

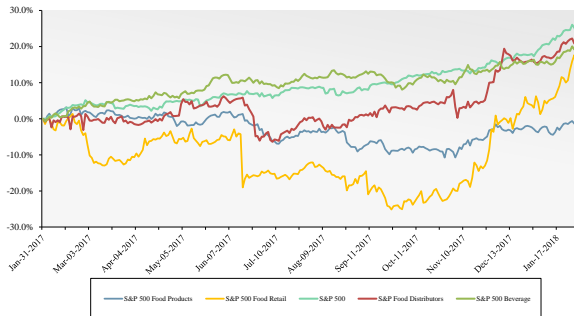
The Cupboard



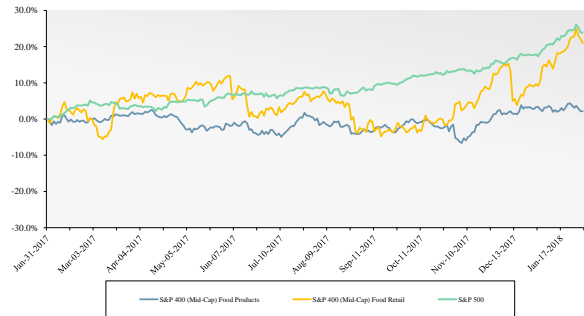
A Food & Beverage Industry Newsletter



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



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



Indices Performance (% change)

| | January 2018 | LTM | | January 2018 | LTM | | January 2018 | LTM |
|-----------|--------------|-------|---------------------------|--------------|--------|---------------------------------|--------------|-------|
| S&P 500 | 5.6% | 23.9% | S&P 500 Food Products | 1.5% | (2.0%) | S&P 400 Food Products (Mid-Cap) | (0.6%) | 2.1% |
| Dow Jones | 6.7% | 31.6% | S&P 500 Food Retail | 7.7% | 14.0% | S&P 400 Food Retail (Mid-Cap) | 10.6% | 21.0% |
| NASDAQ | 7.2% | 32.0% | S&P 500 Food Distributors | 4.5% | 19.8% | | | |
| | | | S&P 500 Beverage | 4.3% | 19.4% | | | |

Source: Capital IQ

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

| | | | |
|-------------------------------|-------|-------------------------------|---------|
| Dr Pepper Snapple Group, Inc. | 22.0% | Molson Coors Brewing Company | (12.9%) |
| MGP Ingredients, Inc. | 8.1% | Craft Brew Alliance, Inc. | (8.1%) |
| Castle Brands Inc. | 5.2% | National Beverage Corp. | (7.2%) |
| | | Celsius Holdings, Inc. | (6.5%) |
| | | The Boston Beer Company, Inc. | (6.4%) |

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

| | | | |
|--|-------|--------------------------------|---------|
| Bridgford Foods Corporation | 41.4% | Dean Foods Company | (19.2%) |
| Bunge Limited | 16.4% | Pilgrim's Pride Corporation | (15.8%) |
| Flowers Foods, Inc. | 9.2% | The Hain Celestial Group, Inc. | (14.6%) |
| Archer-Daniels-Midland Company | 4.0% | Treehouse Foods, Inc. | (13.8%) |
| Rocky Mountain Chocolate Factory, Inc. | 3.0% | HRG Group, Inc. | (11.4%) |

