

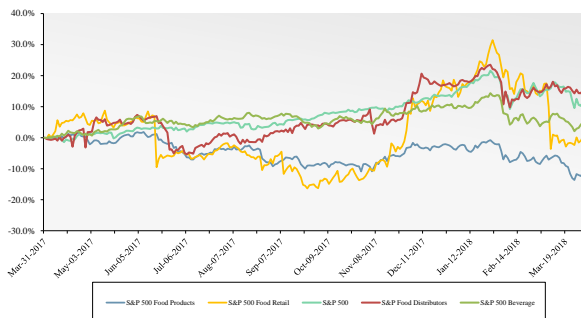
## The Cupboard



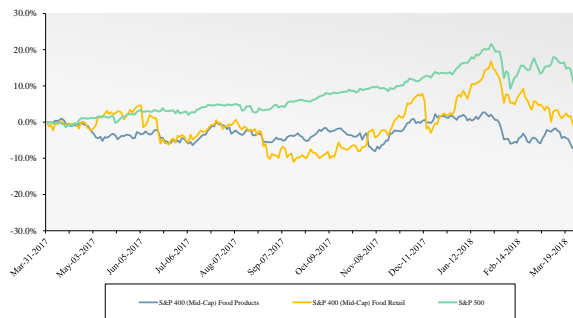
A Food & Beverage Industry Newsletter



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



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



### Indices Performance (% change)

	March 2018	LTM		March 2018	LTM		March 2018	LTM
S&P 500	(1.6%)	11.8%	S&P 500 Food Products	(2.5%)	(11.0%)	S&P 400 Food Products (Mid-Cap)	1.6%	(4.3%)
Dow Jones	(2.5%)	16.7%	S&P 500 Food Retail	(14.8%)	0.4%	S&P 400 Food Retail (Mid-Cap)	(5.5%)	(0.7%)
NASDAQ	(2.0%)	19.5%	S&P 500 Food Distributors	1.0%	15.5%			
			S&P 500 Beverage	1.2%	4.9%			

Source: Capital IQ

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

The Boston Beer Company, Inc.	23.0%	Nuverra Environmental Solutions, Inc.	(13.7%)
Reed's, Inc.	22.9%	Molson Coors Brewing Company	(8.1%)
Celsius Holdings, Inc.	8.2%	Castle Brands Inc.	(6.1%)
Craft Brew Alliance, Inc.	8.0%	Willamette Valley Vineyards, Inc.	(4.0%)
Primo Water Corporation	4.9%	PepsiCo, Inc.	(2.5%)

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

Alico, Inc.	16.5%	Bridgford Foods Corporation	(19.3%)
Cal-Maine Foods, Inc.	9.4%	Lifeway Foods, Inc.	(14.1%)
Calavo Growers, Inc.	8.0%	Farmer Bros. Co.	(12.3%)
Flowers Foods, Inc.	7.3%	General Mills, Inc.	(10.4%)
Hormel Foods Corporation	5.7%	Potbelly Corporation	(9.4%)

Source: Capital IQ

### Food Industry Contacts

**Tom Denison**  
(312) 283-0819  
thomas.denison@thechicagocorp.com

**Diane Selph**  
(312) 283-0828  
diane.selph@thechicagocorp.com

**Fred Floberg**  
(312) 283-0802  
fred.floberg@thechicagocorp.com

**Phil Clarke**  
(312) 283-0803  
philip.clarke@thechicagocorp.com

**Jeff Schneiders**  
(312) 283-0807  
jeff.schneiders@thechicagocorp.com

**Stan Cutter**  
(312) 283-0804  
stan.cutter@thechicagocorp.com



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### Select Public Trading Statistics

#### Beverage:

(\$ in millions, except per share data)

