

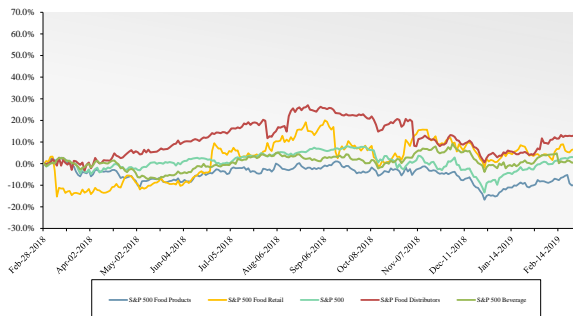
The Cupboard



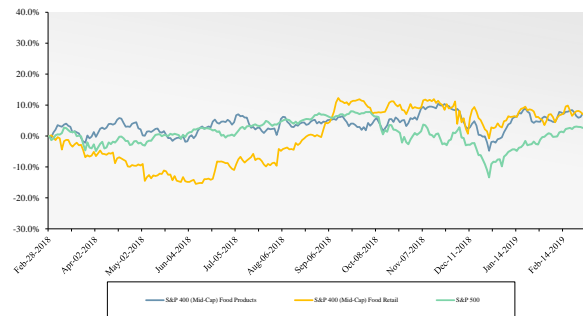
A Food & Beverage Industry Newsletter



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



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



Indices Performance (% change)

	February 2019	LTM		February 2019	LTM		February 2019	LTM
S&P 500	2.9%	2.6%	S&P 500 Food Products	(1.2%)	(9.5%)	S&P 400 Food Products (Mid-Cap)	1.0%	7.3%
Dow Jones	3.4%	3.5%	S&P 500 Food Retail	4.7%	8.2%	S&P 400 Food Retail (Mid-Cap)	3.5%	7.0%
NASDAQ	3.7%	3.6%	S&P 500 Food Distributors	6.7%	13.2%			
			S&P 500 Beverage	(1.7%)	1.4%			

Source: Capital IQ

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

Celsius Holdings, Inc.	38.6%	Nuverra Environmental Solutions, Inc.	(22.4%)
Coca-Cola Consolidated, Inc.	14.1%	National Beverage Corp.	(21.3%)
The Boston Beer Company, Inc.	13.9%	Craft Brew Alliance, Inc.	(5.9%)
Primo Water Corporation	7.8%	Constellation Brands, Inc.	(2.5%)
Castle Brands Inc.	6.9%		

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

The Hain Celestial Group, Inc.	26.8%	Dean Foods Company	(38.2%)
Spectrum Brands Holdings, Inc.	9.7%	The Kraft Heinz Company	(32.6%)
McCormick & Company, Incorporated	8.9%	Coffee Holding Co., Inc.	(20.3%)
Calavo Growers, Inc.	7.8%	Seneca Foods Corporation	(18.5%)
Tyson Foods, Inc.	7.5%	Lifeway Foods, Inc.	(10.8%)

