



Warehousing Opportunities & Trends

Western Michigan University 11-19-19



Lineage

LINEAGE VISION

OUR VISION IS TO BE THE WORLD'S MOST
DYNAMIC TEMPERATURE CONTROLLED
LOGISTICS COMPANY



LINEAGE SNAPSHOT

OUR VALUE PROPOSITION

QUICK FACTS

- **#1 largest temperature-controlled warehousing** and logistics company in the world
- 210 facilities across 30 states with **over 600 million cubic feet of capacity** – Largest automated cold storage network in Europe with 6 locations in the Netherlands, Belgium and the UK.
- Access to **5 of the busiest ports in the U.S.** with import/export and customs brokerage capabilities
- **Strategic locations** for distribution, consolidation and food harvests / production
- **Freight consolidation covering 48 states**
- Multi-temperature storage, including blast freezing
- Headquartered in Novi, MI with regional offices
- **11,000+ experienced team members**

TEMPERATURE CONTROLLED WAREHOUSING



**E-COMMERCE
FULFILLMENT**



**HIGH PRESSURE
PROCESSING**



**PORT-CENTRIC
WAREHOUSING**



RE-DISTRIBUTION



TRANSPORTATION



**ON-SITE FOOD
PROCESSING**



IMPORT / EXPORT



MANUFACTURING

AT A GLANCE: GLOBAL LEADER IN AUTOMATION

- Worldwide leader in temp-controlled automation
- **837,978** automated pallet positions
- **17** automated facilities with Preferred acquisition



AT A GLANCE: UNRIVALED REAL ESTATE

- **\$7.5B+** in real estate value
- **80%** of Lineage real estate in primary distribution markets
- **210+** warehouses
- Modern warehouse network (average age **15 years**)
- **Largest automated** temp-controlled network in the world



1907

RICHMOND COLD STORAGE FOUNDED

- 1950s US Growers Founded by Perricone family
- Millard Refrigerated Services Founded by Larry Larsen
- CityIce Begins Operations
- Seafreeze Cold Storage Founded
- Inland Cold Storage Founded by Bill Hendricksen
- Columbia Colstor Founded by Don McGraw
- Terminal Freezers Founded by Lowell Dayton, David Dayton and Gale Bernik
- Flint River Founded by Lem Griffin and Zack Aultman



