

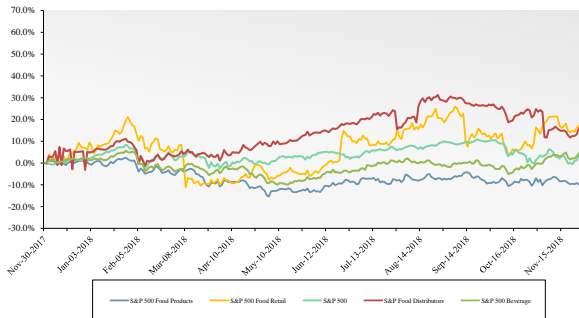
The Cupboard



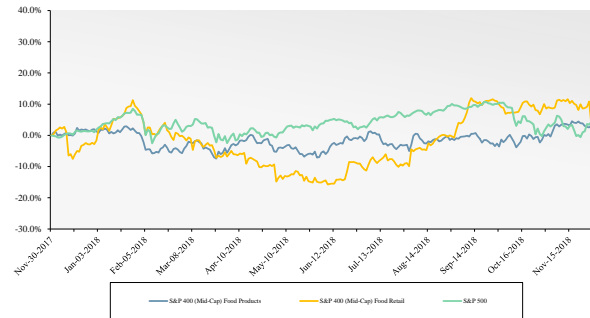
A Food & Beverage Industry Newsletter



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



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



Indices Performance (% change)

	November 2018	LTM		November 2018	LTM		November 2018	LTM
S&P 500	0.8%	4.3%	S&P 500 Food Products	(1.3%)	(8.9%)	S&P 400 Food Products (Mid-Cap)	2.6%	3.0%
Dow Jones	0.7%	5.2%	S&P 500 Food Retail	1.3%	14.7%	S&P 400 Food Retail (Mid-Cap)	(5.4%)	3.6%
NASDAQ	(1.5%)	6.6%	S&P 500 Food Distributors	(7.6%)	16.8%			
			S&P 500 Beverage	6.3%	6.0%			

Source: Capital IQ

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

Monster Beverage Corporation	1.3%	Castle Brands Inc.	(20.8%)
		National Beverage Corp.	(17.3%)
		The Boston Beer Company, Inc.	(14.7%)
		Reed's, Inc.	(13.4%)
		MGP Ingredients, Inc.	(12.8%)

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

TreeHouse Foods, Inc.	6.6%	Spectrum Brands Holdings, Inc.	(27.4%)
Rocky Mountain Chocolate Factory, Inc.	3.3%	Dean Foods Company	(23.1%)
B&G Foods, Inc.	2.8%	Lifeway Foods, Inc.	(21.4%)
McCormick & Company, Incorporated	1.7%	Limoneira Company	(17.0%)
Lancaster Colony Corporation	0.9%	Coffee Holding Co., Inc.	(16.5%)