Source: Capital IQ

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The Cupboard



A Food & Beverage Industry Newsletter



Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

| Company | Share Price 01/31/2018 | % 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 | \$111.90 | 82.8% | \$216,375 | \$341,247 | 5.9x | 16.1x | 19.3x | NM | 25.2x | 35.6x | 61.4% | 29.9% | 35.9% | 5.4x |
| The Coca-Cola Company | KO | \$47.59 | 97.9% | \$202,765 | \$224,608 | 6.0x | 18.7x | 21.2x | 45.9x | 22.6x | 23.8x | 61.5% | 25.6% | 29.3% | 2.0x |
| PepsiCo, Inc. | PEP | \$120.30 | 98.2% | \$171,084 | \$191,936 | 3.0x | 15.3x | 18.4x | 24.9x | 23.1x | 24.3x | 54.9% | 16.4% | 19.8% | 1.7x |
| Diageo plc | LSE:DEGE | \$34.99 | 92.6% | \$86,625 | \$101,646 | 6.1x | 17.0x | 18.3x | 19.9x | 22.6x | NM | 61.7% | 30.5% | 33.1% | 2.3x |
| Constellation Brands, Inc. | STZ | \$219.47 | 95.6% | \$42,719 | \$51,930 | 7.0x | 17.4x | 19.2x | 23.9x | 28.1x | NM | 51.0% | 32.9% | 36.7% | NM |
| Monster Beverage Corporation | MNST | \$68.23 | 97.2% | \$38,479 | \$37,383 | 11.3x | 28.4x | 29.4x | 49.8x | 51.8x | 42.9x | 64.4% | 38.4% | 39.8% | NM |
| Brown-Forman Corporation | BF.b | \$69.30 | 99.1% | \$26,584 | \$28,576 | 9.1x | 25.0x | 26.4x | 36.1x | NM | NM | 67.5% | 34.4% | 36.4% | 1.7x |
| Dr Pepper Snapple Group, Inc. | DPS | \$119.35 | 94.2% | \$21,548 | \$25,966 | 3.9x | 16.5x | 19.2x | 29.9x | 22.6x | 21.0x | 59.9% | 20.5% | 23.7% | 2.8x |
| National Beverage Corp. | FIZZ | \$110.47 | 85.1% | \$5,148 | \$5,014 | 5.5x | 24.7x | 26.4x | 41.2x | NM | 29.6x | 39.8% | 20.8% | 22.3% | NM |
| The Boston Beer Company, Inc. | SAM | \$189.85 | 96.3% | \$2,208 | \$2,138 | 2.4x | 11.4x | 15.7x | 26.1x | 33.4x | 24.5x | 51.3% | 15.6% | 21.3% | NM |
| Mean | | | | \$81,253 | \$101,044 | 6.0x | 19.1x | 21.4x | 33.1x | 28.7x | 28.8x | 57.3% | 26.5% | 29.8% | 2.7x |
| Median | | | | \$40,599 | \$44,656 | 5.9x | 17.2x | 19.3x | 29.9x | 24.2x | 24.5x | 60.6% | 27.8% | 31.2% | 2.1x |
| High | | | | \$216,375 | \$341,247 | 11.3x | 28.4x | 29.4x | 49.8x | 51.8x | 42.9x | 67.5% | 38.4% | 39.8% | 5.4x |
| Low | | | | \$2,208 | \$2,138 | 2.4x | 11.4x | 15.7x | 19.9x | 22.6x | 21.0x | 39.8% | 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 01/31/2018 | % 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 | SY | \$62.87 | 97.8% | \$32,759 | \$40,920 | 0.7x | 13.5x | 18.0x | 28.8x | NM | NM | 18.9% | 4.0% | 5.3% | 2.6x |
| The Kroger Co. | KR | \$30.36 | 87.4% | \$26,758 | \$41,229 | 0.3x | 7.3x | 13.3x | 18.0x | 21.3x | 17.0x | 22.7% | 2.6% | 4.7% | 2.6x |
| Casey's General Stores, Inc. | CASY | \$121.11 | 94.2% | \$4,547 | \$5,577 | 0.8x | 11.1x | 19.0x | 29.8x | NM | NM | 24.9% | 4.2% | 7.2% | 2.0x |
| Weis Markets, Inc. | WMK | \$39.76 | 60.0% | \$1,069 | \$1,037 | 0.3x | 6.2x | 12.6x | 14.1x | NM | NM | 27.1% | 2.3% | 4.7% | NM |
| SpartanNash Company | SPTN | \$24.37 | 61.4% | \$901 | \$1,559 | 0.2x | 6.8x | 10.9x | NM | 14.5x | 16.1x | 14.3% | 1.8% | 2.8% | 2.9x |
| Ingles Markets, Incorporated | IMKT.A | \$33.60 | 69.5% | \$681 | \$1,535 | 0.4x | 6.5x | 12.1x | 12.6x | NM | 0.0x | 24.1% | 3.3% | 6.0% | 3.6x |
| SUPERVALU Inc. | SVU | \$15.84 | 50.6% | \$608 | \$2,472 | 0.2x | 5.2x | 9.2x | 66.6x | 12.9x | NM | 12.7% | 1.8% | 3.2% | 3.9x |
| Village Super Market, Inc. | VULGE.A | \$23.48 | 74.9% | \$338 | \$307 | 0.2x | 4.8x | 7.9x | 15.5x | NM | NM | 27.2% | 2.4% | 4.0% | NM |
| Mean | | | | \$8,458 | \$11,830 | 0.4x | 7.7x | 12.9x | 26.5x | 16.2x | 11.0x | 21.5% | 2.8% | 4.8% | 2.9x |
| Median | | | | \$985 | \$2,016 | 0.3x | 6.6x | 12.4x | 18.0x | 14.5x | 16.1x | 23.4% | 2.5% | 4.7% | 2.8x |
| High | | | | \$32,759 | \$41,229 | 0.8x | 13.5x | 19.0x | 66.6x | 21.3x | 17.0x | 27.2% | 4.2% | 7.2% | 3.9x |
| Low | | | | \$338 | \$307 | 0.2x | 4.8x | 7.9x | 12.6x | 12.9x | 0.0x | 12.7% | 1.8% | 2.8% | 2.0x |

