

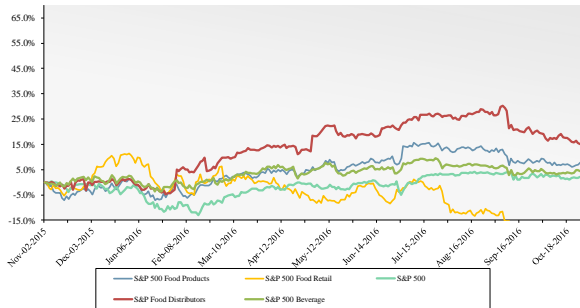
The Cupboard



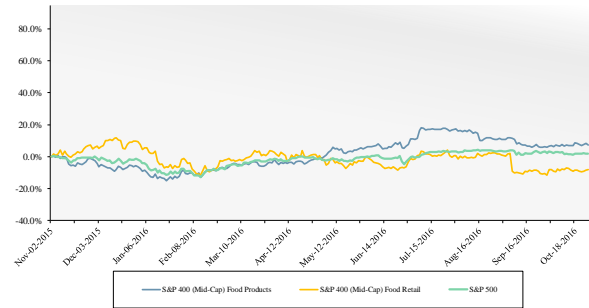
A Food & Beverage Industry Newsletter



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



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



Indices Performance (% change)

	October 2016	LTM		October 2016	LTM		October 2016	LTM
S&P 500	(1.7%)	2.3%	S&P 500 Food Products	(0.3%)	8.9%	S&P 400 Food Products (Mid-Cap)	0.5%	7.2%
Dow Jones	(0.6%)	2.7%	S&P 500 Food Retail	3.6%	(16.6%)	S&P 400 Food Retail (Mid-Cap)	(0.6%)	(8.9%)
NASDAQ	(2.2%)	2.7%	S&P 500 Food Distributors	(1.9%)	17.3%			
			S&P 500 Beverage	(0.4%)	4.2%			

Source: Capital IQ

Largest Food Retailers Movers and Losers (largest % changes in the month of October)

Ingles Markets, Incorporated	14.9%	SUPERVALU Inc.	(6.6%)
Weis Markets, Inc.	11.8%	Sprouts Farmers Market, Inc.	(1.5%)
The Kroger Co.	7.5%	Casey's General Stores, Inc.	(0.4%)
Whole Foods Market, Inc.	4.7%		
Natural Grocers by Vitamin Cottage, Inc.	2.0%		

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

John B Sanfilippo & Son Inc.	26.5%	Lifeway Foods Inc.	(29.3%)
Seneca Foods Corp.	26.1%	Treehouse Foods, Inc.	(25.6%)
Dean Foods Company	15.3%	Conagra Brands, Inc.	(25.4%)
Bunge Limited	12.5%	B&G Foods Inc.	(15.9%)
Tootsie Roll Industries Inc.	10.5%	Ingredion Incorporated	(12.9%)

Source: Capital IQ

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Select Public Trading Statistics

Beverage:

(\$ in millions, except per share data)

