

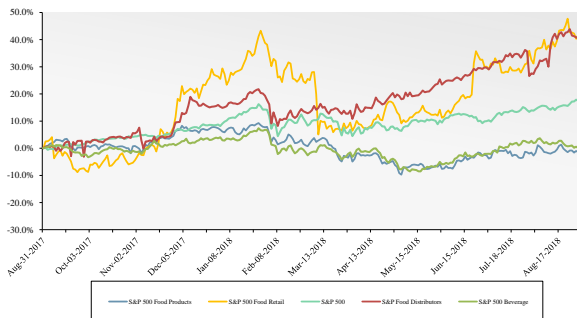
The Cupboard



A Food & Beverage Industry Newsletter



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



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



Indices Performance (% change)

| | August 2018 | LTM | | August 2018 | LTM | | August 2018 | LTM |
|-----------|-------------|-------|---------------------------|-------------|--------|---------------------------------|-------------|-------|
| S&P 500 | 3.6% | 17.4% | S&P 500 Food Products | 1.7% | (1.0%) | S&P 400 Food Products (Mid-Cap) | 4.3% | 4.0% |
| Dow Jones | 2.9% | 18.3% | S&P 500 Food Retail | 12.9% | 44.0% | S&P 400 Food Retail (Mid-Cap) | 13.5% | 17.7% |
| NASDAQ | 6.3% | 26.2% | S&P 500 Food Distributors | (2.2%) | 42.1% | | | |
| | | | S&P 500 Beverage | 4.3% | (0.3%) | | | |

Source: Capital IQ

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

| | | | |
|-------------------------------|-------|------------------------------|--------|
| Reed's, Inc. | 25.0% | Castle Brands, Inc. | (9.8%) |
| The Boston Beer Company, Inc. | 9.1% | Brown-Forman Corporation | (8.3%) |
| MGP Ingredients, Inc. | 4.2% | Craft Brew Alliance, Inc. | (7.9%) |
| Constellation Brands, Inc. | 4.1% | Molson Coors Brewing Company | (6.6%) |
| PepsiCo, Inc. | 0.4% | Primo Water Corporation | (5.1%) |

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

| | | | |
|-----------------------------------|------|--------------------------------|---------|
| TreeHouse Foods, Inc. | 6.8% | Lifeway Foods, Inc. | (13.0%) |
| Lancaster Colony Corporation | 6.8% | Spectrum Brands Holdings, Inc. | (9.0%) |
| Hormel Foods Corporation | 6.2% | Potbelly Corporation | (7.7%) |
| McCormick & Company, Incorporated | 5.0% | Dean Foods Company | (6.8%) |
| Alico, Inc. | 3.6% | Darling Ingredients Inc. | (6.6%) |