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 01/31/2018 | % 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 | \$47.31 | 75.3% | \$2,353 | \$2,628 | 0.6x | 11.0x | 16.6x | 17.5x | 0.0x | 15.9x | 8.2% | 3.9% | 5.9% | 1.0x |
| Calavo Growers, Inc. | CVGW | \$87.00 | 95.8% | \$1,525 | \$1,540 | 1.4x | 21.8x | 25.7x | 40.8x | NM | NM | 10.6% | 5.5% | 6.5% | 0.2x |
| Seneca Foods Corporation | SENEA | \$31.55 | 79.9% | \$309 | \$755 | 0.6x | 17.9x | 60.9x | 75.6x | NM | NM | 6.6% | 0.9% | 3.2% | 10.6x |
| Mean | | | | \$1,396 | \$1,641 | 0.9x | 16.9x | 34.4x | 44.7x | 0.0x | 15.9x | 8.5% | 3.5% | 5.2% | 3.9x |
| Median | | | | \$1,525 | \$1,540 | 0.6x | 17.9x | 25.7x | 40.8x | 0.0x | 15.9x | 8.2% | 3.9% | 5.9% | 1.0x |
| High | | | | \$2,353 | \$2,628 | 1.4x | 21.8x | 60.9x | 75.6x | 0.0x | 15.9x | 10.6% | 5.5% | 6.5% | 10.6x |
| Low | | | | \$309 | \$755 | 0.6x | 11.0x | 16.6x | 17.5x | 0.0x | 15.9x | 6.6% | 0.9% | 3.2% | 0.2x |