Company	Share Price 10/31/2016	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
The Coca-Cola Company	KO	\$42.40	90.0%	\$182,869	\$204,842	4.8x	16.4x	19.3x	25.7x	22.6x	24.4x	60.6%	23.2%	27.5%	1.9x
Anheuser-Busch InBev SA/NV	BUNTB:ABI	\$112.07	84.2%	\$180,175	\$228,335	5.7x	15.5x	18.7x	62.7x	NM	36.0x	60.9%	30.9%	36.7%	3.0x
Pepsico, Inc.	PEP	\$107.20	96.6%	\$153,744	\$174,538	2.8x	14.4x	17.6x	23.5x	23.1x	24.5x	55.7%	16.0%	19.5%	1.7x
Diageo plc	LSE:DEGE	\$27.14	95.3%	\$68,073	\$81,501	6.2x	18.7x	20.4x	24.5x	NM	23.6x	59.5%	28.9%	31.3%	2.8x
Constellation Brands Inc.	STZ	\$167.12	96.3%	\$33,668	\$41,515	5.9x	17.2x	19.0x	28.8x	NM	28.7x	47.5%	30.2%	33.4%	NM
Monster Beverage Corporation	MNST	\$48.11	86.7%	\$27,480	\$27,001	9.3x	23.7x	24.5x	45.1x	51.8x	43.6x	62.8%	37.6%	38.9%	NM
Brown-Forman Corporation	BF.B	\$46.17	85.9%	\$18,470	\$20,252	6.6x	18.3x	19.3x	17.7x	NM	29.1x	69.0%	34.4%	36.3%	1.6x
Dr Pepper Snapple Group, Inc.	DPS	\$87.79	88.9%	\$16,128	\$18,827	2.9x	11.4x	13.1x	19.1x	22.6x	21.2x	60.0%	22.4%	25.7%	1.6x
National Beverage Corp.	FZZZ	\$47.24	73.0%	\$2,199	\$2,062	2.8x	16.7x	18.6x	30.3x	NM	NM	35.8%	15.1%	16.7%	NM
The Boston Beer Company, Inc.	SAM	\$155.25	68.3%	\$1,926	\$1,849	2.0x	10.4x	14.3x	24.9x	33.4x	24.1x	51.1%	14.4%	19.8%	NM
Mean				\$68,473	\$80,072	4.9x	16.3x	18.5x	30.2x	30.7x	28.4x	56.3%	25.2%	28.6%	2.1x
Median				\$30,574	\$34,258	5.3x	16.6x	18.9x	25.3x	23.1x	24.5x	59.7%	25.8%	29.4%	1.8x
High				\$182,869	\$228,335	9.3x	23.7x	24.5x	62.7x	51.8x	43.6x	69.0%	37.6%	38.9%	3.0x
Low				\$1,926	\$1,849	2.0x	10.4x	13.1x	17.7x	22.6x	21.2x	35.8%	14.4%	16.7%	1.6x

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 10/31/2016	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
The Kroger Co.	KR	\$30.98	72.5%	\$29,250	\$41,376	0.4x	7.0x	11.5x	14.7x	21.3x	16.8x	23.2%	3.2%	5.2%	2.1x
Sysco Corporation	SY	\$48.12	89.2%	\$26,525	\$30,116	0.6x	11.5x	15.0x	29.3x	NM	23.0x	18.3%	4.1%	5.4%	2.5x
Whole Foods Market, Inc.	WFM	\$28.29	79.5%	\$9,019	\$9,446	0.6x	6.9x	10.7x	20.1x	NM	19.9x	36.2%	5.5%	8.7%	NM
Casey's General Stores, Inc.	CASY	\$112.99	82.9%	\$4,427	\$5,125	0.8x	9.0x	13.0x	19.3x	NM	24.9x	26.5%	6.3%	9.2%	1.2x
Weis Markets, Inc.	WMK	\$55.63	96.8%	\$1,496	\$1,384	0.5x	8.0x	14.1x	23.9x	NM	NM	27.6%	3.3%	5.8%	NM
SUPERVALU Inc.	SUV	\$4.29	59.8%	\$1,141	\$3,481	0.2x	4.6x	7.2x	7.4x	NM	8.1x	15.2%	2.8%	4.4%	3.1x
SpartanNash Company	SPIN	\$28.00	82.6%	\$1,049	\$1,518	0.2x	6.7x	10.3x	17.6x	14.5x	15.6x	14.5%	1.9%	3.0%	2.1x
Ingles Markets, Incorporated	IMKTA	\$39.50	68.5%	\$800	\$1,693	0.4x	7.1x	12.8x	14.2x	NM	NM	24.2%	3.5%	6.3%	3.8x
Village Super Market Inc.	VLGEA	\$29.90	90.6%	\$423	\$380	0.2x	5.6x	8.7x	16.9x	NM	NM	27.2%	2.7%	4.1%	NM
Mean				\$8,237	\$10,902	0.4x	7.4x	11.5x	18.2x	17.9x	18.0x	23.7%	3.7%	5.8%	2.8x
Median				\$1,496	\$3,481	0.4x	7.0x	11.5x	17.6x	17.9x	18.3x	24.2%	3.3%	5.4%	2.3x
High				\$29,250	\$41,376	0.8x	11.5x	15.0x	29.3x	21.3x	24.9x	36.2%	6.3%	9.2%	3.8x
Low				\$423	\$380	0.2x	4.6x	7.2x	7.4x	14.5x	8.1x	14.5%	1.9%	3.0%	1.2x

