

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)

	June 2018	LTM		June 2018	LTM		June 2018	LTM
S&P 500	(0.7%)	12.2%	S&P 500 Food Products	4.6%	(7.6%)	S&P 400 Food Products (Mid-Cap)	6.4%	3.6%
Dow Jones	(1.7%)	13.7%	S&P 500 Food Retail	17.8%	25.3%	S&P 400 Food Retail (Mid-Cap)	(1.7%)	13.7%
NASDAQ	(0.7%)	22.3%	S&P 500 Food Distributors	5.7%	35.7%			
			S&P 500 Beverage	3.9%	(0.2%)			

Source: Capital IQ

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

The Boston Beer Company, Inc.	16.7%	Reed's, Inc.	(6.9%)
Nuverra Environmental Solutions, Inc.	14.7%	Constellation Brands, Inc.	(6.0%)
Monster Beverage Corporation	9.1%	Celsius Holdings, Inc.	(5.8%)
PepsiCo, Inc.	7.1%	Castle Brands Inc.	(4.7%)
Molson Coors Brewing Company	3.0%	MGP Ingredients, Inc.	(2.8%)

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

Campbell Soup Company	15.6%	Lifeway Foods, Inc.	(29.4%)
McCormick & Company, Incorporated	13.8%	Ingredion Incorporated	(11.6%)
John B. Sanfilippo & Son, Inc.	9.2%	Pilgrim's Pride Corporation	(9.5%)
Dean Foods Company	8.6%	Cal-Maine Foods, Inc.	(9.5%)
Lancaster Colony Corporation	8.4%	Tyson Foods, Inc.	(5.9%)

Source: Capital IQ

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 06/30/2018	% 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	\$101.28	80.5%	\$195,838	\$303,584	5.6x	14.4x	17.5x	28.2x	25.5x	22.6x	62.6%	31.4%	38.5%	4.8x
The Coca-Cola Company	KO	\$43.86	90.2%	\$186,636	\$216,263	6.4x	18.0x	20.0x	148.5x	23.7x	22.0x	63.2%	28.6%	32.2%	2.5x
PepsiCo, Inc.	PEP	\$108.87	88.9%	\$154,361	\$177,384	2.8x	14.0x	16.9x	32.0x	20.8x	19.5x	54.4%	16.4%	19.8%	1.8x
Diageo plc	LSE:DEGE	\$36.02	96.6%	\$88,382	\$102,769	6.4x	17.9x	19.4x	21.4x	22.9x	21.0x	61.7%	30.5%	33.1%	2.3x
Constellation Brands, Inc.	STZ	\$218.87	92.5%	\$41,906	\$51,812	6.7x	14.2x	15.6x	16.4x	27.1x	23.6x	50.8%	32.1%	36.2%	NM
Monster Beverage Corporation	MNST	\$57.30	81.6%	\$32,242	\$31,145	9.0x	24.2x	25.2x	38.4x	35.1x	30.8x	62.5%	35.6%	37.1%	NM
Brown-Forman Corporation	BF-B	\$49.01	82.3%	\$23,556	\$25,873	8.0x	23.2x	24.6x	33.1x	28.9x	27.4x	67.8%	32.4%	34.3%	2.1x
National Beverage Corp.	PIZZ	\$106.90	82.3%	\$4,983	\$4,789	4.9x	22.0x	23.5x	33.5x	26.3x	21.0x	40.1%	20.9%	22.3%	NM
The Boston Beer Company, Inc.	SAM	\$299.70	97.6%	\$3,491	\$3,444	3.9x	19.7x	27.9x	35.3x	31.0x	27.6x	52.7%	13.8%	19.6%	NM
Mean				\$81,266	\$101,896	6.0x	18.6x	21.2x	43.0x	26.8x	23.9x	57.3%	26.9%	30.3%	2.7x
Median				\$41,906	\$51,812	6.4x	18.0x	20.0x	33.1x	26.3x	22.6x	61.7%	30.5%	33.1%	2.3x
High				\$195,838	\$303,584	9.0x	24.2x	27.9x	148.5x	35.1x	30.8x	67.8%	35.6%	38.5%	4.8x
Low				\$3,491	\$3,444	2.8x	14.0x	15.6x	16.4x	20.8x	19.5x	40.1%	13.8%	19.6%	1.8x

