO market in 2015 of 62%—falling from $87 billion in 2014 to only $33 billion in 2015 (with a 36% decrease in deal volume).



Source: PwC analysis of Thomson Reuters data 2013–2015, PwC's IPO Watch

After wavering throughout 2015, consumer sentiment ended on a positive note and we expect the US economy to modestly accelerate in 2016

Consumer indicators

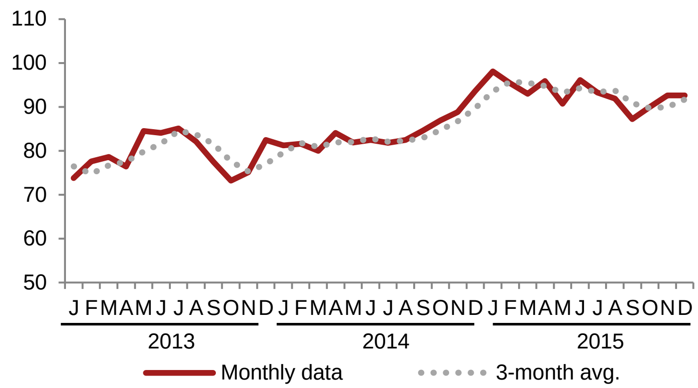
After reaching a ten-year peak of 98.1 in January 2015, consumer sentiment wavered throughout the year due to turmoil in financial markets, dropping commodity prices caused by a rising dollar, and slower growth in emerging markets. However, consumer sentiment ended on a high note due to more positive expectations for future economic growth. The Thomson Reuters / University of Michigan Consumer Sentiment Index (the "Consumer Sentiment Index") for December reached 92.6. The three month moving average Consumer Sentiment Index reached 91.7 in December 2015, up 2.2% from 89.8 in December 2014 and up 1.0% during the fourth quarter 2015, on a sequential basis.

According to the latest estimate by the Bureau of Economic Analysis, real GDP increased at a 2.0% annualized rate during Q3-2015. *(Note: Real GDP data was not available for Q4-2015 at the time of this publication.)*

Quarterly core retail sales (which excludes auto, gasoline, and building material sales) increased 0.7% from Q3-2015 and 3.3% compared to prior year. The slight increase from Q3-2015 was driven by increases in the following sub-sectors: food services and drinking places (up 2.0%), non-store retailers (up 2.0%), and health and personal care stores (up 1.2%), partly offset by a decline in general merchandise stores (down 0.5%) and clothing and clothing accessories stores (down 0.7%). The year-over-year increase was driven primarily by food services and drinking places (up 6.7%), non-store retailers (up 7.0%), food and beverage stores (up 1.7%), and health and personal care stores (up 4.0%), partly offset by declines in electronic / appliance stores (down 4.2%). The increase in non-store retailers is evidence that companies are continuing to expand their omni-channel strategies and the increase in food services and drinking places is partially attributable to lower gas prices.

December 2015 core retail sales figures were disappointing, with a decline of 0.1% vs. the previous month, but sales experienced an increase of 3.2% from December 2014.

Consumer sentiment index



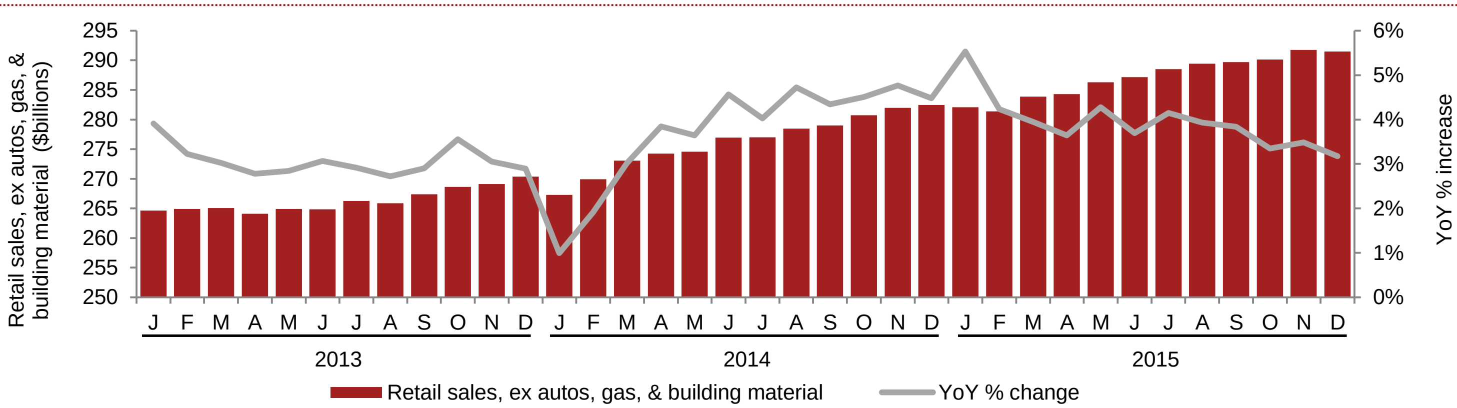
Source: University of Michigan. *Surveys of Consumers data 2013–2015*. Retrieved from http://press.sca.isr.umich.edu/

Despite choppy growth, the US economy advanced at about the same moderate pace in 2015 as the prior year. The labor market continued to improve while consumer spending overpowered the negative effects of ongoing commodity price declines. The US unemployment rate declined from 5.6% in 2014 to 5.0% in 2015. Long-term unemployment (unemployment lasting over 27 weeks) is at 2.1 million people (December 2015), down from 4.7 million at the beginning of 2013 and up 0.31 million from the prior month (November 2015).

Although there is increased purchasing power and steady improvement in the labor market, consumers are still not living up to their full potential. Consumption growth moderated in 2015, while real disposable income accelerated, meaning the saving rate grew higher.

We expect the US economy to moderately accelerate in 2016, outperforming other developed countries while emerging markets face a continued slowdown albeit with large growth on an absolute basis. Solid employment gains, low price pressure and relatively low interest rates are likely to continue into 2016 and will keep consumers positioned to spend.

Core retail sales



Source: US Census Bureau. *Advance Monthly Retail Trade Report data 2013–2015.* Retrieved from http://www.census.gov/retail/

Deal value and number of large deals were up from the previous quarter, but deal volume and private equity participation declined

Key trends and insights

- **Total transaction value surpassed the $100 billion mark for the third year in a row, exceeding the $200 billion mark for the first time and setting a new five-year high.** Deal value for announced deals > $50 million was $238.1 billion, up 23% from the $193.9 billion in 2014. This record high was due largely to an increase in mega deals (transactions exceeding $1.0 billion). There were 31 mega deals for 2015, the highest amount seen in five years. The largest deal of the year was the Heinz / Kraft merger for $53.1 billion.

  (Note: One significant foreign deal with large US operations was excluded from the dataset because this analysis focuses solely on US R&C deals: Anheuser-Busch InBev's pending acquisition of SABMiller PLC for $109.3 billion)

- **Deal volume decreased.** Deal volume for announced deals >$50 million was down 14% in 2015, due to lower deal volume during Q2-2015 and Q3-2015. There were 156 deals announced for the year with >$50 million in value. Every segment experienced a decrease in volume, with the exception of the >$1 billion segment increasing approximately 11% compared to prior year and the > $500 million to $1 billion segment increasing approximately 6% compared to the prior year. While this is a decline on a sequential basis, it remains a healthy volume relative to broader historical periods and is consistent with the recent trends in the overall deals market.

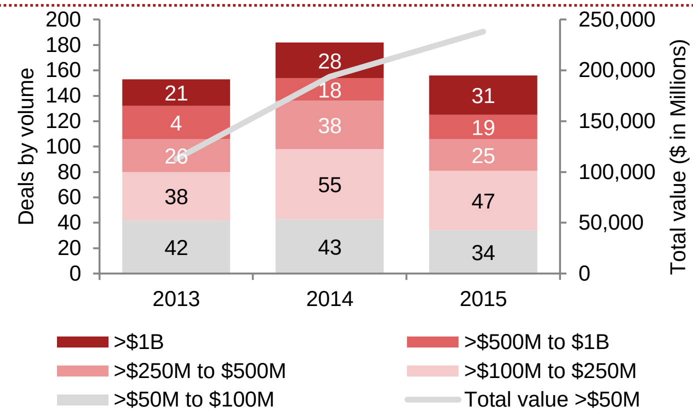
- **Private equity activity decreased in the retail sector, but increased in the consumer sector.** For deals >$50 million, private equity comprised 32% of retail deal volume and 25% of the retail deal value in 2015 compared to 52% and 57% in 2014, respectively. Private equity retail deal activity was led by the $4.6 billion pending acquisition of Petco by CVC Capital Partners and Canada Pension Plan Investment Board. In the consumer sector, for deals >$50 million, private equity comprised 19% of deal volume and 40% of deal value in 2015 compared to 13% and 5% in 2014, respectively. Private equity consumer deal activity was led by the $53.1 billion Heinz / Kraft merger.

