

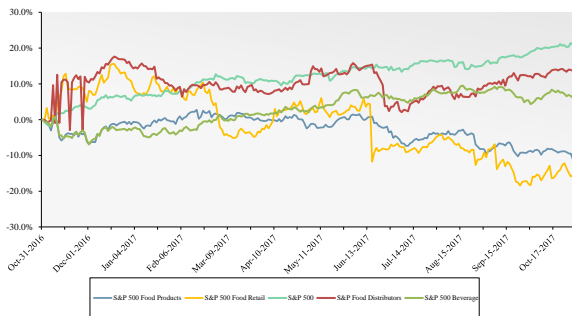
The Cupboard



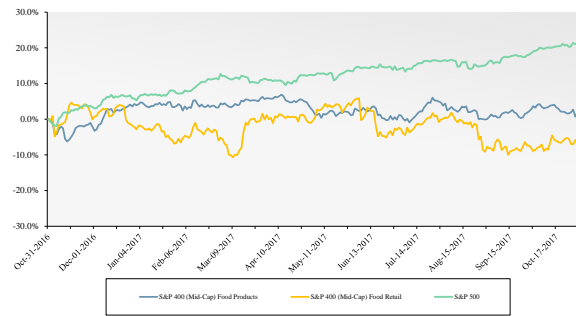
A Food & Beverage Industry Newsletter



Overall Food & Beverage Industry Performance (shown as % change)



Mid-Cap Food Industry Performance (Shown as % change)



Indices Performance (% change)

	October 2017	LTM		October 2017	LTM		October 2017	LTM
S&P 500	2.2%	21.1%	S&P 500 Food Products	(0.1%)	(8.8%)	S&P 400 Food Products (Mid-Cap)	(1.7%)	2.0%
Dow Jones	4.5%	28.9%	S&P 500 Food Retail	3.0%	(15.3%)	S&P 400 Food Retail (Mid-Cap)	3.2%	(5.8%)
NASDAQ	4.1%	29.7%	S&P 500 Food Distributors	3.4%	15.6%			
			S&P 500 Beverage	2.6%	7.0%			

Source: Capital IQ

Largest Beverages Movers and Losers (largest % changes in the month of October)

Primo Water Corporation	5.4%	National Beverage Corp.	(10.9%)
The Boston Beer Company, Inc.	5.1%	Craft Brew Alliance, Inc.	(5.8%)
Monster Beverage Corporation	4.6%	Celsius Holdings, Inc.	(5.8%)
Willamette Valley Vineyards, Inc.	3.4%	Molson Coors Brewing Company	(5.2%)
Constellation Brands, Inc.	2.6%	Dr Pepper Snapple Group, Inc.	(4.3%)

Largest Food Producers Movers and Losers (largest % changes in the month of October)

Darling Ingredients Inc.	6.7%	Treehouse Foods, Inc.	(36.5%)
Pilgrim's Pride Corporation	6.0%	Inventure Foods, Inc.	(21.5%)
Ingredion Incorporated	5.9%	The Hain Celestial Group, Inc.	(17.9%)
Farmer Bros. Co.	4.3%	John B. Sanfilippo & Son, Inc.	(17.2%)
Cal-Maine Foods, Inc.	3.9%	Dean Foods Company	(16.0%)