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 06/30/2018	% 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	SYV	\$68.29	99.2%	\$35,578	\$43,892	0.8x	14.1x	18.8x	28.3x	19.7x	18.0x	18.9%	4.0%	5.4%	2.7x
The Kroger Co.	KR	\$28.45	90.5%	\$22,665	\$36,246	0.3x	6.8x	12.7x	7.0x	14.2x	13.3x	21.9%	2.3%	4.3%	2.5x
Casey's General Stores, Inc.	CASY	\$105.08	81.8%	\$3,845	\$5,138	0.7x	10.6x	19.3x	12.6x	25.1x	21.9x	23.7%	3.6%	6.5%	2.7x
Weis Markets, Inc.	WMK	\$53.34	92.3%	\$1,435	\$1,341	0.4x	8.1x	17.0x	14.0x	NM	NM	26.7%	2.3%	4.8%	NM
SpartanNash Company	SPTN	\$25.52	90.6%	\$917	\$1,641	0.2x	7.7x	12.6x	NM	9.2x	8.6x	13.9%	1.6%	2.6%	3.4x
SUPERVALU INC.	SVU	\$20.52	77.4%	\$793	\$2,661	0.2x	5.9x	10.4x	16.4x	11.1x	10.0x	10.4%	1.7%	3.1%	4.3x
Ingles Markets, Incorporated	IMKT-A	\$31.80	86.1%	\$644	\$1,526	0.4x	6.3x	11.7x	7.5x	0.0x	0.0x	24.0%	3.2%	5.9%	3.6x
Village Super Market, Inc.	VLGE-A	\$29.46	93.6%	\$423	\$393	0.2x	6.4x	10.9x	16.4x	NM	NM	27.2%	2.2%	3.8%	NM
Mean				\$8,288	\$11,605	0.4x	8.2x	14.2x	14.6x	13.2x	12.0x	20.8%	2.6%	4.6%	3.2x
Median				\$1,176	\$2,151	0.3x	7.2x	12.7x	14.0x	12.7x	11.7x	22.8%	2.3%	4.5%	3.0x
High				\$35,578	\$43,892	0.8x	14.1x	19.3x	28.3x	25.1x	21.9x	27.2%	4.0%	6.5%	4.3x
Low				\$423	\$393	0.2x	5.9x	10.4x	7.0x	0.0x	0.0x	10.4%	1.6%	2.6%	2.5x

Source: Capital IQ

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

LTM = Last Twelve Months



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Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 06/30/2018	% 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	\$44.55	84.6%	\$2,172	\$2,993	0.7x	12.2x	18.2x	19.2x	17.8x	14.8x	8.1%	4.0%	5.9%	3.1x
Calavo Growers, Inc.	CVGW	\$96.15	97.3%	\$1,689	\$1,710	1.6x	22.8x	27.4x	41.8x	33.3x	NM	10.5%	5.6%	6.8%	0.3x
Seneca Foods Corporation	SENE.A	\$27.00	73.8%	\$265	\$711	0.5x	21.4x	NM	NM	NM	NM	5.7%	0.1%	2.5%	13.4x
Mean				\$1,375	\$1,805	0.9x	18.8x	22.8x	30.5x	25.5x	14.8x	8.1%	3.2%	5.1%	5.6x
Median				\$1,689	\$1,710	0.7x	21.4x	22.8x	30.5x	25.5x	14.8x	8.1%	4.0%	5.9%	3.1x
High				\$2,172	\$2,993	1.6x	22.8x	27.4x	41.8x	33.3x	14.8x	10.5%	5.6%	6.8%	13.4x
Low				\$265	\$711	0.5x	12.2x	18.2x	19.2x	17.8x	14.8x	5.7%	0.1%	2.5%	0.3x