30+ acquisitions

11,000+ employees

210+ facilities in seven countries

1900
1910
1920
1930
1940
1950
1960
1970
1980
1990
2000
2010
2020

LINEAGE LOGISTICS PLATFORM LAUNCH 2008

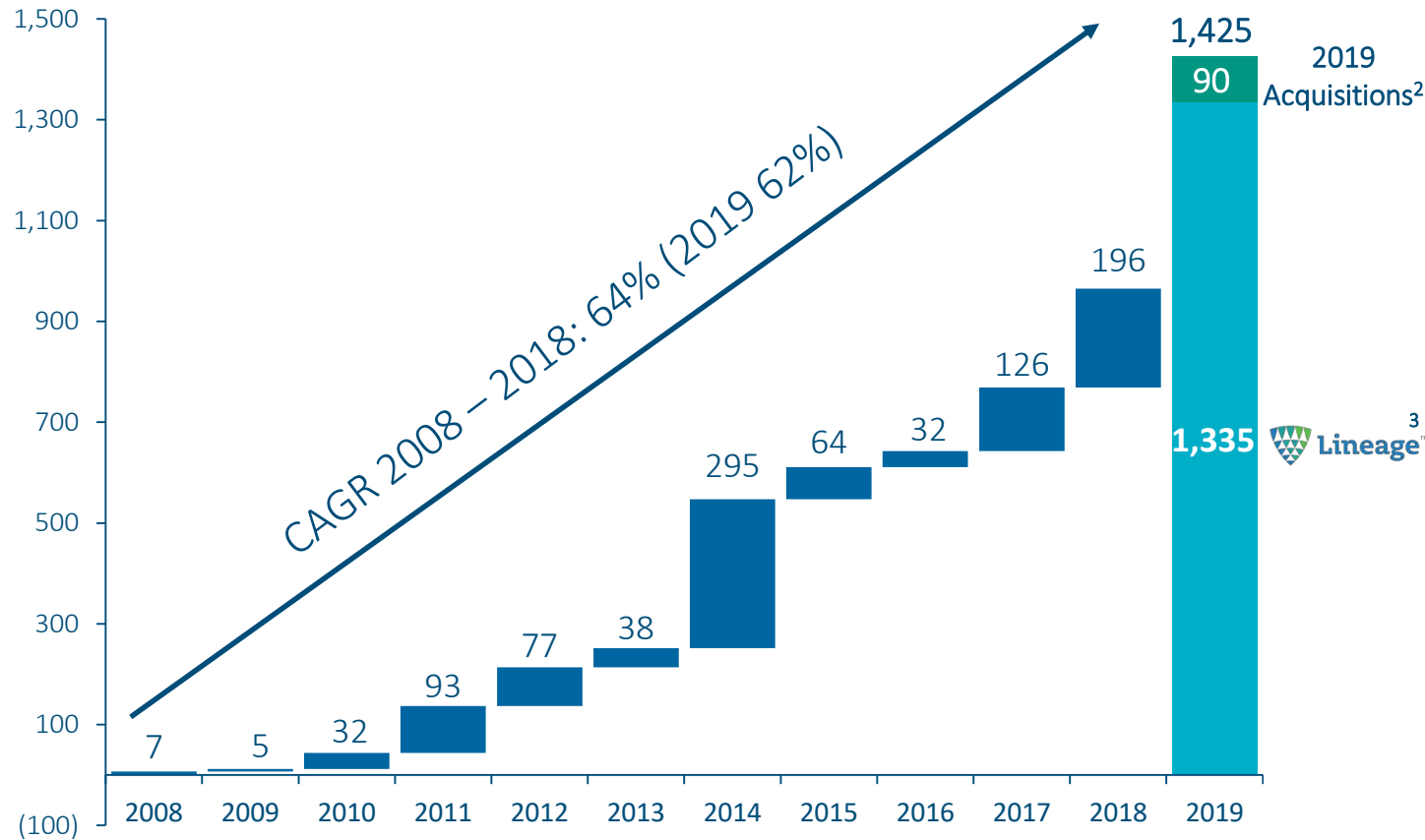
- 2008 Seafreeze Acquired
- 2009 CityIce Acquired
- 2010 Flint River Acquired
- 2011 Terminal Freezers; Richmond Cold Storage; Santa Maria Acquired
- 2012 **Lineage Logistics Formed**; Castle & Cooke Cold Storage; Stanford Refrigerated Warehouse Acquired
- 2013 SCS; University Park Acquired
- 2014 Millard; Loop Cold Storage; Murphy Overseas; Oneida Cold Storage; Dreisbach-Watsonville Acquired
- 2015 Columbia Colstor Acquired
- 2016 CDC; Phoenix; Bethlehem Acquired
- 2017 BluJay partnership; Partner Logistics; US Growers, Louisville; Boonville Acquired
- 2018 Service Cold Storage; Portfolio of Four Leased Assets; Indianapolis; Charlotte; Hoogerheide; Yearsley Group Acquired
- 2019 Preferred Freezer Services and Real Estate; Project Protégé (Signed); Project Whitetail (Signed); and four pending LOIs

PROVEN ACQUISITION AND INTEGRATION CAPABILITIES



(MM CU FT)

Increasing Scale → Partner of Choice



Lineage is the Largest Global Cold Storage Provider⁽¹⁾

#	Company	MM Cubic Feet	%
1	Lineage™	1,425	6.5%
2	Americold	980	4.5%
3	Swire Group	312	1.4%
4	AGRO Merchants Group	256	1.2%
5	Nichirei Logistics Group	181	0.8%
6	Kloosterboer	171	0.8%
7	NewCold	170	0.8%
8	VersaCold Logistics Services	133	0.6%
9	Cloverleaf Cold Storage	129	0.6%
10	Emergent	121	0.6%
	Other	17,877	82.2%
	Total	21,754	100.0%