Source: Capital IQ

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

| Company | Share Price 08/31/2018 | % 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 | | |
| The Coca-Cola Company | KO | \$44.57 | 91.7% | \$189,553 | \$218,904 | 6.6x | 18.2x | 20.2x | 87.8x | 24.4x | 22.7x | 63.6% | 29.6% | 33.1% | 2.5x |
| Anheuser-Busch InBev SA/NV | ENX:BR-ABI | \$94.25 | 75.1% | \$184,426 | \$301,532 | 5.3x | 13.6x | 16.4x | 23.5x | 25.5x | 22.8x | 63.0% | 31.8% | 38.4% | 5.1x |
| PepsiCo, Inc. | PEP | \$112.01 | 91.4% | \$158,418 | \$180,992 | 2.8x | 14.2x | 17.1x | 34.9x | 20.9x | 19.5x | 54.4% | 16.4% | 19.8% | 1.8x |
| Diageo plc | LSE:DEGE | \$35.40 | 93.4% | \$86,754 | \$101,195 | 6.3x | 17.4x | 18.7x | 22.3x | 23.5x | 22.0x | 61.9% | 31.3% | 33.9% | 2.2x |
| Constellation Brands, Inc. | STZ | \$208.20 | 88.0% | \$39,824 | \$49,730 | 6.5x | 13.7x | 15.0x | 15.6x | 26.6x | 24.0x | 50.8% | 32.1% | 36.2% | NM |
| Monster Beverage Corporation | MNST | \$60.89 | 86.7% | \$33,643 | \$32,772 | 9.1x | 25.1x | 26.2x | 38.6x | 37.4x | 32.9x | 61.6% | 34.8% | 36.4% | NM |
| Brown-Forman Corporation | BFb | \$52.22 | 87.6% | \$25,197 | \$27,472 | 8.3x | 24.5x | 26.0x | 34.4x | 30.2x | 29.1x | 67.8% | 32.1% | 34.1% | 2.0x |
| National Beverage Corp. | FIZZ | \$117.84 | 90.8% | \$5,494 | \$5,300 | 5.4x | 24.4x | 26.0x | 36.9x | 30.6x | 26.7x | 39.9% | 20.8% | 22.1% | NM |
| The Boston Beer Company, Inc. | SAM | \$303.15 | 91.9% | \$3,482 | \$3,406 | 3.7x | 21.3x | 31.5x | 37.3x | 35.1x | 30.3x | 52.1% | 11.8% | 17.4% | NM |
| Mean | | | | \$80,755 | \$102,367 | 6.0x | 19.2x | 21.9x | 36.8x | 28.2x | 25.5x | 57.2% | 26.7% | 30.2% | 2.7x |
| Median | | | | \$39,824 | \$49,730 | 6.3x | 18.2x | 20.2x | 34.9x | 26.6x | 24.0x | 61.6% | 31.3% | 33.9% | 2.2x |
| High | | | | \$189,553 | \$301,532 | 9.1x | 25.1x | 31.5x | 87.8x | 37.4x | 32.9x | 67.8% | 34.8% | 38.4% | 5.1x |
| Low | | | | \$3,482 | \$3,406 | 2.8x | 13.6x | 15.0x | 15.6x | 20.9x | 19.5x | 39.9% | 11.8% | 17.4% | 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 08/31/2018 | % 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 | \$74.82 | 98.5% | \$38,890 | \$46,752 | 0.8x | 14.3x | 18.7x | 27.7x | 21.9x | 19.8x | 18.9% | 4.2% | 5.6% | 2.4x |
| The Kroger Co. | KR | \$31.50 | 97.2% | \$25,095 | \$38,676 | 0.3x | 7.2x | 13.6x | 7.7x | 14.6x | 13.8x | 21.8% | 2.2% | 4.2% | 2.7x |
| Casey's General Stores, Inc. | CASY | \$114.17 | 88.8% | \$4,178 | \$5,471 | 0.7x | 11.2x | 20.6x | 13.7x | 28.1x | 25.1x | 22.8% | 3.4% | 6.2% | 2.6x |
| Weis Markets, Inc. | WMK | \$46.59 | 80.6% | \$1,253 | \$1,160 | 0.3x | 7.0x | 15.0x | 12.1x | NM | NM | 26.9% | 2.2% | 4.8% | NM |
| SUPERVALU INC. | SVU | \$32.29 | 99.7% | \$1,249 | \$2,807 | 0.2x | 6.6x | 13.1x | 95.0x | 23.3x | 21.4x | 9.5% | 1.3% | 2.7% | 3.8x |
| SpartanNash Company | SPTN | \$21.35 | 77.0% | \$767 | \$1,462 | 0.2x | 7.2x | 12.2x | NM | 9.9x | 9.2x | 13.7% | 1.5% | 2.5% | 3.4x |
| Ingles Markets, Incorporated | IMKT.A | \$35.95 | 95.5% | \$728 | \$1,604 | 0.4x | 6.6x | 12.4x | 7.4x | 0.0x | 0.0x | 23.9% | 3.1% | 5.9% | 3.6x |
| Village Super Market, Inc. | VLGEA | \$29.18 | 92.7% | \$419 | \$389 | 0.2x | 6.4x | 10.8x | 16.3x | NM | NM | 27.2% | 2.2% | 3.8% | NM |
| Mean | | | | \$9,073 | \$12,290 | 0.4x | 8.3x | 14.5x | 25.7x | 16.3x | 14.9x | 20.6% | 2.5% | 4.4% | 3.1x |
| Median | | | | \$1,251 | \$2,206 | 0.3x | 7.1x | 13.3x | 13.7x | 18.2x | 16.8x | 22.3% | 2.2% | 4.5% | 3.1x |
| High | | | | \$38,890 | \$46,752 | 0.8x | 14.3x | 20.6x | 95.0x | 28.1x | 25.1x | 27.2% | 4.2% | 6.2% | 3.8x |
| Low | | | | \$419 | \$389 | 0.2x | 6.4x | 10.8x | 7.4x | 0.0x | 0.0x | 9.5% | 1.3% | 2.5% | 2.4x |