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 01/31/2018 | % 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 | \$76.11 | 89.9% | \$27,960 | \$37,860 | 1.0x | 9.6x | 11.7x | 15.9x | 16.6x | NM | 13.1% | 8.2% | 10.1% | 2.4x |
| Hormel Foods Corporation | HRL | \$34.33 | 90.3% | \$18,184 | \$17,994 | 2.0x | 12.7x | 14.1x | 21.9x | NM | NM | 21.9% | 13.5% | 15.0% | (0.1x) |
| Pilgrim's Pride Corporation | PPC | \$27.77 | 72.3% | \$6,908 | \$9,126 | 1.1x | 7.5x | 9.0x | 11.0x | 8.6x | 13.1x | 14.8% | 11.9% | 14.4% | 1.8x |
| Sanderson Farms, Inc. | SAFM | \$126.90 | 71.9% | \$2,897 | \$2,478 | 0.7x | 4.7x | 5.8x | 10.3x | 11.0x | NM | 19.2% | 12.7% | 15.7% | (0.8x) |
| Bridgford Foods Corporation | BRID | \$16.51 | 91.7% | \$150 | \$138 | 0.8x | 9.3x | 12.0x | 17.0x | NM | NM | 36.0% | 7.3% | 9.3% | (0.8x) |
| Mean | | | | \$11,220 | \$13,519 | 1.1x | 8.8x | 10.5x | 15.2x | 12.0x | 13.1x | 21.0% | 10.7% | 12.9% | 0.5x |
| Median | | | | \$6,908 | \$9,126 | 1.0x | 9.3x | 11.7x | 15.9x | 11.0x | 13.1x | 19.2% | 11.9% | 14.4% | (0.1x) |
| High | | | | \$27,960 | \$37,860 | 2.0x | 12.7x | 14.1x | 21.9x | 16.6x | 13.1x | 36.0% | 13.5% | 15.7% | 2.4x |
| Low | | | | \$150 | \$138 | 0.7x | 4.7x | 5.8x | 10.3x | 8.6x | 13.1x | 13.1% | 7.3% | 9.3% | (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 01/31/2018 | % 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 | \$85.28 | 96.3% | \$53,623 | \$76,130 | 2.7x | 15.0x | 18.4x | 23.7x | 22.8x | 22.7x | 50.2% | 14.3% | 17.7% | 4.5x |
| Dean Foods Company | DF | \$10.37 | 49.8% | \$944 | \$1,867 | 0.2x | 5.4x | 11.1x | 30.4x | 16.5x | 12.4x | 23.8% | 2.1% | 4.4% | 2.7x |
| Lifeway Foods, Inc. | LWAY | \$7.94 | 65.7% | \$127 | \$126 | 1.0x | 18.3x | 32.3x | 68.0x | 93.3x | 58.4x | 29.7% | 3.2% | 5.6% | (0.1x) |
| Mean | | | | \$18,232 | \$26,041 | 1.3x | 12.9x | 20.6x | 40.7x | 44.2x | 31.2x | 34.6% | 6.6% | 9.2% | 2.4x |
| Median | | | | \$944 | \$1,867 | 1.0x | 15.0x | 18.4x | 30.4x | 22.8x | 22.7x | 29.7% | 3.2% | 5.6% | 2.7x |
| High | | | | \$53,623 | \$76,130 | 2.7x | 18.3x | 32.3x | 68.0x | 93.3x | 58.4x | 50.2% | 14.3% | 17.7% | 4.5x |
| Low | | | | \$127 | \$126 | 0.2x | 5.4x | 11.1x | 23.7x | 16.5x | 12.4x | 23.8% | 2.1% | 4.4% | -0.1x |

