

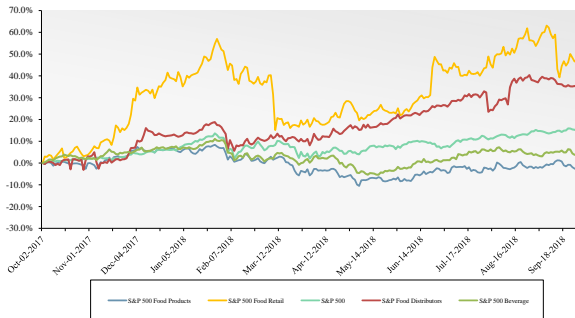
## The Cupboard



A Food & Beverage Industry Newsletter



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



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



### Indices Performance (% change)

	September 2018	LTM		September 2018	LTM		September 2018	LTM
S&P 500	0.7%	15.2%	S&P 500 Food Products	(1.7%)	(3.8%)	S&P 400 Food Products (Mid-Cap)	(1.6%)	(0.7%)
Dow Jones	2.2%	17.3%	S&P 500 Food Retail	(14.0%)	45.8%	S&P 400 Food Retail (Mid-Cap)	8.1%	29.4%
NASDAQ	(0.7%)	23.5%	S&P 500 Food Distributors	(3.9%)	35.7%			
			S&P 500 Beverage	1.2%	4.3%			

Source: Capital IQ

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

Nuverra Environmental Solutions, Inc.	7.4%	Primo Water Corporation	(16.4%)
Constellation Brands, Inc.	6.4%	Reed's, Inc.	(15.5%)
The Coca-Cola Company	1.1%	Celsius Holdings, Inc.	(12.1%)
		National Beverage Corp.	(10.9%)
		Monster Beverage Corporation	(8.6%)

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

Bridgford Foods Corporation	20.3%	Spectrum Brands Holdings, Inc.	(18.5%)
Bunge Limited	7.7%	Limoneira Company	(18.1%)
McCormick & Company, Incorporated	6.3%	Lifeway Foods, Inc.	(16.2%)
Alico, Inc.	4.5%	B&G Foods, Inc.	(14.4%)
Archer-Daniels-Midland Company	2.5%	Coffee Holding Co., Inc.	(13.5%)

Source: Capital IQ

### Food Industry Contacts

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### Select Public Trading Statistics

#### Beverage:

(\$ in millions, except per share data)