Source: Capital IQ

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 11/30/2018	% 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	\$80.40	99.1%	\$214,528	\$242,500	7.5x	19.8x	21.9x	69.6x	24.9x	23.4x	63.7%	31.2%	34.8%	2.3x
PepsiCo, Inc.	PEP	\$121.94	99.5%	\$172,127	\$193,449	3.0x	15.2x	18.4x	35.2x	20.7x	19.6x	54.4%	16.3%	19.7%	1.7x
Anheuser-Busch InBev SA/NV	ENXTR:ABH	\$76.84	69.1%	\$150,353	\$264,665	4.9x	12.2x	15.1x	22.8x	26.6x	21.1x	63.0%	32.0%	39.8%	5.0x
Diageo plc	LSE:DEGE	\$35.73	97.9%	\$86,814	\$100,723	6.5x	18.0x	19.3x	23.3x	23.9x	22.3x	61.9%	31.3%	33.9%	2.2x
Constellation Brands, Inc.	STZ	\$195.76	82.7%	\$37,207	\$47,189	6.0x	10.7x	11.5x	11.7x	27.0x	24.1x	50.7%	32.3%	36.5%	NM
Monster Beverage Corporation	MINST	\$59.68	85.0%	\$33,001	\$31,829	8.6x	24.0x	25.1x	35.5x	35.1x	31.3x	60.8%	34.4%	35.9%	NM
Brown-Forman Corporation	BFb	\$47.72	80.1%	\$23,111	\$25,386	7.7x	22.6x	24.1x	31.4x	29.6x	29.2x	67.3%	31.5%	33.6%	2.1x
National Beverage Corp.	FIZZ	\$87.27	68.5%	\$4,069	\$3,821	3.8x	17.1x	18.2x	25.6x	28.8x	25.4x	40.0%	20.6%	21.9%	NM
The Boston Beer Company, Inc.	SAM	\$274.54	83.2%	\$3,120	\$3,051	3.1x	19.7x	29.5x	32.2x	36.3x	32.1x	51.5%	10.6%	15.9%	NM
Mean				\$80,481	\$101,401	5.7x	17.7x	20.3x	31.9x	28.1x	25.4x	57.0%	26.7%	30.2%	2.7x
Median				\$37,207	\$47,189	6.0x	18.0x	19.3x	31.4x	27.0x	24.1x	60.8%	31.3%	33.9%	2.2x
High				\$214,528	\$264,665	8.6x	24.0x	29.5x	69.6x	36.3x	32.1x	67.3%	34.4%	39.8%	5.0x
Low				\$3,120	\$3,051	3.0x	10.7x	11.5x	11.7x	20.7x	19.6x	40.0%	10.6%	15.9%	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 11/30/2018	% 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	\$67.40	88.7%	\$35,034	\$43,039	0.7x	13.1x	17.1x	23.9x	21.9x	20.2x	18.9%	4.3%	5.6%	2.4x
The Kroger Co.	KR	\$29.66	90.6%	\$23,651	\$37,786	0.3x	7.5x	14.9x	6.8x	14.7x	13.8x	21.7%	2.1%	4.1%	2.8x
Casey's General Stores, Inc.	CASY	\$129.47	97.3%	\$4,738	\$6,028	0.8x	12.2x	22.6x	14.7x	27.5x	25.5x	22.3%	3.4%	6.2%	2.4x
Weis Markets, Inc.	WMK	\$45.80	79.2%	\$1,232	\$1,138	0.3x	6.3x	12.8x	10.9x	NM	NM	27.1%	2.5%	5.1%	NM
SpartanNash Company	SPTN	\$18.75	67.6%	\$674	\$1,356	0.2x	6.9x	11.9x	8.0x	10.6x	10.3x	13.6%	1.4%	2.4%	3.5x
Ingles Markets, Incorporated	IMKT.A	\$29.09	77.3%	\$589	\$1,465	0.4x	6.0x	11.3x	6.0x	0.0x	0.0x	23.9%	3.0%	5.8%	3.6x
Village Super Market, Inc.	VLGE.A	\$27.29	86.7%	\$393	\$345	0.2x	5.9x	10.3x	15.7x	NM	NM	27.4%	2.3%	3.8%	NM
Mean				\$9,473	\$13,023	0.4x	8.3x	14.4x	12.3x	14.9x	14.0x	22.1%	2.7%	4.7%	3.0x
Median				\$1,232	\$1,465	0.3x	6.9x	12.8x	10.9x	14.7x	13.8x	22.3%	2.5%	5.1%	2.8x
High				\$35,034	\$43,039	0.8x	13.1x	22.6x	23.9x	27.5x	25.5x	27.4%	4.3%	6.2%	3.6x
Low				\$393	\$345	0.2x	5.9x	10.3x	6.0x	0.0x	0.0x	13.6%	1.4%	2.4%	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 11/30/2018	% 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	\$98.28	91.0%	\$1,727	\$1,735	1.6x	22.3x	26.7x	39.3x	36.3x	NM	11.3%	6.3%	7.4%	0.1x
Fresh Del Monte Produce Inc.	FDP	\$33.65	64.2%	\$1,628	\$2,302	0.5x	12.3x	24.2x	283.3x	52.5x	20.0x	6.6%	2.2%	4.3%	3.2x
Seneca Foods Corporation	SENEA	\$33.47	93.2%	\$324	\$703	0.5x	27.5x	NM	NM	NM	NM	5.2%	(0.5%)	1.9%	14.8x
Mean				\$1,226	\$1,580	0.9x	20.7x	25.5x	161.3x	44.4x	20.0x	7.7%	2.6%	4.5%	6.0x
Median				\$1,628	\$1,735	0.5x	22.3x	25.5x	161.3x	44.4x	20.0x	6.6%	2.2%	4.3%	3.2x
High				\$1,727	\$2,302	1.6x	27.5x	26.7x	283.3x	52.5x	20.0x	11.3%	6.3%	7.4%	14.8x
Low				\$324	\$703	0.5x	12.3x	24.2x	39.3x	36.3x	20.0x	5.2%	-0.5%	1.9%	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 11/30/2018	% 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		
Hormel Foods Corporation	HRL	\$45.09	97.5%	\$2,038	\$2,204	2.5x	17.6x	19.9x	24.2x	22.7x	21.5x	20.9%	12.1%	13.8%	0.1x
Tyson Foods, Inc.	TSN	\$58.95	69.6%	\$21,523	\$31,133	0.8x	7.5x	9.6x	7.2x	11.7x	11.7x	13.1%	8.0%	10.4%	2.3x
Pilgrim's Pride Corporation	PPC	\$19.84	51.7%	\$4,940	\$6,874	0.6x	7.7x	11.1x	12.7x	15.7x	12.1x	8.9%	5.6%	8.1%	2.1x
Sanderson Farms, Inc.	SAFM	\$113.16	64.1%	\$2,584	\$2,296	0.7x	7.5x	11.7x	14.6x	(201.8x)	42.3x	12.6%	5.8%	9.1%	(0.9x)
Bridgford Foods Corporation	BRID	\$17.76	82.4%	\$161	\$148	0.8x	13.9x	21.7x	21.7x	NM	NM	32.3%	4.3%	6.5%	(1.2x)
Mean				\$10,649	\$12,931	1.1x	10.8x	14.8x	16.1x	-37.9x	21.9x	17.6%	7.2%	9.6%	0.5x
Median				\$4,940	\$6,874	0.8x	7.7x	11.7x	14.6x	13.7x	16.8x	13.1%	5.8%	9.1%	0.1x
High				\$24,038	\$31,133	2.5x	17.6x	21.7x	24.2x	22.7x	42.3x	32.3%	12.1%	13.8%	2.3x
Low				\$161	\$148	0.6x	7.5x	9.6x	7.2x	-201.8x	11.7x	8.9%	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 11/30/2018	% 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	\$75.04	91.6%	\$48,534	\$64,229	2.3x	10.5x	12.6x	15.7x	21.0x	19.4x	49.3%	14.7%	18.2%	3.0x
Dean Foods Company	DF	\$5.04	41.7%	\$461	\$1,338	0.2x	6.1x	22.5x	NM	(25.1x)	68.5x	22.1%	0.7%	2.7%	4.1x
Lifeway Foods, Inc.	LWAY	\$2.65	25.5%	\$42	\$45	0.4x	NM	NM	NM	NM	NM	26.9%	(3.1%)	0.1%	22.8x
Mean				\$16,345	\$21,871	1.0x	8.3x	17.6x	15.7x	-2.0x	44.0x	32.8%	4.1%	7.0%	10.0x
Median				\$461	\$1,338	0.4x	8.3x	17.6x	15.7x	-2.0x	44.0x	26.9%	0.7%	2.7%	4.1x
High				\$48,534	\$64,229	2.3x	10.5x	22.5x	15.7x	21.0x	68.5x	49.3%	14.7%	18.2%	22.8x
Low				\$42	\$45	0.2x	6.1x	12.6x	15.7x	-25.1x	19.4x	22.1%	-3.1%	0.1%	3.0x