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 06/30/2018	% 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	\$68.85	81.3%	\$25,310	\$35,130	0.9x	8.7x	10.8x	9.1x	12.4x	12.0x	13.1%	8.1%	10.1%	2.4x
Hormel Foods Corporation	HRL	\$37.21	97.9%	\$19,740	\$20,293	2.2x	14.8x	16.6x	21.4x	19.6x	18.0x	21.0%	12.5%	14.1%	0.4x
Pilgrim's Pride Corporation	PPC	\$20.13	52.4%	\$5,012	\$7,264	0.7x	5.2x	6.5x	7.0x	9.5x	9.1x	13.5%	10.2%	12.7%	1.6x
Sanderson Farms, Inc.	SAFM	\$105.15	59.6%	\$2,401	\$2,074	0.6x	4.5x	5.8x	8.5x	15.6x	14.3x	17.2%	10.4%	13.6%	(0.7x)
Bridgford Foods Corporation	BRID	\$13.60	63.1%	\$123	\$110	0.6x	8.9x	12.8x	15.3x	NM	NM	33.6%	5.4%	7.6%	(1.1x)
Mean				\$10,517	\$12,974	1.0x	8.4x	10.5x	12.3x	14.3x	13.3x	19.7%	9.3%	11.6%	0.5x
Median				\$5,012	\$7,264	0.7x	8.7x	10.8x	9.1x	14.0x	13.1x	17.2%	10.2%	12.7%	0.4x
High				\$25,310	\$35,130	2.2x	14.8x	16.6x	21.4x	19.6x	18.0x	33.6%	12.5%	14.1%	2.4x
Low				\$123	\$110	0.6x	4.5x	5.8x	7.0x	9.5x	9.1x	13.1%	5.4%	7.6%	(1.1x)

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 06/30/2018	% 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	\$73.61	87.2%	\$47,607	\$65,731	2.3x	12.3x	15.1x	16.1x	20.7x	18.9x	49.5%	14.6%	18.0%	3.5x
Dean Foods Company	DF	\$10.51	60.6%	\$960	\$1,839	0.2x	5.8x	12.3x	16.8x	14.6x	12.3x	23.2%	1.9%	4.0%	2.8x
Lifeway Foods, Inc.	LWAY	\$5.03	46.8%	\$80	\$82	0.7x	32.1x	NM	NM	NM	NM	28.4%	(0.6%)	2.2%	0.9x
Mean				\$16,216	\$22,551	1.1x	16.8x	13.7x	16.4x	17.6x	15.6x	33.7%	5.3%	8.1%	2.4x
Median				\$960	\$1,839	0.7x	12.3x	13.7x	16.4x	17.6x	15.6x	28.4%	1.9%	4.0%	2.8x
High				\$47,607	\$65,731	2.3x	32.1x	15.1x	16.8x	20.7x	18.9x	49.5%	14.6%	18.0%	3.5x
Low				\$80	\$82	0.2x	5.8x	12.3x	16.1x	14.6x	12.3x	23.2%	-0.6%	2.2%	0.9x

Source: Capital IQ

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

LTM = Last Twelve Months



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Organics & Healthy:

(\$ in millions, except per share data)