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 10/31/2016	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Fresh Del Monte Produce Inc.	FDP	\$60.35	96.6%	\$3,094	\$3,268	0.8x	10.9x	14.5x	23.8x	0.0x	19.9x	11.1%	6.4%	8.3%	0.3x
Calavo Growers Inc.	CVGW	\$59.15	82.8%	\$1,031	\$1,037	1.2x	16.3x	18.9x	30.6x	NM	32.1x	11.2%	6.1%	7.1%	0.1x
Seneca Foods Corp.	SINELA	\$29.40	71.9%	\$295	\$399	0.5x	5.1x	6.3x	5.7x	NM	NM	11.0%	7.1%	8.8%	3.2x
Inventure Foods, Inc.	SNAK	\$8.46	86.8%	\$166	\$273	1.0x	29.5x	137.0x	NM	NM	(41.9x)	12.6%	0.1%	2.7%	15.3x
Mean				\$1,147	\$1,294	0.9x	15.5x	44.2x	20.1x	0.0x	3.3x	11.5%	4.9%	6.7%	4.3x
Median				\$663	\$818	0.9x	13.6x	16.7x	23.8x	0.0x	19.9x	11.2%	6.3%	7.7%	1.5x
High				\$3,094	\$3,268	1.2x	29.5x	137.0x	30.6x	0.0x	32.1x	12.6%	7.1%	8.8%	15.3x
Low				\$166	\$273	0.5x	5.1x	6.3x	5.7x	0.0x	-41.9x	11.0%	0.1%	2.7%	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 10/31/2016	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Tyson Foods, Inc.	TSN	\$70.85	92.0%	\$27,069	\$33,061	0.9x	8.9x	11.0x	17.2x	NM	16.2x	12.6%	7.9%	9.7%	1.6x
Hormel Foods Corporation	HRL	\$38.50	84.2%	\$20,374	\$20,393	2.2x	14.4x	15.9x	25.0x	NM	24.1x	22.1%	13.4%	14.8%	0.0x
Pilgrim's Pride Corporation	PPC	\$21.84	78.6%	\$5,489	\$6,418	0.8x	7.4x	9.2x	12.8x	8.6x	14.1x	11.2%	8.7%	10.9%	1.1x
Sanderson Farms, Inc.	SAFM	\$89.98	90.5%	\$2,032	\$1,789	0.7x	5.9x	8.1x	14.4x	NM	11.1x	13.9%	8.2%	11.3%	(0.8x)
Bridgford Foods Corp.	BRID	\$11.40	71.3%	\$103	\$91	0.7x	6.4x	8.1x	6.4x	NM	NM	37.8%	8.5%	10.7%	(0.8x)
Mean				\$11,013	\$12,350	1.0x	8.6x	11.0x	15.2x	8.6x	16.4x	19.5%	9.3%	11.5%	0.2x
Median				\$5,489	\$6,418	0.8x	7.4x	10.1x	14.4x	8.6x	15.1x	13.9%	8.5%	10.9%	0.0x
High				\$27,069	\$33,061	2.2x	14.4x	15.9x	25.0x	8.6x	24.1x	37.8%	13.4%	14.8%	1.6x
Low				\$103	\$91	0.7x	5.9x	8.1x	6.4x	8.6x	11.1x	11.2%	7.9%	9.7%	(0.8x)

