

The Cupboard

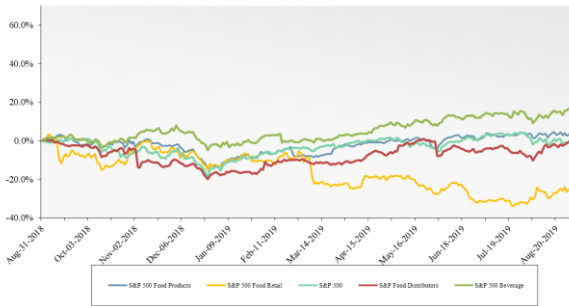


A Food & Beverage Industry Newsletter



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

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



Indices Performance (% change)

	August 2019	LTM		August 2019	LTM		August 2019	LTM
S&P 500	(1.9%)	0.9%	S&P 500 Food Products	1.6%	4.3%	S&P 400 Food Products (Mid-Cap)	(4.6%)	(0.7%)
Dow Jones	(1.8%)	1.7%	S&P 500 Food Retail	8.0%	(24.8%)	S&P 400 Food Retail (Mid-Cap)	4.6%	12.3%
NASDAQ	(2.6%)	(1.8%)	S&P 500 Food Distributors	7.7%	(0.7%)			
			S&P 500 Beverage	5.1%	17.4%			

Source: Capital IQ

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

Castle Brands Inc.	139.7%	Reed's, Inc.	(45.7%)
Eastside Distilling, Inc.	30.5%	Craft Brew Alliance, Inc.	(33.9%)
The Alkaline Water Company Inc.	20.8%	Coca-Cola Consolidated, Inc.	(17.4%)
Brown-Forman Corporation	14.9%	Celsius Holdings, Inc.	(12.9%)
Molson Coors Brewing Company	10.6%	New Age Beverages Corporation	(12.3%)

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

Dean Foods Company	54.4%	Lifeway Foods, Inc.	(9.1%)
TDH Holdings, Inc.	52.2%	Beyond Meat, Inc.	(6.8%)
Seneca Foods Corporation	24.4%	The J. M. Smucker Company	(6.6%)
The Kraft Heinz Company	12.7%	McCormick & Company, Incorporated	(6.0%)
TreeHouse Foods, Inc.	11.7%	Lancaster Colony Corporation	(5.3%)

Source: Capital IQ

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Beverage:

(\$ in millions, except per share data)

Company	Share Price 08/31/2019	% 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	\$55.04	99.5%	\$235,353	\$270,562	8.2x	25.0x	25.5x	32.4x	24.9x	27.1x	62.1%	29.2%	32.7%	3.1x
PepsiCo, Inc.	PEP	\$136.73	99.7%	\$191,172	\$220,329	3.4x	17.2x	20.7x	15.1x	20.7x	24.5x	55.0%	16.3%	19.6%	2.3x
Anheuser-Busch InBev SA/NV	ENXTR:ABI	\$94.41	93.0%	\$184,993	\$293,157	5.6x	13.5x	15.8x	26.4x	27.2x	21.5x	62.4%	35.3%	41.6%	4.6x
Diageo plc	LSE:DGE	\$43.34	99.0%	\$102,383	\$119,003	7.5x	20.3x	21.7x	26.9x	23.9x	24.9x	62.2%	32.0%	34.5%	2.6x
Constellation Brands, Inc.	STZ	\$204.35	89.3%	\$38,940	\$53,155	6.5x	13.9x	15.3x	16.2x	26.3x	26.5x	50.5%	32.7%	36.8%	4.6x
Monster Beverage Corporation	MNST	\$58.67	88.4%	\$31,968	\$30,745	7.7x	21.6x	22.6x	30.6x	34.4x	32.3x	60.0%	34.1%	35.7%	(0.9x)
Brown-Forman Corporation	BF.B	\$58.99	99.5%	\$27,930	\$30,160	9.1x	25.9x	27.6x	34.5x	29.4x	32.9x	64.4%	32.9%	35.1%	1.9x
The Boston Beer Company, Inc.	SAM	\$438.42	98.6%	\$5,252	\$5,331	4.8x	27.3x	37.2x	46.4x	36.1x	39.2x	50.6%	13.0%	17.7%	0.4x
National Beverage Corp.	PEZZ	\$40.90	32.1%	\$1,908	\$1,747	1.7x	8.9x	9.7x	13.6x	27.9x	17.6x	37.1%	16.4%	18.0%	(0.8x)
Mean				\$91,100	\$113,799	6.1x	19.1x	21.8x	26.9x	27.9x	27.4x	56.0%	26.9%	30.2%	2.0x
Median				\$38,940	\$53,155	6.5x	20.3x	21.7x	26.9x	27.2x	26.5x	60.0%	32.0%	34.5%	2.3x
High				\$235,353	\$293,157	9.1x	27.3x	37.2x	46.4x	36.1x	39.2x	64.4%	35.3%	41.6%	4.6x
Low				\$1,908	\$1,747	1.7x	8.9x	9.7x	13.6x	20.7x	17.6x	37.1%	13.0%	17.7%	(0.9x)