- **The number of large deals was up in 2015, with 31 mega deals dispersed across several sub-sectors:**

  - food and beverage (including alcohol) (8)
  - grocery, drug, discount and mass sector (6)
  - specialty retail (3)
  - agribusiness (3)
  - household and personal products (3)
  - other consumer products (3)
  - apparel, footwear and accessories (1)
  - internet / e-commerce (1)
  - other (3)

  In comparison, 2014 had 28 deals exceeding $1 billion, driven by the food and beverage sector.

R&C deals > $50M by volume and total value



Source: PwC analysis of Thomson Reuters data 2013–2015

Thirty-one mega deals drove the activity during the year, anchored by the food and beverage and grocery, drug, discount and mass sectors

Key announced transactions

Full-year 2015 saw high levels of announced transactions valued over $1 billion. Key announced transactions during 2015 included:

- **Heinz (3G and Berkshire Hathaway) / Kraft:** H.J. Heinz Company and Kraft Foods Group, Inc., a Northfield, Illinois based producer and wholesaler of packaged food products, entered into a definitive merger agreement to create The Kraft Heinz Company. Under the terms of the agreement, Kraft shareholders will own a 49% stake in the combined company, and current Heinz shareholders will own 51% on a fully diluted basis. Kraft shareholders will receive stock in the combined company and a special cash dividend of $16.50 per share. The aggregate special dividend payment of approximately $10 billion is being fully funded by an equity contribution by Berkshire Hathaway and 3G Capital Partners.
- **Walgreens / Rite Aid:** Walgreens Boots Alliance, Inc. agreed to acquire Rite Aid Corp., a Camp Hill, Pennsylvania based owner and operator of drug stores, for $17.2 billion.
- **Newell Rubbermaid / Jarden:** Newell Rubbermaid, Inc. agreed to merge with Jarden Corp., a Boca Raton, Florida based provider of consumer products, for $15.4 billion.
- **JAB Holdings led investor group / Keurig Green Mountain:** An investor group, led by JAB Holdings, agreed to acquire Keurig Green Mountain, Inc., a Burlington, Vermont based producer, wholesaler and retailer of coffee and tea products, for $13.9 billion.
- **CVS Health / Omnicare:** CVS Health Corp. acquired Omnicare, Inc., a Cincinnati, Ohio based provider of pharmaceutical services, for $12.7 billion.
- **Coty / Procter & Gamble:** Coty, Inc. agreed to acquire the beauty business of Procter & Gamble Co., a Cincinnati, Ohio based manufacturer and wholesaler of beauty care products, for $12.5 billion.
- **Molson Coors Brewing Co. / MillerCoors:** Molson Coors Brewing Co. agreed to acquire the remaining 58% interest, which it did not already own, in MillerCoors LLC, a Chicago, Illinois based producer of beer, from its joint venture partner SABMiller PLC, for $12.0 billion. The transaction is conditioned upon the completion of Anheuser-Busch InBev's acquisition of SABMiller PLC for $109.3 billion.
- **Staples / Office Depot:** Staples agreed to acquire Office Depot, a Boca Raton, Florida based retailer and wholesaler of office supplies, for $6.3 billion.
- **Coca-Cola Enterprises / Coca-Cola Iberian Partners / Coca-Cola Erfrischungsgetraenke:**
  - Coca-Cola Enterprises, Inc. (CCE) of the US agreed to merge with Coca-Cola Iberian Partners SA (CCIP), a Madrid, Spain based producer and wholesaler of soft drinks and non-alcoholic beverages, from Cobega Invest SL, for $6.1 billion.
  - Concurrently, CCE agreed to merge with Coca-Cola Erfrischungsgetraenke AG (CCEAG), a Berlin, Germany based producer and wholesaler of soft drinks, a unit of European Refreshments Ltd., ultimately owned by Coca-Cola Co. (CCC), for $3.2 billion.
  - Upon completion of the three-way merger, CCE, CCIP, and CCEAG shareholders will own 48%, 32%, and 18% of the merged entity, respectively, which will be named Coca-Cola European Partners PLC.
- **JM Smucker / Big Heart Pet Brands:** JM Smucker acquired Big Heart Pet Brands, a San Francisco, California based manufacturer and wholesaler of pet food products, from Kohlberg Kravis Roberts & Co LP, a unit of KKR & Co LP, Vestar Capital Partners, Inc., and Centerview Partners Holdings LLC, for $5.8 billion.
- **Japan Tobacco / Reynolds American:** Japan Tobacco, Inc. agreed to acquire the international business of the Natural American Spirit tobacco brand of Reynolds American, Inc., a Winston Salem, North Carolina based producer of cigarettes and other tobacco products, for $5.0 billion. The acquisition included trademarks for Natural American Spirit, and nine subsidiaries selling Natural American Spirit in Japan, Germany, Switzerland, Italy, Spain, UK, and France.
- **CVC Capital Partners and Canada Pension Plan Investment Board / Petco:** An investor group, comprised of CVC Capital Partners Ltd. of the UK and Canada Pension Plan Investment Board of Canada, agreed to acquire Petco Animal Supplies, Inc., a San Diego, California based owner and operator of pet stores, from a group of inventors led by TPG Partners LP and Leonard Green & Partners LP, for $4.6 billion.
- **CVC Capital Partners / Douglas Holding:** CVC Capital Partners Ltd. of the UK agreed to acquire Douglas Holding AG, a Hagen, Germany based department store operator ultimately owned by Advent International Corp. of the US, from Beauty Holding Two AG, for $3.1 billion.
- **TreeHouse Foods / Ralcorp:** TreeHouse Foods, Inc. agreed to acquire the entire share capital of Ralcorp Holdings, Inc., a St. Louis, Missouri based manufacturer and wholesaler of cereals and snacks, from ConAgra Foods, Inc. for $2.7 billion.

Overall cross border activity decreased, with inbound deal activity more prevalent than outbound activity

Cross border deal activity

For disclosed deals over $50 million, cross border deal activity was lower than prior year levels, representing 40% of R&C deal volume and 26% of R&C deal value in 2015. Inbound deal activity was more prevalent in 2015, comprising 58% of cross border deal volume, and 80% of cross border deal value. Investment into Europe as a percentage of inbound and outbound transactions (volume and value) increased relative to other geographies.

The inbound activity was led by European investors. Investment into Europe as a percentage of inbound transactions (volume and value) increased relative to other geographies.

Significant inbound transactions included:

- **JAB Holdings led investor group / Keurig Green Mountain:** An investor group, led by JAB Holdings of Luxembourg, agreed to acquire Keurig Green Mountain Inc., for $13.9 billion.
- **Coty / Proctor & Gamble:** Coty, Inc., a unit of the JAB Holdings II BV subsidiary of Donata Holding SE's Donata Holdings BV of Germany, agreed to acquire the beauty business of Procter & Gamble for $12.5 billion.
- **Japan Tobacco / Reynolds American:** Japan Tobacco, Inc. of Japan agreed to acquire the international business of the Natural American Spirit brand of Reynolds American, Inc. for $5.0 billion.
- **CVC Capital Partners and Canada Pension Plan Investment Board / Petco:** An investor group, comprised of CVC Capital Partners Ltd. of the UK and Canada Pension Plan Investment Board of Canada, agreed to acquire Petco Animal Supplies, Inc. for $4.6 billion.
- **CVC Capital Partners /Douglas Holding:** CVC Capital Partners Ltd. of the UK acquired Douglas Holding AG from Beauty Holding Two AG for $3.1 billion.
- **JBS USA Holdings / Cargill:** JBS USA Holdings, Inc., a unit of JBS SA of Brazil, acquired the US-based pork business of Cargill, Inc. for $1.5 billion.

Similar to 2014, Europe was the dominant region for US outbound investment during 2015. Investment into Europe as a percentage of outbound transactions (volume and value) increased relative to other geographies. Asia Pacific was another leading area by volume for US investment abroad this year. Key outbound transactions included:

- **Coca-Cola Enterprises / Coca-Cola Iberian Partners:** Coca-Cola Enterprises, Inc. (CCE) of the US agreed to merge with Coca-Cola Iberian Partners SA (CCIP) of Spain for $6.1 billion.
- **Mohawk Industries / IVC Group NV:** Mohawk Industries acquired IVC Group NV of Belgium for $1.2 billion.