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 01/31/2018 | % 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 | | |
| Lamb Weston Holdings, Inc. | LW | \$58.60 | 96.3% | \$8,569 | \$11,035 | 3.4x | 14.7x | 17.5x | 27.0x | NM | NM | 25.1% | 17.3% | 21.0% | 3.5x |
| The Hain Celestial Group, Inc. | HAIN | \$38.14 | 83.6% | \$3,959 | \$4,596 | 1.6x | 16.6x | 22.2x | 50.3x | NM | 27.0x | 19.5% | 7.1% | 9.5% | 2.3x |
| Mean | | | | \$6,264 | \$7,816 | 2.5x | 15.7x | 19.9x | 38.6x | NM | 27.0x | 22.3% | 12.2% | 15.3% | 2.9x |
| Median | | | | \$6,264 | \$7,816 | 2.5x | 15.7x | 19.9x | 38.6x | NM | 27.0x | 22.3% | 12.2% | 15.3% | 2.9x |
| High | | | | \$8,569 | \$11,035 | 3.4x | 16.6x | 22.2x | 50.3x | 0.0x | 27.0x | 25.1% | 17.3% | 21.0% | 3.5x |
| Low | | | | \$3,959 | \$4,596 | 1.6x | 14.7x | 17.5x | 27.0x | 0.0x | 27.0x | 19.5% | 7.1% | 9.5% | 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 01/31/2018 | % 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 | \$85.67 | 93.1% | \$265,466 | \$287,989 | 3.0x | 14.9x | 17.9x | 26.9x | 23.2x | 23.7x | 50.5% | 15.8% | 19.2% | 1.2x |
| Mondelez International, Inc. | MDLZ | \$44.40 | 94.0% | \$66,351 | \$83,322 | 3.2x | 15.7x | 18.5x | 23.2x | 28.2x | 25.3x | 38.9% | 14.6% | 17.8% | 3.8x |
| General Mills, Inc. | GIS | \$58.49 | 91.8% | \$33,283 | \$43,200 | 2.8x | 13.0x | 15.8x | 21.4x | 18.9x | 21.4x | 34.9% | 17.1% | 20.8% | 2.7x |
| Kellogg Company | K | \$68.11 | 88.8% | \$23,530 | \$31,520 | 2.5x | 13.7x | 17.7x | 30.5x | 20.0x | 21.8x | 40.3% | 18.8% | 22.5% | 2.9x |
| Conagra Brands, Inc. | CAG | \$38.00 | 91.2% | \$15,225 | \$18,758 | 2.4x | 12.2x | 14.6x | 22.7x | 20.3x | NM | 30.0% | 15.2% | 18.4% | 2.4x |
| The J. M. Smucker Company | SIM | \$126.89 | 88.3% | \$14,414 | \$19,488 | 2.7x | 12.1x | 16.2x | 25.7x | 23.2x | NM | 38.0% | 16.4% | 22.0% | 3.1x |
| Campbell Soup Company | CPB | \$46.55 | 72.5% | \$13,993 | \$17,296 | 2.2x | 8.8x | 10.5x | 16.3x | 18.0x | NM | 38.2% | 20.9% | 25.0% | 1.7x |
| Post Holdings, Inc. | POST | \$75.67 | 85.0% | \$5,011 | \$10,882 | 2.1x | 11.5x | 17.5x | NM | 51.2x | NM | 30.4% | 11.8% | 18.0% | 6.0x |
| Snyder's-Lance, Inc. | LNCE | \$49.98 | 98.6% | \$4,860 | \$5,977 | 2.7x | 21.2x | 32.7x | NM | 40.3x | 31.0x | 36.8% | 8.2% | 12.6% | 3.9x |
| Lancaster Colony Corporation | LANC | \$128.40 | 94.2% | \$3,525 | \$3,346 | 2.8x | 16.6x | 19.0x | 29.8x | 28.0x | 28.1x | 25.3% | 14.6% | 16.8% | (0.9)x |
| Trehouse Foods, Inc. | THIS | \$47.16 | 52.2% | \$2,698 | \$5,236 | 0.8x | 8.2x | 14.4x | NM | 30.7x | 29.9x | 18.6% | 5.7% | 10.0% | 4.0x |
| J&J Snack Foods Corp. | JJSF | \$138.44 | 88.0% | \$2,584 | \$2,455 | 2.2x | 15.0x | 20.5x | 25.6x | 28.6x | NM | 30.1% | 10.7% | 14.6% | (0.8)x |
| B&G Foods, Inc. | BGS | \$33.00 | 69.1% | \$2,194 | \$4,025 | 2.5x | 12.3x | 14.4x | 21.8x | 24.5x | 22.3x | 29.5% | 17.4% | 20.3% | 5.6x |
| Mean | | | | \$34,857 | \$41,038 | 2.4x | 13.5x | 17.7x | 24.4x | 27.3x | 25.4x | 34.0% | 14.4% | 18.3% | 2.7x |
| Median | | | | \$13,993 | \$17,296 | 2.5x | 13.0x | 17.5x | 24.4x | 24.5x | 24.5x | 34.9% | 15.2% | 18.4% | 2.9x |
| High | | | | \$265,466 | \$287,989 | 3.2x | 21.2x | 32.7x | 30.5x | 51.2x | 31.0x | 50.5% | 20.9% | 25.0% | 6.0x |
| Low | | | | \$2,194 | \$2,455 | 0.8x | 8.2x | 10.5x | 16.3x | 18.0x | 21.4x | 18.6% | 5.7% | 10.0% | (0.9)x |