Company	Share Price 06/30/2018	% 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	\$68.51	98.5%	\$10,018	\$12,439	3.7x	15.7x	18.7x	25.8x	23.2x	21.2x	25.5%	17.5%	21.3%	3.3x
The Hain Celestial Group, Inc.	HAIN	\$29.80	65.3%	\$3,230	\$3,862	1.3x	14.9x	20.3x	35.5x	27.2x	22.5x	19.0%	6.4%	8.8%	2.4x
Mean				\$6,624	\$8,150	2.5x	15.3x	19.5x	30.6x	NM	21.8x	22.2%	11.9%	15.0%	2.9x
Median				\$6,624	\$8,150	2.5x	15.3x	19.5x	30.6x	NM	21.8x	22.2%	11.9%	15.0%	2.9x
High				\$10,018	\$12,439	3.7x	15.7x	20.3x	35.5x	27.2x	22.5x	25.5%	17.5%	21.3%	3.3x
Low				\$3,230	\$3,862	1.3x	14.9x	18.7x	25.8x	23.2x	21.2x	19.0%	6.4%	8.8%	2.4x

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 06/30/2018	% 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	\$77.05	89.0%	\$236,017	\$255,370	2.8x	13.7x	16.5x	33.1x	22.0x	20.1x	50.2%	16.3%	19.7%	1.0x
Mondelez International, Inc.	MDLZ	\$41.00	88.1%	\$60,478	\$78,888	3.0x	14.5x	17.1x	19.3x	19.8x	18.4x	39.6%	15.7%	18.8%	3.7x
General Mills, Inc.	GIS	\$44.26	72.9%	\$26,262	\$42,810	2.7x	12.5x	15.2x	12.2x	15.9x	15.3x	34.6%	17.4%	21.2%	4.6x
Kellogg Company	K	\$69.87	97.5%	\$24,234	\$32,638	2.5x	10.8x	12.8x	16.9x	15.7x	14.9x	40.5%	19.4%	23.1%	2.8x
Conagra Brands, Inc.	CAG	\$35.73	90.6%	\$13,966	\$17,654	2.2x	11.1x	13.2x	18.3x	18.5x	17.8x	29.7%	15.7%	18.9%	2.5x
The J. M. Smucker Company	SIM	\$107.48	80.6%	\$12,203	\$16,842	2.3x	10.1x	13.3x	9.1x	13.1x	12.6x	38.6%	17.2%	22.8%	2.8x
Campbell Soup Company	CPB	\$40.54	74.6%	\$12,188	\$21,839	2.7x	11.0x	13.4x	25.4x	14.3x	13.0x	36.5%	20.1%	24.4%	4.9x
Post Holdings, Inc.	POST	\$86.02	96.7%	\$5,788	\$13,060	2.3x	12.4x	19.0x	18.3x	20.5x	17.1x	30.6%	12.0%	18.3%	6.9x
Lancaster Colony Corporation	LANC	\$138.42	97.8%	\$3,804	\$3,616	3.0x	18.1x	20.8x	29.0x	28.0x	24.5x	24.9%	14.4%	16.6%	(0.9x)
TreeHouse Foods, Inc.	THS	\$52.51	60.2%	\$2,958	\$5,345	0.9x	9.7x	18.5x	NM	21.7x	17.4x	17.3%	4.6%	8.8%	4.4x
J&J Snack Foods Corp.	JJSF	\$152.47	96.3%	\$2,851	\$2,727	2.4x	16.6x	22.8x	27.6x	32.9x	28.5x	30.0%	10.4%	14.3%	(0.8x)
B&G Foods, Inc.	BGS	\$29.90	75.2%	\$1,991	\$3,970	2.4x	12.1x	14.3x	9.7x	15.5x	14.7x	27.4%	16.5%	19.4%	6.0x
Mean				\$33,562	\$41,230	2.4x	12.7x	16.4x	19.9x	19.8x	17.9x	33.3%	15.0%	18.9%	3.2x
Median				\$12,195	\$17,248	2.4x	12.3x	15.8x	18.3x	19.2x	17.2x	32.6%	16.0%	19.2%	3.2x
High				\$236,017	\$255,370	3.0x	18.1x	22.8x	33.1x	32.9x	28.5x	50.2%	20.1%	24.4%	6.9x
Low				\$1,991	\$2,727	0.9x	9.7x	12.8x	9.1x	13.1x	12.6x	17.3%	4.6%	8.8%	(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	18.0x
Retail & Distribution	0.3x	7.2x
Fruits, Vegetables & Nuts	0.7x	21.4x
Protein Products	0.7x	8.7x
Dairy	0.7x	12.3x
Organics & Healthy	2.5x	15.3x
Food Conglomerates	2.4x	12.3x
Mean	1.9x	13.6x
Median	0.7x	12.3x