Total deal activity (deals with disclosed value only)

(In USD million, except # of deals)	2014					2015				
	Domestic	Outbound	Inbound	Net Inbound (outbound)	Total	Domestic	Outbound	Inbound	Net Inbound (outbound)	Total
Number of deals	86	50	46	(4)	182	94	26	36	10	156
Total deal value	$91,170	$44,087	$58,597	$14,510	$193,854	$175,059	$12,813	$50,203	$37,390	$238,076
Average deal value	$1,060	$882	$1,274	$392	$3,216	$1,862	$493	$1,395	$902	$3,750

Outbound deal activity

(In USD million, except # of deals)	2014					2015				
	Europe	Asia Pacific	Canada	ROW	Total	Europe	Asia Pacific	Canada	ROW	Total
Number of deals	17	15	9	9	50	10	7	4	5	26
Total deal value	$23,266	$3,425	$15,600	$1,796	$44,087	$9,192	$830	$931	$1,861	$12,813
Average deal value	$1,369	$228	$1,733	$200	$822	$919	$119	$233	$372	$493

Inbound deal activity

(In USD million, except # of deals)	2014					2015				
	Europe	Asia Pacific	Canada	ROW	Total	Europe	Asia Pacific	Canada	ROW	Total
Number of deals	15	15	3	13	46	14	8	5	9	36
Total deal value	$25,648	$18,731	$2,408	$11,810	$58,597	$25,952	$7,247	$1,220	$15,786	$50,203
Average deal value	$1,710	$1,249	$803	$908	$1,274	$1,854	$906	$244	$1,754	$1,395

Source: PwC analysis of Thomson Reuters data 2014–2015 for deals with announced value >$50 million only.

The retail and consumer sector continued to be driven largely by food and beverage transactions

Sub-sectors

The retail and consumer sector continued to be driven largely by food and beverage transactions, both in terms of deal volume and deal value. For disclosed deals > $50 million, food and beverage transactions accounted for 28% of R&C transactions in 2015.

Total transaction volume within the food and beverage sector decreased 19% from 2014 to 2015. However, total transaction value for disclosed deals > $50 million in the food and beverage sector increased 84% to $106.2 billion from 2014 to 2015, reaching a five-year high.

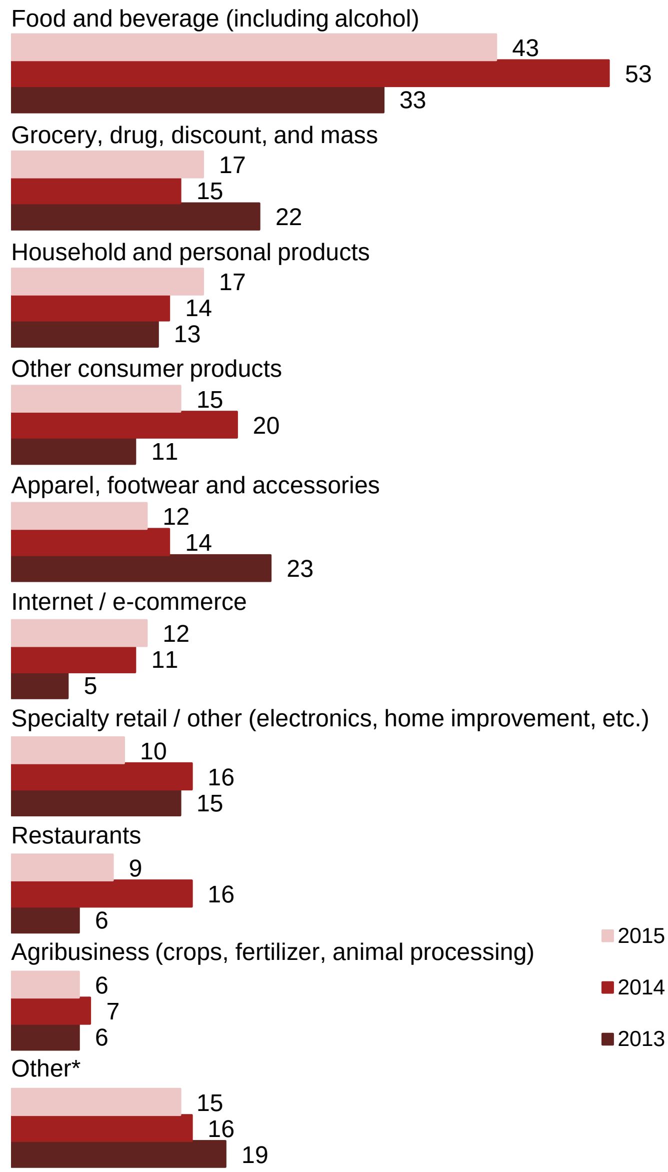
Average deal size in the food and beverage sector increased from $1.1 billion in 2014 to $2.5 billion in 2015. There were eight food and beverage transactions > $1 billion this year. This sub-sector had the largest deal value, led by:

- Heinz's merger with Kraft Foods for $53.1 billion;
- JAB Holdings investor group's pending acquisition of Keurig Green Mountain for $13.9 billion;
- Molson Coors Brewing Co.'s pending acquisition of the MillerCoors for $12.0 billion;
- Coca-Cola Enterprises' pending merger with Coca-Cola Iberian Partners SA for $6.1 billion;
- Coca-Cola Enterprises' pending merger with Coca-Cola Erfrischungsgetraenke AG for $3.2 billion;
- TreeHouse Foods' pending acquisition of Ralcorp Holdings for $2.7 billion;
- Snyder's-Lance's pending acquisition of Diamond Foods for approximately $1.9 billion and;
- Post Holdings' acquisition of MOM Brands for $1.1 billion.

Grocery, drug, discount and mass (including department stores) deal volume for transactions > $50 million increased to 17 deals in 2015, compared to 15 in 2014. This sub-sector had the second largest deal value, led by:

- Walgreens' pending acquisition of Rite Aid for $17.2 billion;
- CVC Capital Partners' acquisition of Douglas Holding AG for $3.1 billion;
- Sycamore Partners' acquisition of Belk for $2.7 billion;
- Seritage Growth Properties' pending acquisition of 254 real estate properties of Sears Holdings for $2.5 billion;
- Sunoco's acquisition of Susser Holdings for $1.9 billion and;
- CVS Health's acquisition of Target's pharmacy & clinic businesses for $1.9 billion.

Deal volume by sub-sector



*Other includes non retail and consumer sectors (i.e. health services).

Source: PwC analysis of Thomson Reuters data 2013–2015 for deals with announced value >$50 million only.

In 2015, transaction values increased for most sub-sectors, with household and personal products, other consumer products, and food and beverage experiencing the biggest growth

Sub-sectors (continued)

Household and personal products deal volume for transactions > $50 million increased to 17 deals in 2015, compared to 14 in 2014. Total transaction value for disclosed deals > $50 million in this sub-sector increased significantly to $33.8 billion in 2015 from $4.5 billion in 2014, reaching a five-year high. This was driven by:

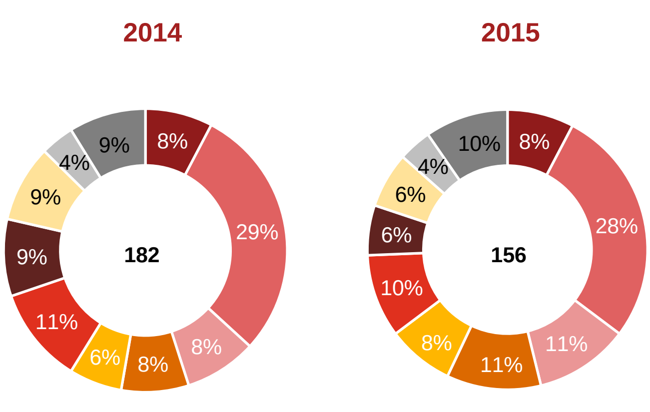
- Newell Rubbermaid's pending merger with Jarden for $15.4 billion;
- Coty's pending acquisition of Procter & Gamble's beauty business for $12.5 billion and;
- Jarden's acquisition of Waddington for an estimated $1.4 billion.