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 10/31/2016	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Danone	BN	\$67.62	89.4%	\$41,341	\$50,513	2.1x	12.2x	15.3x	22.3x	22.8x	23.2x	50.9%	13.9%	17.3%	2.2x
The WhiteWave Foods Company	WWAV	\$54.49	95.9%	\$9,657	\$11,754	2.9x	23.4x	31.9x	51.2x	43.0x	39.7x	34.6%	9.6%	12.9%	3.9x
Dean Foods Company	DF	\$18.26	86.3%	\$1,651	\$2,536	0.3x	5.7x	9.6x	15.1x	16.5x	12.4x	25.9%	3.5%	5.8%	1.9x
Lilway Foods Inc.	LWAY	\$17.88	96.8%	\$289	\$288	2.3x	26.7x	37.9x	67.8x	93.3x	56.2x	30.1%	4.7%	7.2%	(0.2x)
Mean				\$13,235	\$16,273	1.9x	17.0x	23.7x	39.1x	43.9x	32.9x	35.4%	7.9%	10.8%	1.9x
Median				\$5,654	\$7,145	2.2x	17.8x	23.6x	36.7x	32.9x	31.5x	32.4%	7.2%	10.1%	2.1x
High				\$41,341	\$50,513	2.9x	26.7x	37.9x	67.8x	93.3x	56.2x	50.9%	13.9%	17.3%	3.9x
Low				\$289	\$288	0.3x	5.7x	9.6x	15.1x	16.5x	12.4x	25.9%	3.5%	5.8%	-0.2x

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 10/31/2016	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
The White Wave Foods Company	WWAV	\$54.49	95.9%	\$9,657	\$11,754	2.9x	23.4x	31.9x	51.2x	43.0x	39.7x	34.6%	9.6%	12.9%	3.0x
The Hain Celestial Group, Inc.	HAIN	\$36.37	63.8%	\$3,762	\$4,554	1.6x	12.3x	14.7x	18.2x	NM	22.0x	23.2%	10.7%	12.8%	2.1x
Amplify Snack Brands, Inc.	BETR	\$14.49	82.7%	\$1,027	\$1,229	6.0x	19.0x	20.5x	60.1x	38.7x	29.7x	54.6%	29.0%	31.3%	3.1x
Mean				\$4,815	\$5,846	3.5x	18.2x	22.4x	43.2x	40.8x	30.5x	37.5%	16.4%	19.0%	3.0x
Median				\$3,762	\$4,554	2.9x	19.0x	20.5x	51.2x	40.8x	29.7x	34.6%	10.7%	12.9%	3.1x
High				\$9,657	\$11,754	6.0x	23.4x	31.9x	60.1x	43.0x	39.7x	54.6%	29.0%	31.3%	3.0x
Low				\$1,027	\$1,229	1.6x	12.3x	14.7x	18.2x	38.7x	22.0x	23.2%	9.6%	12.8%	2.1x

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 10/31/2016	% 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	CY15 P/E	CY16 P/E	Gross	EBIT	EBITDA		
Nestlé S.A.	NESN	\$71.88	89.6%	\$216,236	\$238,521	2.7x	13.2x	15.9x	25.7x	23.2x	24.3x	50.4%	15.7%	19.1%	1.2x