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 08/31/2019	% 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	\$74.33	98.1%	\$38,144	\$45,827	0.8x	13.7x	17.5x	23.2x	21.9x	20.3x	19.0%	4.4%	5.6%	2.3x
The Kroger Co.	KR	\$23.68	72.3%	\$18,916	\$39,029	0.3x	7.6x	15.1x	10.4x	14.5x	12.5x	22.4%	2.1%	4.3%	3.9x
Casey's General Stores, Inc.	CASY	\$167.85	96.8%	\$6,171	\$7,484	0.9x	13.3x	23.4x	30.5x	26.2x	28.7x	23.8%	4.1%	7.0%	2.2x
Web Markets, Inc.	WMK	\$38.23	71.7%	\$1,028	\$1,118	0.3x	6.5x	14.3x	16.5x	NM	NM	26.6%	2.2%	4.9%	0.5x
SpartanNash Company	SPTN	\$10.77	46.8%	\$391	\$1,392	0.2x	8.3x	17.5x	107.8x	10.6x	9.8x	14.0%	1.0%	2.0%	6.0x
Ingles Markets, Incorporated	IMKTA	\$38.88	98.5%	\$788	\$1,624	0.4x	6.3x	11.2x	10.0x	0.0x	0.0x	24.3%	3.5%	6.2%	3.2x
Village Super Market, Inc.	VLGEA	\$24.97	77.5%	\$360	\$304	0.2x	4.9x	8.7x	14.5x	NM	NM	27.6%	2.1%	3.8%	(0.9x)
Mean				\$9,400	\$13,825	0.4x	8.6x	15.4x	30.4x	14.6x	14.2x	22.5%	2.8%	4.8%	2.3x
Median				\$1,028	\$1,624	0.3x	7.6x	15.1x	16.5x	14.5x	12.5x	23.8%	2.2%	4.9%	2.3x
High				\$38,144	\$45,827	0.9x	13.7x	23.4x	107.8x	26.2x	28.7x	27.6%	4.4%	7.0%	6.0x
Low				\$360	\$304	0.2x	4.9x	8.7x	10.0x	0.0x	0.0x	14.0%	1.0%	2.0%	(0.9x)

Source: Capital IQ

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

LTM = Last Twelve Months

Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 08/31/2019	% 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	\$88.65	82.1%	\$1,560	\$1,585	1.4x	28.3x	37.0x	49.0x	36.8x	NM	10.6%	5.6%	6.8%	0.0x
Fresh Del Monte Produce Inc.	FDP	\$26.04	67.9%	\$1,259	\$2,146	0.5x	11.1x	24.2x	67.6x	47.0x	28.7x	6.3%	2.0%	4.3%	4.2x
Seneca Foods Corporation	SENEA	\$27.48	76.5%	\$255	\$610	0.5x	NM	NM	NM	NM	NM	3.4%	(2.4%)	(0.2%)	(154.5x)
Mean				\$1,025	\$1,417	0.8x	19.7x	30.6x	58.3x	41.9x	28.7x	6.8%	1.7%	3.6%	(50.1x)
Median				\$1,259	\$1,585	0.5x	19.7x	30.6x	58.3x	41.9x	28.7x	6.3%	2.0%	4.3%	0.0x
High				\$1,560	\$2,146	1.4x	28.3x	37.0x	67.6x	47.0x	28.7x	10.6%	5.6%	6.8%	4.2x
Low				\$255	\$610	0.5x	11.1x	24.2x	49.0x	36.8x	28.7x	3.4%	(2.4%)	(0.2%)	(154.5x)