Other consumer products deal volume for transactions > $50 million decreased to 15 deals in 2015, compared to 20 in 2014. However, total transaction value for disclosed deals > $50 million in this sub-sector increased 211% to $1.6 billion from 2014 to 2015, reaching a five-year high. This was driven by:

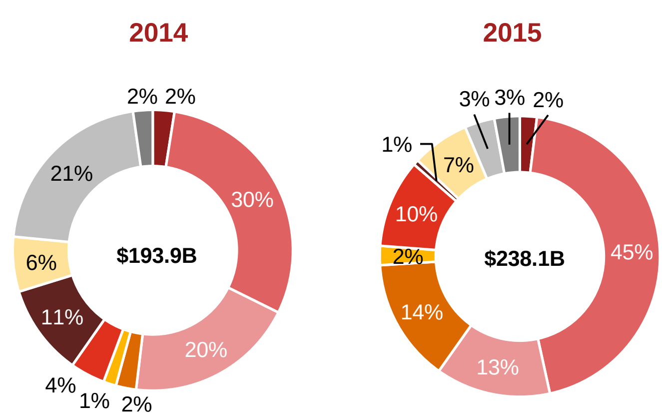
- CVS Health's acquisition of Omnicare for $12.7 billion;
- JM Smucker's acquisition of Big Heart Pet Brands for $5.8 billion and;
- AmerisourceBergen's acquisition of MWI Veterinary Supply for $2.5 billion.

We expect deal activity in the food and beverage (including alcohol), household and personal products and consumer products sub-sectors to remain steady, driven by key trends, such as, changing consumer preferences, emerging competition, low growth in mature markets, channel fragmentation and an increased focus on health and wellness. According to PwC's 19th Annual Global CEO Survey[2], 77% of retailers and 57% of consumer goods CEOs are concerned that a shift in consumer spending and behaviors is a potential business threat to their organization.

Sub-sector deals by volume



Sub-sector deals by value



- Apparel, footwear and accessories
- Food and beverage (including alcohol)
- Grocery, drug, discount and mass
- Household and personal products
- Internet / e-commerce
- Other consumer products
- Restaurants
- Specialty retail/other (electronics, home improvement, auto repair, etc.)
- Agribusiness (crops, fertilizer, animal processing)
- Other*

*Other includes non retail and consumer sectors (i.e. health services).

Source: PwC analysis of Thomson Reuters data 2014–2015 for deals with announced value >$50 million only.

2. To download the entire survey, click here.

In 2015, restructurings and spin-offs slowed compared to recent years and only three spin-offs were completed during the year

Divestures and corporate spin-offs

In 2015, restructurings and spin-offs slowed compared to recent years, which experienced heightened levels of such activity driven by companies reassessing their portfolios and trying to position themselves for an increasingly competitive environment.

Three spin-offs were completed during 2015: Barnes & Noble's spin-off of its college business, Darden Restaurant's spin-off of certain real-estate assets, and Fidelity National Financial Ventures' spin-off of J. Alexander's Holdings. There are also several pending spin-offs, including SuperValu's spin-off of its Save-A-Lot grocery stores, Yum! Brands' spin-off of YUM! Restaurants (China) Investment Co., and ConAgra Foods' spin-off of its Lamb Weston business[3]. Longer term, we believe an increased level of shareholder activism may help spur spin-off activity and we expect spin-offs may remain a key strategy within the sector.

R&C divestitures (including private equity, but excluding corporate spin-offs) have comprised 33% of total R&C deal volume on average since 2010. R&C divestiture deal volume was down 21% compared to 2014, while divestiture deal value was up $22.6 billion, or 51%.

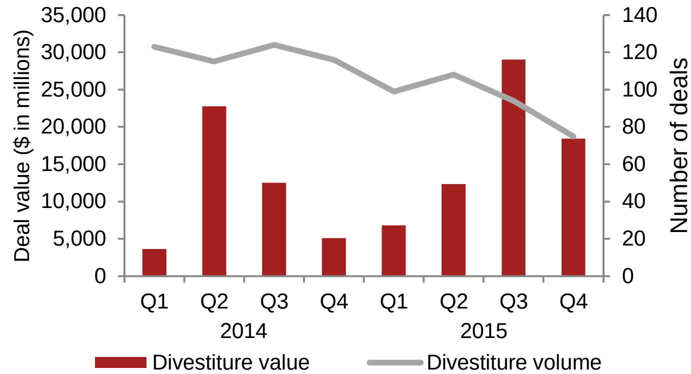
Key divestitures during 2015:

- Procter & Gamble's sale of its beauty business to Coty for $12.5 billion;
- SABMillers' sale of its 58% interest in MillerCoors to Molson Coors Brewing Co. for $12 billion (the transaction is conditioned upon the completion of Anheuser-Busch InBev's acquisition of SABMiller);
- Reynolds American's sale of its international business of the Natural American Spirit brand to Japan Tobacco for $5.0 billion;
- ConAgra Foods' sale of Ralcorp Holdings to TreeHouse Foods for an estimated $2.7 billion;
- Sears Holdings' sale of 254 real estate properties to Seritage Growth Properties for $2.5 billion;
- Energy Transfer Partners' sale of Susser Holdings Corp. to Sunoco LP for $1.9 billion;
- Target's sale of its pharmacy and clinic businesses to CVS Health for $1.9 billion and;
- Cargill's sale of its US-based pork business to JBS USA Holdings for $1.5 billion.

Overall, we expect consumer-branded companies to continue to evaluate their portfolios and divest or spin-off products.

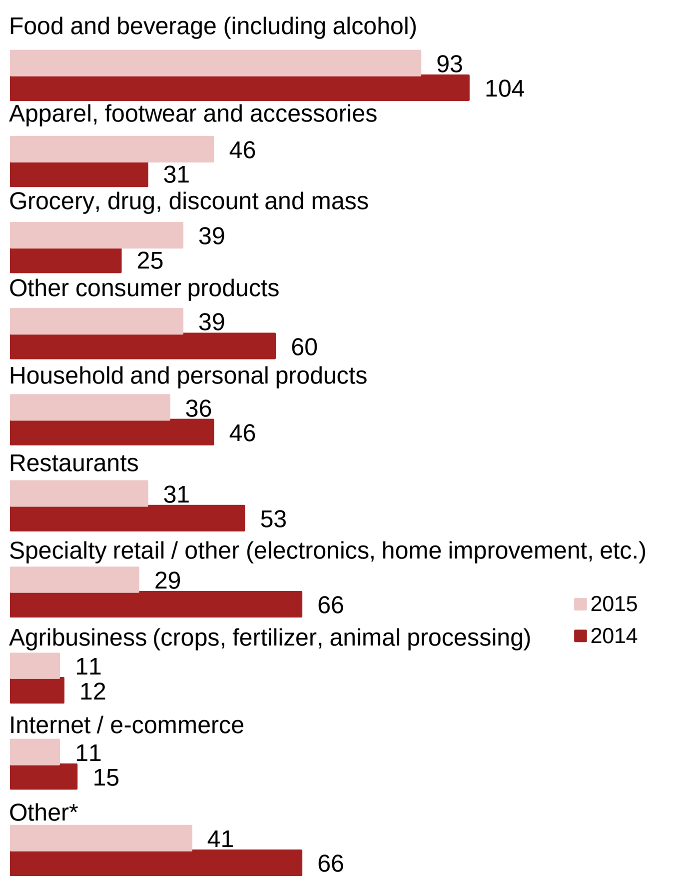
3. Refer to the appendix page 20 for more details.

Divestiture volume and value



Source: PwC analysis of Thomson Reuters data 2014–2015, includes all divestitures

Divestiture volume by sub-sector



*Other includes nonretail and consumer sectors (i.e. health services).

Source: PwC analysis of Thomson Reuters data 2014–2015 includes all divestitures

The broader IPO market experienced a significant decline in 2014; however, R&C IPO proceeds were down only slightly from 2014

IPOs

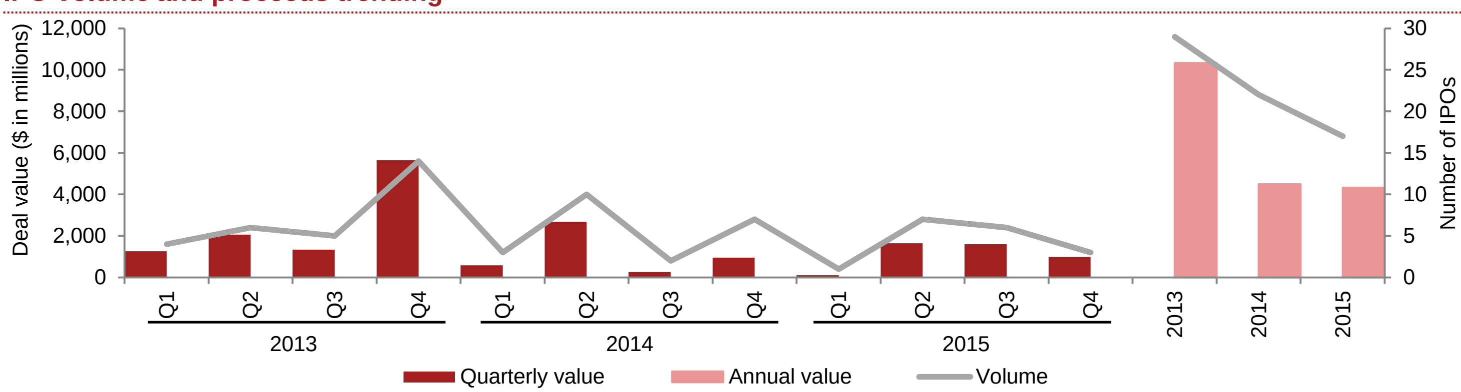
- **R&C IPO proceeds were down only slightly from 2014, despite the significant decline in the IPO market overall:** 17 R&C IPOs priced during 2015 with proceeds of $4.3 billion compared to 22 R&C IPOs pricing in 2014 with proceeds of $4.5 billion, representing a 4% decrease year-over-year in deal value (23% decrease in deal volume). This slight decline is in stark contrast to the sharp decline in the proceeds raised in the broader IPO market in 2015 of 62%—falling from $87 billion in 2014 to only $33 billion in 2015 (with a 36% decrease in deal volume). The overall IPO market decline, including the R&C sector, was driven by several macroeconomic factors including uncertainty around monetary policies both domestically and internationally, China economic growth concerns and falling energy prices.

