

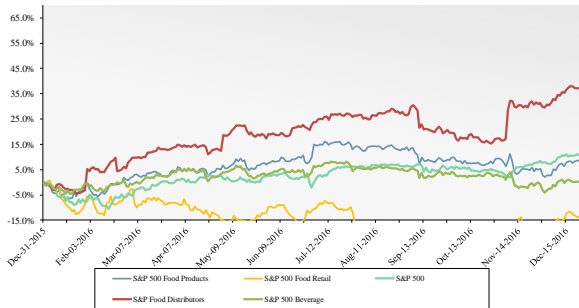
## The Cupboard



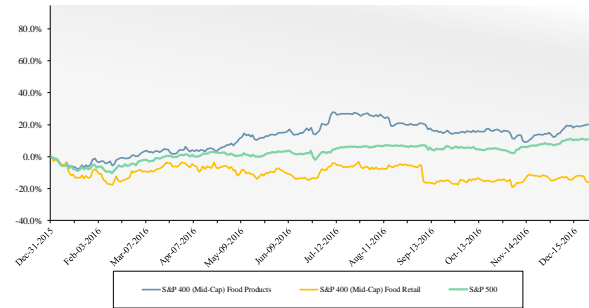
A Food & Beverage Industry Newsletter



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



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



### Indices Performance (% change)

	December 2016	LTM		December 2016	LTM		December 2016	LTM
S&P 500	2.2%	9.5%	S&P 500 Food Products	6.1%	8.1%	S&P 400 Food Products (Mid-Cap)	8.3%	20.6%
Dow Jones	3.2%	13.4%	S&P 500 Food Retail	2.1%	(15.5%)	S&P 400 Food Retail (Mid-Cap)	(3.1%)	(17.8%)
NASDAQ	2.5%	7.5%	S&P 500 Food Distributors	5.5%	35.1%			
			S&P 500 Beverage	4.1%	0.0%			

Source: Capital IQ

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

Weis Markets, Inc.	9.7%	SUPERVALU Inc.	(7.9%)
Natural Grocers by Vitamin Cottage, Inc.	2.8%	Village Super Market, Inc.	(4.8%)
Ingles Markets, Incorporated	1.5%	Casey's General Stores, Inc.	(4.2%)
		Sprouts Farmers Market, Inc.	(3.6%)
		The Kroger Co.	(3.4%)

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

Cal-Maine Foods, Inc.	9.6%	Inventure Foods, Inc.	(15.0%)
Limoneira Company	7.1%	Alico, Inc.	(9.1%)
Mondelez International, Inc.	5.7%	Bridgford Foods Corporation	(7.4%)
Sanderson Farms, Inc.	4.4%	Tootsie Roll Industries, Inc.	(6.7%)
The Hershey Company	3.8%	Archer-Daniels-Midland Company	(6.4%)

Source: Capital IQ

### Food Industry Contacts

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### Select Public Trading Statistics

#### Beverage:

(\$ in millions, except per share data)