Source: Capital IQ

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 02/28/2019	% 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	\$45.34	89.2%	\$193,844	\$223,552	7.0x	19.3x	21.3x	29.1x	24.9x	23.9x	63.1%	29.8%	33.3%	2.6x
PepsiCo, Inc.	PEP	\$115.64	94.8%	\$162,438	\$185,850	2.9x	14.5x	17.5x	13.2x	20.7x	21.5x	54.6%	16.4%	19.8%	1.8x
Anheuser-Busch InBev S&NV	ENXTHR-ABI	\$77.70	72.1%	\$152,045	\$266,111	4.9x	12.1x	15.0x	35.5x	27.2x	20.1x	62.7%	32.3%	39.5%	4.8x
Diageo plc	LSE:DGE	\$38.54	95.1%	\$92,971	\$109,302	6.6x	17.5x	18.8x	24.4x	23.9x	23.4x	62.5%	32.5%	35.0%	2.4x
Monster Beverage Corporation	MNST	\$63.83	96.2%	\$34,703	\$33,745	8.9x	24.7x	25.8x	36.3x	34.4x	32.8x	60.3%	34.4%	35.9%	NM
Constellation Brands, Inc.	STZ	\$169.16	71.5%	\$32,167	\$45,869	5.7x	11.1x	12.1x	10.7x	26.3x	22.7x	50.3%	32.7%	36.7%	NM
Brown-Forman Corporation	BFb	\$49.49	83.1%	\$23,573	\$25,926	7.9x	23.5x	25.0x	31.9x	29.4x	28.7x	66.3%	31.0%	33.1%	2.1x
The Boston Beer Company, Inc.	SAM	\$312.56	94.7%	\$3,594	\$3,485	3.5x	20.7x	29.9x	40.0x	36.1x	31.3x	51.4%	11.7%	16.9%	NM
National Beverage Corp.	PIZZ	\$68.59	53.9%	\$3,199	\$2,944	2.9x	13.1x	14.0x	19.2x	27.9x	15.7x	39.2%	19.3%	20.7%	NM
Mean				\$77,615	\$99,643	5.6x	17.4x	19.9x	26.7x	27.9x	24.4x	56.7%	26.7%	30.1%	2.7x
Median				\$34,703	\$45,869	5.7x	17.5x	18.8x	29.1x	27.2x	23.4x	60.3%	31.0%	33.3%	2.4x
High				\$193,844	\$266,111	8.9x	24.7x	29.9x	40.0x	36.1x	32.8x	66.3%	34.4%	39.5%	4.8x
Low				\$3,199	\$2,944	2.9x	11.1x	12.1x	10.7x	20.7x	15.7x	39.2%	11.7%	16.9%	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 02/28/2019	% 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	\$67.55	88.9%	\$34,684	\$42,818	0.7x	12.9x	16.8x	24.1x	21.9x	19.9x	18.9%	4.3%	5.6%	2.4x
The Kroger Co.	KR	\$29.33	89.6%	\$23,398	\$37,945	0.3x	7.7x	15.6x	6.7x	14.5x	12.9x	21.7%	2.1%	4.2%	2.9x
Casey's General Stores, Inc.	CASY	\$134.74	97.3%	\$4,932	\$6,180	0.7x	12.0x	22.0x	14.4x	26.2x	25.1x	23.0%	3.7%	6.6%	2.4x
Weis Markets, Inc.	WMK	\$50.31	87.0%	\$1,353	\$1,260	0.4x	7.0x	14.2x	12.0x	NM	NM	27.0%	2.4%	5.1%	NM
SpartanNash Company	SPTN	\$18.98	70.3%	\$682	\$1,362	0.2x	6.9x	12.1x	20.2x	10.6x	10.3x	13.8%	1.4%	2.4%	3.4x
Ingles Markets, Incorporated	IMKT.A	\$31.12	82.7%	\$630	\$1,496	0.4x	6.2x	11.7x	8.5x	0.0x	0.0x	24.0%	3.1%	5.8%	3.6x
Village Super Market, Inc.	VLGEA	\$30.65	95.5%	\$441	\$402	0.2x	6.5x	11.0x	15.6x	NM	NM	27.5%	2.3%	3.9%	NM
Mean				\$9,446	\$13,066	0.4x	8.4x	14.8x	14.5x	14.6x	13.6x	22.3%	2.8%	4.8%	3.0x
Median				\$1,353	\$1,496	0.4x	7.0x	14.2x	14.4x	14.5x	12.9x	23.0%	2.4%	5.1%	2.9x
High				\$34,684	\$42,818	0.7x	12.9x	22.0x	24.1x	26.2x	25.1x	27.5%	4.3%	6.6%	3.6x
Low				\$441	\$402	0.2x	6.2x	11.0x	6.7x	0.0x	0.0x	13.8%	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



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A Food & Beverage Industry Newsletter



Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 02/28/2019	% 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.	CVGW	\$85.13	78.8%	\$1,495	\$1,511	1.4x	25.8x	33.1x	46.3x	36.8x	NM	10.8%	5.7%	6.9%	0.5x
Fresh Del Monte Produce Inc.	FDP	\$27.68	52.8%	\$1,342	\$2,068	0.5x	11.3x	25.3x	NM	47.0x	23.0x	6.2%	1.8%	4.1%	3.6x
Seneca Foods Corporation	SENEA	\$29.52	82.2%	\$282	\$631	0.5x	NM	NM	NM	NM	NM	2.8%	(2.9%)	(0.5%)	(53.7x)
Mean				\$1,040	\$1,404	0.8x	18.6x	29.2x	46.3x	41.9x	23.0x	6.6%	1.5%	3.5%	-16.6x
Median				\$1,342	\$1,511	0.5x	18.6x	29.2x	46.3x	41.9x	23.0x	6.2%	1.8%	4.1%	0.5x
High				\$1,495	\$2,068	1.4x	25.8x	33.1x	46.3x	47.0x	23.0x	10.8%	5.7%	6.9%	3.6x
Low				\$282	\$631	0.5x	11.3x	25.3x	46.3x	36.8x	23.0x	2.8%	-2.9%	-0.5%	(53.7x)

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 02/28/2019	% 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	\$43.36	93.7%	\$23,180	\$23,292	2.4x	16.8x	19.1x	24.9x	22.7x	21.8x	20.7%	12.3%	14.0%	0.1x
Tyson Foods, Inc.	TSN	\$61.66	80.5%	\$22,522	\$34,245	0.9x	8.4x	11.0x	11.7x	11.7x	11.7x	12.9%	7.7%	10.1%	2.9x
Pilgrim's Pride Corporation	PPC	\$19.67	75.7%	\$4,897	\$6,894	0.6x	8.9x	13.8x	19.7x	16.1x	14.0x	7.7%	4.6%	7.1%	2.6x
Sanderson Farms, Inc.	SAFM	\$115.20	89.4%	\$2,552	\$2,538	0.8x	24.8x	NM	NM	(119.5x)	54.1x	6.8%	(0.3%)	3.2%	(0.1x)
Bridgford Foods Corporation	BRID	\$23.83	72.7%	\$216	\$208	1.2x	21.5x	36.1x	33.2x	NM	NM	31.9%	4.2%	6.5%	(0.1x)
Mean				\$10,474	\$13,436	1.2x	16.1x	20.0x	22.4x	-17.3x	25.4x	16.0%	5.7%	8.2%	1.0x
Median				\$4,897	\$6,894	0.9x	16.8x	16.4x	22.3x	13.9x	17.9x	12.9%	4.6%	7.1%	0.1x
High				\$23,180	\$34,245	2.4x	24.8x	36.1x	33.2x	22.7x	54.1x	31.9%	12.3%	14.0%	2.9x
Low				\$216	\$208	0.6x	8.4x	11.0x	11.7x	-119.5x	11.7x	6.8%	-0.3%	3.2%	(0.1x)

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 02/28/2019	% 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	\$75.19	95.9%	\$48,627	\$64,289	2.3x	11.0x	13.1x	18.3x	21.2x	19.6x	100.0%	14.4%	17.9%	0.0x
Dean Foods Company	DF	\$4.01	36.0%	\$367	\$1,260	0.2x	10.9x	NM	NM	(23.8x)	(9.1x)	21.3%	(0.6%)	1.4%	8.2x
Lifeway Foods, Inc.	LWAY	\$2.35	34.5%	\$37	\$40	0.4x	NM	NM	NM	NM	NM	26.9%	(3.1%)	0.1%	22.8x
Mean				\$16,344	\$21,863	0.9x	11.0x	13.1x	18.3x	-1.3x	5.3x	49.4%	3.6%	6.5%	10.4x
Median				\$367	\$1,260	0.4x	11.0x	13.1x	18.3x	-1.3x	5.3x	26.9%	-0.6%	1.4%	8.2x
High				\$48,627	\$64,289	2.3x	11.0x	13.1x	18.3x	21.2x	19.6x	100.0%	14.4%	17.9%	22.8x
Low				\$37	\$40	0.2x	10.9x	13.1x	18.3x	-23.8x	-9.1x	21.3%	-3.1%	0.1%	0.0x