  During 2015, IPOs in the R&C sector represented 13% of the total proceeds in the overall IPO market and 9% of the volume. While the relative volume increased only slightly year-over-year (in 2014, R&C was 7% of deal volume), relative value increased substantially compared to 2014, where R&C represented only 5% of the total proceeds.

- **Average value for R&C IPOs was up 25% in 2015:** The average R&C IPO in 2015 rose to $254 million from $204 million in 2014, primarily as a result of larger IPOs in the year (based on proceeds). Three IPOs in 2015 exceeded $600 million, including brand names Ferrari ($893 million), Fitbit Inc. ($732 million) and Blue Buffalo Pet Products, Inc. ($677 million); compared to only two IPOs in 2014 with proceeds over $600 million. Notably, R&C had three of the top 10 IPOs in the overall IPO markets (based on deal value) and was the only sector in the overall IPO markets in which average deal value rose year-over-year.

- **Financial sponsors' activity in the sector declined although remained high relative to the overall IPO markets in 2015:** Financial sponsors' activity decreased slightly in 2015 representing 13 R&C IPOs (76%) compared with 19 R&C IPOs (86%) in 2014. However, 2015 saw a more sizeable decrease in the relative value of financial sponsor-backed R&C IPOs, representing $3.3 billion or 77%, compared with $4.3 billion or 95% in 2014. R&C continues to outpace the overall IPO markets in which financial sponsors represented 62% of the proceeds and 57% of the IPO volume.

IPO volume and proceeds trending



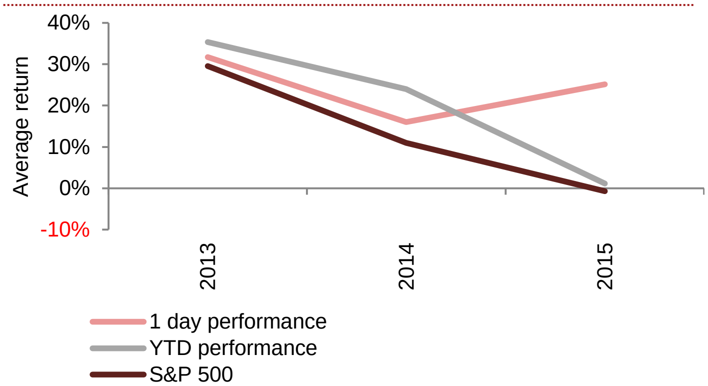
Source: PwC's IPO Watch data 2013–2015

We expect 2016 to be positive for R&C IPOs if the market rebounds from some of the broader macroeconomic concerns

IPOs (continued)

- **R&C IPOs on average outperformed most other sectors in the IPO market in 2015:** Average first day returns on R&C IPOs were 25% and average year-to-date returns were 1% at the end of 2015, coming in higher than the overall IPO market average, which saw first day returns of only 12% and year-to-date returns of -2%. Year- over-year, the first day returns of 25% are a significant increase from 16% in 2014; however, year-to-date returns of 1% plummeted in comparison to 24% in 2014 – a trend that is consistent with the broader IPO market performance. Five R&C IPOs ended the year with returns over 20%, with Shake Shack, Inc. and Fitbit, Inc. leading the sector followed by Duluth Holdings, Inc., Performance Food Group Company and Wingstop, Inc. R&C IPO average year-to-date returns also narrowly outperformed the S&P 500 which saw a negative return of 1%.

Average R&C company performance compared to IPO price



Source: PwC US IPO Watch, Dealogic, and S&P Capital IQ data 2013–2015

10 of the 17 (59%) R&C IPOs priced above the initial projected range, which was double the percentage of the next highest sector in the overall IPO markets (technology at 31%) and almost triple the percentage of IPOs across all sectors, which saw an average of 24% above the initial projected range. Looking at the R&C sector historically, 2015 represents the highest percentage of IPOs pricing above the range since pre-2012.

Number of R&C IPOs	2013	2014	2015
Above	11	4	10
Within	10	12	4
Below	8	6	3

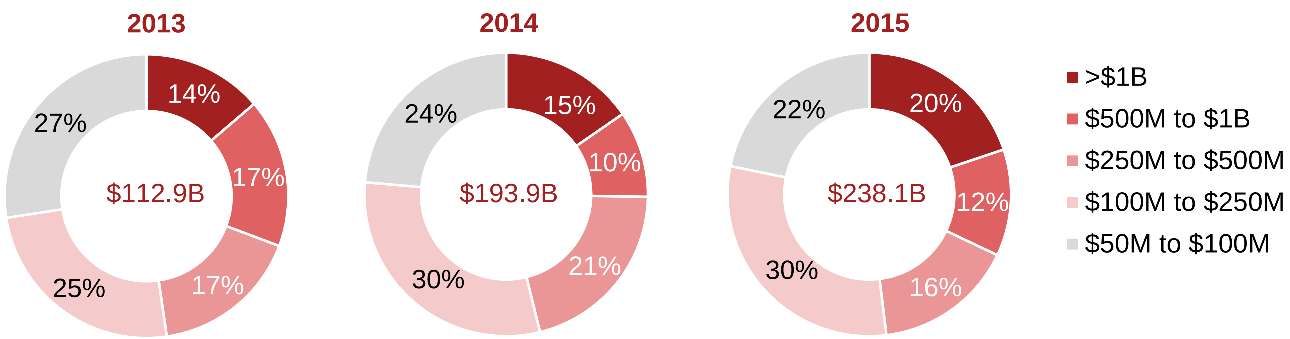
Source: PwC's IPO Watch data 2013–2015

- **The pipeline for R&C companies is up at the end of 2015 compared to Q3-2015:** 18 R&C companies filed for an IPO in the last 12 months seeking $1.6 billion in proceeds. Only seven of the 18 R&C companies are Emerging Growth Companies (EGCs)[4], four of which filed publicly for the first time before Q4-2015. Typically, we would expect companies that elect to file as an EGC to price shortly after filing publicly; however, given the volatility in the market the second half of 2015, this has not been the case. We believe that companies filing for an IPO have been waiting to see some stability in the market before pricing. Consequently, the large pipeline for R&C IPOs is difficult to predict because companies are waiting for an "IPO window." If the market improves in the first quarter of 2016, several companies could take advantage of the IPO window; however, if the market does not improve in Q1-2016, the slowdown seen in the last half of 2015 may continue.

- **Overall the R&C IPO market performance in 2015 was relatively consistent with the prior year's performance, particularly relative to the significant decrease in the overall IPO market performance in 2015:** 2014 was more of a pivotal year for the R&C sector, which saw a significant decrease in volume, proceeds and performance in 2014 from 2013. The R&C sector relatively maintained the 2014 performance into 2015, whereas the broader IPO markets experienced the significant decline in 2015. With several well-known companies, including Albertsons, Univision, SoulCycle and Petco in the pipeline, 2016 looks positive for the sector if the IPO windows open and the markets rebound from some of the broader macroeconomic concerns.

4. The JOBS Act allows Emerging Growth Companies (EGCs) to file confidentially with the SEC. Under the JOBS Act those companies that have elected to file confidentially with the SEC must file publicly 21 days in advance of their roadshow. Recent quarterly trends demonstrate that most EGCs take advantage of this election and only file publicly when preparing to start their roadshow and go effective.