Source: Capital IQ

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

LTM = Last Twelve Months



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A Food & Beverage Industry Newsletter



Organics & Healthy:

(\$ in millions, except per share data)

Company	Share Price 11/30/2018	% 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	\$76.70	91.5%	\$11,233	\$13,517	3.8x	16.4x	19.9x	25.7x	26.0x	25.0x	26.0%	17.0%	21.1%	3.0x
The Hain Celestial Group, Inc.	HAIN	\$20.70	47.4%	\$2,154	\$2,820	1.2x	14.2x	20.3x	52.8x	27.6x	21.2x	20.2%	5.7%	8.2%	3.4x
The Simply Good Foods Company	SMPL	\$20.32	97.9%	\$1,643	\$1,722	4.0x	24.0x	26.5x	21.2x	36.6x	36.9x	48.1%	15.0%	16.7%	1.1x
Mean				\$5,010	\$6,020	3.0x	18.2x	22.2x	33.2x	NM	27.7x	31.4%	12.6%	15.3%	2.5x
Median				\$2,154	\$2,820	3.8x	16.4x	20.3x	25.7x	NM	25.0x	26.0%	15.0%	16.7%	3.0x
High				\$11,233	\$13,517	4.0x	24.0x	26.5x	52.8x	36.6x	36.9x	48.1%	17.0%	21.1%	3.4x
Low				\$1,643	\$1,722	1.2x	14.2x	19.9x	21.2x	26.0x	21.2x	20.2%	5.7%	8.2%	1.1x