Source: Capital IQ

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 10/31/2017	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Anheuser-Busch InBev SA/NV	ENX:BR:ABU	\$121.50	95.4%	\$234,947	\$352,583	6.4x	17.7x	21.2x	NM	25.2x	35.6x	61.4%	29.9%	35.9%	5.4x
The Coca-Cola Company	KO	\$45.98	97.9%	\$195,905	\$217,748	5.8x	18.2x	20.6x	44.3x	22.6x	23.8x	61.5%	25.6%	29.3%	2.0x
PepsiCo, Inc.	PEP	\$110.23	92.3%	\$156,763	\$177,615	2.8x	14.1x	17.0x	22.8x	23.1x	24.3x	54.9%	16.4%	19.8%	1.7x
Diageo plc	LSE:DEGE	\$33.78	98.3%	\$84,388	\$97,140	6.1x	17.6x	19.0x	23.9x	22.6x	23.1x	61.2%	29.7%	32.2%	2.1x
Constellation Brands, Inc.	STZ	\$219.09	99.9%	\$42,843	\$51,682	6.9x	18.9x	21.0x	25.2x	28.1x	28.5x	50.6%	32.7%	36.3%	NM
Monster Beverage Corporation	MNST	\$57.93	99.0%	\$32,914	\$31,813	10.0x	24.9x	25.8x	43.8x	51.8x	42.9x	64.7%	38.7%	40.0%	NM
Brown-Forman Corporation	BF.b	\$57.02	95.5%	\$21,964	\$23,954	7.8x	22.2x	23.4x	31.5x	31.6x	27.3x	67.4%	33.5%	35.4%	1.8x
Dr Pepper Snapple Group, Inc.	DPS	\$85.66	86.1%	\$15,465	\$19,883	3.0x	12.7x	14.7x	21.5x	22.6x	21.0x	59.9%	20.5%	23.7%	2.8x
National Beverage Corp.	FIZZ	\$97.90	75.4%	\$4,561	\$4,380	5.0x	23.1x	24.9x	39.3x	NM	29.6x	39.7%	20.3%	21.8%	NM
The Boston Beer Company, Inc.	SAM	\$178.05	98.3%	\$2,071	\$2,001	2.3x	10.7x	14.7x	24.4x	33.4x	24.5x	51.3%	15.6%	21.3%	NM
Mean				\$79,182	\$97,882	5.6x	18.0x	20.2x	30.7x	29.0x	28.1x	57.3%	26.3%	29.6%	2.6x
Median				\$37,879	\$41,747	6.0x	17.9x	20.8x	25.2x	25.2x	25.9x	60.5%	27.6%	30.8%	2.0x
High				\$234,947	\$352,583	10.0x	24.9x	25.8x	44.3x	51.8x	42.9x	67.4%	38.7%	40.0%	5.4x
Low				\$2,071	\$2,001	2.3x	10.7x	14.7x	21.5x	22.6x	21.0x	39.7%	15.6%	19.8%	1.7x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Retail & Distribution:

(\$ in millions, except per share data)

Company	Share Price 10/31/2017	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Sysco Corporation	SYV	\$55.62	97.5%	\$29,076	\$36,484	0.7x	12.0x	16.3x	26.7x	NM	23.2x	19.0%	4.1%	5.4%	2.7x
The Kroger Co.	KR	\$20.70	56.8%	\$18,413	\$31,627	0.3x	5.7x	10.3x	12.5x	21.3x	17.0x	22.7%	2.6%	4.7%	2.4x
Casey's General Stores, Inc.	CASY	\$114.57	90.6%	\$4,342	\$5,255	0.8x	10.4x	17.3x	27.1x	NM	26.2x	25.3%	4.5%	7.5%	1.8x
Weis Markets, Inc.	WMK	\$38.83	56.4%	\$1,044	\$1,016	0.3x	5.8x	11.1x	12.7x	NM	NM	35.4%	2.3%	4.7%	NM
SpartanNash Company	SPTN	\$24.55	60.8%	\$915	\$1,553	0.2x	6.8x	10.7x	14.1x	14.5x	16.1x	14.4%	1.8%	2.9%	2.8x
SUPERVALU Inc.	SVU	\$16.29	44.4%	\$626	\$2,232	0.2x	4.6x	8.1x	NM	12.9x	8.3x	13.5%	2.0%	3.5%	3.3x
Ingles Markets, Incorporated	IMKT.A	\$23.30	44.5%	\$472	\$1,335	0.3x	5.9x	11.3x	9.7x	NM	NM	24.2%	3.0%	5.9%	3.8x
Village Super Market, Inc.	VULGE.A	\$23.99	65.9%	\$345	\$301	0.2x	4.6x	7.4x	15.0x	NM	NM	27.2%	2.5%	4.1%	NM
Mean				\$6,904	\$9,975	0.4x	7.0x	11.6x	16.8x	16.2x	18.2x	22.7%	2.9%	4.8%	2.8x
Median				\$980	\$1,892	0.3x	5.9x	10.9x	14.1x	14.5x	17.0x	23.4%	2.6%	4.7%	2.7x
High				\$29,076	\$36,484	0.8x	12.0x	17.3x	27.1x	21.3x	26.2x	35.4%	4.5%	7.5%	3.8x
Low				\$345	\$301	0.2x	4.6x	7.4x	9.7x	12.9x	8.3x	13.5%	1.8%	2.9%	1.8x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months