R&C deal volume and value by year (deals with disclosed value >$50M)

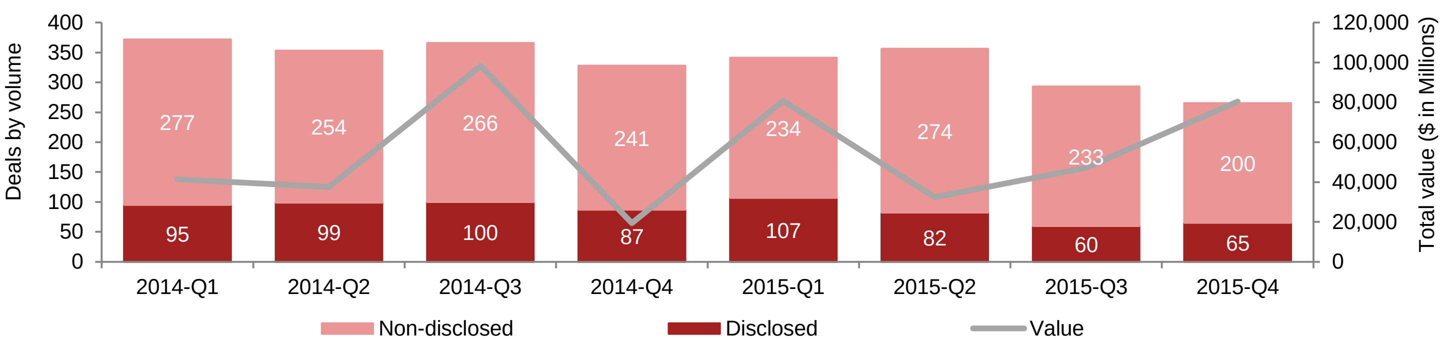


Source: PwC analysis of Thomson Reuters data 2013–2015

In USD million, except number of deals	2013 Number of deals	2013 Total deal value	2014 Number of deals	2014 Total deal value	2015 Number of deals	2015 Total deal value
>$1B	21	76,393	28	155,505	31	203,293
$500M to $1B	26	17,937	18	12,855	19	14,521
$250M to $500M	26	9,207	38	13,736	25	9,605
$100M to $250M	38	6,190	55	8,741	47	8,042
$50 to $100M	42	3,158	43	3,016	34	2,615
Subtotal >$50M	153	112,921	182	193,854	156	238,076
<$50M	186	2,550	199	2,664	158	2,441
Total (with disclosed values)	339	115,471	381	196,518	314	240,517

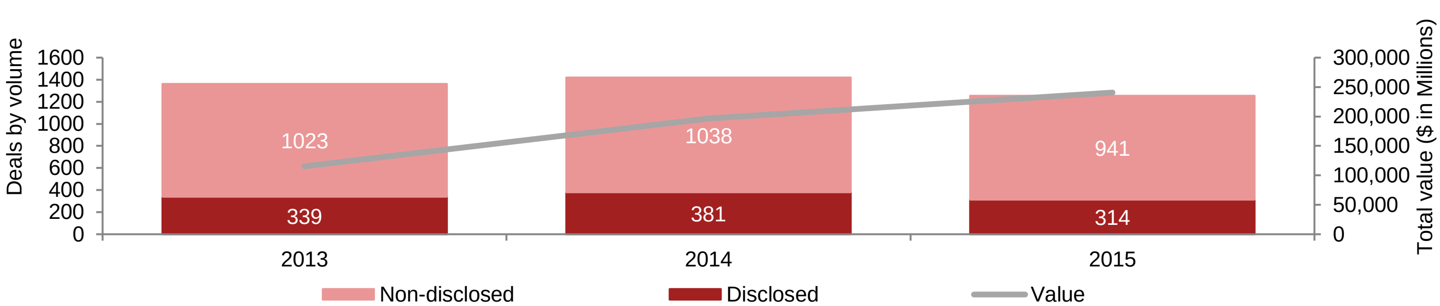
Source: PwC analysis of Thomson Reuters data 2013–2015

R&C deal volume and value trending



Source: PwC analysis of Thomson Reuters data 2014–2015

R&C trending by year



Source: PwC analysis of Thomson Reuters data 2013–2015

Factors remain positive overall for continued sector deal momentum into 2016

Conclusion and outlook

The R&C sector has experienced a strong year in 2015 in regards to transaction activity. Despite a decline in volume from 2014 by 14%, value was up 23% for deals >$50 million. This was largely driven by an increase in mega deals.

Consumers were expected to spend more in 2015 because of a strengthening job market, modest income growth and lower gasoline prices. However, most of the benefits to date have gone toward a higher saving rate rather than stronger consumer spending. We expect consumers to be positioned to spend in 2016.

There are several consumer trends that are influencing deals, including changing food and beverage preferences, increased disruption in the retail and consumer sector leading to high levels of innovation, omni-channel retailing and digital consumer engagement, and shifting of spending to tech products and healthcare.

Transactions in the **food and beverage** (including alcohol) and food and beverage retailing sub-sectors continue to be the focal point for investment for both corporate and private equity, driven by the need to consolidate cost structures and reposition business:

- Large diversified food companies are threatened by smaller more focused enterprises. Some of these companies are splitting themselves into smaller businesses in order to better focus on how they go to market.
- Companies are placing more focus on revenue and margin growth as opposed to traditional focus on growing volume at all costs.
- Consumption of carbonated beverages continues to experience declines, while still beverages and craft beer experience strong growth. As a result, companies are making strategic acquisitions to expand their portfolios with categories that are growing in market share and leveraging marketing and distribution capabilities.

Companies are seeking to acquire assets to get access to new capabilities (e.g. **digital, omni-channel**). Large companies will continue to acquire proven **innovation** and realize immediate benefits.

Consumers are demanding more convenient, higher value and cost effective means of receiving **healthcare**, causing companies to adapt their business models, cost effective means of enhancing wellness and obtaining healthcare access, extend healthcare services and become a more integral part of the community. As a result, retailers have embarked upon varied health and wellness-led strategies to capitalize on the opportunities, and the healthcare sector is also converging with retail trends and adopting consumer centric strategies.

In addition, companies will be further challenged by **global economic uncertainty** and the valuation gap between buyers and sellers.

Key factors impacting the R&C deals market in 2016 may continue to include the following:

- Continued shareholder activism, putting pressure on companies throughout the sector to more assertively articulate and execute on a focused strategy and efficient operations.
- Cross-border activity is still expected to be an important part of M&A landscape, especially across English-speaking nations outside of the US and Western Europe. Economic conditions in China have been challenging, and US corporations that rely on this region for future growth may re-assess their 2016 forecasts / budgets. If these companies cannot get this forecasted growth in China, they may try to invest in English-speaking nations and Western Europe.
- Companies continuing to reposition their business models in line with the megatrends to increase their competiveness, some of which will need to come through acquisitions and exiting less strategic divisions / product lines.
- Private equity activity may continue to decrease as firms are more likely sellers of assets they have held in their portfolio than buyers of new assets. Valuations are relatively high, so most private equity companies are looking to sell current portfolio investments for good exit multiples leading to outsized returns. This may drive firms to sit on the sidelines in auctions as they cannot pencil out the deals to provide them their desired returns.
- The modest increase in interest rates in Q4-2015 has not yet fully permeated through the credit community, but expectations are that leverage multiples for M&A transactions will tighten in the latter half of 2016, if not sooner.
- The IPO markets may be on pause waiting for the current equity market correction to work itself through.
- Companies increasingly looking to monetize real estate holdings through non-recourse financing, sale-leasebacks and, more recently, spin-offs of real estate and REIT conversions. Given the large footprint of stores and operations, these transactions have been prevalent within the retail and consumer sector[5]. In 2015, there were eight R&C real estate deals >$50 million, totaling $6.4 billion.

These factors support deal momentum into 2016.

5. Refer to related Spotlight article from the US retail and consumer deals insights Q3-2015 update. Download the full article here

About PwC's Deals Practice

PwC's Deals Practice professionals help corporate and private equity executives navigate transactions to increase value and returns. In today's increasingly daunting economic and regulatory environment, experienced M&A specialists assist clients on a range of transactions from smaller and mid-sized deals to the most complex transactions, including domestic and cross-border acquisitions, divestitures and spin-offs, capital events such as IPOs and debt offerings, and bankruptcies and other business reorganizations. First we help clients with strategic planning around their growth and investment agendas and then advise on the business-wide risks and value drivers in their transactions for more empowered negotiations, decision making and execution. Clients can then expedite their deals, reduce their risks, capture and deliver value to their stakeholders, and quickly return to business as usual.