Company	Share Price 09/30/2018	% 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		
The Coca-Cola Company	KO	\$46.19	95.0%	\$196,442	\$225,793	6.8x	18.8x	20.9x	91.0x	24.4x	22.7x	63.6%	29.6%	33.1%	2.3x
Anheuser-Busch InBev SA/NV	ENX:BR-ABI	\$86.58	70.0%	\$169,415	\$284,756	5.1x	13.1x	15.7x	21.9x	25.5x	22.8x	63.0%	31.8%	38.4%	5.1x
PepsiCo, Inc.	PEP	\$111.80	91.3%	\$158,121	\$180,695	2.8x	14.2x	17.1x	34.8x	20.9x	19.5x	54.4%	16.3%	19.7%	1.7x
Diageo plc	LSE:DEGE	\$35.59	94.2%	\$87,168	\$101,558	6.4x	17.5x	18.8x	22.5x	23.5x	22.0x	61.9%	31.3%	33.9%	2.2x
Constellation Brands, Inc.	STZ	\$215.62	91.1%	\$41,343	\$51,249	6.7x	14.1x	15.4x	16.2x	26.6x	24.0x	50.7%	32.3%	36.5%	NM
Monster Beverage Corporation	MNST	\$58.28	83.0%	\$32,201	\$31,330	8.7x	24.0x	25.1x	36.9x	37.4x	32.9x	61.6%	34.8%	36.4%	NM
Brown-Forman Corporation	BFb	\$50.55	84.8%	\$24,365	\$26,640	8.1x	23.7x	25.3x	33.3x	30.2x	29.1x	67.8%	32.1%	34.1%	2.0x
National Beverage Corp.	FIZZ	\$116.62	91.6%	\$5,437	\$5,189	5.1x	23.3x	24.8x	34.2x	30.6x	26.7x	39.9%	20.8%	22.1%	NM
The Boston Beer Company, Inc.	SAM	\$287.50	87.1%	\$3,302	\$3,226	3.5x	20.2x	29.8x	35.4x	35.1x	30.3x	52.1%	11.8%	17.4%	NM
Mean				\$79,755	\$101,160	5.9x	18.8x	21.4x	36.2x	28.2x	25.5x	57.2%	26.8%	30.2%	2.7x
Median				\$41,343	\$51,249	6.4x	18.8x	20.9x	34.2x	26.6x	24.0x	61.6%	31.3%	33.9%	2.2x
High				\$196,442	\$284,756	8.7x	24.0x	29.8x	91.0x	37.4x	32.9x	67.8%	34.8%	38.4%	5.1x
Low				\$3,302	\$3,226	2.8x	13.1x	15.4x	16.2x	20.9x	19.5x	39.9%	11.8%	17.4%	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 09/30/2018	% 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	SY	\$73.25	96.4%	\$38,074	\$45,936	0.8x	14.1x	18.4x	27.1x	21.9x	19.8x	18.9%	4.2%	5.6%	2.4x
The Kroger Co.	KR	\$29.11	88.9%	\$23,213	\$37,348	0.3x	7.4x	14.8x	6.7x	14.6x	13.8x	21.8%	2.0%	4.1%	2.8x
Casey's General Stores, Inc.	CASY	\$129.11	98.8%	\$4,725	\$6,014	0.8x	12.2x	22.6x	14.7x	28.1x	25.1x	22.8%	3.4%	6.2%	2.6x
SUPERVALU INC.	SVU	\$32.22	99.4%	\$1,247	\$2,805	0.2x	6.6x	13.0x	94.8x	23.3x	21.4x	9.5%	1.3%	2.7%	3.8x
Weis Markets, Inc.	WMK	\$43.40	75.1%	\$1,167	\$1,074	0.3x	6.4x	13.9x	11.3x	NM	NM	26.9%	2.2%	4.8%	NM
SpartanNash Company	SPTN	\$20.06	72.4%	\$721	\$1,416	0.2x	7.0x	11.8x	NM	9.9x	9.2x	13.7%	1.5%	2.5%	3.4x
Ingles Markets, Incorporated	IMKT.A	\$34.25	91.0%	\$694	\$1,570	0.4x	6.5x	12.1x	7.1x	0.0x	0.0x	23.9%	3.1%	5.9%	3.6x
Village Super Market, Inc.	VLGE.A	\$27.20	86.4%	\$391	\$360	0.2x	5.9x	10.0x	15.2x	NM	NM	27.2%	2.1%	3.6%	NM
Mean				\$8,779	\$12,065	0.4x	8.3x	14.6x	25.3x	16.3x	14.9x	20.6%	2.5%	4.4%	3.1x
Median				\$1,207	\$2,187	0.3x	6.8x	13.5x	14.7x	18.2x	16.8x	22.3%	2.1%	4.4%	3.1x