The Cupboard



A Food & Beverage Industry Newsletter



Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 10/31/2017	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Fresh Del Monte Produce Inc.	FDP	\$44.51	66.6%	\$2,214	\$2,488	0.6x	10.4x	15.7x	16.5x	0.0x	15.9x	8.2%	3.9%	5.9%	1.0x
Calavo Growers, Inc.	CVOW	\$73.70	95.9%	\$1,292	\$1,323	1.3x	19.5x	22.9x	35.6x	NM	33.4x	10.5%	5.6%	6.5%	0.4x
Seneca Foods Corporation	SENE-A	\$36.00	84.4%	\$350	\$778	0.6x	17.0x	44.5x	78.1x	NM	NM	7.2%	1.3%	3.5%	9.5x
Inventure Foods, Inc.	SNAK	\$4.00	39.4%	\$79	\$167	0.7x	50.5x	NM	NM	NM	(39.6x)	11.6%	(1.5%)	1.1%	19.4x
Mean				\$984	\$1,189	0.8x	24.4x	27.7x	43.4x	0.0x	3.2x	9.4%	2.3%	4.2%	7.6x
Median				\$821	\$1,050	0.6x	18.3x	22.9x	35.6x	0.0x	15.9x	9.4%	2.6%	4.7%	5.2x
High				\$2,214	\$2,488	1.3x	50.5x	44.5x	78.1x	0.0x	33.4x	11.6%	5.6%	6.5%	19.4x
Low				\$79	\$167	0.6x	10.4x	15.7x	16.5x	0.0x	-39.6x	7.2%	-1.5%	1.1%	0.4x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Protein Products:

(\$ in millions, except per share data)

Company	Share Price 10/31/2017	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Tyson Foods, Inc.	TSN	\$72.91	99.7%	\$26,750	\$37,359	1.0x	9.8x	12.1x	15.4x	16.6x	15.7x	13.3%	8.2%	10.1%	2.8x
Hormel Foods Corporation	HBL	\$31.16	80.2%	\$16,447	\$16,067	1.7x	11.1x	12.2x	19.2x	27.0x	23.7x	22.5%	13.7%	15.2%	(0.3x)
Pilgrim's Pride Corporation	PPC	\$31.78	99.4%	\$7,905	\$9,056	1.1x	9.0x	11.2x	16.0x	8.6x	13.1x	14.8%	11.8%	14.2%	1.8x
Sanderson Farms, Inc.	SAPM	\$149.57	89.8%	\$3,402	\$3,004	0.9x	5.7x	7.0x	12.0x	11.0x	10.5x	19.6%	13.4%	16.4%	(0.8x)
Bridgford Foods Corporation	BRID	\$12.80	71.1%	\$116	\$106	0.7x	7.5x	9.7x	13.8x	NM	NM	37.6%	7.5%	9.6%	(0.7x)
Mean				\$10,924	\$13,118	1.1x	8.6x	10.4x	15.3x	15.8x	15.8x	21.5%	10.9%	13.1%	0.6x
Median				\$7,905	\$9,056	1.0x	9.0x	11.2x	15.4x	13.8x	14.4x	19.6%	11.8%	14.2%	(0.3x)
High				\$26,750	\$37,359	1.7x	11.1x	12.2x	19.2x	27.0x	23.7x	37.6%	13.7%	16.4%	2.8x
Low				\$116	\$106	0.7x	5.7x	7.0x	12.0x	8.6x	10.5x	13.3%	7.5%	9.6%	(0.8x)

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Dairy:

(\$ in millions, except per share data)