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 11/30/2018	% 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	\$85.78	98.5%	\$262,733	\$293,086	3.2x	15.5x	18.5x	32.1x	22.5x	20.6x	50.1%	16.4%	19.7%	1.6x
Mondelez International, Inc.	MDLZ	\$44.98	96.6%	\$65,394	\$84,460	3.2x	16.0x	19.0x	20.1x	20.3x	19.8x	40.1%	14.7%	17.8%	4.1x
General Mills, Inc.	GIS	\$42.31	69.7%	\$25,226	\$41,530	2.6x	12.0x	14.6x	11.8x	15.5x	15.0x	34.4%	17.3%	21.1%	NM
Kellogg Company	K	\$63.65	84.9%	\$22,088	\$31,269	2.3x	9.7x	11.5x	12.0x	16.0x	15.9x	39.0%	18.8%	22.4%	2.9x
Conagra Brands, Inc.	CAG	\$32.34	82.0%	\$15,705	\$19,554	2.5x	12.4x	14.8x	15.8x	18.9x	17.6x	29.6%	15.5%	18.7%	2.5x
The J. M. Smucker Company	SM	\$104.51	78.4%	\$11,889	\$17,993	2.4x	10.9x	14.7x	8.9x	13.5x	12.8x	37.7%	16.0%	21.7%	3.7x
Campbell Soup Company	CPB	\$39.20	76.8%	\$11,786	\$21,427	2.3x	10.9x	14.0x	66.4x	15.4x	14.8x	32.3%	16.6%	21.3%	4.9x
Post Holdings, Inc.	POST	\$96.75	95.4%	\$6,441	\$12,827	2.0x	11.1x	16.8x	15.7x	25.9x	20.1x	29.9%	12.2%	18.5%	5.5x
Lancaster Colony Corporation	LANC	\$180.32	95.2%	\$4,957	\$4,739	3.8x	23.0x	26.5x	34.2x	32.9x	27.6x	24.9%	14.4%	16.6%	(1.1x)
J & J Snack Foods Corp.	JJSF	\$156.87	96.4%	\$2,945	\$2,813	2.5x	17.9x	25.4x	28.5x	38.0x	31.6x	29.5%	9.7%	13.8%	(0.8x)
TreeHouse Foods, Inc.	THS	\$52.60	94.6%	\$2,945	\$5,203	0.9x	10.3x	20.1x	NM	25.2x	20.9x	16.8%	4.3%	8.4%	4.5x
B&G Foods, Inc.	BGS	\$30.33	76.3%	\$2,000	\$4,049	2.3x	12.5x	15.0x	10.6x	16.0x	15.7x	26.4%	15.6%	18.7%	6.3x
Mean				\$36,176	\$44,912	2.5x	13.5x	17.6x	23.3x	21.7x	19.4x	32.6%	14.3%	18.2%	3.1x
Median				\$11,837	\$18,773	2.4x	12.2x	15.9x	15.8x	19.6x	18.7x	31.1%	15.6%	18.7%	3.7x
High				\$262,733	\$293,086	3.8x	23.0x	26.5x	66.4x	38.0x	31.6x	50.1%	18.8%	22.4%	6.3x
Low				\$2,000	\$2,813	0.9x	9.7x	11.5x	8.9x	13.5x	12.8x	16.8%	4.3%	8.4%	(1.1x)

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	6.9x
Fruits, Vegetables & Nuts	0.5x	22.3x
Protein Products	0.8x	7.7x
Dairy	0.4x	8.3x
Organics & Healthy	3.8x	16.4x
Food Conglomerates	2.4x	12.2x
Mean	2.0x	13.1x
Median	0.8x	12.2x