High				\$38,074	\$45,936	0.8x	14.1x	22.6x	94.8x	28.1x	25.1x	27.2%	4.2%	6.2%	3.8x
Low				\$391	\$360	0.2x	5.9x	10.0x	6.7x	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 09/30/2018	% 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		
Calavo Growers, Inc.	CVOW	\$96.60	89.4%	\$1,697	\$1,705	1.6x	21.9x	26.3x	38.6x	36.6x	NM	11.3%	6.3%	7.4%	0.1x
Fresh Del Monte Produce Inc.	FDP	\$33.89	64.6%	\$1,653	\$2,372	0.6x	12.1x	21.2x	43.0x	29.3x	19.4x	6.9%	2.6%	4.6%	3.3x
Seneca Foods Corporation	SENEA	\$33.70	92.1%	\$325	\$684	0.5x	28.2x	NM	NM	NM	NM	4.8%	(0.6%)	1.8%	14.8x
<b>Mean</b>				\$1,225	\$1,587	0.9x	20.7x	23.8x	40.8x	33.0x	19.4x	7.7%	2.8%	4.6%	6.1x
<b>Median</b>				\$1,653	\$1,705	0.6x	21.9x	23.8x	40.8x	33.0x	19.4x	6.9%	2.6%	4.6%	3.3x
<b>High</b>				\$1,697	\$2,372	1.6x	28.2x	26.3x	43.0x	36.6x	19.4x	11.3%	6.3%	7.4%	14.8x
<b>Low</b>				\$325	\$684	0.5x	12.1x	21.2x	38.6x	29.3x	19.4x	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 09/30/2018	% 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	\$59.55	70.3%	\$21,784	\$31,781	0.8x	7.7x	9.7x	7.6x	12.4x	11.8x	13.2%	8.1%	10.3%	2.4x
Hormel Foods Corporation	HRL	\$39.40	93.2%	\$21,005	\$21,460	2.3x	15.8x	17.8x	22.1x	21.3x	19.6x	20.7%	12.0%	13.6%	0.3x
Pilgrim's Pride Corporation	PPC	\$18.09	47.1%	\$4,504	\$6,562	0.6x	5.5x	7.1x	7.6x	11.8x	10.7x	11.6%	8.3%	10.8%	1.7x
Sanderson Farms, Inc.	SAFM	\$103.37	58.6%	\$2,361	\$2,072	0.6x	6.8x	10.6x	13.3x	167.6x	27.8x	12.6%	5.8%	9.1%	(0.9x)
Bridgford Foods Corporation	BRID	\$17.00	78.9%	\$154	\$141	0.8x	13.2x	20.7x	20.8x	NM	NM	32.3%	4.3%	6.5%	(1.2x)
<b>Mean</b>				\$9,962	\$12,403	1.0x	9.8x	13.2x	14.3x	53.3x	17.5x	18.1%	7.7%	10.1%	0.5x
<b>Median</b>				\$4,504	\$6,562	0.8x	7.7x	10.6x	13.3x	16.8x	15.7x	13.2%	8.1%	10.3%	0.3x
<b>High</b>				\$21,784	\$31,781	2.3x	15.8x	20.7x	22.1x	167.6x	27.8x	32.3%	12.0%	13.6%	2.4x
<b>Low</b>				\$154	\$141	0.6x	5.5x	7.1x	7.6x	11.8x	10.7x	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 09/30/2018	% 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	\$76.77	92.5%	\$49,653	\$65,556	2.3x	10.6x	12.7x	15.9x	21.2x	19.4x	49.3%	14.7%	18.2%	3.0x
Dean Foods Company	DF	\$7.10	58.7%	\$649	\$1,492	0.2x	5.2x	12.0x	NM	21.1x	13.9x	22.7%	1.5%	3.6%	2.9x
Lifeway Foods, Inc.	LWAY	\$2.66	24.7%	\$42	\$45	0.4x	39.8x	NM	NM	NM	NM	27.5%	(2.0%)	1.0%	2.1x
<b>Mean</b>				\$16,781	\$22,364	1.0x	18.5x	12.4x	15.9x	21.2x	16.7x	33.2%	4.7%	7.6%	2.7x
<b>Median</b>				\$649	\$1,492	0.4x	10.6x	12.4x	15.9x	21.2x	16.7x	27.5%	1.5%	3.6%	2.9x
<b>High</b>				\$49,653	\$65,556	2.3x	39.8x	12.7x	15.9x	21.2x	19.4x	49.3%	14.7%	18.2%	3.0x
<b>Low</b>				\$42	\$45	0.2x	5.2x	12.0x	15.9x	21.1x	13.9x	22.7%	-2.0%	1.0%	2.1x