Company	Share Price 12/31/2016	% 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		
Anheuser-Busch InBev SA/NV	ENKTBR:ABI	\$107.16	84.1%	\$207,219	\$255,102	6.4x	17.5x	21.0x	60.3x	NM	35.2x	60.9%	30.5%	36.7%	3.0x
The Coca-Cola Company	KO	\$41.46	88.0%	\$178,815	\$200,788	4.7x	16.1x	18.9x	25.1x	22.6x	23.7x	60.6%	23.2%	27.5%	1.9x
PepsiCo, Inc.	PEP	\$104.63	94.3%	\$150,059	\$170,853	2.8x	14.1x	17.3x	23.0x	23.1x	24.3x	55.7%	16.0%	19.5%	1.7x
Diageo plc	LSE:DEGE	\$25.77	92.3%	\$64,658	\$77,828	6.1x	18.2x	19.9x	23.7x	NM	22.4x	59.5%	28.5%	31.3%	2.8x
Constellation Brands, Inc.	STZ	\$153.31	88.3%	\$30,824	\$38,671	5.5x	16.2x	18.0x	26.4x	NM	NM	47.5%	29.7%	33.1%	NM
Monster Beverage Corporation	MNST	\$44.34	79.9%	\$25,317	\$24,718	8.4x	21.6x	22.4x	39.8x	51.8x	42.9x	62.8%	37.6%	38.9%	NM
Brown-Forman Corporation	BFb	\$44.92	86.9%	\$17,509	\$19,552	6.5x	17.9x	18.8x	17.0x	NM	27.4x	68.4%	34.3%	36.2%	1.9x
Dr Pepper Snapple Group, Inc.	DPS	\$90.67	91.8%	\$16,657	\$19,356	3.0x	11.8x	13.5x	19.7x	22.6x	21.0x	60.0%	22.4%	25.7%	1.6x
National Beverage Corp.	PZZZ	\$51.08	78.9%	\$2,378	\$2,223	2.9x	16.2x	17.8x	28.9x	NM	NM	37.1%	16.4%	18.0%	NM
The Boston Beer Company, Inc.	SAM	\$169.85	83.8%	\$2,107	\$2,030	2.3x	11.4x	15.6x	27.2x	33.4x	24.5x	51.1%	14.4%	19.8%	NM
Mean				\$69,554	\$81,112	4.8x	16.1x	18.3x	29.1x	30.7x	27.7x	56.4%	25.3%	28.7%	2.2x
Median				\$28,070	\$31,695	5.1x	16.2x	18.4x	25.8x	23.1x	24.4x	59.7%	25.8%	29.4%	1.9x
High				\$207,219	\$255,102	8.4x	21.6x	22.4x	60.3x	51.8x	42.9x	68.4%	37.6%	38.9%	3.0x
Low				\$2,107	\$2,030	2.3x	11.4x	13.5x	17.0x	22.6x	21.0x	37.1%	14.4%	18.0%	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 12/31/2016	% 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	\$34.51	81.4%	\$32,575	\$45,855	0.4x	7.8x	12.9x	16.6x	21.3x	16.9x	23.1%	3.1%	5.2%	2.3x
Sysco Corporation	SYF	\$55.37	97.0%	\$30,284	\$37,460	0.7x	13.3x	17.7x	30.6x	NM	23.2x	18.3%	4.1%	5.4%	2.5x
Whole Foods Market, Inc.	WFM	\$30.76	86.5%	\$9,794	\$10,115	0.6x	7.4x	11.6x	19.8x	NM	20.0x	34.4%	5.5%	8.7%	NM
Casey's General Stores, Inc.	CASY	\$118.88	87.3%	\$4,659	\$5,411	0.9x	9.9x	15.0x	22.4x	NM	25.8x	26.6%	5.8%	8.8%	1.4x
Weis Markets, Inc.	WMK	\$66.84	97.7%	\$1,798	\$1,744	0.6x	10.2x	18.0x	28.7x	NM	NM	27.6%	3.3%	5.8%	NM
SpartanNash Company	SPFN	\$39.54	98.9%	\$1,482	\$1,950	0.3x	8.6x	13.2x	24.3x	14.5x	16.2x	14.5%	1.9%	3.0%	2.1x
SUPERVALU Inc.	SVAL	\$4.67	68.1%	\$1,243	\$3,583	0.2x	4.7x	7.4x	8.1x	NM	8.3x	15.0%	2.7%	4.3%	3.4x
Ingles Markets, Incorporated	IMKT:A	\$48.10	91.8%	\$974	\$1,845	0.5x	7.8x	14.2x	18.0x	NM	NM	24.4%	3.4%	6.2%	3.7x
Village Super Market, Inc.	VLGEA	\$30.90	84.8%	\$488	\$417	0.3x	6.2x	9.8x	17.7x	NM	NM	27.2%	2.6%	4.1%	NM
Mean				\$9,227	\$12,042	0.5x	8.4x	13.3x	20.7x	17.9x	18.4x	23.4%	3.6%	5.7%	2.6x
Median				\$1,798	\$3,583	0.5x	7.8x	13.2x	19.8x	17.9x	18.4x	24.4%	3.3%	5.4%	2.4x
High				\$32,375	\$45,855	0.9x	13.3x	18.0x	30.6x	21.3x	25.8x	34.4%	5.8%	8.8%	3.7x
Low				\$488	\$417	0.2x	4.7x	7.4x	8.1x	14.5x	8.3x	14.5%	1.9%	3.0%	1.4x