Our local and global deal strength is derived from our deal professionals in 35 cities in the US and across a global network of firms, including Strategy&, which spans 75 countries. The result is deals capabilities that include a unique combination of front-end strategy and deal origination, diligence, and post-deal value capture. In addition, our network firm PwC Corporate Finance provides investment banking services within the US.

A disciplined approach to integration helps achieve early wins, build momentum, and instill confidence among stakeholders. An integration roadmap can be helpful in pinpointing and executing a clear integration strategy before a deal is final. Adherence to some fundamental tenets of deal integration can also guide companies along the path to a successful integration and allow managers to focus their efforts on sound strategy execution. Although every integration effort is unique, a company's integration process should not be.

Data and Methodology

The information presented in this report is an analysis of deals in the retail and consumer industry where the target company, the target ultimate parent company, the acquiring company, or the acquiring ultimate parent company was located in the Unites States of America. Deal information was sourced from Thomson Reuters and includes deals for which buyers or targets have a target mid industry code that falls into one of the following mid industry groups: Apparel Retailing, Automotive Retailing, Computers & Electronics Retailing, Discount and Department Store Retailing, Food and Beverage Retailing, Food and Beverage, Home Furnishings, Home Improvement Retailing, Household & Personal Products, Internet and Catalog Retailing, Other Consumer Products, Other Consumer Staples, Other Retailing, Textiles & Apparel, and Tobacco. Certain adjustments have been made to the information to exclude transactions which are not specific to the R&C sector or incorporate relevant transactions that were omitted from the indicated mid industry codes.

This analysis includes all individual mergers, acquisitions, and divestitures for disclosed or undisclosed values, leveraged buyouts, privatizations, minority stake purchases, and acquisitions of remaining interest announced between January 1, 2012 and December 31, 2015, with a deal status of completed, intended, partially completed, pending, pending regulatory, unconditional (i.e. initial conditions set forth by the buyer have been met but deal has not been withdrawn and excludes all rumors and seeking buyers). Additionally, all spin-off transactions have been removed from the numerical and graphical presentations herein.

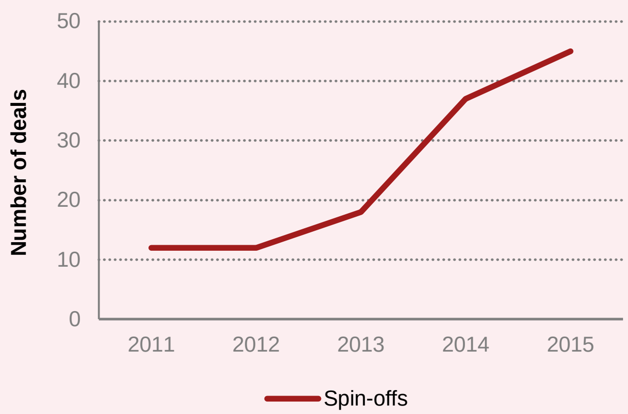
Percentages and values are rounded to the nearest whole number which may result in minor differences when summing totals.

Spotlight article

Spin-off transactions creating a new public entity

Spin-off listings are increasing … is one in your future?

Spin-offs have seen a resurgence in recent years. Many executives are finding that spinning a business into a stand-alone public entity can be a complex, but necessary, move to capture shareholder value.



What may be causing this trend?

There are many potential reasons. Some say that spin-offs unlock value from non-core businesses by improving management focus or by simply increasing transparency to investors. From a macro standpoint, a spin-off may provide a higher return than other opportunities in the current low-yield environment. From a parent perspective, a spin-off may be part of a larger strategic or capital structure change such as debt paydown. Sometimes, a spin-off may be related to shareholder activism. Regardless of the reasons, it seems spin-offs are at the forefront of current market activity.

Breaking up is hard to do

Preparing a business for a spin-off is a complex exercise. It is important to identify a project leader who is empowered to make critical decisions and navigate the organization through the process. The use of a project management group to prepare the separation plan, monitor progress and identify gating issues can help keep the process on track. Early planning and identification of key resources is critical due to the multiple sets of financial information that may be needed, such as carve-out financial statements and proforma information.

Carving out the business

The carve-out financial statements need to reflect all of the "costs of doing business" on a stand-alone basis. However, some of these costs may not have been incurred by, or historically charged to, the carve-out entity. Companies often encounter system limitations because information was not originally captured for this purpose. Areas that can create challenges include:

- **Allocation of expenses:** where specific identification is not practicable, a reasonable method of allocation must be used and disclosed.
- **Assets / liabilities:** determining what gets attributed to the business and related impairment testing requires careful analysis.
- **Compensation / benefits:** when personnel are transferred, stock-based compensation and pension obligations need to be considered.
- **Taxes:** generally carve-out tax provisions are calculated on a separate return basis, which can be a significant and complex workstream.

Creating a sustainable stand-alone entity

Successful spin-offs require management to be forward-looking, addressing not only the day-one issues, but also focusing on creating an entity that can thrive as a stand-alone public company.

Key aspects of this include managing the talent transfer and performing a gap assessment, establishing corporate governance, implementing necessary systems and controls, assessing the capital structure and cash flow plan, readying the finance function for SEC compliance and preparing for investor relations activities.

These activities are focused on the specific processes, systems and staffing required to operate the new business in its future state. Transition services agreements are a common vehicle to smooth separation, but they cannot replace thorough planning.

This article originally appeared in an issue of "In the loop", a publication from PwC's CFO direct Network. [Download the full article here.]

Appendices

Top 10 corporate deals in 2015[1]

Rank	Target name	Acquirer name	Date announced	Status	Sub-sector	Sector	Value ($ mil)	EV / Revenue	EV / EBITDA[1]
1	Rite Aid Corp.	Walgreens Boots Alliance, Inc.	10/27/2015	Pending	Grocery, drug, discount and mass	Retail	17,200	0.6x	13.1x
2	Jarden Corp.	Newell Rubbermaid, Inc.	12/14/2015	Pending	Other consumer Products	Consumer	15,435	2.1x	20.0x
3	Omnicare, Inc.	CVS Health Corp.	5/21/2015	Completed	Other consumer Products	Consumer	12,700	1.7x	15.0x
4	MillerCoors LLC	Molson Coors Brewing Co.	11/11/2015	Pending	Food and beverage (including alcohol)	Consumer	12,000	2.7x	12.5x
5	Office Depot, Inc.	Staples, Inc.	2/4/2015	Pending	Specialty retail	Retail	6,306	0.4x	12.9x
6	Big Heart Pet Brands Corp.	The JM Smucker Co.	2/3/2015	Completed	Other consumer Products	Consumer	5,800	2.6x	N/A
7	Reynolds American, Inc.-Natural	Japan Tobacco, Inc.	9/29/2015	Pending	Agribusiness	Consumer	5,005	34.1x	N/A
8	Ralcorp Holdings, Inc.	TreeHouse Foods, Inc.	11/2/2015	Pending	Food and beverage (including alcohol)	Consumer	2,700	0.8x	N/A
9	Darden Rest, Inc.-Cert RE	Shareholders	6/23/2015	Completed	Restaurants	Retail	2,615	45.7x	N/A
10	PharMEDium Services LLC	AmerisourceBergen Corp.	10/6/2015	Completed	Specialty retail	Retail	2,575	7.5x	31.9x

[1] Transaction data provided by Capital IQ, Inc. Selected transactions represent largest retail and consumer products corporate acquisitions during 2015 for which multiples results were disclosed.

[2] N/A' denotes transactions for which EV/EBITDA multiples were not disclosed.

Source: PwC analysis of Thomson Reuters and Capital IQ, Inc. data

Top 10 private equity deals in 2015[1]

Rank	Target name	Acquirer name	Date announced	Status	Sub-sector	Sector	Value ($ mil)	EV / Revenue	EV / EBITDA[1]
1	Kraft Foods Group, Inc.	HJ Heinz Co.	3/25/2015	Completed	Food and beverage (including alcohol)	Consumer	53,100	3.0x	22.6x
2	Keurig Green Mountain, Inc.	Investor Group	12/7/2015	Pending	Food and beverage (including alcohol)	Consumer	13,878	3.1x	13.3x
3	Belk, Inc.	Sycamore Partners LLC	8/24/2015	Completed	Grocery, drug, discount and mass	Retail	2,679	0.7x	6.9x
4	The PEP Boys-Manny Moe & Jack	Icahn Enterprises LP	12/7/2015	Pending	Specialty retail	Retail	1,000	0.6x	15.6x
5	Steiner Leisure Ltd.	Catterton Partners Corp.	8/21/2015	Completed	Other consumer products	Consumer	925	1.0x	12.3x
6	Zep, Inc.	New Mountain Capital LLC	4/8/2015	Completed	Household and personal products	Consumer	692	1.0x	14.8x
7	Orchard Brands Corp.	Capmark Financial Group, Inc.	5/27/2015	Completed	Internet / e-commerce	Retail	410	0.4x	5.8x
8	Anixter International, Inc.-OEM Supply	American Industrial Partners	2/12/2015	Completed	Other consumer Products	Consumer	380	0.4x	N/A
9	Partner in Pet Food Kft.	Pamplona Capital Management	4/2/2015	Pending	Other consumer Products	Consumer	343	1.3x	N/A
10	Aga Rangemaster Group PLC	Middleby UK Residential Hldg	6/17/2015	Completed	Household and personal products	Consumer	200	0.5x	20.2x

[1] Transaction data provided by Capital IQ, Inc. Selected transactions represent largest retail and consumer products private equity acquisitions during 2015 for which multiples results were disclosed.