Company	Share Price 10/31/2017	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Danone	BN	\$81.12	97.4%	\$50,802	\$72,005	2.7x	15.1x	18.5x	23.9x	22.8x	22.7x	50.2%	14.3%	17.7%	4.5x
Dean Foods Company	DF	\$9.75	43.7%	\$886	\$1,759	0.2x	4.7x	8.8x	15.8x	16.5x	12.4x	23.8%	2.2%	4.4%	2.7x
Lifeway Foods, Inc.	LWAY	\$10.06	55.5%	\$162	\$159	1.3x	24.4x	44.3x	103.0x	93.3x	58.4x	29.5%	2.9%	5.2%	(0.4x)
Mean				\$17,283	\$24,641	1.4x	14.7x	23.9x	47.6x	44.2x	31.2x	34.5%	6.5%	9.1%	2.2x
Median				\$886	\$1,759	1.3x	15.1x	18.5x	23.9x	22.8x	22.7x	29.5%	2.9%	5.2%	2.7x
High				\$50,802	\$72,005	2.7x	24.4x	44.3x	103.0x	93.3x	58.4x	50.2%	14.3%	17.7%	4.5x
Low				\$162	\$159	0.2x	4.7x	8.8x	15.8x	16.5x	12.4x	23.8%	2.2%	4.4%	-0.4x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months



The Cupboard

A Food & Beverage Industry Newsletter



Organics & Healthy:

(\$ in millions, except per share data)

Company	Share Price 10/31/2017	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
The Hain Celestial Group, Inc.	HAIN	\$36.02	79.0%	\$3,760	\$4,363	1.5x	16.8x	22.8x	55.4x	NM	27.0x	19.6%	7.3%	9.6%	2.3x
Amplify Snack Brands, Inc.	BETR	\$6.39	43.6%	\$490	\$1,065	3.1x	13.1x	15.5x	42.5x	38.7x	26.3x	39.6%	20.1%	23.8%	6.6x
Inventory Foods, Inc.	SNAC	\$4.00	39.4%	\$79	\$167	0.7x	50.5x	NM	NM	NM	(39.6x)	11.6%	(1.5%)	1.1%	19.4x
Mean				\$1,443	\$1,865	1.8x	26.8x	19.2x	48.9x	38.7x	4.6x	23.6%	8.6%	11.5%	9.4x
Median				\$490	\$1,065	1.5x	16.8x	19.2x	48.9x	38.7x	26.3x	19.6%	7.3%	9.6%	6.6x
High				\$3,760	\$4,363	3.1x	50.5x	22.8x	55.4x	38.7x	27.0x	39.6%	20.1%	23.8%	19.4x
Low				\$79	\$167	0.7x	13.1x	15.5x	42.5x	38.7x	-39.6x	11.6%	-1.5%	1.1%	2.3x

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Food Conglomerates:

(\$ in millions, except per share data)

Company	Share Price 10/31/2017	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples			LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Nestlé S.A.	NESN	\$83.90	97.6%	\$259,971	\$281,113	3.1x	15.5x	18.7x	28.1x	23.2x	23.7x	50.5%	15.8%	19.2%	1.2x
Mondelez International, Inc.	MDLZ	\$41.43	87.7%	\$61,913	\$80,153	3.1x	16.1x	19.3x	28.9x	28.2x	25.3x	38.9%	14.9%	18.1%	3.9x
General Mills, Inc.	GIS	\$51.92	81.0%	\$29,508	\$40,122	2.6x	11.8x	14.1x	18.6x	NM	NM	35.7%	17.8%	21.5%	2.8x
Kellogg Company	K	\$62.53	79.8%	\$21,581	\$29,528	2.3x	12.8x	16.5x	28.0x	20.0x	21.8x	37.0%	13.8%	17.9%	3.5x
Campbell Soup Company	CPB	\$47.37	73.8%	\$14,236	\$17,483	2.2x	8.7x	10.4x	16.4x	NM	19.4x	38.8%	21.4%	25.4%	1.6x
Conagra Brands, Inc.	CAG	\$34.16	69.9%	\$13,954	\$17,081	2.2x	11.7x	14.2x	25.0x	20.3x	NM	30.1%	14.4%	17.7%	2.2x
The J. M. Smucker Company	SIM	\$106.05	73.8%	\$12,046	\$17,088	2.3x	10.6x	14.4x	22.3x	NM	17.4x	37.9%	16.2%	22.0%	3.1x
Post Holdings, Inc.	POST	\$82.93	93.1%	\$5,486	\$9,607	1.9x	10.8x	16.5x	NM	NM	34.5x	30.1%	11.6%	17.7%	4.6x
Trehouse Foods, Inc.	THS	\$66.38	73.4%	\$3,796	\$6,239	1.0x	9.5x	16.9x	NM	30.7x	29.9x	18.6%	5.7%	10.0%	4.0x
Snyder's-Lance, Inc.	LNCE	\$37.63	92.1%	\$3,637	\$4,773	2.2x	18.0x	28.5x	NM	40.3x	31.0x	36.9%	7.4%	11.6%	4.2x
Lancaster Colony Corporation	LANC	\$125.22	83.9%	\$3,436	\$3,279	2.7x	15.4x	17.5x	30.9x	NM	28.1x	25.9%	15.5%	17.6%	(0.7x)
J&J Snack Foods Corp.	JJSF	\$133.17	93.0%	\$2,495	\$2,353	2.3x	15.5x	21.4x	33.2x	28.6x	30.7x	30.2%	10.7%	14.7%	(0.9x)
B&G Foods, Inc.	BGS	\$31.80	66.6%	\$2,115	\$3,945	2.5x	12.1x	14.1x	21.0x	24.5x	22.3x	29.5%	17.4%	20.3%	5.6x
Mean				\$33,398	\$39,443	2.3x	13.0x	17.1x	25.2x	27.0x	25.8x	33.9%	14.0%	18.0%	2.7x
Median				\$12,046	\$17,081	2.3x	12.1x	16.5x	26.5x	26.3x	25.3x	35.7%	14.9%	17.9%	3.1x
High				\$259,971	\$281,113	3.1x	18.0x	28.5x	33.2x	40.3x	34.5x	50.5%	21.4%	25.4%	5.6x
Low				\$2,115	\$2,353	1.0x	8.7x	10.4x	16.4x	20.0x	17.4x	18.6%	5.7%	10.0%	(0.9x)