Mondelez International, Inc.	MDLZ	\$44.94	96.1%	\$69,406	\$84,900	3.2x	18.4x	22.6x	85.7x	28.2x	25.4x	39.1%	13.1%	16.3%	3.6x
General Mills, Inc.	GIS	\$61.98	85.0%	\$36,654	\$45,981	2.8x	13.4x	15.9x	22.5x	NM	22.3x	35.8%	17.2%	20.5%	2.4x
Kellogg Company	K	\$75.13	86.2%	\$26,315	\$33,995	2.6x	16.8x	22.6x	43.0x	20.0x	22.2x	37.2%	11.7%	15.6%	3.7x
Congra Brands, Inc.	CAG	\$48.18	98.7%	\$21,092	\$25,386	2.2x	12.6x	15.2x	42.6x	20.3x	18.2x	27.5%	13.4%	16.4%	2.2x
Campbell Soup Company	CPB	\$54.34	80.0%	\$16,712	\$20,001	2.5x	13.7x	17.4x	30.0x	NM	19.6x	34.9%	14.5%	18.3%	2.2x
The J. M. Smucker Company	SIM	\$131.31	83.5%	\$15,287	\$20,529	2.7x	12.0x	15.9x	21.6x	NM	18.7x	38.8%	16.9%	22.2%	3.1x
Trehouse Foods, Inc.	THIS	\$87.48	83.7%	\$4,962	\$7,810	1.7x	16.7x	28.3x	55.7x	30.7x	31.5x	18.5%	5.7%	10.1%	5.4x
Post Holdings, Inc.	POST	\$76.23	85.7%	\$4,928	\$8,706	1.7x	10.2x	15.7x	NM	NM	37.9x	29.6%	10.9%	16.8%	4.4x
Lancaster Colony Corporation	LANC	\$130.65	94.5%	\$3,583	\$3,437	2.9x	15.8x	17.8x	28.1x	NM	26.3x	26.3%	16.3%	18.3%	(0.7x)
Snyder's-Lance, Inc.	LNCE	\$35.57	91.0%	\$3,417	\$4,794	2.5x	21.9x	35.1x	169.9x	40.3x	30.8x	35.6%	8.4%	12.8%	5.0x
B&G Foods Inc.	BGS	\$42.40	80.2%	\$2,816	\$4,124	3.1x	12.8x	14.4x	24.3x	24.5x	23.2x	33.0%	21.7%	24.3%	4.1x
J&J Snack Foods Corp.	JJSF	\$122.15	97.6%	\$2,279	\$2,167	2.2x	14.0x	18.7x	30.5x	28.6x	30.5x	30.7%	11.4%	15.4%	(1.0x)
Mean				\$32,991	\$38,488	2.5x	14.7x	19.7x	48.3x	27.0x	25.5x	33.6%	13.6%	17.4%	2.7x
Median				\$15,287	\$20,001	2.6x	13.7x	17.4x	30.3x	26.3x	24.3x	34.9%	13.4%	16.8%	3.1x
High				\$216,236	\$238,521	3.2x	21.9x	35.1x	169.9x	40.3x	37.9x	50.4%	21.7%	24.3%	5.4x
Low				\$2,279	\$2,167	1.7x	10.2x	14.4x	21.6x	20.0x	18.2x	18.5%	5.7%	10.1%	(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	5.3x	16.6x
Retail & Distribution	0.4x	7.0x
Fruits, Vegetables & Nuts	0.9x	13.6x
Protein Products	0.8x	7.4x
Dairy	2.2x	17.8x
Organics & Healthy	2.9x	19.0x
Food Conglomerates	2.6x	13.7x
Mean	2.2x	13.6x
Median	2.2x	13.7x