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 09/30/2018	% 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	\$66.60	91.0%	\$9,752	\$12,137	3.5x	15.1x	18.2x	23.6x	25.5x	24.6x	26.0%	17.0%	21.1%	3.0x
The Hain Celestial Group, Inc.	HAIN	\$27.12	61.1%	\$2,819	\$3,427	1.4x	15.6x	21.7x	34.3x	28.8x	23.4x	21.0%	6.4%	8.9%	2.8x
The Simply Good Foods Company	SMPL	\$19.45	99.6%	\$1,373	\$1,476	3.5x	20.5x	22.8x	30.8x	35.6x	33.5x	47.9%	15.4%	17.1%	1.4x
<b>Mean</b>				\$4,648	\$5,680	2.8x	17.1x	20.9x	29.6x	NM	27.2x	31.6%	12.9%	15.7%	2.4x
<b>Median</b>				\$2,819	\$3,427	3.5x	15.6x	21.7x	30.8x	NM	24.6x	26.0%	15.4%	17.1%	2.8x
<b>High</b>				\$9,752	\$12,137	3.5x	20.5x	22.8x	34.3x	35.6x	33.5x	47.9%	17.0%	21.1%	3.0x
<b>Low</b>				\$1,373	\$1,476	1.4x	15.1x	18.2x	23.6x	25.5x	23.4x	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 09/30/2018	% 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	\$82.44	94.7%	\$252,508	\$282,863	3.1x	14.9x	17.8x	30.9x	22.5x	20.8x	50.1%	16.4%	19.7%	1.6x
Mondelez International, Inc.	MDLZ	\$42.96	92.3%	\$63,003	\$81,933	3.1x	15.5x	18.3x	21.2x	20.3x	19.6x	40.3%	15.0%	18.2%	3.9x
General Mills, Inc.	GIS	\$42.92	70.7%	\$25,590	\$41,893	2.6x	12.1x	14.7x	11.9x	15.5x	15.2x	34.4%	17.3%	21.1%	NM
Kellogg Company	K	\$70.02	93.4%	\$24,274	\$33,651	2.5x	10.5x	12.3x	13.8x	16.6x	15.9x	39.6%	19.1%	22.7%	2.9x
Conagra Brands, Inc.	CAG	\$33.97	86.2%	\$13,304	\$17,075	2.1x	10.9x	12.9x	16.6x	19.2x	18.1x	29.6%	15.5%	18.7%	2.5x
The J. M. Smucker Company	SM	\$102.61	76.9%	\$11,671	\$18,194	2.4x	10.9x	14.6x	8.7x	13.0x	12.7x	38.2%	16.6%	22.2%	3.9x
Campbell Soup Company	CPB	\$36.63	71.7%	\$11,013	\$20,690	2.4x	10.6x	13.3x	42.6x	15.3x	14.3x	33.6%	17.9%	22.4%	5.0x
Post Holdings, Inc.	POST	\$98.04	96.7%	\$6,531	\$13,599	2.2x	11.9x	18.0x	14.9x	23.6x	18.3x	30.1%	12.5%	18.9%	6.2x
Lancaster Colony Corporation	LANC	\$149.21	92.3%	\$4,102	\$3,896	3.2x	19.4x	22.4x	30.3x	30.3x	25.7x	24.8%	14.2%	16.4%	(1.0x)
J&J Snack Foods Corp.	JJSF	\$150.89	94.9%	\$2,824	\$2,699	2.3x	16.5x	22.8x	27.1x	36.3x	29.4x	29.8%	10.2%	14.2%	(0.8x)
TreeHouse Foods, Inc.	THS	\$47.85	69.4%	\$2,691	\$4,964	0.8x	9.3x	18.0x	NM	23.4x	18.9x	17.0%	4.5%	8.6%	4.3x
B&G Foods, Inc.	BGS	\$27.45	69.1%	\$1,810	\$3,821	2.2x	11.7x	13.9x	9.6x	15.7x	14.9x	26.8%	16.0%	19.0%	6.2x
<b>Mean</b>				\$34,944	\$43,773	2.4x	12.8x	16.6x	20.7x	21.0x	18.6x	32.8%	14.6%	18.5%	3.2x
<b>Median</b>				\$11,342	\$17,634	2.4x	11.8x	16.3x	16.6x	19.8x	18.2x	31.8%	15.8%	18.9%	3.9x
<b>High</b>				\$252,508	\$282,863	3.2x	19.4x	22.8x	42.6x	36.3x	29.4x	50.1%	19.1%	22.7%	6.2x
<b>Low</b>				\$1,810	\$2,699	0.8x	9.3x	12.3x	8.7x	13.0x	12.7x	17.0%	4.5%	8.6%	(1.0x)