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



Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

| Company | Share Price 08/31/2018 | % 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 | \$37.44 | 71.4% | \$1,826 | \$2,546 | 0.6x | 13.0x | 22.8x | 47.5x | 27.8x | 16.6x | 6.9% | 2.6% | 4.6% | 3.3x |
| Calavo Growers, Inc. | CVGW | \$105.85 | 98.4% | \$1,860 | \$1,880 | 1.7x | 25.0x | 30.1x | 46.0x | 36.6x | NM | 11.3% | 6.3% | 7.4% | 0.1x |
| Seneca Foods Corporation | SENE.A | \$32.30 | 88.3% | \$313 | \$672 | 0.5x | 27.7x | NM | NM | NM | NM | 4.8% | (0.6%) | 1.8% | 14.8x |
| Mean | | | | \$1,333 | \$1,699 | 0.9x | 21.9x | 26.5x | 46.7x | 32.2x | 16.6x | 7.7% | 2.8% | 4.6% | 6.1x |
| Median | | | | \$1,826 | \$1,880 | 0.6x | 25.0x | 26.5x | 46.7x | 32.2x | 16.6x | 6.9% | 2.6% | 4.6% | 3.3x |
| High | | | | \$1,860 | \$2,546 | 1.7x | 27.7x | 30.1x | 47.5x | 36.6x | 16.6x | 11.3% | 6.3% | 7.4% | 14.8x |
| Low | | | | \$313 | \$672 | 0.5x | 13.0x | 22.8x | 46.0x | 27.8x | 16.6x | 4.8% | -0.6% | 1.8% | 0.1x |

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 08/31/2018 | % 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 | \$62.81 | 74.2% | \$22,984 | \$32,981 | 0.8x | 8.0x | 10.1x | 8.1x | 12.5x | 11.8x | 13.2% | 8.1% | 10.3% | 2.4x |
| Hormel Foods Corporation | HRL | \$39.15 | 99.8% | \$20,769 | \$21,220 | 2.2x | 15.6x | 17.6x | 22.0x | 21.2x | 19.4x | 20.7% | 12.0% | 13.6% | 0.3x |
| Pilgrim's Pride Corporation | PPC | \$18.49 | 48.2% | \$4,604 | \$6,662 | 0.6x | 5.5x | 7.2x | 7.8x | 11.9x | 10.5x | 11.6% | 8.3% | 10.8% | 1.7x |
| Sanderson Farms, Inc. | SAFM | \$105.76 | 59.9% | \$2,415 | \$2,127 | 0.6x | 7.0x | 10.8x | 13.6x | 142.6x | 27.8x | 12.6% | 5.8% | 9.1% | (0.9x) |
| Bridgford Foods Corporation | BRID | \$14.00 | 65.0% | \$127 | \$114 | 0.7x | 10.7x | 16.7x | 17.1x | NM | NM | 32.3% | 4.3% | 6.5% | (1.2x) |
| Mean | | | | \$10,180 | \$12,621 | 1.0x | 9.3x | 12.5x | 13.7x | 47.0x | 17.4x | 18.1% | 7.7% | 10.1% | 0.5x |
| Median | | | | \$4,604 | \$6,662 | 0.7x | 8.0x | 10.8x | 13.6x | 16.8x | 15.6x | 13.2% | 8.1% | 10.3% | 0.3x |
| High | | | | \$22,984 | \$32,981 | 2.2x | 15.6x | 17.6x | 22.0x | 142.6x | 27.8x | 32.3% | 12.0% | 13.6% | 2.4x |
| Low | | | | \$127 | \$114 | 0.6x | 5.5x | 7.2x | 7.8x | 11.9x | 10.5x | 11.6% | 4.3% | 6.5% | (1.2x) |