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 02/28/2019	% 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	\$69.31	82.6%	\$10,153	\$12,406	3.4x	14.5x	17.6x	21.6x	26.0x	25.2x	26.5%	17.3%	21.4%	2.9x
The Hain Celestial Group, Inc.	HAIN	\$19.67	54.4%	\$2,048	\$2,738	1.1x	15.3x	22.7x	NM	26.1x	28.4x	19.7%	5.0%	7.5%	3.8x
The Simply Good Foods Company	SMPLE	\$20.46	95.8%	\$1,675	\$1,656	3.7x	22.3x	24.5x	20.7x	36.6x	37.1x	48.0%	15.1%	16.7%	(0.3x)
Mean				\$4,626	\$5,600	2.8x	17.3x	21.6x	21.2x	NM	30.2x	31.4%	12.5%	15.2%	2.2x
Median				\$2,048	\$2,738	3.4x	15.3x	22.7x	21.2x	NM	28.4x	26.5%	15.1%	16.7%	2.9x
High				\$10,153	\$12,406	3.7x	22.3x	24.5x	21.6x	36.6x	37.1x	48.0%	17.3%	21.4%	3.8x
Low				\$1,675	\$1,656	1.1x	14.5x	17.6x	20.7x	26.0x	25.2x	19.7%	5.0%	7.5%	(0.3x)

Source: Capital IQ

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

LTM = Last Twelve Months

Food Conglomerates:

(\$ in millions, except per share data)

Company	Share Price 02/28/2019	% 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	\$90.32	98.4%	\$268,642	\$300,050	3.3x	15.6x	18.5x	26.9x	22.4x	21.9x	49.8%	16.7%	20.0%	1.7x
Mondelēz International, Inc.	MDLZ	\$47.16	97.3%	\$68,107	\$85,793	3.3x	16.8x	19.9x	20.7x	20.1x	20.2x	39.9%	14.5%	17.6%	3.9x
General Mills, Inc.	GIS	\$47.13	89.1%	\$28,125	\$43,723	2.7x	12.4x	15.1x	13.8x	14.6x	14.7x	34.3%	17.3%	21.2%	NM
Kellogg Company	K	\$86.26	75.0%	\$19,348	\$28,478	2.1x	10.9x	13.7x	14.7x	15.9x	15.4x	35.6%	13.9%	17.8%	3.6x
The J. M. Smucker Company	SML	\$105.91	79.4%	\$12,047	\$17,967	2.3x	10.9x	14.8x	19.2x	13.5x	12.6x	37.8%	15.7%	21.4%	3.6x
Conagra Brands, Inc.	CAG	\$23.37	59.3%	\$11,349	\$22,550	2.8x	13.6x	16.1x	13.0x	16.2x	15.0x	29.3%	15.9%	19.1%	7.1x
Campbell Soup Company	CPB	\$36.02	80.7%	\$10,843	\$20,097	2.1x	10.1x	13.2x	NM	15.3x	14.6x	31.2%	15.6%	20.5%	4.6x
Post Holdings, Inc.	POST	\$101.88	97.6%	\$6,775	\$13,068	2.1x	11.2x	17.0x	25.8x	26.3x	21.4x	29.7%	12.5%	18.8%	5.4x
Lancaster Colony Corporation	LANC	\$156.77	80.7%	\$4,312	\$4,118	3.2x	19.5x	22.6x	29.4x	32.9x	27.9x	24.9%	14.4%	16.6%	(0.9x)
TreeHouse Foods, Inc.	THS	\$60.58	98.5%	\$3,392	\$5,526	1.0x	11.0x	18.6x	NM	25.4x	24.1x	17.4%	5.1%	8.7%	4.2x
J & J Snack Foods Corp.	JJSF	\$155.28	95.4%	\$2,917	\$2,780	2.4x	17.6x	24.9x	34.4x	38.0x	30.6x	29.7%	9.8%	13.8%	(0.9x)
B&G Foods, Inc.	BGS	\$24.62	73.5%	\$1,616	\$3,240	1.9x	10.5x	12.7x	9.5x	13.5x	12.6x	17.4%	5.1%	8.7%	5.3x
Mean				\$36,456	\$45,616	2.4x	13.3x	17.3x	20.7x	21.4x	19.4x	32.1%	13.9%	17.8%	3.4x
Median				\$11,096	\$19,032	2.4x	11.8x	16.6x	19.9x	18.2x	17.8x	30.5%	14.7%	18.5%	3.9x
High				\$268,642	\$300,050	3.3x	19.5x	24.9x	34.4x	38.0x	30.6x	49.8%	17.3%	21.4%	7.1x
Low				\$1,616	\$2,780	1.0x	10.1x	12.7x	9.5x	13.5x	12.6x	17.4%	5.1%	8.7%	(0.9x)