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	6.4x	18.8x
Retail & Distribution	0.3x	6.8x
Fruits, Vegetables & Nuts	0.6x	21.9x
Protein Products	0.8x	7.7x
Dairy	0.4x	10.6x
Organics & Healthy	3.5x	15.6x
Food Conglomerates	2.4x	11.8x
<b>Mean</b>	2.0x	13.3x
<b>Median</b>	0.8x	11.8x

Note: Multiples represent median values

Source: Capital IQ





## The Cupboard

A Food & Beverage  
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### Commodity Score Card

Commodity	Units	9/30/2018	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.55	\$3.57	\$3.88	\$3.52
Coffee	\$ per lb.	\$1.10	\$1.03	\$1.18	\$1.27
Cocoa	\$ per lb.	\$1.14	\$1.03	\$1.16	\$0.92
Wheat	\$ per bu.	\$4.97	\$5.35	\$4.51	\$4.45
Live Cattle	\$ per lb.	\$1.07	\$1.09	\$1.03	\$1.13

Source: Capital IQ

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

- ❖ **PepsiCo Launches North American Incubator**  
September 6, 2018 – A new innovation initiative at PepsiCo, Inc. is designed to help the company discover and support emerging food and beverage brands. Following a successful launch in Europe, the company is introducing its Nutrition Greenhouse accelerator program in North America. Ten start-ups based in the United States or Canada will be selected to participate in a six-month program, featuring one-on-one mentoring with PepsiCo executives and experts in marketing, manufacturing, distribution, and supply chain. Participants will receive \$20,000 in grant funding, and at the end of the program one start-up will receive an additional \$100,000 in funding and an opportunity to continue partnering with PepsiCo.
- ❖ **Hershey to Add Pirate Brands to Snacking Portfolio**  
September 13, 2018 – The Hershey Co. has entered into an agreement to acquire the Pirate Brands snack business from B&G Foods, Inc., Parsippany, New Jersey, for \$420 million. The Pirate Brands portfolio includes such brands as Pirate's Booty, Smart Puffs and Original Tings. The Pirate Brands business will operate as a part of the Hershey Amplify snacking unit in Austin, Texas, according to the company. Hershey expects the acquisition to be accretive to the company's financial targets. The company said the Pirate's Booty brand, in particular, is a fast-growing brand with retail sales up 8% on a year-over-year basis. B&G Foods acquired Pirate Brands in 2013 for approximately \$195 million.
- ❖ **Cargill to Acquire Polish Value-Added Food Company**  
September 17, 2018 – Cargill has reached an agreement to acquire Konspol, a Polish value-added food company, providing an array of products in the chilled convenience, frozen and cold cut categories. Konspol operates a feed mill, five broiler farms and two processing complexes in Poland and employs more than 1,700 people. Currently, Cargill employs more than 1,700 people in 22 locations across Poland and operates 19 animal feed mills, a premix oriented facility, a wheat glucose syrup and ethanol production plant.
- ❖ **Arby's Parent to Acquire Sonic for \$2.3 Billion**  