Source: Capital IQ

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

LTM = Last Twelve Months



## The Cupboard

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### Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 12/31/2016	% 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	\$60.63	90.7%	\$3,141	\$3,281	0.8x	9.8x	12.7x	22.5x	0.0x	16.3x	11.1%	6.4%	8.3%	0.3x
Calavo Growers, Inc.	CVGW	\$61.40	85.9%	\$1,071	\$1,078	1.2x	15.6x	17.8x	28.2x	NM	33.2x	11.5%	6.5%	7.5%	0.1x
Seneca Foods Corporation	SINEA	\$40.05	93.9%	\$395	\$770	0.6x	6.5x	8.1x	7.8x	NM	NM	11.0%	7.1%	8.8%	3.2x
Adventure Foods, Inc.	SNAK	\$9.85	97.0%	\$194	\$309	1.1x	41.0x	NM	NM	NM	(41.9x)	12.6%	0.1%	2.7%	15.3x
Mean				\$1,200	\$1,360	0.9x	18.2x	12.9x	19.5x	0.0x	2.5x	11.6%	5.0%	6.8%	4.3x
Median				\$733	\$924	1.0x	12.7x	12.7x	22.8x	0.0x	16.3x	12.7%	6.5%	7.9%	1.7x
High				\$3,141	\$3,281	1.2x	41.0x	17.8x	28.2x	0.0x	33.2x	12.6%	7.1%	8.8%	15.3x
Low				\$194	\$309	0.6x	6.5x	8.1x	7.8x	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 12/31/2016	% 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	\$61.68	80.1%	\$22,867	\$28,809	0.8x	8.0x	10.0x	13.6x	NM	15.9x	12.7%	7.8%	9.7%	1.7x
Hormel Foods Corporation	HRL	\$34.81	76.1%	\$18,408	\$18,246	1.9x	12.5x	13.8x	21.2x	NM	23.7x	22.7%	13.5%	14.9%	(0.1x)
Pilgrim's Pride Corporation	PPC	\$18.99	68.3%	\$4,773	\$5,702	0.7x	6.5x	8.2x	11.2x	8.6x	13.1x	11.2%	8.7%	10.9%	1.1x
Sanderson Farms, Inc.	SAFM	\$94.24	94.8%	\$2,143	\$1,909	0.7x	5.0x	6.5x	11.3x	NM	10.2x	16.1%	10.4%	13.4%	(0.6x)
Bridgford Foods Corporation	BRID	\$11.37	71.1%	\$103	\$91	0.7x	6.4x	NM	6.4x	NM	NM	37.8%	8.5%	10.7%	(0.8x)
Mean				\$9,659	\$10,951	0.9x	7.7x	9.6x	12.7x	8.6x	15.7x	20.1%	9.8%	11.9%	0.2x
Median				\$4,773	\$5,702	0.7x	6.5x	9.1x	11.3x	8.6x	14.5x	16.1%	8.7%	10.9%	(0.1x)
High				\$22,867	\$28,809	1.9x	12.5x	13.8x	21.2x	8.6x	23.7x	37.8%	13.5%	14.9%	1.7x
Low				\$103	\$91	0.7x	5.0x	6.5x	6.4x	8.6x	10.2x	11.2%	7.8%	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 12/31/2016	% 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	\$64.16	85.4%	\$39,227	\$48,345	2.1x	11.8x	14.7x	21.2x	22.8x	22.8x	50.9%	13.9%	17.3%	2.2x
The WhiteWave Foods Company	WWAV	\$35.60	97.9%	\$9,854	\$11,033	2.9x	22.5x	30.4x	50.3x	43.0x	40.2x	34.6%	9.6%	12.9%	3.9x
Dean Foods Company	DF	\$21.78	98.4%	\$1,971	\$2,839	0.4x	6.3x	10.4x	18.8x	16.5x	12.5x	25.9%	3.5%	5.8%	1.9x
Lilleyway Foods, Inc.	LWAY	\$11.51	62.3%	\$186	\$184	1.5x	20.8x	32.0x	56.0x	93.3x	58.4x	30.1%	4.7%	7.2%	(0.2x)
Mean				\$12,809	\$15,825	1.7x	15.3x	21.9x	36.6x	43.9x	33.5x	35.4%	7.9%	10.8%	1.9x
Median				\$5,912	\$7,386	1.8x	16.3x	22.5x	35.8x	32.9x	31.5x	32.4%	7.2%	10.1%	2.1x
High				\$39,227	\$48,345	2.9x	22.5x	32.0x	56.0x	93.3x	58.4x	50.9%	13.9%	17.3%	3.9x
Low				\$186	\$184	0.4x	6.3x	10.4x	18.8x	16.5x	12.5x	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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### Organics & Healthy:

(\$ in millions, except per share data)

Company	Share Price 12/31/2016	% 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 WhiteWave Foods Company	WWAV	\$5.60	97.9%	\$9,854	\$11,933	2.9x	22.5x	30.4x	30.3x	43.0x	40.2x	34.6%	9.6%	12.9%	3.9x
The Hale Celestial Group, Inc.	HAIN	\$39.03	68.5%	\$4,038	\$4,830	1.7x	13.0x	15.6x	19.5x	NM	21.7x	23.2%	10.7%	12.8%	2.1x
Amplify Snack Brands, Inc.	BETR	\$8.81	50.3%	\$646	\$1,218	5.3x	13.8x	14.7x	29.9x	38.7x	26.2x	52.5%	36.3%	38.6%	6.5x
<b>Mean</b>				\$4,846	\$5,994	3.3x	16.5x	20.2x	33.2x	40.8x	29.4x	36.7%	18.9%	21.5%	4.2x
<b>Median</b>				\$4,038	\$4,830	2.9x	13.8x	15.6x	29.9x	40.8x	26.2x	34.6%	10.7%	12.9%	3.9x
<b>High</b>				\$9,854	\$11,933	5.3x	22.5x	30.4x	50.3x	43.0x	40.2x	52.3%	36.3%	38.6%	6.5x
<b>Low</b>				\$646	\$1,218	1.7x	13.0x	14.7x	19.5x	38.7x	21.7x	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 12/31/2016	% 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	\$72.48	91.3%	\$218,044	\$240,115	2.7x	13.4x	16.2x	26.2x	23.2x	23.8x	50.4%	15.7%	19.1%	1.2x
Mondelez International, Inc.	MDLZ	\$44.33	95.5%	\$68,464	\$83,958	3.2x	18.2x	22.3x	84.6x	28.2x	25.2x	39.1%	13.1%	16.3%	3.6x
General Mills, Inc.	GIS	\$61.77	84.7%	\$35,827	\$45,636	2.9x	13.1x	15.6x	23.1x	NM	NM	36.3%	17.7%	21.2%	2.6x
Kellogg Company	K	\$73.71	84.6%	\$25,865	\$33,424	2.6x	16.4x	21.8x	37.1x	20.0x	21.9x	37.2%	11.7%	15.6%	3.7x
Campbell Soup Company	CPB	\$60.47	89.1%	\$18,567	\$21,908	2.8x	13.9x	17.3x	28.4x	NM	19.4x	36.0%	15.9%	19.8%	2.1x
Conagra Brands, Inc.	CAG	\$39.55	80.9%	\$17,314	\$19,323	1.7x	10.4x	12.8x	33.7x	20.3x	NM	27.7%	13.2%	16.3%	1.1x
The J. M. Smucker Company	SIM	\$128.06	81.4%	\$14,910	\$20,140	2.7x	11.9x	15.8x	20.9x	NM	17.4x	39.0%	17.0%	22.4%	3.1x
Post Holdings, Inc.	POST	\$80.39	90.3%	\$5,195	\$8,928	1.8x	10.3x	15.8x	NM	NM	34.4x	30.8%	11.2%	17.2%	4.3x
Trehouse Foods, Inc.	THIS	\$72.19	69.1%	\$4,095	\$6,945	1.3x	13.1x	23.3x	44.2x	30.7x	29.9x	18.5%	5.7%	10.1%	5.4x
Lancaster Colony Corporation	LANC	\$141.39	98.4%	\$3,877	\$3,732	3.1x	17.2x	19.3x	30.4x	NM	28.1x	26.3%	16.3%	18.3%	(0.7x)
Snyder's-Lance, Inc.	LNCE	\$38.34	98.3%	\$3,687	\$5,034	2.4x	19.1x	29.0x	107.5x	40.3x	31.0x	35.6%	8.4%	12.8%	5.0x
B&G Foods, Inc.	BGS	\$43.80	82.9%	\$2,909	\$4,217	3.2x	13.1x	14.7x	25.1x	24.5x	22.3x	33.0%	21.7%	24.3%	4.1x
J&J Snack Foods Corp.	JJSF	\$133.43	98.8%	\$2,493	\$2,340	2.4x	15.4x	20.7x	32.9x	28.6x	30.7x	30.7%	11.4%	15.4%	(1.0x)
<b>Mean</b>				\$32,404	\$38,131	2.5x	14.3x	18.8x	41.2x	27.0x	25.8x	33.9%	13.8%	17.6%	2.7x
<b>Median</b>				\$14,910	\$19,323	2.7x	13.4x	17.3x	31.7x	26.3x	25.2x	35.6%	13.2%	17.2%	3.1x
<b>High</b>				\$218,044	\$240,115	3.2x	19.1x	29.0x	107.5x	40.3x	34.4x	50.4%	21.7%	24.3%	5.4x
<b>Low</b>				\$2,493	\$2,340	1.3x	10.3x	12.8x	20.9x	20.0x	17.4x	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	5.1x	16.2x
Retail & Distribution	0.5x	7.8x
Fruits, Vegetables & Nuts	1.0x	12.7x
Protein Products	0.7x	6.5x
Dairy	1.8x	16.3x
Organics & Healthy	2.9x	13.8x
Food Conglomerates	2.7x	13.4x
<b>Mean</b>	<b>2.1x</b>	<b>12.4x</b>
<b>Median</b>	<b>1.8x</b>	<b>13.4x</b>

