



Lineage Logistics LLC (LINE)

COMPANY DESCRIPTION

Lineage Logistics, the world's largest temperature-controlled warehouse REIT, was founded in 2008 by Adam Forste and Kevin Marchetti. The company's self-declared goal is to transform the global food supply chain and eliminate waste, while aiming to ensure a high-quality portfolio with strong rent growth potential and low cap rates.

Over the past 16 years, the company has rapidly expanded through strategic acquisitions in optimal locations, as well as organic growth, through which it integrated 116 cold chain companies, many of which were family-owned, with original owners becoming investors and numerous family members and employees continuing to work with the company.

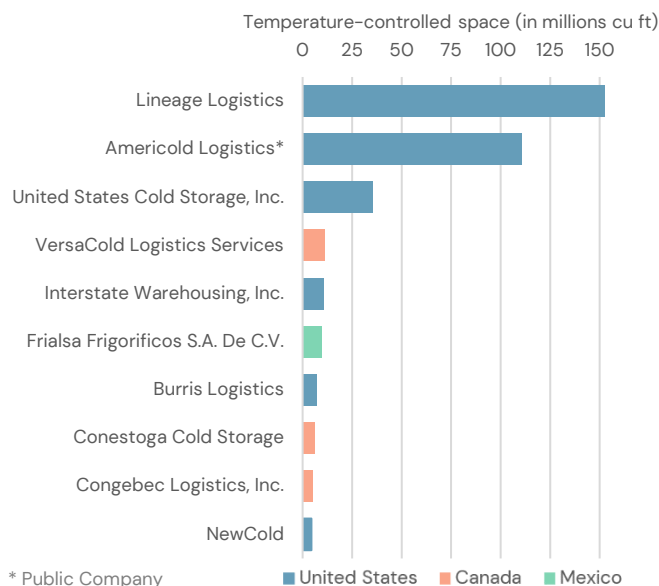
Recognized as a leading innovator, Lineage has been named a CNBC Disruptor 50 for four consecutive years and was listed among Fast Company's 50 Most Innovative Companies in 2019. With its IPO set for July 25, 2024, Lineage plans to use the capital to expand, invest in technologies, and pursue acquisitions, solidifying its industry dominance. 🚀

BUSINESS MODEL

The company maintains an extensive network of facilities to ensure safe and efficient storage and distribution of perishable goods worldwide, including 482 warehouses spanning over 84.1 million square feet and 3.0 billion cubic feet of capacity across North America, Europe, and Asia-Pacific. Lineage operates through two primary segments:

- Global Warehousing:** Provides temperature-controlled storage and services, accounting for 86% of the total Net Operating Income (NOI) for the twelve months ended March 31, 2024.
- Global Integrated Solutions:** Offers supply chain services that facilitate product movement and generate cost savings, representing 14% of the total NOI.

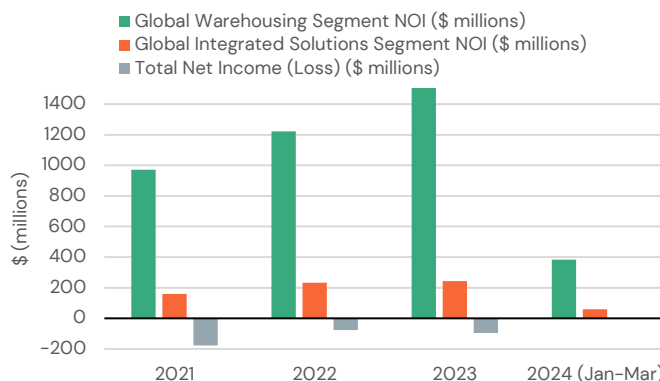
MAJOR REFRIGERATED WAREHOUSING PROVIDERS IN NORTH AMERICA (2021)



FINANCIALS

Lineage Logistics generated \$5.3 billion in revenue for the twelve months ending March 31, 2024, driven by over \$725 million in technology investments since 2019. These investments include software development, in-house data science, product development, automation teams, and acquisitions. Despite a net loss of \$162.8 million, the company showed improved efficiency and expense management. Lineage reported \$1.8 billion in Net Operating Income (NOI) and \$1.3 billion in Adjusted EBITDA. 🚀

NET OPERATING INCOME BY SEGMENT / TOTAL NET INCOME



RISK FACTORS

Ahead of its IPO, Lineage Logistics has outlined several risk factors. The cold storage industry is highly competitive, and technological advancements pose implementation risks. Substantial investments of over \$725 million since 2019 could strain financial resources if returns are not met. Compliance with stringent environmental and global regulations could result in significant costs and disruptions. Labor issues, including the need to attract and retain skilled workers among 26,000 team members across 19 countries, could impact operational efficiency. Economic fluctuations in consumer demand, food prices, and supply chain dynamics affect revenue and profitability. Market conditions and investor sentiment will influence the success of its Nasdaq listing. The loss of a key customer could significantly impact financial performance. 🚀

IPO HISTORY

Lineage Logistics filed confidentially for an IPO in June 2024, seeking a valuation expected to exceed \$30 billion. **The company plans to go public on the Nasdaq Global Select Market on July 25, 2024 under the ticker symbol "LINE".**

Morgan Stanley, Goldman Sachs, J.P. Morgan, and BofA Securities are leading the offer, which consists of 47 million shares at an expected price range of \$70–82, resulting in an offer size of about \$3.57 billion at midpoint.

As part of the IPO, Lineage announced a Directed Share Program that will allow select employees and key partners to purchase shares at the IPO price. Participants in this program will not be subject to a lock-up period, which may lead to initial stock price volatility following the IPO. IPO proceeds will reduce net debt, but Bay Grove Capital will retain most voting power post-listing. 🚀