Note: Multiples represent median values

Source: Capital IQ



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Industry Newsletter

Commodity Score Card

Commodity	Units	11/30/2018	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.72	\$3.63	\$3.94	\$3.59
Coffee	\$ per lb.	\$1.15	\$1.13	\$1.24	\$1.30
Cocoa	\$ per lb.	\$0.99	\$1.02	\$1.11	\$0.93
Wheat	\$ per bu.	\$5.09	\$5.01	\$5.26	\$4.39
Live Cattle	\$ per lb.	\$1.20	\$1.17	\$1.04	\$1.22

Source: Capital IQ

Select M&A and Capital Raising News, November 2018

❖ PepsiCo to Acquire Pipers Crisps

November 7, 2018 – PepsiCo, Inc. plans to acquire premium snack brand Pipers, pending approval from the U.K.’s Competition and Markets Authority. Financial terms of the transaction, which is expected to close in early 2019, were not disclosed. Launched in 2004, Pipers is based in Lincolnshire, England, and creates chips and pea snacks that are distributed across the U.K., Europe and the Americas. PepsiCo said it hopes to bolster the company’s growth regionally and increase its international exports. Pipers offers a range of kettle-cooked chips made with regional ingredients and flavors. Varieties include Delicias Jalapeño & Dill, Lye Cross Cheddar & Onion, Anglesey Sea Salt, Burrow Hill Cider Vinegar & Sea Salt, Kirky Malham Chorizo, Atlas Mountains Wild Thyme & Rosemary, Biggleswade Sweet Chili, Wissington Tomato and Karnataka Black Pepper & Sea Salt. Pipers’ portfolio also includes a line of extruded pea snacks called Crispeas, which the company debuted in May. Crispeas contain fewer than 100 calories per serving and come in three varieties: Matar Paneer, Salsa Verde and English Mint.

❖ Flowers Foods to Acquire Gluten-Free Bread Maker

November 8, 2018 – Flowers Foods, Inc. has reached a definitive agreement to acquire Canyon Bakehouse L.L.C., a privately-held gluten-free baking company, for approximately \$205 million (2.6x revenue), including a performance-based contingent payment of \$5 million. The transaction is subject to regulatory approval and customary closing conditions and is expected to close in the fourth quarter of 2018. Based in Johnstown, Colorado, Canyon Bakehouse offers 21 gluten-free bread, buns, bagels, English muffins and specialty items, primarily distributed frozen through natural, specialty, grocery and mass retailers nationwide. The Canyon Bakehouse brand is the top gluten-free loaf brand in the natural and specialty channel, the No. 2 brand in the overall gluten-free loaf category and the fastest-growing gluten-free bread loaf brand in the United States, according to sales data from SPINS and Information Resources, Inc. Canyon Bakehouse has generated a compound annual net sales growth rate of approximately 45% since 2014. The gluten-free packaged bread category has grown at a rate of 6.6% per year since 2015, outpacing the rate of the broader \$14.5 billion U.S. retail baked foods market, according to SPINS and I.R.I. data. The company expects to generate approximately \$70 million to \$80 million in net sales in 2019.

❖ Private Equity Firm Buys Bojangles’

November 9, 2018 – Durational Capital Management LP and The Jordan Co. L.P. have entered a definitive agreement to acquire Bojangles’ Inc. for \$594 million. Bojangles’ serves Southern-style menu items such as scratch-made biscuit breakfast sandwiches and fried chicken. Under terms of the agreement, Durational Capital Management and The Jordan Co. will acquire Bojangles’ in an all-cash transaction in which stockholders will receive \$16.10 per share, representing a 39% premium to the closing share price of February 12, 2018. Bojangles’ includes 766 system-wide restaurants, including 325 company-operated units and 441 franchised restaurants, primarily located in the Southeastern United States.

❖ Maple Leaf Wraps Up Transaction for Canadian Pepperoni Producer

November 14, 2018 – Maple Leaf Foods Inc. closed on its acquisition of VIAU Foods, a Canadian producer of premium Italian cooked, dry-cured and charcuterie meats, for a purchase price of \$215 million (1.2x revenue), including \$30 million in Maple Leaf stock. The transaction is expected to be accretive to Maple Leaf’s earnings per share in the first year and to the company’s margin expansion over time. Founded in 1977, VIAU makes value-added prepared meat products, including sausages, pizza toppings, shaved steak, meatballs, dry-cured pepperoni, pancetta and sliced chorizo under the VIAU and Fantino & Mondello brands. The company markets its products throughout retailers in Canada and is a supplier of dried pepperoni and other pizza toppings to the North American food service industry. VIAU had sales of \$180 million over the last 12 months. Maple Leaf said the acquisition expands its position in the growing market for premium dry cured and pepperoni meat products and provides further production capacity in Quebec, a strategic base to grow both Canadian and U.S. sales. The transaction also enables VIAU to expand its portfolio to include raised without antibiotic products, leveraging Maple Leaf’s leadership in this growing market, Maple Leaf said. VIAU employs 470 people at two facilities in Laval, Quebec, and Montreal.