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 08/31/2018 | % 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 | \$79.26 | 94.0% | \$51,259 | \$67,406 | 2.3x | 10.8x | 12.9x | 16.1x | 21.0x | 19.2x | 49.3% | 14.7% | 18.2% | 3.0x |
| Dean Foods Company | DF | \$7.62 | 63.0% | \$696 | \$1,540 | 0.2x | 5.3x | 12.4x | NM | 21.4x | 14.3x | 22.7% | 1.5% | 3.6% | 2.9x |
| Lifeway Foods, Inc. | LWAY | \$3.60 | 33.5% | \$57 | \$60 | 0.5x | 53.2x | NM | NM | NM | NM | 27.5% | (2.0%) | 1.0% | 2.1x |
| Mean | | | | \$17,338 | \$23,002 | 1.0x | 23.1x | 12.7x | 16.1x | 21.2x | 16.7x | 33.2% | 4.7% | 7.6% | 2.7x |
| Median | | | | \$696 | \$1,540 | 0.5x | 10.8x | 12.7x | 16.1x | 21.2x | 16.7x | 27.5% | 1.5% | 3.6% | 2.9x |
| High | | | | \$51,259 | \$67,406 | 2.3x | 53.2x | 12.9x | 16.1x | 21.4x | 19.2x | 49.3% | 14.7% | 18.2% | 3.0x |
| Low | | | | \$57 | \$60 | 0.2x | 5.3x | 12.4x | 16.1x | 21.0x | 14.3x | 22.7% | -2.0% | 1.0% | 2.1x |

Source: Capital IQ

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

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The Cupboard

A Food & Beverage Industry Newsletter



Organics & Healthy:

(\$ in millions, except per share data)

| Company | Share Price 08/31/2018 | % 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 | \$67.60 | 92.4% | \$9,898 | \$12,283 | 3.6x | 15.2x | 18.4x | 24.0x | 25.1x | 23.9x | 25.7% | 17.1% | 21.1% | 3.2x |
| The Hain Celestial Group, Inc. | HAIN | \$28.56 | 64.4% | \$2,969 | \$3,576 | 1.5x | 16.3x | 22.6x | 36.2x | 28.6x | 23.5x | 21.0% | 6.4% | 8.9% | 2.8x |
| The Simply Good Foods Company | SMPL | \$18.00 | 98.7% | \$1,270 | \$1,374 | 3.3x | 19.1x | 21.2x | 28.5x | 34.2x | 32.0x | 47.9% | 15.4% | 17.1% | 1.4x |
| Mean | | | | \$4,713 | \$5,745 | 2.8x | 16.9x | 20.8x | 29.5x | NM | 36.5x | 31.5% | 12.9% | 15.7% | 2.5x |
| Median | | | | \$2,969 | \$3,576 | 3.3x | 16.3x | 21.2x | 28.5x | NM | 23.9x | 25.7% | 15.4% | 17.1% | 2.8x |
| High | | | | \$9,898 | \$12,283 | 3.6x | 19.1x | 22.6x | 36.2x | 34.2x | 32.0x | 47.9% | 17.1% | 21.1% | 3.2x |
| Low | | | | \$1,270 | \$1,374 | 1.5x | 15.2x | 18.4x | 24.0x | 25.1x | 23.5x | 21.0% | 6.4% | 8.9% | 1.4x |