Company	Share Price 03/31/2018	% 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	CY18 P/E	CY19 P/E	Gross	EBIT	EBITDA		
Anheuser-Busch InBev SA/NV	ENX:BR-ABI	\$110.21	81.1%	\$213,110	\$329,661	5.7x	14.6x	17.8x	27.1x	26.0x	23.1x	62.1%	31.1%	38.0%	4.9x
The Coca-Cola Company	KO	\$43.43	89.3%	\$185,207	\$214,191	6.0x	17.9x	20.1x	161.8x	23.8x	22.0x	62.6%	27.1%	30.7%	2.5x
PepsiCo, Inc.	PEP	\$109.15	89.1%	\$154,932	\$174,639	2.7x	13.7x	16.5x	32.3x	21.6x	20.1x	54.7%	16.7%	20.0%	1.6x
Diageo plc	LSX:DGE	\$34.48	88.2%	\$84,597	\$100,142	5.8x	16.2x	17.5x	19.0x	22.3x	20.7x	61.7%	30.5%	33.1%	2.3x
Constellation Brands, Inc.	STZ	\$227.92	98.3%	\$44,419	\$54,532	7.2x	16.3x	18.4x	19.7x	26.4x	23.6x	50.7%	32.6%	37.7%	NM
Monster Beverage Corporation	MNST	\$57.21	81.5%	\$32,404	\$31,202	9.3x	24.3x	25.3x	40.3x	37.3x	32.7x	63.5%	36.6%	38.1%	NM
Brown-Forman Corporation	BF-B	\$54.40	95.8%	\$25,476	\$27,286	8.5x	23.1x	24.4x	35.2x	31.6x	27.7x	67.6%	34.8%	36.8%	1.5x
Dr Pepper Snapple Group, Inc.	DPS	\$118.38	93.5%	\$21,278	\$25,704	3.8x	16.3x	18.9x	20.1x	23.5x	22.3x	59.7%	20.4%	23.6%	2.8x
National Beverage Corp.	PIZZ	\$89.02	68.6%	\$4,149	\$3,989	4.2x	18.8x	20.1x	29.3x	NM	21.8x	40.0%	21.0%	22.5%	NM
The Boston Beer Company, Inc.	SAM	\$189.05	93.4%	\$2,176	\$2,111	2.4x	12.5x	17.9x	23.4x	27.1x	24.7x	52.1%	13.7%	19.6%	NM
Mean				\$76,775	\$96,346	5.6x	17.4x	19.7x	40.8x	26.6x	23.9x	57.5%	26.4%	30.0%	2.6x
Median				\$38,411	\$42,867	5.7x	16.3x	18.7x	28.2x	26.0x	22.7x	60.7%	28.8%	31.9%	2.4x
High				\$213,110	\$329,661	9.3x	24.3x	25.3x	161.8x	37.3x	32.7x	67.6%	36.6%	38.1%	4.9x
Low				\$2,176	\$2,111	2.4x	12.5x	16.5x	19.0x	21.6x	20.1x	40.0%	13.7%	19.6%	1.5x

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 03/31/2018	% 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	CY18 P/E	CY19 P/E	Gross	EBIT	EBITDA		
Sysco Corporation	SY	\$59.96	93.3%	\$31,294	\$39,253	0.7x	12.8x	17.0x	26.9x	20.1x	17.6x	18.9%	4.0%	5.4%	2.6x
The Kroger Co.	KR	\$23.94	76.1%	\$20,828	\$36,070	0.3x	7.5x	15.2x	11.5x	13.3x	12.2x	22.6%	2.0%	4.0%	3.1x
Casey's General Stores, Inc.	CASY	\$109.77	85.4%	\$4,120	\$5,296	0.7x	10.5x	18.4x	12.9x	24.2x	20.9x	24.4%	4.0%	7.0%	2.3x
Weis Markets, Inc.	WMK	\$40.98	65.2%	\$1,102	\$1,052	0.3x	6.5x	13.8x	11.2x	NM	NM	26.7%	2.2%	4.7%	NM
Ingles Markets, Incorporated	IMKT-A	\$33.85	70.6%	\$686	\$1,563	0.4x	6.4x	11.9x	8.0x	0.0x	0.0x	24.1%	3.3%	6.0%	3.6x
SpartanNash Company	SPTN	\$17.21	45.5%	\$620	\$1,355	0.2x	6.3x	10.4x	NM	8.3x	7.8x	14.1%	1.6%	2.6%	3.4x
SUPERVALU Inc.	SVU	\$15.23	48.7%	\$585	\$2,449	0.2x	5.1x	9.1x	64.1x	8.4x	8.2x	12.7%	1.8%	3.2%	3.9x
Village Super Market, Inc.	VLGE-A	\$26.37	95.9%	\$379	\$339	0.2x	5.4x	9.0x	15.0x	NM	NM	27.2%	2.4%	3.9%	NM
Mean				\$7,452	\$10,922	0.4x	7.6x	13.1x	21.4x	12.4x	11.1x	21.3%	2.7%	4.6%	3.2x
Median				\$894	\$2,006	0.3x	6.5x	12.8x	12.9x	10.8x	10.2x	23.3%	2.3%	4.3%	3.3x
High				\$31,294	\$39,253	0.7x	12.8x	18.4x	64.1x	24.2x	20.9x	27.2%	4.0%	7.0%	3.9x
Low				\$379	\$339	0.2x	5.1x	9.0x	8.0x	0.0x	0.0x	12.7%	1.6%	2.6%	2.8x