Source: Capital IQ

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

LTM = Last Twelve Months

Valuation Summary

Public Company Trading Metrics (LTM)

Industry	TEV/Revenue	TEV/EBITDA
Beverage	5.7x	17.5x
Retail & Distribution	0.4x	7.0x
Fruits, Vegetables & Nuts	0.5x	18.6x
Protein Products	0.9x	16.8x
Dairy	0.4x	11.0x
Organics & Healthy	3.4x	15.3x
Food Conglomerates	2.4x	11.8x
Mean	1.9x	14.0x
Median	0.9x	15.3x

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

Commodity	Units	2/28/2019	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.76	\$3.77	\$3.57	\$3.86
Coffee	\$ per lb.	\$1.04	\$1.03	\$1.03	\$1.24
Cocoa	\$ per lb.	\$1.07	\$1.00	\$1.07	\$1.02
Wheat	\$ per bu.	\$5.14	\$5.13	\$5.42	\$5.16
Live Cattle	\$ per lb.	\$1.26	\$1.28	\$1.09	\$1.23

Source: Capital IQ

Select M&A and Capital Raising News, February 2019

❖ Symrise to Acquire International Dehydrated Foods

February 5, 2019 – Symrise AG has acquired the food ingredient manufacturer International Dehydrated Foods (I.D.F.) and an affiliated company, the pet food maker American Dehydrated Foods (A.D.F.), for approximately \$900 million (4.1x sales). Ingredients manufactured by I.D.F. include those sourced from chicken protein, chicken broth and chicken fat. A.D.F. and I.D.F. are based in Springfield, Missouri, and employ approximately 470. The company has sales of approximately \$220 million. The two newly acquired companies will become a part of Symrise’s Diana business unit.

❖ Unilever Acquires Healthy Snack Brand Graze

February 6, 2019 – Unilever P.L.C. has acquired the snack company Graze, which does business in the United Kingdom and the United States. Terms of the acquisition were not disclosed. Graze products include nuts, seeds, trail mixes and bars. The company started as a service that delivered customized snack mixes to consumers but has expanded into the retail, e-commerce and direct-to-consumer channels. Graze began selling products online in the United States in 2013, and products started showing up on retail shelves in 2016. Products sold at retail at the time of launch included sweet Memphis BBQ, dark chocolate cherry tart and veggie protein. Graze represents the second plant-based acquisition made by Unilever during the past few months. In late December, the company acquired The Vegetarian Butcher, Utrecht, The Netherlands. The Vegetarian Butcher is a meat substitute company that distributes products to more than 4,000 outlets in 17 countries.

❖ Tyson Foods Expanding International Footprint Through Acquisitions

February 7, 2019 – Tyson Foods, Inc. has entered into a definitive agreement to acquire the Thai and European operations of Brazilian food processor BRF S.A. for \$340 million. The transaction includes four processing facilities in Thailand, a processing facility in The Netherlands and a processing facility in the United Kingdom. The poultry operations in Thailand include a feed mill, hatchery, breeder farms and contract growing operations. The four plants there produce fresh and frozen, value-added raw and fully cooked poultry products, including highly specialized cuts, for retail and food service customers throughout Asia and other export markets, including Europe. The processing facilities in The Netherlands and U.K. include in-house innovation capabilities for developing further-processed chicken products for retail and food service customers throughout Europe under brands including Grabits, Hot ‘N’ Kickin’ Chicken, Speedy Pollo and Sadia, as well as key customer-owned brands.