❖ South Korean Firm Acquires Schwan Company

November 15, 2018 – CJ CheilJedang, the food business unit of South Korea’s CJ Group, has acquired an 80% majority stake in the Schwan Co., Minneapolis, for approximately \$1.84 billion. The acquisition includes the Schwan Co. and its subsidiaries that focus on food sold in the retail and food service channels. The Schwan family will retain a 20% equity stake in the food and retail business and maintain 100% ownership of Schwan’s home-delivery business. Brands that are a part of the transaction include Edwards, Freschetta, Mrs. Smith’s, Pagoda, Red Baron, Schwan’s and Tony’s. CJ CheilJedang is a manufacturer of dumplings and noodles, some of which are sold under the Bibigo brand and generated approximately \$14.6 million in sales in 2017. Prior to the acquisition, the company had five manufacturing plants in the United States. Once the transaction is complete, its manufacturing footprint will grow to 22 plants. In addition to expanding CJ CheilJedang’s product portfolio into the frozen pizza, pie and appetizer categories, the company said it will soon be introducing an Asian foods line in the United States. It has plans to extend its reach into Canada and Mexico as well.



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❖ Post Pursuing IPO of Active Nutrition Business

November 16, 2018 – Post Holdings, Inc. said it plans to pursue an initial public offering of its Active Nutrition business. Post said the decision aligns with its focus on creating long-term shareholder value and gives the company the ability to pursue both organic and merger and acquisition opportunities. Post's Active Nutrition business markets and distributes ready-to-drink protein and other beverages, protein powders, nutrition bars and other nutritional supplements under the Premier Protein, Dymatize, PowerBar, Supreme Protein and Joint Juice brands. According to Post, the business has achieved rapid growth in recent years, with net sales increasing at a compound annual growth rate of 30% since 2014. In the year ended September 30, net earnings in the Active Nutrition segment totaled \$101.2 million on net sales of \$827.5 million. Post attributed the growth to its Premier Protein ready-to-drink shake products driven by strong velocities, distribution gains and new flavors. Post management said it believes the business's growth characteristics and high cash flow conversion advantageously position it to be a consolidator across a wide range of opportunities. Under terms of the separation, Post said it intends to sell approximately 20% of the ownership of the new company. The new company will have corporate headquarters in St. Louis with the operating business based in Emeryville, California. Darcy Horn Davenport, current president of Active Nutrition, will become CEO of the new company. Ms. Davenport has been with Active Nutrition since 2009, serving in a variety of leadership roles in marketing and management. She has been president since 2017. Robert V. Vitale, president and CEO of Post Holdings, will become executive chairman of the board of directors of the new company. Other officers and directors will be named at a later date, Post said.

❖ Beyond Meat Files IPO to Fuel Growth

November 19, 2018 – Beyond Meat, Inc. has earned the moniker of category disruptor with its plant-based Beyond Burger. The company's signature product has generated media attention. Now management will learn how investors feel about the business as it has filed an initial public offering to fuel additional growth. The company hopes to generate as much as \$100 million in funding. The money will be used to fund investment in infrastructure and capabilities to support management's strategic expansion plans, the company said in a preliminary prospectus filed with the U.S. Securities and Exchange Commission. Expansion plans include the scaling up of a new manufacturing plant in Columbia, Missouri, new agreements with third-party co-manufacturers and additional investment in research and development.

❖ Fuji Oil Holding to Acquire Blommer Chocolate Co.