1. Based on International Association of Refrigerated Warehouses ("IARW") 2019 Global Top 25, Global Cold Chain Alliance ("GCCA"), industry public and private market share data; represents full Lineage footprint pro-forma for 2019 acquisitions

2. Includes 4 pending LOIs, Project Protégé and Project Whitetail

3. Includes legacy Lineage and Preferred Freezer Services

GREG LEHMKUHL | Background

President & CEO, Lineage Logistics



1995 – Logistics Engineer
1996 – S. Logistics Engineer
1997 – Project Manager



1999 – General Supervisor
2000 – Global Logistics Manager



2001 – Director of Automotive Operations
2005 – Vice President of Global Automotive







2008 – Executive Vice President of Operations
2011 – President

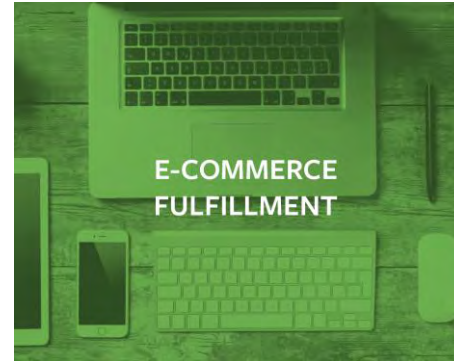


Current – President & CEO



-  Lineage Facilities
-  Preferred Facilities
-  Port Facilities
-  Major Logistics Market





CUSTOMERS CHOOSE LINEAGE STRONG BRANDS THAT RELY ON US



Lineage in the Marketplace | Our positioning

Favorable as the cold chain industry continues to evolve

PERISHABLE FOOD

Domestic and global consumption of fresh and frozen foods is expected to grow at a CAGR of 3.2% and 4.5% over next five years, respectively

OUTSOURCED 3PL

Customers are shifting focus on core competencies by outsourcing tactical logistics operations to free-up and reallocate capital

COST BARRIERS

Significant initial investment costs (~\$160 / SF refrigerated vs. ~\$120 / SF dry), including land and racking expenses

SUPPLY CONSTRAINT

Cold chain capacity tightening in major markets advantages well-capitalized and experienced operators with extensive networks

KNOWLEDGE AND TALENT MANAGEMENT

Sophistication of supply chain thinking is evolving rapidly and creating need for strong logistics talent

TECHNOLOGY

Investments in technology to provide real time and on-demand data can drive customer value and distinguish from less sophisticated competitors

LABOR SHORTAGES / AUTOMATION

The industry is challenged with a shortage of qualified hourly labor as automation emerges in the US

FOOD SAFETY REGULATION / COMPLIANCE

Stringent compliance requirements and supply chain disruption risks require proactive, sophisticated operators focused on continuous improvement

Industry Snapshot | COLD is hot

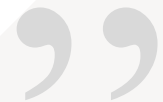
Investors are more interested in our industry than ever



We continue to find the refrigerated cold business attractive and recommend Buy on COLD shares due to...external growth: attractive opportunity to acquire one-off competitors in a highly fragmented industry [and] stable and recession-resistant demand from food producers/retailers.... – SunTrust Robinson.

*The space is benefitting from stable macros and healthy property-level trends. **The space has and will likely continue to benefit from stable macro trends** as food consumption (the biggest driver) which generally trends higher no matter the economic outlook. – RBC Capital Markets.*

*As e-commerce expands further into the grocery business, the resulting growth of the food supply chain demand for new climate-controlled warehouse space could very well be **the new opportunity that investors and developers have been seeking.** – CBRE.*





Lineage

Cold Storage Simulations