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 03/31/2018	% 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	CY18 P/E	CY19 P/E	Gross	EBIT	EBITDA		
Fresh Del Monte Produce Inc.	FDP	\$45.24	73.0%	\$2,197	\$2,554	0.6x	10.7x	16.2x	18.9x	20.6x	17.0x	8.1%	3.9%	5.8%	1.4x
Calavo Growers, Inc.	CVOW	\$92.20	96.3%	\$1,618	\$1,648	1.5x	21.7x	25.7x	41.2x	31.2x	NM	10.8%	5.8%	6.8%	0.4x
Seneca Foods Corporation	SENE.A	\$27.70	72.6%	\$279	\$725	0.6x	17.2x	58.5x	66.4x	NM	NM	6.6%	0.9%	3.2%	10.6x
<b>Mean</b>				\$1,365	\$1,643	0.9x	16.6x	33.4x	42.2x	25.9x	17.0x	8.5%	3.5%	5.3%	4.1x
<b>Median</b>				\$1,618	\$1,648	0.6x	17.2x	25.7x	41.2x	25.9x	17.0x	8.1%	3.9%	5.8%	1.4x
<b>High</b>				\$2,197	\$2,554	1.5x	21.7x	58.5x	66.4x	31.2x	17.0x	10.8%	5.8%	6.8%	10.6x
<b>Low</b>				\$279	\$725	0.6x	10.7x	16.2x	18.9x	20.6x	17.0x	6.6%	0.9%	3.2%	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 03/31/2018	% 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	CY18 P/E	CY19 P/E	Gross	EBIT	EBITDA		
Tyson Foods, Inc.	TSN	\$73.19	86.5%	\$26,998	\$36,308	0.9x	9.2x	11.4x	9.6x	12.7x	11.7x	13.1%	8.1%	10.0%	2.4x
Hormel Foods Corporation	HRL	\$34.32	90.3%	\$18,174	\$18,672	2.0x	13.6x	15.2x	20.3x	19.1x	17.9x	21.2%	12.8%	14.3%	0.4x
Pilgrim's Pride Corporation	PPC	\$24.61	64.1%	\$6,122	\$8,289	0.8x	6.1x	7.6x	8.8x	10.4x	10.1x	13.6%	10.2%	12.7%	1.6x
Sanderson Farms, Inc.	SAFM	\$119.02	67.5%	\$2,718	\$2,329	0.7x	4.6x	5.7x	8.8x	10.8x	13.2x	18.4%	11.9%	14.9%	(0.8x)
Bridgford Foods Corporation	BRID	\$14.96	69.4%	\$136	\$129	0.8x	9.6x	13.0x	28.7x	NM	NM	35.2%	6.3%	8.4%	(0.5x)
<b>Mean</b>				\$10,809	\$13,145	1.0x	8.6x	10.6x	15.3x	13.2x	13.2x	20.3%	9.8%	12.1%	0.6x
<b>Median</b>				\$6,122	\$8,289	0.8x	9.2x	11.4x	9.6x	11.7x	12.5x	18.4%	10.2%	12.7%	0.4x
<b>High</b>				\$26,998	\$36,308	2.0x	13.6x	15.2x	28.7x	19.1x	17.9x	35.2%	12.8%	14.9%	2.4x
<b>Low</b>				\$136	\$129	0.7x	4.6x	5.7x	8.8x	10.4x	10.1x	13.1%	6.3%	8.4%	(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 03/31/2018	% 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	CY18 P/E	CY19 P/E	Gross	EBIT	EBITDA		
Danone SA	BN	\$81.14	91.1%	\$51,312	\$70,421	2.3x	12.5x	15.4x	16.8x	20.2x	18.4x	49.5%	14.6%	18.0%	3.5x
Dean Foods Company	DF	\$8.62	42.9%	\$787	\$1,684	0.2x	5.2x	10.8x	16.6x	13.8x	11.6x	23.3%	2.0%	4.2%	2.7x
Lifeway Foods, Inc.	LWAY	\$5.99	54.4%	\$96	\$95	0.8x	36.8x	NM	NM	55.0x	NM	27.9%	(0.4%)	2.2%	0.5x
<b>Mean</b>				\$17,398	\$24,067	1.1x	18.2x	13.1x	16.7x	29.7x	15.0x	33.6%	5.4%	8.1%	2.2x
<b>Median</b>				\$787	\$1,684	0.8x	12.5x	13.1x	16.7x	20.2x	15.0x	27.9%	2.0%	4.2%	2.7x
<b>High</b>				\$51,312	\$70,421	2.3x	36.8x	15.4x	16.8x	55.0x	18.4x	49.5%	14.6%	18.0%	3.5x
<b>Low</b>				\$96	\$95	0.2x	5.2x	10.8x	16.6x	13.8x	11.6x	23.3%	-0.4%	2.2%	0.5x