❖ PepsiCo to Acquire Muscle Milk Maker from Hormel Foods

February 20, 2019 – PepsiCo, Inc. has agreed to acquire the CytoSport sports nutrition business from Hormel Foods Corp. Financial terms of the transaction were not disclosed. Austin, Minnesota-based Hormel Foods acquired CytoSport Holdings, Inc., the manufacturer of Muscle Milk, for approximately \$450 million in 2014. Muscle Milk products include ready-to-drink beverages, protein-based powders, sports nutrition bars and energy chews. In 2017, CytoSport debuted a second brand, Evolve, a plant-based and vegan protein line featuring shelf-stable protein shakes, powders and bars made with pea protein. PepsiCo is the maker of Gatorade. The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to be completed in 30 to 60 days.

❖ Glanbia to Acquire Watson Food Ingredients Company

February 20, 2019 – Glanbia Nutritionals, a wholly-owned subsidiary of Glanbia P.L.C., has agreed to acquire Watson Inc., a manufacturer and supplier of custom nutrient premix, bakery ingredient, edible film and material conditioning solutions for the nutrition, food and beverage, personal care and supplement industries. Financial terms of the transaction were not disclosed. Founded in 1939, Watson is a third-generation family business with three facilities in West Haven and Orange, Connecticut, and Taylorville, Illinois. The company specializes in microencapsulation, agglomeration, micronizing, spray drying and film technology. Glanbia Nutritionals offers proteins, custom nutrient premixes, cheese, bioactives, plant-based nutrition ingredients, flavors and micronutrients in more than 130 countries worldwide. The company operates three innovation centers and employs more than 2,000 in 19 countries. The acquisition of Watson will extend Glanbia’s custom nutrient premix production footprint coast to coast in the United States, the company said, as the company will now operate facilities in California, Missouri, Illinois and Connecticut. The U.S. presence is supplemented by facilities in Germany and China.

❖ Saputo to Enter UK Dairy Market via Acquisition

February 25, 2019 – Saputo Inc. has reached an agreement to acquire Dairy Crest Group P.L.C. in a transaction valued at approximately £975 million (\$1.27 billion) (2.1x revenue). Headquartered in the United Kingdom, Dairy Crest manufactures and markets cheese, butters, spreads and oils under British brands such as Cathedral City, Clover, Country Life and Frylight, as well as value-added dairy ingredients. Dairy Crest employs approximately 1,100 people in seven locations across the United Kingdom. In the year ended March 31, 2018, Dairy Crest had revenues of approximately £456.8 million and profit after tax of approximately £149.5 million. Saputo



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said the transaction will allow it to expand its international presence and enter the U.K. market by acquiring and investing in “a well-established and successful industry player with a solid asset base and an experienced management team.” Stephen Alexander, chairman of Dairy Crest, said the acquisition should enable Dairy Crest to benefit from Saputo’s global expertise and strong financial position to fulfill and accelerate its growth ambitions. Saputo produces, markets and distributes a wide array of dairy products, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. Saputo is the largest cheese manufacturer and the leading fluid milk and cream processor in Canada, the top dairy processor in Australia and the second largest in Argentina. In the United States, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products.

❖ **Dean Foods Exploring Strategic Options, Including Sale**

February 27, 2019 – Dean Foods Co. has initiated a strategic review to explore such options as a merger, joint venture or sale. The company said on Feb. 26 it has not set a timetable for the conclusion of the review, nor has it made any decisions related to any outcome. Other options may include the disposition of certain assets, Dean Foods announced the review a day before releasing fourth-quarter and full-year 2018 earnings results.

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❖ **Hormel Promotes Sheehan to Executive VP, CFO**

February 1, 2019 – James N. Sheehan has been promoted to executive vice-president and CFO at Hormel Foods Corp. Mr. Sheehan most recently was senior vice-president and CFO for the company. In his new role, Mr. Sheehan will oversee the company’s financial operations, including accounting, information technology, internal audit, investor relations, corporate tax and treasury. An employee of Hormel Foods for more than 40 years, Mr. Sheehan began his career as an accountant, advancing to other management positions within the company. In 1998, he became president of Hormel Financial Services. He later became treasurer and advanced to vice-president and controller in 2000. He was named chief accounting officer in May 2016 and became senior vice-president and CFO in October 2016.