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 08/31/2018 | % 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 | \$84.55 | 94.2% | \$258,968 | \$290,267 | 3.1x | 14.9x | 17.8x | 30.7x | 22.4x | 20.4x | 50.1% | 16.4% | 19.7% | 1.6x |
| Mondelez International, Inc. | MDLZ | \$42.72 | 91.8% | \$62,651 | \$81,581 | 3.1x | 15.4x | 18.2x | 21.1x | 20.3x | 19.5x | 40.3% | 15.0% | 18.2% | 3.9x |
| General Mills, Inc. | GIS | \$46.01 | 75.8% | \$27,421 | \$43,968 | 2.8x | 12.8x | 15.6x | 12.6x | 15.7x | 15.4x | 0.0% | 0.0% | 0.0% | NM |
| Kellogg Company | K | \$71.79 | 96.6% | \$24,888 | \$34,265 | 2.6x | 10.7x | 12.5x | 14.2x | 16.6x | 15.9x | 39.6% | 19.1% | 22.7% | 2.9x |
| Conagra Brands, Inc. | CAG | \$36.75 | 93.2% | \$14,393 | \$18,161 | 2.3x | 11.4x | 13.6x | 18.8x | 18.9x | 18.2x | 29.7% | 15.7% | 18.9% | 2.5x |
| Campbell Soup Company | CPB | \$39.45 | 77.2% | \$11,860 | \$21,528 | 2.5x | 11.1x | 13.9x | 45.9x | 15.3x | 14.5x | 33.6% | 17.8% | 22.3% | 5.0x |
| The J. M. Smucker Company | SIM | \$103.38 | 77.5% | \$11,758 | \$18,281 | 2.4x | 11.0x | 14.7x | 8.7x | 13.2x | 12.8x | 38.2% | 16.6% | 22.2% | 3.9x |
| Post Holdings, Inc. | POST | \$97.26 | 97.7% | \$6,480 | \$13,547 | 2.2x | 11.8x | 17.9x | 14.8x | 23.1x | 18.6x | 30.1% | 12.5% | 18.9% | 6.2x |
| Lancaster Colony Corporation | LANC | \$156.27 | 97.1% | \$4,296 | \$4,090 | 3.3x | 20.3x | 23.5x | 31.8x | 30.3x | 25.7x | 24.8% | 14.2% | 16.4% | (1.0) |
| TreeHouse Foods, Inc. | THS | \$52.10 | 75.6% | \$2,930 | \$5,203 | 0.8x | 9.8x | 18.8x | NM | 23.3x | 18.7x | 17.0% | 4.5% | 8.6% | 4.3x |
| J&J Snack Foods Corp. | JJSF | \$145.50 | 91.5% | \$2,723 | \$2,598 | 2.3x | 15.9x | 22.0x | 26.1x | 36.0x | 29.2x | 29.8% | 10.2% | 14.2% | (0.8) |
| B&G Foods, Inc. | BGS | \$31.95 | 80.4% | \$2,107 | \$4,118 | 2.4x | 12.6x | 15.0x | 11.1x | 15.7x | 14.9x | 26.8% | 16.0% | 19.0% | 6.2x |
| Mean | | | | \$35,873 | \$44,801 | 2.5x | 13.1x | 17.0x | 21.4x | 20.9x | 18.7x | 30.0% | 13.2% | 16.8% | 3.2x |
| Median | | | | \$11,809 | \$18,221 | 2.5x | 12.2x | 16.7x | 18.8x | 19.6x | 18.4x | 30.0% | 15.3% | 18.9% | 3.9x |
| High | | | | \$258,968 | \$290,267 | 3.3x | 20.3x | 23.5x | 45.9x | 36.0x | 29.2x | 50.1% | 19.1% | 22.7% | 6.2x |
| Low | | | | \$2,107 | \$2,598 | 0.8x | 9.8x | 12.5x | 8.7x | 13.2x | 12.8x | 0.0% | 0.0% | 0.0% | (1.0) |

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 | 6.3x | 18.2x |
| Retail & Distribution | 0.3x | 7.1x |
| Fruits, Vegetables & Nuts | 0.6x | 25.0x |
| Protein Products | 0.7x | 8.0x |
| Dairy | 0.5x | 10.8x |
| Organics & Healthy | 2.5x | 15.8x |
| Food Conglomerates | 2.5x | 12.2x |
| Mean | 1.9x | 13.9x |
| Median | 0.7x | 12.2x |