September 25, 2018 – Inspire Brands, Inc., the parent company of Arby's, Buffalo Wild Wings and Rusty Taco restaurants, has agreed to acquire Sonic Corp. for \$43.50 per share in cash in a transaction valued at approximately \$2.3 billion (5.3 revenue; 15.8x EBITDA), including the assumption of Sonic's net debt. The agreement has been unanimously approved by Sonic's board of directors and represents a premium of approximately 19% per share to Sonic's closing stock price on September 24 and a premium of approximately 21% to Sonic's 30-day volume weighted average price. Following the completion of the transaction, Sonic will be a privately-held subsidiary of Inspire Brands and continue to operate independently. The transaction remains subject to the approval of Sonic shareholders and the satisfaction of customary closing conditions, including regulatory approvals. The transaction is expected to close by the end of the year. Inspire Brands was formed earlier this year when Arby's Restaurant Group, Inc. acquired Buffalo Wild Wings, Inc. for \$2.9 billion. The company is majority-owned by affiliates of Roark Capital Group and has a portfolio of more than 4,700 company-owned and franchised restaurants worldwide with combined 2017 global system sales of more than \$7.6 billion. The acquisition of Sonic, the nation's largest drive-in restaurant chain, would add more than 3,600 locations.
- ❖ **Kraft Heinz Acquires Ethical Bean Coffee**  
September 25, 2018 – Kraft Heinz Canada, a subsidiary of The Kraft Heinz Co., has acquired the assets of Ethical Bean Coffee. Financial terms of the transaction were not disclosed. Founded in 2003, Vancouver, British Columbia-based Ethical Bean is a coffee roaster that features 100% Fairtrade, certified organic coffee in such varieties as decaf, bold, lush, sweet espresso, classic and super dark.
- ❖ **Keurig Dr Pepper to Acquire Premium Beverage Maker**  
September 27, 2018 – Keurig Dr Pepper has entered into an agreement to acquire Core Nutrition L.L.C. for \$525 million (2.6x revenue). Core Nutrition is a manufacturer of Core Hydration, a bottled water, and Core Organic, and the business has annual sales of approximately \$200 million. Prior to the acquisition agreement, Keurig Dr Pepper and Core Nutrition were working together. Approximately two-thirds of Core Nutrition's distribution is through the Keurig Dr Pepper supply chain network. The acquisition of Core Nutrition will be funded with Keurig Dr Pepper common stock, net of the company's current equity investment and certain other contractual adjustments. Keurig Dr Pepper expects the transaction to be neutral to its adjusted diluted earnings per share in 2019 and accretive thereafter.
- ❖ **La Boulangerie Acquires Loving Cup**  
September 28, 2018 – Bakery and cafe chain La Boulangerie has acquired Loving Cup, a frozen yogurt company based in San Francisco. The move will allow La Boulangerie's partners, including baker Pascal Rigo, to expand the brand. Loving Cup has grown to five locations in the area since first opening in 2008. La Boulangerie said it plans to accelerate the brand's expansion through both franchising and company-owned stores. Loving Cup is known for its rice pudding and its non-fat frozen yogurt.