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

Commodity	Units	6/30/2018	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.55	\$3.94	\$3.51	\$3.88
Coffee	\$ per lb.	\$1.10	\$1.24	\$1.26	\$1.28
Cocoa	\$ per lb.	\$1.14	\$1.11	\$0.86	\$0.89
Wheat	\$ per bu.	\$4.97	\$5.26	\$4.27	\$5.55
Live Cattle	\$ per lb.	\$1.07	\$1.04	\$1.22	\$1.16

Source: Capital IQ

Select M&A and Capital Raising News, June 2018

❖ Tyson Foods Enters Pact to Sell Sara Lee Frozen Bakery, Van's Businesses

June 4, 2018 – Kohlberg & Co., L.L.C., a Mount Kisco, New York-based private equity firm, is partnering with C.J. Fraleigh to acquire the Sara Lee Frozen Bakery and Van's businesses from Tyson Foods, Inc. Financial terms of the transaction were not disclosed. Under terms of the transaction, Kohlberg & Co. would acquire the Chef Pierre, Bistro Collection and Van's brands, as well as a license to use the Sara Lee brand in certain channels. The transaction also includes prepared foods facilities in Tarboro, North Carolina, and Traverse City, Michigan, and a sales office in Canada.

❖ Rumors Swirl of Possible Schwan's Takeover

June 7, 2018 – CJ Cheiljedang, a subsidiary of CJ Group, is considering acquiring a U.S.-based food processor, a move that would boost the company's international presence. Although the company did not confirm its potential target, media reports suggest the company is Marshall, Minnesota-based Schwan's Co. According to The Investor, the transaction may be valued at an estimated \$2.8 billion. Schwan's Co. makes products under the Schwan's, Red Baron, Freschetta, Tony's, Mrs. Smith's, Edwards, Pagoda and Larry's brands, and sells frozen foods from home delivery trucks, in grocery stores, by mail and to the food service industry.

❖ Margrif Wraps Up Acquisition of National Beef

June 7, 2018 – Brazilian meat company Marfrig Global Foods said it has received the necessary approvals to acquire a 51% interest in Kansas City-based National Beef Packing Co. L.L.C., making Marfrig the world's second-largest beef processor with combined sales of \$13 billion. The transaction, which was first announced in April, is valued at \$969 million.

❖ IMCD to Acquire E.T. Horn

June 12, 2018 – IMCD N.V., a Rotterdam-based distributor of specialty chemicals and food ingredients, has agreed to acquire 100% of the outstanding shares of E.T. Horn Co., a specialty chemicals distributor based in La Mirada, Calif. Founded in 1961 by E.T. "Jack" Horn, E.T. Horn focuses on human food and nutrition as well as coatings, construction, plastics, personal care, animal nutrition, nutraceuticals and other specialties. E.T. Horn primarily supplies the West and Southwest regions of the United States. The company generated revenue of \$267 million in 2017 and has about 200 employees. E.T. Horn and IMCD have similar strategies and cultures, and E.T. Horn looks forward to expanding its business in the United States through the transaction, said Bob Ahn and Jeff Martin, E.T. Horn board members.