November 19, 2018 – Fuji Oil Holding, Inc., a supplier of oil and fat ingredients to the food industry, has entered into an agreement to acquire The Blommer Chocolate Co., the largest cocoa processor and ingredient chocolate manufacturer in North America. Financial terms of the transaction were not disclosed. The acquisition includes all business entities of the privately-held, family-owned Blommer Chocolate Co., including four manufacturing operations in North America and one in Shanghai. The transaction is expected to close in 30 to 60 days. The existing management team will continue to lead Blommer Chocolate following the transaction. Publicly traded on the Tokyo Stock Exchange, Fuji Oil is a global supplier of oil, fat, chocolate, emulsified and fermented food and soy protein. The company has 11 chocolate factories in 8 countries with a wide range of chocolate business in Japan, Southeast Asia, Brazil and Belgium.

❖ Kraft Heinz to Acquire Primal Kitchen for \$200 Million

November 29, 2018 – The Kraft Heinz Co. has entered into a definitive agreement to acquire Primal Nutrition, L.L.C., the maker of Primal Kitchen branded products, for approximately \$200 million (4.0x revenue). Founded in 2015 by Mark Sisson and Morgan Buehler, Primal Kitchen offers a range of better-for-you condiments, sauces, dressings and snacks. The business is expected to generate approximately \$50 million in net sales this year. The transaction remains subject to customary closing conditions and is expected to close in early 2019. Primal Kitchen will continue to operate under its current leadership team at its headquarters in Oxnard, California, while benefitting from Kraft Heinz's assets and infrastructure. Primal Kitchen will join the company under its Springboard platform. Kraft Heinz announced the launch of Springboard in March as a platform "dedicated to nurturing, scaling and accelerating growth of disruptive U.S. brands within the food and beverage space."

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❖ Chicago Custom Foods Promotes Roy to CEO

November 2, 2018 – Jason Roy has been promoted to CEO of Chicago Custom Foods, L.L.C. He succeeds Scott Lerner. Mr. Roy has been with Chicago Custom Foods since 2003, most recently as COO. During his time at the company he has been instrumental in executing the company's strategic plan and facilitating its organic growth. Prior to joining Chicago Custom Foods he was director of operations at Entertainment Marketing, Inc. Chicago Custom Foods makes Kernel Season's popcorn seasonings and Tasty Shakes oatmeal add-ins. The company's branded seasonings are sold to consumers at movie theaters and retailers, including mass merchants, grocery stores and specialty retailers throughout North America and internationally.

❖ Former CEO of Sur La Table Joins General Mills Board

November 6, 2018 – Diane L. Neal has been elected to the board of directors of General Mills, Inc. Ms. Neal most recently was CEO of Sur La Table, Inc., a kitchen goods retail company with more than 100 stores. Prior to Sur La Table, she was CEO and COO of Bath & Body Works, a division of L Brands, Inc. She earlier held leadership roles at Gap Inc. and Target Corp.

❖ Former TreeHouse Exec to Lead Carolina Beverage Group

November 7, 2018 – Brian Demos has been named president and CEO of Carolina Beverage Group, L.L.C., a contract manufacturer that processes malt beverages, distilled spirits, energy drinks, teas, functional drinks and ready-to-drink beverages. The company has manufacturing plants in Mooresville, North Carolina, and Fort Worth, Texas. Dr. Demos succeeds J. Andrew Kerner, who is retiring from the company. Prior to joining Carolina Beverage, Dr. Demos was with TreeHouse Foods, Inc. for nearly nine years, most recently as senior vice-president and general manager of snack nuts. He earlier was senior vice-president of supply chain integration, senior vice-president and general manager of soup, broth and infant feeding, senior vice-president of operations, and senior vice-president of product quality and food safety. Before TreeHouse, he was vice-president of new product development at Little Lady Foods. He also spent 13 years at ConAgra Foods in a variety of positions. Brynwood Partners acquired Carolina Beverage Group from SunTx Capital Partners earlier this year.



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❖ Sonic Leadership in Transition

November 7, 2018 – Claudia San Pedro has been named CEO of Sonic Corp. She will succeed J. Clifford Hudson, chairman and CEO, who plans to retire following the proposed acquisition of Sonic by Inspire Brands, the parent company of Arby's and Buffalo Wild Wings. Ms. San Pedro, currently president of Sonic, will report to Paul Brown, the CEO of Inspire Brands. A 34-year veteran of the company, Mr. Hudson was tapped to lead Sonic in 1995, overseeing the drive-in chain's growth from nearly 1,500 locations in 27 states with systemwide sales of \$905 million to 3,600 locations in 45 states and systemwide sales of \$4.5 billion. Ms. San Pedro became president of Sonic this past January and has held various leadership roles in her 12 years with the company. She joined Sonic in 2006 as treasurer and later was named vice-president of investor relations. In 2015, she was elevated to the role of CFO. In September, Atlanta-based Inspire Brands, Inc. announced plans to acquire Sonic Corp. for \$43.50 per share in cash in a transaction valued at approximately \$2.3 billion, including the assumption of Sonic's net debt. The agreement was 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 is expected to close in December. Mr. Hudson will serve as a senior adviser to Sonic until next March.