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

| Commodity | Units | 8/31/2018 | 1 month prior | 6 months prior | 1 year prior |
|-------------|------------|-----------|---------------|----------------|--------------|
| Corn | \$ per bu. | \$3.55 | \$3.80 | \$3.86 | \$3.55 |
| Coffee | \$ per lb. | \$1.10 | \$1.08 | \$1.24 | \$1.29 |
| Cocoa | \$ per lb. | \$1.14 | \$0.97 | \$1.02 | \$0.88 |
| Wheat | \$ per bu. | \$4.97 | \$5.58 | \$5.16 | \$4.39 |
| Live Cattle | \$ per lb. | \$1.07 | \$1.10 | \$1.23 | \$1.05 |

Source: Capital IQ

Select M&A and Capital Raising News, August 2018

- ❖ **Auntie Ann's Parent to Acquire Jamba Juice**
August 2, 2018 – Focus Brands Inc. has entered into a definitive agreement to acquire Jamba, Inc. for approximately \$200 million. The transaction will add Jamba Juice to Focus Brands' portfolio of restaurant companies, which includes Carvel, Cinnabon, Schlotszky's, Moe's Southwest Grill, Auntie Anne's and McAlister's Deli. Jamba Juice offers blended whole fruit and vegetable smoothies, bowls, juices, cold-pressed shots, boosts, snacks and meal replacements that are free of artificial flavors and preservatives. Jamba Juice operates more than 800 locations worldwide.
- ❖ **Kroger Considering Sale of Turkey Hill Business**
August 7, 2018 – The Kroger Co. is exploring strategic alternatives for its Turkey Hill business, including a potential sale. Kroger has owned the company since 1985. Turkey Hill manufactures a line of iced teas, fruit drinks, milk, frozen dairy treats and a variety of ice cream from its manufacturing and distribution facility in Conestoga, Pennsylvania. The company employs about 800, and its products are sold in 45 states. Kroger owns 38 food manufacturing plants, including 19 dairies that make Our Brands products for Kroger stores as well as Turkey Hill branded products sold nationwide.
- ❖ **Wendy's Sells Stake in Arby's Parent for \$450 Million**
August 16, 2018 – The Wendy's Co. said it will sell its 12.3% ownership interest in Inspire Brands, Inc., the owner of Arby's, Buffalo Wild Wings and R Taco, back to the company for \$450 million. The transaction represents a 38% premium on Wendy's previous valuation of the investment. Earlier this year, Atlanta-based Inspire Brands was formed when Arby's Restaurant Group, Inc. acquired Buffalo Wild Wings, Inc. for \$2.9 billion. Inspire Brands has more than 4,600 company-owned and franchised restaurants in 15 countries with combined 2017 global system sales of more than \$7.6 billion.
- ❖ **Cava Group to Acquire Zoe's Kitchen**
August 17, 2018 – Cava Group, Inc., a Mediterranean restaurant operator, has agreed to acquire fast-casual restaurant group Zoe's Kitchen, Inc. in a transaction valued at approximately \$300 million. The combined companies will have 327 restaurants in 24 states. Zoe's Kitchen shareholders will receive \$12.75 in cash for each share of common stock. The amount represents a premium of approximately 33% to the company's closing share price and 30-day volume weighted average price on August 16. Founded in 1995, Zoe's Kitchen features a menu of wholesome Mediterranean-inspired dishes. The company has 261 restaurants in 20 states. Cava operates more than 60 restaurants in 10 states and sells packaged dips and spreads in Whole Foods Market and other specialty grocery stores around the country. The brand was founded by three Greek-American childhood friends who partnered with Mr. Schulman to grow the business.
- ❖ **PepsiCo to Acquire SodaStream International**
August 20, 2018 – PepsiCo, Inc. has entered into an agreement to acquire SodaStream International Ltd. in a transaction valued at approximately \$3.2 billion (5.9x sales). SodaStream is a maker of a home appliance that allows consumers to produce carbonated water that may be enhanced with a variety of flavors. Under the terms of the agreement, PepsiCo will acquire all outstanding shares of SodaStream for \$144 apiece in cash. The price represents a 32% premium to the 30-day volume weighted average price, according to PepsiCo. In fiscal 2017, SodaStream generated annual sales of \$543.4 million.
- ❖ **Tyson Foods to Acquire Keystone for \$2.16 Billion**
August 20, 2018 – Tyson Foods, Inc. has reached an agreement to acquire the Keystone Foods business from Marfrig Global Foods for \$2.16 billion in cash (0.9x revenue and 10.2x EBITDA). Based in West Chester, Pennsylvania, Keystone supplies chicken, beef, fish and pork to retail stores, convenience store channels and quick-service restaurant chains, including McDonald's. Keystone's portfolio includes chicken nuggets, wings and tenders; beef patties; and breaded fish fillets. The acquisition includes six processing plants and an innovation center in the United States with locations in Alabama, Georgia, Kentucky, North Carolina, Pennsylvania and Wisconsin. Keystone's beef patty processing facility in Ohio is not included in the transaction. Tyson Foods said it expects the acquisition to be accretive to GAAP earnings per share in the third year and accretive to adjusted e.p.s. in the first year. The company also expects to generate annual synergies of approximately \$50 million by the third year of the acquisition, driven by operational efficiencies, procurement savings, distribution and supply network optimization and other opportunities. Keystone Foods processes approximately 2 billion lbs of poultry, 300 million lbs of beef and 12 million lbs of pork each year. The company has approximately 11,000 employees and generated annual revenue of about \$2.5 billion and adjusted EBITDA of \$211 million in the 12 months ended June 30.
- ❖ **Coca-Cola Co. to Acquire Costa Coffee for \$5.1 Billion**
August 31, 2018 – The Coca-Cola Co. has entered into an agreement to acquire Costa Ltd., a London-based coffee chain that does business throughout Europe, Asia Pacific, the Middle East and Africa from Whitbread P.L.C. The transaction is valued at \$5.1 billion. Costa Ltd. operates approximately 4,000 retail outlets, has a coffee vending format and operates a coffee roastery. Coca-Cola owns the Georgia coffee brand, which is sold in Japan, and it offers other coffee products in other countries. The company said the acquisition of Costa will give it a scalable coffee platform and expertise in the coffee supply chain.