[2] N/A' denotes transactions for which EV/EBITDA multiples were not disclosed.

Source: PwC analysis of Thomson Reuters and Capital IQ, Inc. data

Top 10 purchase price allocation statistics in 2015[1]

Closed Date	Acquirer	Target	Transaction Value ($M)	Intangibles	Goodwill	Trade Names	Customer Relationships	Favorable Leaseholds	Other
						As a % of Excess Consideration			
7/2/2015	HJ Heinz Co.	Kraft Foods Group, Inc.	53,100.0	57.5%	42.5%	53.8%	3.7%	N/A	N/A
8/18/2015	CVS Health Corp.	Omnicare, Inc.	12,700.0	30.5%	69.5%	0.6%	30.0%	N/A	N/A
3/23/2015	The JM Smucker Co.	Big Heart Pet Brands Corp.	5,800.0	58.3%	41.7%	25.0%	33.3%	N/A	N/A
2/24/2015	AmerisourceBergen Corp.	MWI Veterinary Supply, Inc.	2,500.0	54.8%	45.2%	13.0%	41.4%	N/A	0.4%
8/21/2015	Ascena Retail Group, Inc.	ANN, Inc.	2,160.0	49.0%	51.0%	43.6%	2.8%	N/A	2.6%
6/24/2015	Rite Aid Corp.	Envision Pharmaceuticals Services	2,011.5	36.6%	63.4%	2.6%	25.4%	N/A	8.6%
8/24/2015	Home Depot, Inc.	Interline Brands, Inc.	1,625.0	41.9%	58.1%	18.8%	23.0%	N/A	N/A
7/31/2015[2]	Jarden Corp.	Waddington Group, Inc.	1,350.0	47.9%	52.1%	N/A	N/A	N/A	N/A
6/15/2015	Mohawk Industries, Inc.	IVC Group NV	1,200.0	27.2%	72.8%	4.8%	22.4%	N/A	N/A
5/4/2015	Post Holdings, Inc.	MOM Brands Co.	1,050.0	65.1%	34.9%	31.9%	33.1%	N/A	N/A
			Average:	**46.9%**	**53.1%**	**21.6%**	**23.9%**	**0.0%**	**3.9%**
			Median :	**48.5%**	**51.5%**	**18.8%**	**25.4%**	**0.0%**	**2.6%**

[1] Transaction data provided by Capital IQ, Inc. Selected transactions represent largest retail and consumer products acquisitions during 2015 for which purchase price allocation results were disclosed.

[2] Preliminary purchase price allocation for Jarden Corp.'s acquisition of Waddington Group, Inc. was provided, however, intangible asset break-out was not provided.

Source: PwC analysis of Thomson Reuters and Capital IQ, Inc. data

Significant spin-off transactions in 2014 and 2015

Rank	Date announced	Closing date	Target company	Status	Sub-sector	Sector	Synopsis	Value ($ mil)
1	02/25/14	11/28/14	VitaCig, Inc.	Completed	Agribusiness	Consumer	mCig, Inc. completed the spin-off of its VitaCig, Inc. unit to its shareholders.	N/A
2	04/29/14	02/09/15	Alliant Techsystems, Inc. - Sporting	Completed	Other consumer products	Consumer	Alliant Techsystems, Inc. completed the spinoff of its sporting group unit to its shareholders.	2,388
3	04/30/14	07/01/15	Energizer Holdings, Inc.	Completed	Other consumer products	Consumer	Energizer Holdings completed the spin-off of its household products division to its shareholders.	2,118
4	10/01/14	10/01/14	Bay Hill Seafood Sales LLC	Completed	Food and beverage (including alcohol)	Retail	Libby Hill Seafood, Inc. completed the spin-off of its Bay Hill Seafood Sales LLC unit to its shareholders.	N/A
5	02/26/15	08/03/15	Barnes & Noble, Inc. College Business	Completed	Specialty retail	Retail	Barnes & Noble, Inc. completed the spin-off its college business to its shareholders.	635
6	06/23/15	11/09/15	Darden Restaurants, Inc.	Completed	Restaurants	Retail	Darden Restaurants, Inc. completed the spin-off certain real estate assets to its shareholders.	2,615
7	06/25/15	09/28/15	J Alexander Holdings, Inc.	Completed	Restaurants	Retail	Fidelity National Financial Ventures LLC, completed the spin-off J. Alexander's Holdings, Inc.	161
8	07/28/15		Save-A-Lot Ltd.	Pending	Grocery, drug, discount and mass	Retail	SuperValu, Inc planned to spin-off its Save-A-Lot Ltd. grocery stores to its shareholders.	N/A
9	10/20/15		Yum! Restaurants (China) Investment Co. Ltd.	Pending	Food and beverage (including alcohol)	Consumer	Yum! Brands, Inc. planned to spin-off its entire share capital of YUM! Restaurants (China) Investment Co. Ltd. to its shareholders.	N/A
10	11/18/15		ConAgra Foods, Inc. - Lamb Weston	Pending	Food and beverage (including alcohol)	Consumer	ConAgra Foods, Inc. planned to spin-off its Lamb Weston business to its shareholders.	N/A

Source: PwC analysis of Thomson Reuters data

Acknowledgements

Authors

Leanne M. Sardiga
Partner, US Retail & Consumer Leader
PwC's Deals Practice
312 298 3183
leanne.m.sardiga@pwc.com

Caroline Tetelboum
Partner, PwC's Deals Practice
646 471 7491
caroline.tetelboum@pwc.com

Chris LaPorta
Director, PwC's Deals Practice
646 471 7237
christopher.laporta@pwc.com

Danielle Brisky
Manager, Research & Analysis
415 498 7688
danielle.m.brisky@pwc.com

For a deeper discussion on deal considerations, please contact one of our practice leaders or your local Deals partner:

Martyn Curragh
Principal, US Deals Leader
PwC's Deals Practice
646 471 2622
martyn.curragh@pwc.com

Bob Saada
Partner, New York Metro Regional Leader
PwC's Deals Practice
646 471 7219
bob.d.saada@pwc.com

Scott Snyder
Partner, East Region Leader
PwC's Deals Practice
267 330 2250
scott.snyder@pwc.com

Mel Niemeyer
Partner, Central Region Leader
PwC's Deals Practice
312 298 4500
mel.niemeyer@pwc.com

Jeff Kotowitz
Partner, West Region Leader
PwC's Deals Practice
415 498 7305
jeff.kotowitz@pwc.com

Alastair Rimmer
Partner, Global and US Deals Strategy Leader
PwC's Deals Practice
646 471 0131
alastair.rimmer@pwc.com

Spotlight Authors

Beth Paul
Partner, US Strategic Thought Leader
National Professional Services Group
973 236 7270
elizabeth.paul@pwc.com

Neil Dhar
Partner, Capital Markets Leader
PwC's Deals Practice
646 471 3700
neil.dhar@pwc.com

Contributors

Akshat Dubey
Principal, Deals Strategy
PwC Strategy& LLC
734 945 8971
akshat.dubey@strategyand.us.pwc.com

Chris Nolan
Managing Director, Global Deals Origination
PwC's Deals Practice
646 471 7387
christopher.w.nolan@pwc.com

Erin Cahill
Director, PwC's Deals Practice
954 205 2047
erin.e.cahill@pwc.com

Leslie V. Pardavila
Director, PwC's Deals Practice
646 471 3022
leslie.v.pardavila@pwc.com

Christopher Cheesman
Senior Associate, PwC's Deals Practice
646 471 6461
christopher.m.cheesman@pwc.com

Krystin Weseman
Senior Manager, Research & Analysis
312 298 4238
krystin.weseman@pwc.com

www.pwc.com/us/deals
www.pwc.com/us/retail-consumer

About our deals publications:

PwC provides tactical and strategic thinking on a wide range of issues that affect the deal community. Visit us at www.pwc.com.us/deals to download our most current publications.