Source: Capital IQ

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

LTM = Last Twelve Months



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Protein Products:

(\$ in millions, except per share data)

Company	Share Price 08/31/2019	% 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		
Tyson Foods, Inc.	TSN	\$93.04	98.9%	\$33,930	\$46,322	1.1x	11.2x	15.0x	15.6x	11.7x	16.1x	12.6%	7.4%	9.9%	3.0x
Hormel Foods Corporation	HRL	\$42.61	92.1%	\$22,747	\$22,423	2.4x	16.1x	18.2x	23.5x	22.7x	22.7x	20.4%	12.4%	14.1%	NM
Pilgrim's Pride Corporation	PPC	\$31.16	98.5%	\$7,768	\$9,873	0.9x	12.3x	18.7x	28.1x	16.1x	16.9x	8.0%	4.8%	7.4%	2.6x
Sanderson Farms, Inc.	SAFM	\$149.62	96.6%	\$3,314	\$3,270	1.0x	19.2x	76.6x	101.0x	(119.5x)	24.2x	7.8%	1.3%	5.1%	(0.3x)
Bridgford Foods Corporation	BRID	\$33.49	88.1%	\$304	\$311	1.7x	23.9x	35.1x	41.9x	NM	NM	32.7%	5.1%	7.4%	0.5x
Mean				\$13,613	\$16,440	1.4x	16.5x	32.7x	42.0x	-17.3x	20.0x	16.3%	6.2%	8.8%	1.4x
Median				\$7,768	\$9,873	1.1x	16.1x	18.7x	28.1x	13.9x	19.8x	12.6%	5.1%	7.4%	1.5x
High				\$33,930	\$46,322	2.4x	23.9x	76.6x	101.0x	22.7x	24.2x	32.7%	12.4%	14.1%	3.0x
Low				\$304	\$311	0.9x	11.2x	15.0x	15.6x	-119.5x	16.1x	7.8%	1.3%	5.1%	(0.3x)

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 08/31/2019	% 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 S.A.	BN	\$89.22	99.3%	\$57,798	\$73,509	2.7x	14.0x	18.1x	24.4x	21.2x	21.9x	48.4%	14.7%	19.0%	3.0x
Dean Foods Company	DF	\$1.01	12.4%	\$93	\$1,387	0.2x	NM	NM	NM	(23.8x)	(1.4x)	20.5%	(2.3%)	(0.3%)	(60.7x)
Lifeway Foods, Inc.	LWAY	\$2.92	61.5%	\$46	\$49	0.5x	35.4x	NM	NM	NM	NM	27.2%	(2.1%)	1.4%	1.9x
Mean				\$19,312	\$20,981	1.1x	24.7x	18.1x	24.4x	-1.3x	10.3x	32.0%	3.4%	6.7%	-18.6x
Median				\$93	\$1,387	0.5x	24.7x	18.1x	24.4x	-1.3x	10.3x	27.2%	-2.1%	1.4%	1.9x
High				\$57,798	\$73,509	2.7x	35.4x	18.1x	24.4x	21.2x	21.9x	48.4%	14.7%	19.0%	3.0x
Low				\$46	\$49	0.2x	14.0x	18.1x	24.4x	-23.8x	-1.4x	20.5%	-2.3%	-0.3%	-60.7x

Source: Capital IQ

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

LTM = Last Twelve Months

Organics & Healthy:

(\$ in millions, except per share data)