❖ Private Investment Firm Acquires Quiznos

June 21, 2018 – High Bluff Capital Partners, a San Diego-based private investment firm, has acquired quick-service sandwich chain Quiznos from QCE L.L.C. Financial terms of the transaction were not disclosed. High Bluff Capital Partners specializes in turning around struggling consumer-facing companies across the restaurant, entertainment, food, beverage and retail markets. Quiznos operated around 5,000 units in 2007 before the chain filed for Chapter 11 protection in 2014. That year, the brand shuttered more than 400 stores. In 2017, Quiznos closed more than 100 units, and now the brand operates fewer than 800 locations in 32 countries – including about 400 U.S. units. Quiznos' 2017 systemwide sales fell 21.7% to \$172.4 million, according to Technomic's Top 500 chain data.

❖ Conagra Brands to Acquire Pinnacle Foods

June 27, 2018 – Conagra Brands, Inc. has entered into an agreement to acquire Pinnacle Foods, Inc., Parsippany, New Jersey, for approximately \$10.9 billion. The transaction has been approved by the boards of directors for both companies and is expected to be completed by the end of 2018. The acquisition of Pinnacle Foods will strengthen Conagra's position in the frozen food market. Pinnacle Foods owns such brands as Birds Eye, Mrs. Paul's and Hungry Man. Pinnacle Foods also has strong presences in the center of the retail store and in the market for gluten-free products. The combined company will have sales of approximately \$11 billion based on both companies' fiscal year results. Under the terms of the agreement, Pinnacle Foods shareholders will receive \$43.11 per share in cash and 0.6494 shares of Conagra Brands common stock for each share of Pinnacle Foods held. The implied price of \$68 per Pinnacle Foods share is based on the volume-weighted average price of Conagra Brands' stock for the five days ended June 21, 2018. The purchase price reflects an adjusted EBITDA multiple of 15.8x, based on Pinnacle Foods' estimated fiscal year 2018 results excluding synergies.

❖ ADM Expanding in Health and Wellness with Acquisition of Probiotics International

June 29, 2018 – Archer Daniels Midland Co. plans to acquire Probiotics International Ltd. (PIL), a U.K.-based provider of probiotic supplements for human, pet and production animal use. The all-cash transaction will be valued at £185 million (\$243.3 million), subject to customary adjustments. The deal, which is subject to regulatory review, is expected to close in the third quarter. PIL, based in Somerset, and known under its umbrella brand Protexin, is a leading provider of probiotic supplements for human wellness and animal markets. With sales into more than 60 countries, PIL produces the Bio-Kult brand of probiotic supplements along with contract-manufactured products. The company has about 160 employees.



The Cupboard

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Industry News, June 2018

- ❖ **Starbucks' Schultz to Step Down After 40 Years; Starbucks CFO to Retire in November**

June 5, 2018 – After nearly 40 years as a leader of Starbucks Corp., Howard Schultz is stepping down as executive chairman and member of the board, effective June 26. Mr. Schultz, who now will become Starbucks' chairman emeritus, transitioned from CEO to executive chairman of Starbucks on April 3, 2017. At that time, he shifted his focus to innovation, design and development of Starbucks Roastery stores and Reserve bar initiatives around the world, expansion of the Starbucks Reserve retail store format and the company's social impact initiatives. Mr. Schultz also served as Starbucks' CEO from 1987 to 2000, eventually stepping down to focus on the company's global strategy. He remained chairman of the board until 2008, when he reclaimed the top position to revitalize the company.

June 28, 2018 – Scott Maw, executive vice-president and CFO at Starbucks Corp., will retire from the company on November 30. Mr. Maw joined Starbucks in 2011 as a global controller, and later worked as senior vice-president of corporate finance. He was promoted to executive vice-president and CFO in February 2014. Starbucks said it has initiated an external search for a new CFO. Mr. Maw has agreed to continue in a senior consultant role through March 2019.
- ❖ **Kraft Heinz Exec to Lead Post Consumer Brands**