## The Cupboard



A Food & Beverage  
Industry Newsletter

### Industry News, September 2018

- ❖ **Campbell Soup Names New R&D Leader**  
September 11, 2018 – Craig Slavtcheff has been named vice-president and head of research and development (R&D) at the Campbell Soup Co. In this role, he will be responsible for the company’s entire R&D organization, Campbell Soup said, including strategy, innovation and product development for the company’s divisions, as well as its science and technology, regulatory, nutrition, and culinary team. Mr. Slavtcheff was most recently vice-president of R&D for Campbell Snacks and International. Before that, he was vice-president of R&D for the Global Biscuits and Snacks division, a role he held since 2015. Mr. Slavtcheff joined Campbell Soup in 2012 as global vice-president of science, technology and nutrition.
- ❖ **Chili’s President Steps Down**  
September 11, 2018 – Kelli Valade, president of Chili’s Grill & Bar, is stepping down to pursue an opportunity outside of the company, following a 22-year career with Brinker International, Inc. Wyman Roberts, president and CEO of Brinker International, will assume the role of Chili’s president in the interim. Ms. Valade has been named president and CEO of restaurant industry insights and analytics firm TDn2K, the parent company of People Report, Black Box Intelligence and White Box Social Intelligence. Mr. Roberts previously was president of Chili’s for more than seven years before Ms. Valade stepped in in June 2016. Prior to that, she was executive vice-president and COO for Chili’s.
- ❖ **Albertsons Elevates Donald to CEO**  
September 13, 2018 – James Donald has been promoted to president and CEO of Albertsons Companies. He succeeds Robert Miller, who will remain as chairman of the board. Mr. Donald’s 47-year retail career began as a trainee in Florida with Publix Supermarkets. He joined Albertsons in 1976, which culminated in his being appointed vice-president of operations in Arizona. In 1991, he was recruited personally by Sam Walton to join Walmart to lead the development of the company’s grocery business and Superstore concept. He left for Safeway in 1994 to be the senior vice-president of the retailer’s 130-store Eastern region, a position he held for two years. His first CEO role was at Pathmark Stores from 1996 through 2002, followed by his most well-known appointment as president and CEO at Starbucks. After Starbucks, he joined Haggen and Extended Stay America, Inc. as CEO, and most recently joined Albertsons in March as president and COO.
- ❖ **Tyson Foods Names New CEO**  
September 17, 2018 – Noel White will take over the leadership role of Tyson Foods, Inc. on September 30 as president and CEO. He will replace Tom Hayes, who is stepping down for personal reasons. Prior to his new appointment, Mr. White had been group president of the company’s Beef, Pork and International business units. Mr. White has been with Tyson Foods since its acquisition of IBP inc. in 2001. Mr. Hayes took the helm of Tyson Foods on December 31, 2016. He came to the company following its acquisition of Hillshire Brands in 2014. He has led the company through numerous acquisitions, including, most recently, Keystone Foods. Tyson Foods entered into an agreement to acquire Keystone from Marfrig Global Foods for \$2.16 billion.
- ❖ **Tick Tapped as President of Buffalo Wild Wings**  
September 17, 2018 – Lyle Tick has been named president of Buffalo Wild Wings for parent company Inspire Brands, which also owns Arby’s and Rusty Taco. Prior to joining Buffalo Wild Wings, Mr. Tick was managing director for Walgreens Boots Alliance beauty brands business in the Americas. Before that, he was chief growth officer for J Walter Thompson Co., and earlier worked at Bacardi as senior global category director and vice-president of marketing for North America. Prior to Bacardi, Mr. Tick was co-president of Gotham Inc. and group managing director for McGarryBowen. John Bowie, who has been serving as interim president of Buffalo Wild Wings since February, will resume his responsibilities as COO of Buffalo Wild Wings.
- ❖ **McDonald’s Restructures Leadership Team**  
September 24, 2018 – McDonald’s Corp. will operate under a new organizational structure following the retirement of Doug Goare, president of International Lead Markets and chief restaurant officer, on December 31 after 40 years with the company. The new structure will include the following global business segments: U.S., which will continue to be led by Chris Kempczinski, president, McDonald’s USA; International Operated Markets, which will comprise wholly-owned markets or countries in which the company operates restaurants, including Australia, Canada, France, Germany, Italy, The Netherlands, Russia, Spain and the United Kingdom, and will be led by Joe Erlinger as president, International Operated Markets; and International Developmental Licensed Markets, which includes the remaining markets in the McDonald’s system and will be led by Ian Borden as president, International Development Licensed Markets.
- ❖ **Dunkin’ Drops ‘Donuts’ From Name**  
September 26, 2018 – After nearly 70 years as Dunkin’ Donuts, the restaurant brand is reintroducing itself as simply Dunkin’. The rebranding reflects the breadth of the company’s product offerings, said Tony Weisman, CMO of Dunkin’ U.S. New branding on packaging, advertising, web site and social channels will begin appearing early next year. The new Dunkin’ logo will be featured on signage at all new and remodeled locations in the United States and eventually internationally, Mr. Weisman said. In recent years, the company has positioned itself as a “beverage-led, on-the-go brand,” building its espresso and coffee portfolio as it seeks to compete with the likes of Starbucks and McDonald’s during the morning daypart. Dunkin’s next-generation stores feature equipment such as tap systems, espresso machines, high-volume brewers and label printers to create an “espresso culture” within the restaurant, executives revealed earlier this year.

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