Company	Share Price 08/31/2019	% 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	\$70.39	83.9%	\$10,254	\$12,568	3.3x	14.2x	17.3x	22.1x	26.0x	22.7x	26.7%	17.8%	22.0%	2.8x
The Hain Celestial Group, Inc.	HAIN	\$19.05	64.8%	\$1,985	\$2,585	1.1x	16.4x	25.8x	NM	26.1x	33.6x	19.9%	4.4%	6.9%	3.3x
The Simply Good Foods Company	SMPF	\$29.63	97.6%	\$2,422	\$2,366	4.8x	27.8x	30.2x	46.0x	36.6x	44.0x	47.8%	15.9%	17.3%	NM
Mean				\$4,887	\$5,840	3.1x	19.5x	24.4x	34.1x	NM	33.4x	31.5%	12.7%	15.4%	3.3x
Median				\$2,422	\$2,585	3.3x	16.4x	25.8x	34.1x	NM	33.6x	26.7%	15.9%	17.3%	3.3x
High				\$10,254	\$12,568	4.8x	27.8x	30.2x	46.0x	36.6x	44.0x	47.8%	17.8%	22.0%	3.8x
Low				\$1,985	\$2,366	1.1x	14.2x	17.3x	22.1x	26.0x	22.7x	19.9%	4.4%	6.9%	2.8x

Source: Capital IQ

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

LTM = Last Twelve Months



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Food Conglomerates:

(\$ in millions, except per share data)

Company	Share Price 08/31/2019	% 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.	\$112.11	99.4%	\$323,712	\$363,105	3.9x	18.2x	21.3x	35.6x	22.4x	25.0x	50.1%	17.0%	20.2%	2.0x
Mondelez International, Inc.	\$55.22	98.9%	\$79,636	\$98,830	3.9x	18.7x	22.6x	21.6x	20.1x	24.6x	39.1%	15.3%	18.9%	3.9x
General Mills, Inc.	\$53.80	97.1%	\$32,468	\$47,373	2.8x	12.8x	15.4x	18.6x	14.6x	16.3x	34.7%	18.1%	21.8%	3.9x
Kellogg Company	\$62.80	83.8%	\$21,392	\$31,390	2.3x	13.3x	17.1x	25.2x	15.9%	16.7x	33.9%	13.4%	17.2%	4.0x
The J. M. Smucker Company	\$105.16	81.9%	\$11,993	\$17,989	2.3x	11.1x	15.3x	22.3x	13.5x	13.0x	38.1%	15.3%	21.0%	3.7x
Conagra Brands, Inc.	\$28.36	73.8%	\$13,800	\$24,320	2.5x	12.0x	14.2x	18.5x	16.2x	17.2x	28.5%	17.1%	20.5%	5.3x
Campbell Soup Company	\$45.00	93.7%	\$13,552	\$22,085	2.7x	14.1x	19.8x	28.7x	15.3x	17.8x	33.4%	13.8%	19.3%	5.5x
Post Holdings, Inc.	\$99.69	87.7%	\$7,284	\$13,586	2.3x	11.8x	17.5x	44.1x	26.3x	25.4x	31.3%	13.7%	20.1%	5.3x
Lancaster Colony Corporation	\$145.90	75.1%	\$4,011	\$3,815	2.9x	18.3x	21.6x	26.7x	32.9x	32.2x	25.0%	13.5%	15.9%	NM
Tree House Foods, Inc.	\$30.65	74.6%	\$2,847	\$5,335	1.0x	11.1x	19.0x	NM	25.4x	26.4x	17.1%	5.2%	8.9%	5.2x
J & J Snack Foods Corp.	\$193.06	98.1%	\$3,637	\$3,442	2.9x	20.9x	29.4x	39.6x	38.0x	36.8x	29.7%	10.0%	14.0%	NM
B&G Foods, Inc.	\$16.93	51.3%	\$1,107	\$2,935	1.8x	10.1x	12.5x	6.2x	16.0x	12.5x	24.2%	14.2%	17.5%	6.3x
Mean			\$42,953	\$52,850	2.6x	14.4x	18.8x	26.1x	21.4x	22.0x	32.1%	13.9%	17.9%	4.5x
Median			\$12,773	\$20,037	2.6x	13.1x	18.2x	25.2x	18.2x	21.2x	32.4%	14.0%	19.1%	4.6x
High			\$323,712	\$363,105	3.9x	20.9x	29.4x	44.1x	38.0x	36.8x	50.1%	18.1%	21.8%	6.3x
Low			\$1,107	\$2,935	1.0x	10.1x	12.5x	6.2x	13.5x	12.5x	17.1%	5.2%	8.9%	2.0x