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 | 5.9x | 17.2x |
| Retail & Distribution | 0.3x | 6.6x |
| Fruits, Vegetables & Nuts | 0.6x | 17.9x |
| Protein Products | 1.0x | 9.3x |
| Dairy | 1.0x | 15.0x |
| Organics & Healthy | 2.8x | 17.3x |
| Food Conglomerates | 2.5x | 13.0x |
| Mean | 2.0x | 13.8x |
| Median | 1.0x | 15.0x |

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

| Commodity | Units | 1/31/2018 | 1 month prior | 6 months prior | 1 year prior |
|-------------|------------|-----------|---------------|----------------|--------------|
| Corn | \$ per bu. | \$3.51 | \$3.51 | \$3.77 | \$3.68 |
| Coffee | \$ per lb. | \$1.26 | \$1.26 | \$1.38 | \$1.50 |
| Cocoa | \$ per lb. | \$0.86 | \$0.86 | \$0.92 | \$0.96 |
| Wheat | \$ per bu. | \$4.27 | \$4.27 | \$4.61 | \$4.33 |
| Live Cattle | \$ per lb. | \$1.22 | \$1.22 | \$1.13 | \$1.14 |

Source: Capital IQ

Select M&A and Capital Raising News, January 2018

❖ 'Clean Meat' Start-Up Raises \$3 Million in Funding Round

January 4, 2018 – Biotech and food tech start-up SuperMeat raised \$3 million in a seed funding round led by venture capital firms. SuperMeat products are made by growing cells extracted from chickens. The company expects to use the funding to bring its products to market at a price point competitive with conventionally produced chicken cuts.

❖ Lactalis to Acquire siggi's

January 5, 2018 – The Lactalis Group has agreed to acquire siggi's, a maker of Icelandic-style skyr yogurts. Financial terms of the transaction were not disclosed. Founded in 2005 by Siggí Hilmarrson, siggi's has become one of the fastest-growing yogurt brands in grocery stores and recently became the top-selling yogurt at Whole Foods Market, according to Lactalis. The company's sales grew 50% in 2017, and management expects to match this in 2018 as the brand launches additional innovation. Lactalis is a global dairy company with total sales of €17 billion (\$20.5 billion). Cheese manufacturing is the company's largest market and makes up 34% of sales. Yogurt and chilled dairy make up 12% of sales. While Europe is Lactalis' largest market, the Americas make up 21% of the company's sales. siggi's joins a portfolio of brands, including President, Galbani, Parmalat, Stonyfield Farm, Bridel, Rachel's Organic and Skånemejerier.

❖ The Ferrero Group to Acquire Nestle's U.S. Confectionary Unit for \$2.8 Billion

January 16, 2018 – The Ferrero Group, the owner of such brands as Nutella, Kinder and Tic Tac, has entered into an agreement to acquire Nestle S.A.'s U.S. confectionery business for about \$2.8 billion (3.1x revenue) in cash. The transaction is expected to close near the end of the first quarter of 2018 following the completion of customary approvals and closing conditions. Nestle's U.S. confectionery unit represents about 3% of U.S. Nestle Group sales and includes such brands as Butterfinger, Baby Ruth, Skinny Cow, Raisinets, Laffy Taffy, Nerds, SweetTarts and others. The business had sales of \$900 million in 2016.

❖ Bunge Shares Surge Amid Takeover Speculation

January 19, 2018 – Shares of Bunge Ltd. bolted upward late January 19 in trading on the New York Stock Exchange amid speculation regarding potential takeover interest from Archer Daniels Midland Co., Decatur, Illinois. After trading within a narrow range most of the trading session, Bunge shares jumped \$7.92, or 11%, to close at \$77.56. The close represented the highest price for Bunge shares since July. The Wall Street Journal reported ADM has approached Bunge about a possible takeover bid. The Journal suggested a bidding war between ADM and Glencore P.L.C., Baar, Switzerland, could ensue. Measured by market capitalization, Glencore is the largest company of the three, at \$58 billion; versus ADM, at \$23 billion; and Bunge, at \$11 billion (following the January 19 surge).