❖ **Prime Now App Boosts Whole Foods Sales**

February 4, 2019 – Even as adjusted sales from brick and mortar Whole Foods Market stores held about steady in the fourth quarter ended December 31, 2018, overall Whole Foods sales enjoyed solid growth thanks to the company’s Prime Now app. In a January 31 conference call with investment analysts, Brian T. Olsavsky, Amazon’s senior vice-president and CFO sought to offer a complete picture of Whole Foods sales trends. Whole Foods is owned by Amazon.com, Inc. Mr. Olsavsky said Amazon physical store sales slipped 3% in the third quarter, principally because of Whole Foods (the figure also includes other stores — Amazon Bookstores, Amazon Go and Amazon Four Star). Partly accounting for the decline was a realignment in 2017 linking up the fiscal calendars of Amazon and Whole Foods, adding about five days to revenue in the fourth quarter of 2017. Amazon’s acquisition of Whole Foods closed in August 2017. What isn’t counted in store sales are orders for delivery or pickup at Whole Foods using the Prime Now app, Mr. Olsavsky said during the call. “If you adjust for those, what’s the Whole Foods growth year-over-year on an apples-to-apples basis was approximately 6%,” he said. “Because of some of those, again, mostly the year-over-year counting or days true-up issue, it’s showing up as negative 3% in physical stores.”

❖ **Litehouse Promotes Prior to President**

February 12, 2019 – Kelly J. Prior has been promoted to president of Litehouse, Inc., a maker of refrigerated salad dressings, dips and cheeses. Mr. Prior has been interim president since November 2018, when Jim Frank, president and CEO, announced his plans to retire. In addition to interim president, Mr. Prior had been serving as CFO, a role he has held since 2005. He joined Litehouse in 2002. Previously, Mr. Prior was CFO at Medinex Systems and earlier was controller at the company. He began his career as manager of business assurance at PriceWaterhouseCoopers. Founded more than 50 years ago, Litehouse has five manufacturing facilities in Michigan, Utah and Idaho. The company offers a portfolio of products under the Litehouse, Litehouse Simply Arisan, Opa and Opadipity brands through retail, e-commerce, food service, deli, member stores and value-added goods, such as meal and salad kits featuring Litehouse products.

❖ **Foster Farms Promotes Huber to CEO**

February 14, 2019 – Dan Huber has been promoted to CEO of Foster Farms. He succeeds Laura Flanagan, who has resigned after a little more than two years in the position to pursue other opportunities. Mr. Huber joined Foster Farms in 1996 as general manager of Southern California sales/distribution and most recently was COO. During his tenure at Foster Farms he also has held the positions of general manager of both the PNW chicken division and the turkey division, vice-president of supply chain, and senior vice-president. Prior to Foster Farms, he held sales and management positions within the Oscar Mayer and Kraft Foods companies. He has been active in several industry organizations, including the U.S. Poultry and Egg Association, the National Chicken Council and the National Turkey Federation.

❖ **Flowers Elects McMullian as President and CEO**

February 19, 2019 – Amos Ryals McMullian Jr. has been elected president and CEO of Flowers Foods, Inc. by the company’s board. He will succeed Allen L. Shiver, who intends to retire from the company and step down from the board of directors following Flowers’ annual meeting in May. Mr. McMullian joined Flowers Foods in 2003 as associate general counsel. He later was promoted to vice-president of mergers and acquisitions and chief strategy officer. He had been COO since July 2018, with responsibility for executing the company’s strategies to drive growth and expand margins through cost savings and operating efficiencies under Project Centennial. He also has had oversight of the company’s two business units (Fresh Packaged Bread and Snacking/Specialty), supply chain and sales. In addition, he maintained oversight of corporate strategy and ventures and communications. Prior to joining Flowers Foods, he was a corporate associate in the Business Practice Group at Jones Day. Mr. McMullian said he is “deeply honored” to take on the responsibility of leading Flowers into the future. Mr. McMullian’s father, Amos R. McMullian, retired as an executive at Flowers Foods in 2004 but has served as chairman emeritus since 2006. The elder Mr. McMullian, who is 80, has been a member of the company’s board of directors since 2001 and was a director of the predecessor business Flowers Industries, Inc., beginning in 1975. He was CEO of Flowers Industries from 1981 until 2001 and Flowers Foods from 2001 until 2004. Mr. Shiver’s career at Flowers spans 41 years. He joined the company in 1978 and has been promoted to increasing levels of responsibility in sales, marketing and operations during his career. He has been president and CEO of Flowers Foods since 2013. He currently serves as an American Bakers Association board member and has served as the A.B.A.’s chairman of the board. He also serves as co-chair of the Grain Foods Foundation Board of Trustees and is on the Grocery Manufacturers Association’s President’s Advisory Council and Industry Affairs Council.