❖ Pizza Hut Veteran Joins Long John Silver's as COO

November 14, 2018 – Blain Shortreed has been named COO of Long John Silver's, effective January 1, 2019. In this role, he will lead franchise operations for Long John Silver's and oversee internal company operations and restaurant development. Before joining Long John Silver's, Mr. Shortreed spent nearly 14 years with Yum! Brands, Inc., most recently as managing director of Pizza Hut's Middle East/North Africa business. Prior to that, he was vice-president of operations for Pizza Hut USA. Earlier in his career, Mr. Shortreed held operations positions with Cara Operations, Prizm and PepsiCo Foodservice International. Mr. Shortreed's appointment will play a "critical role" in Long John Silver's new brand trajectory, the company said. In March 2018, Long John Silver's opened a new flagship restaurant in Louisville, Kentucky, featuring a modern design and a new Grilled Seafood Menu, which includes grilled fish tacos and grilled salmon bowls paired with long grain rice. Long John Silver's is currently planning a significant expansion of grilled menu items in 2019.

❖ Target's Cornell to Non-Executive Vice-Chair of Yum! Board

November 20, 2018 – Brian C. Cornell, chairman and CEO of Target Corp., has been appointed non-executive vice-chairman of Yum! Brands, Inc.'s board of directors. A member of Yum! Brands' board since 2015, Mr. Cornell will succeed Robert D. Walter, who is retiring. Mr. Cornell has more than 30 years of experience at leading retail and global consumer product companies. Prior to joining Target in August 2014, he was CEO of PepsiCo Americas Foods. Before joining PepsiCo in 2012, Mr. Cornell was president and CEO of Sam's Club, a division of Wal-Mart Stores, Inc. He also held the position of CEO at Michaels Stores, Inc. and, prior to that, executive vice-president and CMO for Safeway. Mr. Cornell is chairman of the Retail Industry Leaders Association. He is also a member of the board of directors of Catalyst, a global nonprofit organization focused on empowering and accelerating women in business, and the Smithsonian's National Museum of African American History and Culture.

❖ PepsiCo Vet Promoted at Borden Dairy

November 26, 2018 – Eric Downum has been promoted to vice-president of financial planning and analysis at Borden Dairy Co. He was previously director of financial planning and analysis for the company. Before joining Borden in 2016, Mr. Downum spent more than 13 years with PepsiCo, Inc. in a variety of financial leadership roles, including finance director of supply chain, innovation, M&A. and strategy. Earlier in his career, he was a business analyst at Wachovia Bank. Founded in 1857, Borden operates 13 milk processing plants across the United States that employ 3,300. The company produces more than 500 million gallons of milk annually for grocery, mass market, club, food service, hospitality, school and convenience store channels.

❖ Unilever's Polman to Retire; Jope Named Successor

November 29, 2018 – Alan Jope has been named CEO of Unilever P.L.C., effective January 1. He will succeed Paul Polman, who is retiring after nearly 10 years as CEO of the company. Mr. Jope joined Unilever in 1985 and has been president of Beauty & Personal Care, Unilever's largest division, since September 2014. Prior to being appointed president of Unilever's Beauty & Personal Care business, Mr. Jope was president of Russia, Africa & Middle East. Earlier, he led Unilever's business in Greater China and was named president of Unilever North Asia in 2011. During the early 2000s he was global category leader for several of Unilever's food and refreshment divisions and was president of Unilever's home and personal care business in North America. Mr. Polman will retire as CEO and a board member on December 31. He will support the transition process in the first half of 2019 and will leave the company in early July. Mr. Polman has worked in the consumer goods industry for almost four decades, including the past 10 years as CEO of Unilever. During his tenure, the company said Mr. Polman delivered consistent top- and bottom-line growth ahead of its markets.

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Additional information is available upon request.