Note: Multiples represent median values

Source: Capital IQ



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Commodity Score Card

Commodity	Units	10/31/2016	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.49	\$3.29	\$3.91	\$3.76
Coffee	\$ per lb.	\$1.63	\$1.50	\$1.22	\$1.19
Cocoa	\$ per lb.	\$1.12	\$1.24	\$1.47	\$1.49
Wheat	\$ per bu.	\$4.03	\$3.99	\$4.88	\$5.08
Live Cattle	\$ per lb.	\$1.06	\$1.03	\$1.15	\$1.42

Source: Capital IQ

Select M&A and Capital Raising News, October 2016

- ❖ **ADM Acquires Specialty Pasta Business**
October 3, 2016 – Archer Daniels Midland Co. has acquired the assets of Caterina Foods, a manufacturer of specialty gluten-free and high-protein pastas. Financial terms of the transaction were not disclosed. Caterina makes gluten-free and high-protein pastas in a variety of shapes and sizes from flours made from corn, lentils, peas, rice, quinoa and many other grains and legumes. Caterina Foods, based in Lake Bluff, Illinois, has about 60 employees.
- ❖ **Utz Finalizes Acquisition of Golden Enterprises**
October 3, 2016 – Utz Quality Foods, L.L.C. has completed its \$146 million acquisition of Golden Enterprises, Inc. Utz Quality Foods is a privately-held snack food company offering products under the Utz, Zapps, “Dirty,” Bachman, Wachusett, Snikiddy and Good Health brands. The acquisition of Golden Enterprises, Inc. brings its product portfolio into the fold, including potato chips, pork skins, popcorn, cheese puffs and other snack foods. Golden Enterprises, Inc. will operate as a separate subsidiary under the leadership of its current management.
- ❖ **Green Plains Acquires Fleischmann’s Vinegar for \$250M**
October 4, 2016 – Green Plains Inc. has acquired SCI Ingredients Holdings, Inc. (SCI) and its wholly-owned operating subsidiary Fleischmann’s Vinegar Company, Inc., from Stone Canyon Industries, L.L.C. for \$250 million. Fleischmann’s Vinegar, a specialty ingredients company, is the world’s largest manufacturer and marketer of food-grade industrial vinegar. The company is based in Cerritos, California, and operates seven manufacturing facilities in Alabama, California, Illinois, Maryland, Missouri, New York and Washington.
- ❖ **Private Equity Firm Buys Nothing Bundt Cakes**
October 5, 2016 – Levine Leichtman Capital Partners (LLCP), a Los Angeles-based private equity firm, has acquired Nothing Bundt Cakes. Based in Addison, Texas, Nothing Bundt Cakes is a franchisor of gourmet bakeries offering specialty Bundt cakes and related merchandise items in more than 175 locations in the United States and Canada. The company’s products are hand-crafted and baked on-site with ingredients and proprietary formulations distributed by its in-house distribution operation. Financial terms of the transaction were not disclosed.
- ❖ **AdvancePierre Acquires Philly Steak Manufacturer**
October 10, 2016 – AdvancePierre Foods Holdings, Inc. has acquired Allied Specialty Foods, Inc., a manufacturer of raw and cooked beef and chicken Philly steak products. AdvancePierre purchased the company from Steven Zoll for \$60 million in cash. AdvancePierre expects the acquisition will be accretive to its fiscal 2017 earnings, contributing \$11 million to \$13 million. Allied’s customer base is predominantly in the food service industry. The company, founded in 1956, operates out of a 20,000-square-foot manufacturing facility in Vineland, New Jersey with two cook lines, three raw slicing lines and one breakaway steak line. In June, Allied began building a new 70,000-square-foot facility with seven raw slicing/breakaway lines and four cook lines. That facility is expected to be completed during the first quarter of 2017.
- ❖ **Seafood Giant Invests \$575M in Red Lobster**
October 10, 2016 – Thai Union Group PCL, a global seafood supplier, has made a \$575 million strategic investment in Red Lobster Seafood Co. Golden Gate Capital will remain majority owner and retain operational control of Red Lobster. The investment was made to build Thai Union’s direct-to-consumer channel. Thai Union’s product lineup features lobster, shrimp, sardines, mackerel, tuna, salmon and crab. The company owns a number of global seafood brands, including Chicken of the Sea, King Oscar, John West and Petit Navire, in addition to facilities in 12 countries that provide sourcing, production and distribution networks worldwide.
- ❖ **Premium Brands Buys Belmont Meats Products**
October 13, 2016 – Premium Brands Holdings Corp., a producer, marketer and distributor of branded specialty food products, has acquired Ontario-based Belmont Meats Products Ltd. for \$49.2 million in cash and \$800,000 in common shares (0.42x revenue) of Premium Brands. Belmont has annual sales of approximately \$120 million. The company manufactures burger patties in Canada and produces a variety of customized premium burgers for retail and food service customers across the country, the company said. Belmont is also in the process of introducing its products into the U.S. retail market.
- ❖ **US Foods to Buy Seafood Company**
October 20, 2016 – US Foods has agreed to acquire Save On Seafood, a seafood processor and distributor in St. Petersburg, Florida. Financial terms of the acquisition were not disclosed. Save On Seafood has annual sales of more than \$80 million. The company provides fresh and frozen seafood to restaurants and grocery stores throughout the Southeast United States. US Foods will operate out of Save On Seafood’s facility, which employs 170 people. Gib Migliano, owner and president of Save On Seafood, will maintain his role as the company becomes a US Foods subsidiary and part of US Foods’ Stock Yards organization.



The Cupboard

A Food & Beverage
Industry Newsletter



Industry News, October 2016

❖ Clean Label – a \$180B Global Opportunity

October 6, 2016 – Global sales of clean label food and beverage products may reach \$180 billion by 2020. In 2015, estimates for global sales of clean label products are \$165 billion, with North America generating \$62 billion of that sales total. Products classified as clean label included all natural, no artificial additives, no artificial colors, no artificial preservatives, no artificial flavors, no artificial sweeteners, G.M.O. free, B.P.A. free and no monosodium glutamate.