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 03/31/2018	% 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	CY18 P/E	CY19 P/E	Gross	EBIT	EBITDA		
Lamb Weston Holdings, Inc.	LW	\$58.22	95.7%	\$8,513	\$10,979	3.4x	14.6x	17.4x	26.8x	22.8x	20.9x	25.5%	17.5%	21.3%	3.3x
The Hain Celestial Group, Inc.	HAIN	\$32.07	70.3%	\$3,333	\$3,961	1.4x	14.3x	19.1x	33.8x	22.5x	20.6x	19.5%	7.1%	9.5%	2.3x
<b>Mean</b>				\$5,923	\$7,470	2.4x	14.5x	18.2x	30.3x	22.6x	20.7x	22.5%	12.3%	15.4%	2.8x
<b>Median</b>				\$5,923	\$7,470	2.4x	14.5x	18.2x	30.3x	22.6x	20.7x	22.5%	12.3%	15.4%	2.8x
<b>High</b>				\$8,513	\$10,979	3.4x	14.6x	19.1x	33.8x	22.8x	20.9x	25.5%	17.5%	21.3%	3.3x
<b>Low</b>				\$3,333	\$3,961	1.4x	14.3x	17.4x	26.8x	22.5x	20.6x	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 03/31/2018	% 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	CY18 P/E	CY19 P/E	Gross	EBIT	EBITDA		
Nestlé S.A.	NESN	\$78.26	87.5%	\$239,288	\$259,278	2.8x	13.5x	16.2x	32.6x	22.2x	20.2x	30.2%	16.3%	19.7%	1.0x
Mondelez International, Inc.	MDLZ	\$41.73	88.4%	\$62,066	\$79,527	3.1x	15.7x	18.7x	21.8x	20.7x	19.0x	38.9%	14.6%	17.8%	3.8x
General Mills, Inc.	GIS	\$45.06	74.2%	\$26,716	\$36,574	2.3x	11.1x	13.5x	12.1x	15.6x	15.4x	34.2%	16.7%	20.4%	2.7x
Kellogg Company	K	\$65.01	87.5%	\$22,532	\$30,882	2.4x	10.6x	12.7x	18.0x	16.3x	15.4x	40.3%	18.8%	22.5%	2.9x
Conagra Brands, Inc.	CAG	\$36.88	89.9%	\$14,776	\$18,306	2.3x	10.5x	12.2x	17.5x	18.3x	17.2x	29.7%	15.3%	17.8%	2.5x
The J. M. Smucker Company	SIM	\$124.01	92.5%	\$14,087	\$18,844	2.6x	11.5x	15.5x	11.2x	14.3x	13.2x	38.0%	16.5%	22.2%	2.9x
Campbell Soup Company	CPB	\$43.31	73.2%	\$13,020	\$16,727	2.1x	8.6x	10.3x	12.5x	14.9x	14.1x	37.6%	20.7%	24.9%	1.9x
Post Holdings, Inc.	POST	\$75.76	85.1%	\$5,206	\$11,013	2.0x	11.3x	17.3x	23.0x	20.2x	16.8x	30.4%	11.8%	18.0%	6.0x
Lancaster Colony Corporation	LANC	\$123.14	90.6%	\$3,380	\$3,202	2.7x	15.9x	18.2x	28.6x	25.3x	23.3x	25.3%	14.6%	16.8%	(0.9x)
J&J Snack Foods Corp.	JJSF	\$136.56	86.8%	\$2,551	\$2,421	2.2x	14.7x	20.2x	25.2x	30.7x	27.7x	30.1%	10.7%	14.6%	(0.8x)
TreeHouse Foods, Inc.	THS	\$38.27	42.3%	\$2,159	\$4,546	0.7x	7.6x	13.9x	NM	20.3x	15.9x	17.9%	5.2%	9.5%	4.0x
B&G Foods, Inc.	BGS	\$23.70	55.0%	\$1,578	\$3,589	2.2x	11.0x	12.9x	7.3x	16.0x	15.2x	27.9%	16.6%	19.6%	6.2x
<b>Mean</b>				\$33,947	\$40,409	2.3x	11.8x	15.1x	19.1x	19.6x	17.8x	33.4%	14.8%	18.6%	2.7x
<b>Median</b>				\$13,554	\$17,517	2.3x	11.2x	14.7x	18.0x	19.3x	16.3x	32.3%	15.8%	18.8%	2.8x
<b>High</b>				\$239,288	\$259,278	3.1x	15.9x	20.2x	32.6x	30.7x	27.7x	50.2%	20.7%	24.9%	6.2x
<b>Low</b>				\$1,578	\$2,421	0.7x	7.6x	10.3x	7.3x	14.3x	13.2x	17.9%	5.2%	9.5%	(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	5.7x	16.3x
Retail & Distribution	0.3x	6.5x
Fruits, Vegetables & Nuts	0.6x	17.2x
Protein Products	0.8x	9.2x
Dairy	0.8x	12.5x
Organics & Healthy	2.4x	14.5x
Food Conglomerates	2.3x	11.3x
<b>Mean</b>	1.8x	12.5x
<b>Median</b>	0.8x	12.5x