Source: Capital IQ

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Valuation Summary

Public Company Trading Metrics (LTM)

Industry	TEV/Revenue	TEV/EBITDA
Beverage	6.0x	17.9x
Retail & Distribution	0.3x	5.9x
Fruits, Vegetables & Nuts	0.6x	18.3x
Protein Products	1.0x	9.0x
Dairy	1.3x	15.1x
Organics & Healthy	1.5x	16.8x
Food Conglomerates	2.3x	12.1x
Mean	1.9x	13.6x
Median	1.3x	15.1x

Note: Multiples represent median values

Source: Capital IQ



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Industry Newsletter



Commodity Score Card

Commodity	Units	10/31/2017	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.48	\$3.55	\$3.77	\$3.49
Coffee	\$ per lb.	\$1.25	\$1.28	\$1.36	\$1.61
Cocoa	\$ per lb.	\$0.94	\$0.93	\$0.82	\$1.19
Wheat	\$ per bu.	\$4.42	\$4.48	\$4.56	\$4.14
Live Cattle	\$ per lb.	\$1.15	\$1.15	\$1.24	\$1.06

Source: Capital IQ

Select M&A and Capital Raising News, October 2017

❖ Unilever to Acquire Natural and Organic Food Business in Brazil

October 4, 2017 – Unilever P.L.C. has agreed to acquire Mãe Terra, a natural and organic food business in Brazil. Financial terms were not disclosed. Founded in 1979, Mãe Terra distributes more than 120 products throughout Brazil, the fifth largest market in the world for healthy food and beverages. Mãe Terra’s portfolio includes organic cereals, cookies, snacks and culinary products. The company’s main categories in Brazil represent a market worth more than \$9 billion.

❖ Kellogg to Acquire RXBAR for \$600 Million

October 6, 2017 – The Kellogg Co. has entered into an agreement to acquire Chicago Bar Co., L.L.C., maker of RXBAR clean label protein bars, for \$600 million (5.0x revenue). With six or fewer simple ingredients and 12 grams of protein, RXBAR offers 11 varieties of bars ranging from apple cinnamon to mint chocolate chip to pumpkin spice. The bars contain no gluten, soy, dairy or added sugar. Ingredients are listed on the front of the packaging, down to the number of dates, almonds and egg whites used per bar. RXBAR will continue to operate independently as a standalone business, leveraging Kellogg’s scale and resources for further growth. RXBAR’s net sales are expected to be approximately \$120 million in 2017.

❖ Kerry Buys Probiotics Company Ganeden

October 12, 2017 – Kerry Group P.L.C. confirmed its acquisition of Ganeden, Inc., which offers patented probiotic ingredients. The acquisition will fit into Kerry’s nutrition, wellness and functionality portfolio. Cleveland-based Ganeden owns more than 135 patents for probiotic technologies in the supplement, food, beverage, animal health, sports nutrition and personal care ingredients markets. GanedenBC30 (Bacillus coagulans GBI-30, 6086) is a patented probiotic ingredient found in food, beverage, sports nutrition and companion animal products around the world.