❖ Mars to Combine Chocolate, Wrigley Segments

October 7, 2016 – Mars, Inc. plans to combine its Mars Chocolate and Wrigley segments to create a new entity: Mars Wrigley Confectionery. The combination is proposed to be phased in during 2017. Mars Wrigley Confectionery will include 14 brands: Snickers, M&M's, Dove, Galaxy, Maltesers, Twix, Doublemint, Extra, Orbit, 5 Gum, Altoids, Lifesavers, Skittles and Starburst. To create the combination, Mars said it intends to buy investor Warren Buffett's minority stake in its Wrigley chewing gum business, which will give Mars sole ownership. Buffett's Berkshire Hathaway, Inc. has held a minority stake in Wrigley since 2008, when it helped Mars buy the chewing gum maker.

❖ Bilbrey to Retire as President, CEO of The Hershey Co.

October 14, 2016 – John P. Bilbrey will step down as president and CEO of The Hershey Co. on July 1, 2017. The company's board of directors has created a special committee to direct the search for a new CEO. Pamela Arway, chair of Hershey's governance committee, will lead the search. After July 2017, Mr. Bilbrey will remain on Hershey's board of directors as non-executive chairman.

❖ Fresh Changes Coming to Campbell Soup Co.

October 18, 2016 – Ed Carolan has been tapped to be the next president of the Campbell Soup Co.'s C-Fresh business unit. Mr. Carolan is succeeding Jeff Dunn, who is leaving the company to become CEO of San Francisco-based Juicero, Inc. Mr. Carolan joined the company in 2001 and has held a variety of positions with the company. Most recently, he was president of Integrated Global Services (I.G.S.). Formed in January 2015, I.G.S. is Campbell Soup's global shared services organization focused on building enterprise capabilities while lowering costs. Despite taking over as CEO of Juicero, a start-up focused on developing products and services to help people consume more fruits and vegetables, Mr. Dunn will maintain some relationships with his former employer. The Campbell Soup Co. has invested \$13.5 million in Juicero, and Mr. Dunn will remain involved in Acre Venture Partners, the venture capital endeavor that Campbell Soup has committed \$125 million to in 2016.

❖ O'Leary to Leave General Mills

October 19, 2016 – Christopher O'Leary, executive vice-president and COO, International, at General Mills, Inc., will step down from his current position on December 31, 2016. Mr. O'Leary is expected to serve in an advisory role during a transition period ending no later than June 30, 2017. Jeffrey Harmening, who was named president and COO in June, will assume direct accountability for the company's international operations starting in 2017. The company's international business accounts for approximately 28% of General Mills' net sales and recorded \$4.6 billion in sales in the fiscal year ended May 29, 2016.

❖ Tyson Foods is Flexing its Food Service Muscle

October 20, 2016 – While much of the focus during the two years since the Hillshire acquisition has been on Tyson Foods' increased presence at retail with such brands as Ball Park, Jimmy Dean and Hillshire Farm, food service represents another significant opportunity for the company. With approximately \$8 billion in annual sales, Tyson Foodservice management is focusing on a variety of segments, including commercial and non-commercial restaurants, convenience, health care, lodging, K-12, and college and university. The acquisition of Hillshire Brands was a natural stepping stone for Tyson Foods' food service business. Prior to the acquisition, Tyson Foods was focused on selling poultry to operators and introducing additional animal protein options.

❖ Pinnacle Foods Expands Leadership Team

October 27, 2016 – Michael S. Levitt has been appointed to the newly created role of senior vice-president of corporate development for Pinnacle Foods, Inc. In his new role, Mr. Levitt will partner with Craig Steeneck, executive vice-president and CFO, and Mark Clouse, CEO, in developing and accessing merger and acquisition opportunities.

❖ Simpson Steps Up at Coca-Cola

October 27, 2016 – Barry Simpson, currently head of global business unit I.T. services for the Coca-Cola Co., has been promoted to chief information officer, effective immediately. In his new role, Mr. Simpson will oversee the company's global information technology strategy, services and operations. Mr. Simpson joined the Coca-Cola system in 2008 as group Chief Information Officer of the Coca-Cola Amatil Group, a Coca-Cola bottler based in Sydney, Australia. He joined the Coca-Cola Co. in Atlanta in January 2016. Before Coca-Cola, Mr. Simpson held various I.T. leadership roles for Colgate-Palmolive, based in Australia, Malaysia and the United States, from 1990-2008.

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Sources include foodbusinessnews.net, Capital IQ and various publicly available news publications.

Additional information is available upon request.