❖ JAB Holding Co. to Acquire Dr Pepper Snapple Group

January 29, 2018 – JAB Holding Co. through its Keurig Green Mountain business unit has entered into an agreement to acquire the Dr Pepper Snapple Group, Plano, Texas. Once the transaction is completed, Dr Pepper Snapple Group and Keurig Green Mountain will merge to form Keurig Dr Pepper. The new business will have annual revenue of approximately \$11 billion. Under the terms of the merger agreement, Dr Pepper Snapple shareholders will receive a special cash dividend of \$103.75 per share and will retain their shares in Dr Pepper Snapple. Upon closing of the transaction, Keurig shareholders will hold 87% and Dr Pepper Snapple shareholders will hold 13% of the combined company. JAB Holding Co. will make an investment of \$9 billion as part of the financing of the transaction. The combined companies will feature such brands as Dr Pepper, 7UP, Snapple, A&W, Mott's and Sunkist with leading coffee brand Green Mountain Coffee Roasters and the Keurig single-serve coffee system, as well as more than 75 owned, licensed and partner brands in the Keurig system. JAB Holding sees the merger of the two companies creating a complementary portfolio with access to high-growth segments of the beverage industry. JAB management anticipates the merger will generate approximately \$600 million in synergies by 2021.

❖ Keystone Natural Expands Plant-Based Protein Portfolio

January 29, 2018 – Keystone Natural Holdings, L.L.C. (K.N.H.), a portfolio company of Keystone Capital Inc., has acquired J.P. Veggies Inc. (VeggieLand) and Superior Tofu Ltd. Financial terms of the transactions were not disclosed. Founded in 1994, Parsippany, New Jersey-based VeggieLand is a manufacturer and distributor of meatless veggie burgers and appetizers under the Franklin Farms and Jens & Marie brands, as well as private label. Superior Tofu, founded in 1982, is a Vancouver-based manufacturer and supplier of tofu, soy milk and other soy-based products.

❖ Bunge Acquires Grupo Minsa's U.S. Corn Milling Business

January 31, 2018 – Bunge North America has entered into an agreement to acquire the U.S. corn milling business of Grupo Minsa S.A.B. de C.V. The transaction is valued at \$75 million and includes corn flour mills in Red Oak, Iowa, and Muleshoe, Texas.



The Cupboard

A Food & Beverage
Industry Newsletter



Industry News, January 2018

❖ **McDonald's Vet to Join Dunkin'**

January 9, 2018 – Scott Murphy has been named COO of Dunkin' Donuts U.S. at Dunkin' Brands Group, Inc., and Rick Colón has joined the company in the newly created role of senior vice-president of operations and development for Dunkin' Donuts U.S. Mr. Colón will report to Mr. Murphy, who will continue to report to David L. Hoffmann, president of Dunkin' Donuts U.S. Mr. Murphy joined the company in 2004 and most recently was senior vice-president, operations for Dunkin' Donuts U.S., overseeing field operations of more than 8,500 restaurants and the manufacturing and supply chain functions. In his new role, he will assume the additional responsibility for restaurant development and construction. Mr. Colón joins Dunkin' Brands following a nearly 40-year career at McDonald's Corp., where most recently he was South Zone president, with responsibility for 4,000 restaurants and \$11 billion in system wide sales across 11 states.

❖ **Diet Coke Unveils Massive Brand Relaunch**

January 10, 2018 – The Coca-Cola Co. has unveiled a full restaging of the Diet Coke brand in North America, including new sleek cans, an updated design and four new flavors. Diet Coke Ginger Lime, Diet Coke Feisty Cherry, Diet Coke Twisted Mango and Diet Coke Zesty Blood Orange, along with the original Diet Coke, will roll out to retail shelves beginning in mid-January. The company said it surveyed more than 10,000 people and spent years exploring flavor combinations, including tropical, citrus and botanical notes. The two-year innovation process was driven by consumer research reflecting millennials' desire for big, bold flavors in food and beverages, such as hoppy craft beers and spicy sauces.