❖ Kroger May Sell Convenience Store Business

October 12, 2017 – The Kroger Co. is exploring strategic alternatives, including a potential sale, for its convenience store business. With \$4 billion in total sales last year, the business includes 784 convenience stores in 18 states under banner names Turkey Hill Minit Markets, Loaf ‘N Jug, KwikShop, Tom Thumb and QuickStop, and has generated 62 consecutive quarters of identical store sales growth. Kroger executives revealed the plan during its annual investor conference as part of a larger Restock Kroger initiative to deliver value for customers and shareholders.

❖ Grupo Bimbo Finalizes Acquisition of East Balt

October 17, 2017 – Grupo Bimbo S.A.B. de C.V. has completed the acquisition of Chicago-based East Balt Bakeries from One Equity Partners for \$650 million (1.5x revenue, 9.3x EBITDA). Founded in 1955, East Balt produces and supplies buns, English muffins, rolls, tortillas, bagels, artisanal bread and other baked foods to quick-service restaurants around the world. The company employs approximately 2,200 people and operates 21 baking plants in 11 countries across the United States, Europe, Asia, the Middle East and Africa. The company generated sales of approximately \$420 million and EBITDA of \$70 million in the most recent fiscal year.

❖ Utz Quality Foods to Acquire Inventure Foods

October 26, 2017 – Salty snack maker Utz Quality Foods, L.L.C. has reached an agreement to acquire Phoenix-based Inventure Foods, Inc. The transaction comes a little more than a year after Inventure initiated a strategic and financial review to increase shareholder value. Utz will commence a tender offer to acquire all of the outstanding shares of Inventure’s common stock at a price of \$4 per share in cash, for a total purchase price of approximately \$165 million (1.7x revenue).

❖ Hearthside to Acquire Functional Bar Maker

October 27, 2017 – Hearthside Food Solutions has agreed to acquire Standard Functional Foods Group (SFFG), a unit of privately held Nashville, Tennessee-based Standard Candy Co. Financial terms of the transaction were not disclosed. Founded in 1901 as a regional confectioner, Standard Candy Co. expanded into nutritional and functional bars in 1999 through SFFG. Today, SFFG serves as a contract manufacturer to many of the largest food companies and brands. Hearthside said the acquisition of SFFG will enhance its entry into the functional bar category. With the addition of SFFG’s Nashville plant, Hearthside’s network will grow to 24 production facilities, including three in Europe.

❖ Hormel Foods to Acquire California Deli Meat Manufacturer

October 31, 2017 – The Hormel Foods Corp. has entered into an agreement to acquire Columbus Manufacturing, Inc., located in Hayward, California, for \$850 million (2.83x revenue). Columbus is a manufacturer of salami, Italian specialty meats and deli meats. Columbus Manufacturing generates approximately \$300 million in annual sales and Hormel Foods is forecasting the business will have a growth rate greater than 5%. Hormel Foods management expects the acquisition to be “modestly” accretive to earnings per share in fiscal 2018, and full-year accretion in fiscal 2019 to be in the range of 6c to 8c per share. Columbus will remain based in California and will be incorporated into Hormel’s Refrigerated Foods business unit.



The Cupboard



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❖ Hostess Brands CEO to Step Down

October 13, 2017 – William Toler, president and CEO of Hostess Brands, Inc., has informed the company of his intent to retire, effective March 1, 2018, or sooner if a replacement is named. He will remain on the company's board of directors. Mr. Toler took the helm of Hostess Brands in April 2014, nine months after the company resumed operations following bankruptcy in November 2012. Under his leadership, the company's sales and profitability grew steadily, recovering from the eight-month period after bankruptcy when Hostess cakes were off the market completely. Soon after he took charge, the company consolidated its production footprint to three plants from four and aggressively stepped up product innovation. While mostly focused on the company's leading snack cake brands, new product introductions included extended-shelf-life bread targeted toward convenience stores and an expansion into the in-store bakery segment helped by the company's June 2016 acquisition of Superior Cake Products, based in Southbridge, Massachusetts. Less than two years after he was named president, a stake of the business was sold to Gores Group Holdings, a private equity firm. The transaction, which transitioned Hostess to a publicly traded company, was completed based on an enterprise valuation of \$2.3 billion. The company had been acquired out of bankruptcy by private equity groups in early 2013 for \$410 million.