Note: Multiples represent median values

Source: Capital IQ





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### Commodity Score Card

Commodity	Units	3/31/2018	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.75	\$3.86	\$3.55	\$3.67
Coffee	\$ per lb.	\$1.19	\$1.24	\$1.28	\$1.38
Cocoa	\$ per lb.	\$1.11	\$1.02	\$0.93	\$0.96
Wheat	\$ per bu.	\$4.51	\$5.16	\$4.48	\$4.27
Live Cattle	\$ per lb.	\$1.10	\$1.23	\$1.15	\$1.11

*Source: Capital IQ*

## Select M&A and Capital Raising News, March 2018

### ❖ Smucker May Look to Part with Baking Businesses

March 8, 2018 – J.M. Smucker Co. is considering a potential sale of its baking brands, which include Pillsbury, Robin Hood flour and cereal, and Martha White baking mixes, according to a March 7 report from Bloomberg. Citing people familiar with the situation, Bloomberg said the Orrville-based company is working with an adviser to weigh its options for the unit. Reports suggest the unit could attract a purchase price of around \$700 million. Smucker acquired the baking brands as part of its 2004 acquisition of International Multifoods Corp.

### ❖ Aryzta Not Through Selling Non-Core Businesses

March 14, 2018 – Aryzta AG will focus on pricing changes and its core B2B frozen foods business as it continues to dispose of non-core businesses, company executives said in a March 12 earnings call. Problems with the Cloverhill Bakery business played a role as Zurich-based Aryzta reported decreases of 30% in EBITDA and 6% in revenue for the six-month period ended December 31. Excluding the Cloverhill Bakery business, EBITDA decreased by 20%. Aryzta addressed the Cloverhill problems earlier this year. Hostess Brands, L.L.C. agreed to buy a Cloverhill facility in Chicago, and Binmo Bakeries USA agreed to buy a Cloverhill facility in Cicero, Illinois.

### ❖ Sparkling Water Brand Raises \$20 Million

March 19, 2018 – Spindrift, a sparkling water brand flavored with real fruit, has announced the closing of \$20 million in Series B-2 funding led by private equity firm VMG Partners. Additional investors in the round include Prolog Ventures, KarpReilly, RiverPark Ventures and other existing investors. The company plans to use the capital to launch its first national advertising campaign. Spindrift has experienced 1,000% growth in revenue over the past three years and expects to triple distribution to more than 25,000 retail outlets this year. Founded in 2010, Spindrift products are free from added sweeteners or natural flavors and made with fruit picked from family farms and squeezed within days from harvest. Flavors include strawberry, orange mango, grapefruit, blackberry, cucumber, lemon, raspberry lime and, the newest variety, Half & Half, which combines tea and lemon.