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	6.5x	20.3x
Retail & Distribution	0.3x	7.6x
Fruits, Vegetables & Nuts	0.5x	19.7x
Protein Products	1.1x	16.1x
Dairy	0.5x	24.7x
Organics & Healthy	3.3x	16.4x
Food Conglomerates	2.6x	13.1x
Mean	2.1x	16.8x
Median	1.1x	16.4x

Note: Multiples represent median values

Source: Capital IQ

Commodity Score Card

Commodity	Units	8/31/2019	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.70	\$4.03	\$3.92	\$3.95
Coffee	\$ per lb.	\$0.94	\$0.97	\$1.04	\$1.12
Cocoa	\$ per lb.	\$1.01	\$1.08	\$1.04	\$1.07
Wheat	\$ per bu.	\$4.51	\$4.76	\$4.77	\$5.77
Live Cattle	\$ per lb.	\$0.99	\$1.09	\$1.17	\$1.12

Source: Capital IQ



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A Food & Beverage
Industry Newsletter



Select M&A and Capital Raising News, August 2019

❖ Audax Acquires Stonewall Kitchen

August 1, 2019 – Audax Private Equity has acquired a controlling interest in Stonewall Kitchen from Centre Partners. Financial terms of the transaction were not disclosed. Stonewall Kitchen manufactures branded specialty food and gift products, including jams, olive oils, bottled sauces, crackers and pancake mixes. The York, Maine-based company's portfolio consists of the flagship Stonewall Kitchen brand; Tillen Farms pickled vegetables and cocktail cherries; Napa Valley Naturals olive oils, culinary oils, balsamic vinegars and wine vinegars; Montebello organic pasta; and the Legal Sea Foods brand of seafood, sauces and condiments. The Company has more than 6,000 wholesale accounts nationwide and internationally, an online direct-to-consumer business, nine stores in New England and a flagship campus featuring a store, cafe and cooking school in York. The Company will continue to be led by John Stiker, CEO; Lori King, president and COO; and Natalie King, executive vice-president.

❖ Sara Lee Frozen Bakery to Acquire Superior Cake Products

August 2, 2019 – Sara Lee Frozen Bakery is acquiring Superior Cake Products, Inc. from Hostess Brands, Inc. for \$65 million in cash. Superior Cake Products is a manufacturer of sweet goods, including eclairs, madeleines, brownies and cookies that are sold under the Superior on Main brand. This acquisition accelerates Sara Lee Frozen Bakery's strategic goal of expanding its presence in the high-growth in-store bakery category. Hostess Brands acquired Superior Cake Products in 2016 for approximately \$51 million.

❖ Atlas Completes Acquisition of TreeHouse's Snacks Unit

August 2, 2019 – Atlas Holdings L.L.C. has completed its \$90 million acquisition of the snack nuts and trail mix business of TreeHouse Foods, Inc. The newly established, standalone company will be known as Flagstone Foods, which is the name the business operated under prior to being acquired by TreeHouse in June 2014 for \$860 million. Flagstone Foods is headquartered in Minneapolis and will be one of the largest manufacturers and distributors of private label healthy snacks in North America, including nuts, dried fruit and trail mixes. The Company will source, process, package and distribute nuts, trail mixes and other wholesome snacks to retail customers across the country from three manufacturing plants in Robersonville, North Carolina, El Paso, Texas, and Dothan, Alabama. The sale of TreeHouse's snacks business ends a process that first came to light in December 2018, when TreeHouse executives were noncommittal about the future of the business.