The Cupboard

A Food & Beverage
Industry Newsletter



Industry News, August 2018

❖ **PepsiCo Names New CEO**

August 6, 2018 – Ramon Laguarta will succeed Indra K. Nooyi as CEO of PepsiCo, Inc. on October 3. Ms. Nooyi will remain chairman of the board until early 2019 to ensure a smooth transition, according to the company. Mr. Laguarta has been with the company for 22 years. Since September 2017, he has served as president of PepsiCo, overseeing global operations, corporate strategy, public policy and government affairs. Previously, Mr. Laguarta served as CEO Europe Sub-Saharan Africa.

❖ **Three to Leadership Roles at Sara Lee Frozen Bakery**

August 9, 2018 – Sara Lee Frozen Bakery has added three executives to its leadership team, filling key roles in supply chain, human resources and technology. Carson Funderburk has been named chief supply chain officer. Prior to joining Sara Lee, Mr. Funderburk was a director at General Mills, Inc. for nearly 17 years. Matt Beliveau has been named chief human resources officer. Mr. Beliveau will work with Craig Bahner, CEO, to build the company's corporate leadership team. Mr. Beliveau most recently was vice-president and chief human resources officer at Morton Salt. Earlier, he held various human resources director positions within General Mills, Inc. for 13 years. Colin Schneid was named chief information officer. Prior to joining Sara Lee, he was director of information technology and head of I.T. at OSI Group. Earlier, he was I.T. manager for building products at Georgia Pacific.