### ❖ Senomyx Hires Firm to Explore Strategic Alternatives

March 20, 2018 – Senomyx, Inc., a company involved in proprietary taste science technologies, has hired an advisory firm to explore and evaluate all available strategic options. Needham & Co., an investment bank, will act as the lead financial adviser, and Conexus Capital Advisors, an independent corporate advisory firm, will serve as an additional strategic adviser.

### ❖ Tyson Selling Circle Foods to Ajinomoto

March 21, 2018 – Tyson Foods, Inc. has entered into an agreement to sell its Circle Foods L.L.C. operations to Japanese food producer, Ajinomoto Co. Inc. Tyson is working with the company's U.S. subsidiary, Ajinomoto Windsor, on the transaction. Financial terms were not disclosed. Founded in 1983, San Diego-based Circle Foods produces and distributes flatbreads, tortillas and Mexican food products under brands such as TortillaLand, Nuevo Grille and Rotiland. The business will join Ajinomoto Windsor's frozen food division once the transaction is complete.

### ❖ HelloFresh Acquires Organic Meal Kit Company

March 21, 2018 – HelloFresh SE, a meal kit delivery company, has acquired Green Chef, a U.S.D.A.-certified organic meal kit subscription service. Together, the companies will "leverage HelloFresh's scale and resources to continue to drive more growth with an even broader group of households," HelloFresh said. Financial terms of the transaction were not disclosed. Green Chef meal kits consists of pre-measured, organic and non-G.M.O. ingredients, including pre-made sauces, marinades and spice blends along with step-by-step recipes. The company uses at least 90% organic ingredients across all its meal kits. Green Chef offers three certified gluten-free menus – paleo, keto and gluten-free – and also offers vegan, vegetarian, omnivore and carnivore meal plans.

### ❖ Post Takes Step Toward IPO for Private Brands

March 29, 2018 – Post Holdings, Inc. on March 28 took a first step toward a possible initial public offering of its private brands business, filing a draft registration statement on Form S-1 to the U.S. Securities and Exchange Commission. The submission was made confidentially, meaning the number of shares of stock and the price range of the proposed offering have not been determined. The filing comes a little less than three months after Post announced on January 11 its plan to combine its private brands businesses, which produce nut butter, healthy snacks and pasta, and explore a range of strategic alternatives for the combined private brands business. Back in January, Post named James Dwyer, president and CEO of Post's Michael Foods Group, as head of the private brands business. At that time, the company said it expected to report the private brands businesses, including Golden Boy, Dakota Growers and Attune Foods, as one segment beginning in the second quarter of fiscal year 2018. In the fiscal year ended September 30, 2017, these businesses combined had sales of \$791.2 million, net earnings of \$43.4 million and adjusted EBITDA of \$106.9 million.



## The Cupboard

A Food & Beverage  
Industry Newsletter



### Industry News, March 2018

#### ❖ Former Teavana President to Lead El Pollo Loco

March 1, 2018 – Bernard Acoca has been named president and CEO of El Pollo Loco Holdings, Inc., effective March 12. Mr. Acoca joins El Pollo Loco after spending seven years on Starbucks' executive team. Most recently, he was president of Starbucks' Teavana brand, overseeing the operations of more than 375 Teavana specialty retail stores in North America as well as its e-commerce business. Last July, Starbucks announced its plan to shutter all Teavana stores by spring 2018. Before leading the Teavana business, Mr. Acoca was Starbucks' senior vice-president of marketing and category for the Americas. Before that, he spent eight years at Yum! Brands International, Inc., where he held a number of marketing roles for the Pizza Hut brand. El Pollo Loco is a Mexican restaurant chain specializing in citrus-marinated, fire-grilled chicken. The brand operates more than 470 company-owned and franchised restaurants in Arizona, California, Nevada, Texas and Utah.

#### ❖ Mars Veteran to Lead Kite Hill

March 6, 2018 – Rob Leibowitz has been tapped to lead Kite Hill, a brand backed by General Mills' venture arm, 301 Inc. He brings more than 30 years of management and brand building experience to his new role as CEO. Most recently, Mr. Leibowitz was CEO of TSG Consumer Partners Food and Pet Portfolio, leading the development agendas of multiple portfolio companies. Previously, he was general manager of Del Monte Foods Pet Division, leading a significant financial and marketplace turnaround. For more than 20 years, he held roles in management, marketing, innovation and sales at Mars, Inc.