❖ Highlander Acquires Evans Food Group

August 5, 2019 – Private investment firm Highlander Partners, L.P. has acquired Evans Food Group, a provider of branded and private label pork rind snacks, through its newly-formed food platform Benestar Brands. Financial terms of the transaction were not disclosed. Evans Food Group has a presence in more than a dozen countries in North America, Latin America and Asia. The Company has five manufacturing operations in the United States and one in Saltillo, Mexico. Its branded portfolio includes Mac's, Turkey Creek, Don Rudy, Cazo de Oro and Domingo's. The Company was acquired by Wind Point Partners in 2016. Pork Rinds are a fast-growing snack item. The high-protein, gluten-free and carbohydrate-free snack has a strong appeal with millennial consumers. Highlander also announced that Carl E. Lee Jr. has been named president and CEO at Benestar Brands. Mr. Lee previously was president and CEO of Snyder's-Lance, Inc., before it was sold to Campbell Soup for more than \$6 billion last year.

❖ Perkins and Marie Callender's Files for Bankruptcy

August 6, 2019 – Perkins and Marie Callender's, L.L.C. has filed for bankruptcy protection, announcing plans to sell its Perkins business and a segment of its Foxtail bakery business. The Company filed a series of motions that will allow it to continue paying for goods and services and maintain its usual employee compensation and benefit programs. It also has an agreement with existing lenders to provide debtor-in-possession financing to ensure an efficient bankruptcy process. Perkins and Marie Callender's expects to have enough liquidity to continue operating in the normal course throughout the sale process. The announcement marks the second Chapter 11 filing for the Company in eight years. The family-dining and casual-dining operator emerged from its 2011 restructuring under control of Wayzata, a private investment firm. The Perkins system consists of 342 Perkins restaurants in 32 states and Canada, including 241 franchised units and 101 company owned and operated locations.

❖ Atkins Bar Maker to Acquire Quest Nutrition

August 22, 2019 – The Simply Good Foods Co., a developer and marketer of nutritional foods and snacks under the Atkins and Simply Protein brands, has agreed to acquire Quest Nutrition, L.L.C. for \$1 billion in cash, or approximately \$870 million, net of tax benefits, on a cash-free and debt-free basis. Quest Nutrition manufactures and markets a range of products under the Quest brand, including protein bars, protein cookies, protein powders, protein chips and frozen pizzas. Simply Good Foods expects to benefit from Quest's effectiveness in e-commerce and social platforms and non-tracked distribution channels, while Quest is expected to benefit from Simply Good Foods' expertise in traditional media and building distribution in food, drug and mass channels. The companies expect to achieve an estimated \$20 million in cost synergies over three years through efficiencies of scale.

❖ Hershey to Acquire One Brands for \$397 Million

August 28, 2019 – The Hershey Co. has entered into a definitive agreement to acquire nutrition bar maker One Brands, L.L.C. for \$397 million, or approximately \$325 million net of tax benefits. Founded in 1999 by Ron McAfee, One Brands features a portfolio of nutrition bars that provide 20 grams of protein and contain 1 gram of sugar per bar. The bars are certified gluten-free and come in flavors such as pumpkin pie, cinnamon roll, chocolate chip cookie dough and white chocolate truffle. One Brands will complement Hershey's Oatmega business, which the Company acquired as part of its Amplify Snack Brands purchase in 2018. Hershey expects the One Brands acquisition to be slightly accretive to earnings in the first full year following closing.

The Cupboard

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❖ National Foodworks Services Names New Leadership Team

August 2, 2019 – National Foodworks Services (NFS), a co-manufacturer specializing in the development and production of ready-to-eat bars, refrigerated/frozen cookie dough, cookies and brownies, has reorganized its leadership team. Ernie Beckman, formerly vice-president of business development, has been named president of the Company. Matt Dausman has been named executive vice-president and Amy Faivor has been named plant manager. Mr. Dausman was vice-president of finance. Ms. Faivor joined NFS in 2019 as director of quality. Prior to joining the Company, she worked for Kerry as a production supervisor and quality supervisor. The restructuring will position NFS to better assist food businesses and food entrepreneurs by leveraging the Company's operations, on-site training capabilities and location.

❖ Former J.M. Smucker Executive Joins Nielsen-Massey Vanillas

August 6, 2019 – William Bond has been named vice-president of global sales at vanilla extracts and flavor products provider Nielsen-Massey Vanillas. The Company is headquartered in Waukegan, Illinois, with production facilities in Waukegan and Leeuwarden, Netherlands. Previously, Mr. Bond was vice-president of sales at Eagle Family Food Group, a \$350 million branded, private label, canned milk and snacks company. Before that, he was director of national sales and milk business development at The J.M. Smucker Company.