❖ Nestle Makes Animal Welfare Pledge

October 16, 2017 – Nestle USA has committed to support better treatment of the animals in its supply chain. The company has pledged to source all the broiler chickens used as ingredients in its U.S. food portfolio from sources meeting a higher standard of animal welfare by 2024. Nestle USA's animal welfare policy will meet global animal partnership (GAP) standards that include the following: ending the use of lower-welfare breeds; ending extreme crowding and providing each chicken more floor space (6 lbs per square foot); keeping chicken litter clean enough to prevent eye sores, flesh burns and respiratory distress; improving lighting standards, including at least six hours of darkness each night and sufficient light during the day to decrease illness and disease; and ending live-shackle slaughter in favor of the less cruel method of controlled-atmosphere stunning.

❖ Former Snyder's-Lance Executive to Lead Sky Valley Foods

October 16, 2017 – Rodrigo Troni, formerly chief marketing and innovation officer of Snyder's-Lance, Inc., has been tapped to lead Sky Valley Foods as president and CEO. He replaces interim CEO Scott Lurie. Headquartered in Danville, Virginia, Sky Valley Foods makes natural and organic salad dressings, specialty sauces, condiments and organic sparkling drinks under the Sky Valley, Organicville and Bella's brands. The company also co-packs ready-to-drink beverage products in glass or PET bottles. At Snyder's-Lance, Mr. Troni played a role in the company's transformation into a better-for-you snacking powerhouse. There, he oversaw significant product renovation and innovation for brands, including Lance, Snyder's of Hanover and Cape Cod. Prior to joining Snyder's-Lance in 2013, Mr. Troni led marketing for Birds Eye Foods at Pinnacle Foods Corp. as senior vice-president. He previously was chief marketing officer for Sabra Dipping Co. at PepsiCo.

❖ Danone Combines the Functions of Chairman and CEO

October 19, 2017 – Danone S.A. will combine the functions of chairman and CEO. Emmanuel Faber, who has been CEO since 2014, has been appointed chairman and CEO of Danone, effective December 1. Mr. Faber will succeed Franck Riboud as chairman. Mr. Riboud will become honorary chairman of Danone and continue to serve as a director of the company and member of the strategic committee of the board. Current director Benoît Potier, chairman and CEO of Air Liquide, will succeed Mr. Riboud as chairman of the strategic committee.

❖ President of Coca-Cola North America to Retire

October 23, 2017 – J. Alexander Douglas Jr., president of Coca-Cola North America (CCNA), will retire from The Coca-Cola Co. on March 1, 2018. James Dinkins, president of the Minute Maid business unit and chief retail sales officer for CCNA, will succeed Mr. Douglas as president on January 1, 2018. Mr. Douglas, who is also an executive vice-president of The Coca-Cola Co., joined Coca-Cola in 1988 as a district sales manager for the Foodservice Division of Coca-Cola USA.

❖ Kroger Names COO

October 24, 2017 – Mike Donnelly has been named executive vice-president and COO of the Kroger Co. Currently the company's executive vice-president of merchandising, Mr. Donnelly will assume responsibility for both operations and merchandising upon the retirement of Fred Morganthall, executive vice-president of retail operations. Mr. Donnelly, along with Mike Schlotman, executive vice-president and CFO, and Chris Hjelm, executive vice-president and chief information officer, will drive the execution of Restock Kroger, the company's recently announced plan to deliver value for customers and shareholders.

❖ Coca-Cola Vet Joins Mondelez

October 25, 2017 – Glen Walter has been named executive vice-president and president, North America, for Mondelez International, Inc. In this role, he will lead the company's \$7 billion business in the United States and Canada. Mr. Walter joins Mondelez from the Coca-Cola Co., where he most recently was CEO of Coca-Cola Industries China. Before that, he was president and COO for Coca-Cola in North America. Prior to his time at Coca-Cola, Mr. Walter was president of InBevUSA, general manager at Pearce Beverage Co. and part of the sales and marketing team at EJ Gallo Winery, Inc.

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