#### ❖ Two Step Up at Hormel

March 6, 2018 – Jeff Frank has been named vice-president of Foodservice marketing at Hormel Foods Corp. Mr. Frank replaces David Weber, who was recently promoted to vice-president of Foodservice sales. Mr. Frank was most recently president of MegaMex Foods, a joint venture between Hormel and Herdez del Fuerte that includes such brands as Wholly Guacamole, Chi-Chi's and Herdez. Mr. Frank began his career at Hormel in 1998 as a meat products sales representative, progressing eventually to the position of senior product manager in 2003. In 2005, he was named director of retail marketing at Hormel's former business in Los Angeles, and was promoted to vice-president of retail marketing in 2007. Mr. Frank was appointed vice-president of marketing for MegaMex Foods in 2009 and assumed the role of president of MegaMex Foods in 2013. Succeeding Mr. Frank as president of MegaMex Foods is Ryan Michaelis, most recently vice-president of sales and marketing. Mr. Michaelis joined Hormel in 1997 as a meat products sales representative, advancing through meat products territory manager and account executive roles until being named corporate category manager for deli in 2003. He was appointed customer regional manager for Hormel's Kroger business in 2005 and customer business manager for Walmart prepared foods sales in 2007. In 2009, Mr. Michaelis was named corporate manager of category sales for Grocery Products then in 2013 was appointed director of Walmart and Sam's Club Grocery Products sales. He assumed the role of vice-president of sales and marketing for MegaMex Foods in 2015.

#### ❖ Hershey Investing \$60 Million to Increase Kit Kat Production

March 8, 2018 – The Hershey Co. is breaking ground on a \$60 million expansion of its Hazleton, Pennsylvania, manufacturing facility. The project will add a new Kit Kat manufacturing line at the plant to accommodate the continued growth of the Kit Kat brand, which is "poised to be the Hershey Co.'s next \$1 billion brand," Hershey said. The capital investment will create 111 manufacturing jobs, a 25% increase in positions at the Hazleton plant.

#### ❖ Food Sector Infatuated with Pet Food Business

March 19, 2018 – General Mills, Inc. is the latest consumer packaged goods company to invest in the pet food market. On February 23, the company entered into an agreement to acquire Blue Buffalo Pet Products, Inc. Blue Buffalo manufactures natural foods and treats for dogs and cats. Blue Buffalo markets its products under the Blue brand. General Mills is following the lead of Mars, Inc., Nestle and the J.M. Smucker Co. Mars owns a variety of brands, including Pedigree, Whiskas and Royal Canin that each generate more than \$1 billion in sales. Nestle owns the Purina pet food business, and in 2015 Smucker acquired Big Heart Pet Brands, which features such brands as Milk-Bone and Meow Mix. This past January, Cargill acquired Pro-Pet, a manufacturer of private label pet foods. Pro-Pet has three manufacturing facilities in Owatonna, Minnesota; St. Marys, Ohio; and Kansas City, Kansas. The company employs more than 150.

#### ❖ ADM Realigns to Better Reflect Operating Structure

March 20, 2018 – Archer Daniels Midland Co. is realigning its business segments into four units: Carbohydrate Solutions, Nutrition, Oilseeds and Origination. The new segments better reflect the company's operating structure and will allow ADM to further highlight the differences in its product and service offerings. ADM's business segments previously were Agricultural Services, Corn Processing, Oilseeds Processing and Wild Flavors & Specialty Ingredients. The new business segments will be reflected in the financial results for the first quarter of 2018, which ADM will present May 1. Carbohydrate Solutions will include corn and milling operations. Chris Cuddy, president of corn processing, will expand his role and head Carbohydrate Solutions. Nutrition will include the Animal Nutrition and Bioactive businesses as well as Wild Flavors & Specialty Ingredients. Vince Macciocchi, president of W.F.S.I., will expand his role and head Nutrition. Origination will include the Agricultural Services Business, excluding milling. Stefano Rettore will become senior vice-president and president, Origination, while continuing as ADM's chief risk officer. The Oilseeds business unit will remain unchanged. Greg Morris will continue as president of the unit.

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Sources include [foodbusinessnews.net](http://foodbusinessnews.net), Capital IQ and various publicly available news publications.

Additional information is available upon request.