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❖ Shake Shack Strengthens Leadership Team

February 25, 2019 – Shake Shack has expanded its executive team with the addition of a CDO, chief global licensing officer, chief information officer and CMO. Each position represents a newly created role at the company. Andrew McCaughan, previously vice-president of development at Shake Shack, has been elevated to the role of CDO. He will lead overall growth of the company, including real estate strategy, design, construction and facilities functions. Mr. McCaughan joined Shake Shack in 2010, growing the company from three locations to more than 200 restaurants worldwide. Michael Kark, previously vice-president of global licensing at Shake Shack, has been named to the role of chief global licensing officer. He will oversee the company's licensed partnerships around the world. Over the past eight years, he has launched the brand across the United Kingdom, Middle East, Hong Kong, Mainland China, Japan, South Korea, Russia and Turkey. Before joining the company, he oversaw operations at Chipotle Mexican Grill. Additionally, Dave Harris has been named chief information officer at Shake Shack. He will be responsible for overseeing all aspects of technology at the company. He joins Shake Shack from Newell Brands, where he most recently was vice-president of digital technology. Jay Livingston will become CMO at Shake Shack, with responsibility for leading strategic and innovate marketing. Previously, he was CMO at the parent company of BarkBox, a direct-to-consumer pet goods company.

❖ Tyson's Prepared Foods Leader to Depart

February 26, 2019 – Sally Grimes, group president of Prepared Foods for Tyson Foods Inc., has announced her intent to leave the company, according to a filing with the Securities and Exchange Commission. Ms. Grimes will continue in her current role until a successor is appointed. Ms. Grimes was appointed to her current position in 2017 as part of an executive restructuring plan announced by Thomas Hayes, who was president and CEO at the time. She was chief innovation officer and president of the gourmet foods group at Hillshire Brands Co. when Tyson acquired the company in 2014. She joined the executive leadership team at Tyson by then-president and CEO, Donnie Smith, as part of the 2014 acquisition of Hillshire Brands. After the acquisition, Ms. Grimes worked first as president and chief global growth officer at Tyson, overseeing insights, innovation, R&D, retail sales, marketing services and international strategy with the goal of growing the company's consumer and food service brands. Before her time with Hillshire Brands, Ms. Grimes was global vice-president of the Sharpie brand at Newell Brands. Earlier in her career, she spent 10 years at the Kraft Foods Group.

❖ SunOpta Shakes Up Leadership

February 27, 2019 – The changes keep coming at SunOpta Inc. A day after announcing the sale of its specialty and organic soy and corn business to Pipeline Foods, SunOpta on February 26 said it has terminated the tenure of David J. Colo as president and CEO, citing disappointing financial results and desire for a change in leadership. Mr. Colo's service as a member of SunOpta's board of directors also has been terminated. Stepping into Mr. Colo's role on an interim basis will be Katrina L. Houde. A SunOpta director since 2000, Ms. Houde served as interim CEO of the company in late 2016, which coincided with the development and launch of SunOpta's Value Creation Plan. Ms. Houde is expected to serve as interim CEO to facilitate an orderly transition while the company's board of directors forms a search committee to work alongside an executive search firm to identify Mr. Colo's successor. Despite the turnover at the top, Ms. Houde said SunOpta remains committed to its purpose and key strategies.

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