❖ Former Mondelez Executive to Lead Lamb Weston's Supply Chain

August 6, 2019 – Gerardo Scheuffler has been named senior vice-president and chief supply chain officer at Lamb Weston Holdings, Inc., a global supplier of frozen potato, sweet potato, appetizer and vegetable products. He succeeds Rick Martin, who is retiring from the Company. Mr. Scheuffler has more than 25 years of supply chain experience. Previously, he was vice-president of global operations at Mondelez International, Inc., where he oversaw a major global restructuring program that included manufacturing, customer service, quality, logistics, health, safety, environment and innovation functions. Before that, he spent two decades at Procter & Gamble in a variety of positions, including manufacturing, distribution and supply chain management.

❖ Danone Names New Growth and Innovation VP

August 21, 2019 – Nigyar Makhmudova has been named executive vice-president of growth and innovation at Danone S.A. She will be responsible for overseeing the Company's global marketing, innovation, research and development and digital sales functions. Ms. Makhmudova brings more than 25 years of experience in the pharmaceutical and consumer packaged goods industries to the Company. She joins Danone from Mars, Inc., where most recently she was global president of the Mars Pet Nutrition division. Previously, she was regional president for Mars Petcare Europe, Russia and South Africa.

❖ Kraft Heinz Announces Leadership Changes

August 26, 2019 – Paulo Basilio is shifting back into the role of Global CFO at the Kraft Heinz Co. Mr. Basilio joined H.J. Heinz Holding Corp. as CFO in 2013. He was named executive vice-president and CFO in 2015, following Heinz's merger with Kraft Foods Group, Inc. He held that position until 2017, when he became president of the Company's U.S. commercial business. David Knopf, current executive vice-president and Global CFO, is departing the Company to return to 3G Capital. Kraft Heinz also announced that Nina Barton, president of the Canada zone and president of digital growth at Kraft Heinz, will assume the role of chief growth officer. The leadership changes come just a few months after Kraft Heinz named Miguel Patricio as CEO. In August, Kraft Heinz's stock sank to a record low following the release of second-quarter earnings that executives described as "unacceptable."

❖ Peter McGuinness Named President of Chobani

August 28, 2019 – Peter McGuinness has been promoted to president of Chobani, L.L.C. He will be responsible for the yogurt maker's marketing, supply chain, manufacturing, sustainability, and research and development functions, and report to Hamdi Ulukaya, CEO. Mr. McGuinness joined Chobani in 2013 as the Company's first chief marketing and brand officer. In 2017, he assumed an expanded role to oversee the newly created demand department, which integrates marketing, sales, insights, product innovation and commercial finance. Additional promotions announced by the Company include Federico Muysshondt as chief customer officer. In addition to his current role overseeing retail and international sales activity, Mr. Muysshondt will now focus on category development, shopper marketing, and revenue and trade management. Jason Blaisure has been named senior vice-president of supply chain. Mr. Blaisure will oversee manufacturing and engineering operations, procurement, logistics and customer service, and contract manufacturing.

❖ Pie Five Names New Vice-President of Operations

August 29, 2019 – Food industry vet Scott Black is joining Pie Five Pizza as vice-president of operations. Mr. Black brings more than 30 years of experience to his new role. He got his start as a general manager at Nick-N-Willy's Take-N-Bake Pizza, working his way up to CEO in under a decade. Since then, he has held a series of leadership roles at fast-casual brands, including Noodles and Company, Garbanzo Mediterranean Fresh, Lyfe Kitchen and Bobby's Burgers Place. He also has experience in the growing fast-casual pizza segment. Before joining Pie Five, he was COO at NakedPizza. Dallas-based Pie Five is a subsidiary of Rave Restaurant Group, Inc., which owns, franchises and supplies more than 250 Pie Five and Pizza Inn restaurants in the United States as well as globally.

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Additional information is available upon request.