June 5, 2018 – Chris Neugent has been promoted to executive vice-president of strategy for Post Holdings, Inc. from his previous role of president and CEO of Post Consumer Brands. In his new position, Mr. Neugent will work with Post's business units to develop strategic plans and competitive advantages. Mr. Neugent joined Post in 2015 when the company formed its consumer brands unit by combining Post Foods with MOM Brands. Before that, he was the chairman and CEO of MOM Brands Co. since 2008. Earlier in his career, Mr. Neugent was marketing vice-president for the Frito-Lay brand at PepsiCo, Inc. Succeeding Mr. Neugent as president and CEO of Post Consumer Brands is Howard Friedman, former executive vice-president of the Kraft Heinz Co.'s meat and dairy business. Mr. Friedman joined Kraft Foods in 2001 as a senior brand manager. He held various increasing leadership roles within the company, eventually becoming president of Walmart sales for Kraft. He was appointed to his current role at Kraft Heinz in 2016 and will join Post on July 23.
- ❖ **Dollar Tree Seizing Opportunity with 'Snack Zone'**

June 5, 2018 – The introduction of an initiative called the "Snack Zone" in 214 locations has generated incremental sales and additional foot traffic for Dollar Tree Inc., company executives told analysts during a May 31 conference call to discuss first-quarter results. The company plans to launch the Snack Zone initiative into 750 Dollar Tree stores in fiscal 2018.
- ❖ **Kellogg Taps New Leaders for North America, Europe**

June 11, 2018 – Chris Hood has been named president of Kellogg North America at Kellogg Co. Mr. Hood currently is president of Kellogg Europe and will be succeeded in that role by Dave Lawlor, currently vice-president of European Cereal Business at Kellogg. In his new role, Mr. Hood will report to Steve Cahillane, chairman and CEO of Kellogg Co., and will lead the portfolio of businesses within the company's largest region, including U.S. Morning Foods, U.S. Snacks, U.S. Frozen Foods, U.S. Specialty Channels, Kashi and Canada. He replaces Paul Norman, who had been president of Kellogg North America since 2015 and left the company in April to pursue other opportunities. Mr. Hood joined Kellogg in 2012 as part of the Pringles acquisition. Previously, he was vice-president and general manager for Pringles North America at Procter & Gamble, where he worked for 19 years. Mr. Lawlor began his career at Kellogg in 1991 in sales in Ireland and has held increasingly senior commercial roles within the company's businesses in the Mediterranean, Middle East, Russia and United Kingdom. Both leadership changes will take effect July 1.
- ❖ **New Leader Named at Mars**

June 12, 2018 – Andrew Clarke has been named global president of Mars Wrigley Confectionery at Mars, Inc. He currently is chief marketing and customer officer of Mars and will transition to his new role in September. Mr. Clarke began his career at Mars in 2000 as category leadership director for Mars Chocolate in the United Kingdom and has assumed various general management roles within the company's Chocolate, Petcare and Food segments. He also has led geographic operations in the U.K. and Ireland and was regional president for Petcare in Latin America from 2011 to 2014. Since 2015, he has held his current position, leading Mars' marketing and sales capabilities. He will replace Martin Radvan, who is retiring after 32 years at Mars. Mr. Radvan is credited for leading the integration of the Mars Chocolate and Wrigley segments into Mars Wrigley Confectionery.
- ❖ **Mondelez International Taps New CFO**

June 20, 2018 – Luca Zaramella has been named executive vice-president and CFO of Mondelez International, Inc., effective Aug. 1. A 20-year veteran of the company, he currently is senior vice-president of corporate finance. In his new role, Mr. Zaramella will oversee the company's global finance, information and technology solutions and shared services functions. He will replace Brian Gladden, who is leaving the company to pursue an opportunity outside of the consumer goods sector. Mr. Zaramella began his career with Mondelez International in Italy and advanced to increasingly senior positions in Latin America, Europe and North America. He later became senior vice-president of finance for Mondelez Europe from 2011 to 2014, then senior vice-president and corporate controller from 2014 to 2016. He assumed his current position in 2016. Mr. Gladden joined Mondelez International in 2014 as CFO.

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