❖ **McDonald's Investing Billions in Restaurant Modernization**

August 15, 2018 – McDonald's Corp. on August 14 announced plans to invest approximately \$6 billion to modernize more than 8,700 restaurants in the U.S. and the District of Columbia by 2020. The largest investment, of approximately \$448 million, is expected to take place at 840 restaurants in Texas, followed by a \$390 million investment in 550 restaurants in California. McDonald's said it plans to modernize more than 360 locations in New York at a cost of approximately \$320 million.

❖ **Former Starbucks Exec Joins Continental Mills as CFO**

August 15, 2018 – Rachel Ruggeri has joined Continental Mills, Inc. as CFO and senior vice-president. In her new role Ms. Ruggeri will have responsibility for finance, accounting and information resources, reporting to Andy Heily, president of Continental Mills. Before joining Continental Mills Ms. Ruggeri spent more than 16 years at Starbucks Coffee Co., most recently as senior vice-president of finance for the Americas. She began her career in 1998 as a controller at J.R. Simplot Co. Established in 1932, Continental Mills offers its flagship baking brand, Krusteaz, as well as a full line of other baking and snack brands, including Kretschmer Wheat Germ, Albers Commmeal and Grits, Alpine Cider, WildRoots Trail Mixes and Buck Wild Snacks.

❖ **New CEO Takes the Helm at Ben & Jerry's**

August 20, 2018 – Matthew McCarthy has been named CEO of Ben & Jerry's, a subsidiary of Unilever P.L.C. Mr. McCarthy was most recently vice-president of North America foods for Unilever, a role he has held since February 2017. He began his career with Unilever in 1997 as the senior director of deodorants and men's grooming business. During his time at Unilever, Mr. McCarthy played a role in the Hellmann's brand transitioning to using certified cage-free eggs in its mayonnaise, a project that was executed three years ahead of plan. He also committed Unilever's Knorr brand to higher welfare standards for its chickens. Most recently, Mr. McCarthy and his team created Growing Roots, Unilever's first organic snacking brand focused on supporting urban farming in underserved communities. Mr. McCarthy succeeds Jostein Solheim, who led Ben & Jerry's for the past eight years. A 25-plus year Unilever veteran, Mr. Solheim has been promoted to executive vice-president of foods and refreshments at Unilever.

❖ **Former Coca-Cola Brand Manager Named CMO at Buffalo Wild Wings**

August 28, 2018 – Seth Freeman has been appointed to the newly created role of CMO for Buffalo Wild Wings at parent company Inspire Brands, Inc. In this position, Mr. Freeman will lead all brand experience, culinary, advertising and digital efforts for Buffalo Wild Wings, which operates approximately 1,200 locations. Before joining Inspire Brands, Mr. Freeman spent five years with Intercontinental Hotels Group (I.H.G.), most recently as head of global brand and commercial performance for Holiday Inn. Inspire Brands' CEO Paul Brown also previously worked at I.H.G. as a senior vice-president of global brand services. Inspire Brands is the parent company of Buffalo Wild Wings, Arby's and R Taco. The restaurant company launched in early February following Arby's Restaurant Group, Inc.'s \$2.9 billion acquisition of Buffalo Wild Wings, which already owned R Taco.

❖ **Dunkin' Donuts Undertaking Major Brand Takeover**

August 31, 2018 – Dunkin' Brands Group, Inc. and its Dunkin' Donuts brand are betting big on convenience. According to an August 31 article in The Wall Street Journal, the Canton-based company plans to invest approximately \$100 million to improve its ability to serve customers who order on mobile devices. As part of the effort, the company will unveil 50 test stores this year that will feature dedicated pickup areas, digital kiosks and expanded drive-thru windows that prioritize orders via the company's mobile app. The WSJ noted that more than half of Dunkin's \$100 million investment will be allocated to store equipment and improvements to the company's on-the-go beverage strategy. The rest of the investment will go toward technology infrastructure and training. Dunkin' unveiled its first next-generation concept store in Quincy, Mass., in January. The restaurant features new technologies and design elements that offer customers "the first look at the brand's U.S. store of the future experience," the company said.

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Additional information is available upon request.