❖ **Dean Foods Names C.P.G. Veteran as New CFO**

January 11, 2018 – Jody Macedonio has been named CFO of Dean Foods Co., effective February 26. Ms. Macedonio joins Dean Foods from Henkel AG, where she was most recently senior vice-president of finance for the North America Laundry and Beauty divisions. Before Henkel acquired Sun Products Corp., she was treasurer and senior vice-president of finance and planning for Sun Products. Prior to that, Ms. Macedonio held several roles at PepsiCo, Inc., including CFO and vice-president of finance for Frito-Lay North America. Before PepsiCo, she held finance positions at Nestle S.A., SmithKline Beecham and Chemical Bank.

❖ **Two Executives Join Aryzta**

January 12, 2018 – David S. Johnson has been named CEO of North America at Aryzta AG, effective January 23, and John Heffernan has been named chief strategy officer at the company, effective February 28. Both will join the group executive committee. Mr. Johnson joins Aryzta from Barry Callebaut, where he served for nine years as president and CEO, Americas, before stepping down in August 2017. Previously, he served in a number of senior positions at Kraft Foods Global, Inc., including president of Kraft North America from 2003 to 2006 and president of operations, technology and procurement from 2002 to 2003. Mr. Johnson also served as COO and later CEO of Michael Foods from 2007 to 2009. Mr. Heffernan joins Aryzta from daa plc, operator of Dublin and Cork airports, where he was chief development officer for the past four years. Previously, he was the founder and CEO of several clean energy businesses. From 2003 to 2006, he was acquisitions and development director with an Irish private equity investor and corporate finance advisory.

❖ **Hampton to Succeed Ahmed as Tate & Lyle CEO**

January 16, 2018 – Nick Hampton has been selected as the next CEO of Tate & Lyle P.L.C., effective April 1. He will succeed Javed Ahmed, who has been CEO of the company since October 2009. Mr. Hampton joined Tate & Lyle as CFO in September 2014. Earlier, he was president of West Europe and senior vice-president of commercial Europe at PepsiCo, Inc. Prior to that, during a 20-year career at PepsiCo, he held a number of senior finance and operational roles.

❖ **McKenna to Lead Walmart International**

January 19, 2018 – Judith McKenna has been named president and CEO of Walmart International at Wal-Mart Stores Inc., effective February 1. She succeeds David Cheesewright in leading the company's second-largest operating segment. Mr. Cheesewright has served in the role since 2014 and recently announced his intent to retire from a full-time position. Ms. McKenna is executive vice-president and COO for Walmart U.S. She began her career with Walmart in 1996 at Asda, the company's operation in the United Kingdom, where she was COO and CFO. She also has worked as executive vice-president of strategy and international development for Walmart International, leading international strategy, real estate, mergers and acquisitions, integration, global format development and purchase leverage. She joined the Walmart U.S. division in 2014, serving as chief development officer, leading the strategy, development and growth of Walmart's small-format business and the integration of digital commerce into physical stores. Several months later she advanced to her current role, assuming responsibility for the company's U.S. store operations, including more than 4,500 retail locations. Walmart International operates more than 6,200 retail units outside the United States with 55 banners in 27 countries.

❖ **Ingredient Partners with Food Business Incubator**

January 24, 2018 – Ingredion, Inc. has partnered with The Hatchery Chicago, a non-profit food business incubator, as part of the Ingredion for Emerging Business initiative. The Hatchery Chicago seeks to enable food and beverage entrepreneurs to build and grow successful business through three areas of need: access to production space, financing and resources. The company recently broke ground on a 67,000-square-foot facility in Chicago that will house between 75 and 100 food entrepreneurs.

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Sources include foodbusinessnews.net, Capital IQ and various publicly available news publications.

Additional information is available upon request.