Note: Multiples represent median values

Source: Capital IQ





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### Commodity Score Card

Commodity	Units	12/31/2016	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$3.57	\$3.42	\$3.60	\$3.51
Coffee	\$ per lb.	\$1.49	\$1.45	\$1.46	\$1.24
Cocoa	\$ per lb.	\$0.96	\$1.09	\$1.36	\$1.42
Wheat	\$ per bu.	\$4.18	\$3.95	\$4.30	\$4.58
Live Cattle	\$ per lb.	\$1.18	\$1.11	\$1.13	\$1.36

Source: Capital IQ

## Select M&A and Capital Raising News, December 2016

### ❖ NightFood Acquires Fiber One Ice Cream Maker

December 2, 2016 – Better-for-you snack company NightFood Holdings, Inc. has signed a definitive agreement to acquire Suffield Foods, L.L.C. and Hook Marketing, L.L.C. Financial terms of the transaction were not disclosed. General Mills, Inc. granted Suffield and Hook a license to manufacture and distribute Fiber One ice cream, which debuted exclusively at Hy-Vee stores in April. The probiotic ice cream features fiber from chicory root extract and is available in seven flavors: Coffee & Donut Dough, Creamy Vanilla, Fudge Brownie, Mint Chocolate Chip, Salted Caramel & Truffle, Chocolate Chip Cookie Dough and Sweet Lemon Pie.

### ❖ ADM to Sell Stake in GrainCorp for \$287 Million

December 2, 2016 – Archer Daniels Midland Co. has entered into an agreement to sell its 19.9% ownership stake in GrainCorp Ltd. for A\$8.53 per share, or approximately A\$387 million (\$287.1 million USD). The news led to a small spike in ADM's share price and Australia-based GrainCorp's share price also advanced. ADM bought its stake in GrainCorp in 2012 before making a \$3 billion takeover bid for the company in 2013. Although the transaction received several regulatory approvals, Australian Federal Treasurer Joe Hockey prohibited the acquisition.

### ❖ Tyson Foods Creates Fund to Invest in the Future of Food

December 5, 2016 – Tyson Foods, Inc. has introduced a \$150 million venture capital fund named Tyson New Ventures L.L.C. The fund will focus on three areas in food and agriculture, including alternative proteins, food waste and food insecurity, and the "internet of food" to promote resource application throughout the food chain. The fund's first investment was announced this past October when the company acquired a 5% stake in Beyond Meat, an El Segundo, California-based manufacturer of meat-free burgers, strips, crumbles and single-serve meals. Terms of the investment were not disclosed.

### ❖ Nestlé to Sell Nutrition Drink Business

December 7, 2016 – Harvest Hill Beverage Co., a majority-owned portfolio company of Brynwood Partners VII L.P., has agreed to acquire the Nutrament nutrition drink business from Nestlé S.A. Terms of the transaction were not disclosed. Nutrament, a dairy-based energy drink brand, will join Harvest Hill's current portfolio of Juicy Juice, Little HUG and Daily's brands. Nutrament beverages contain 16 grams of protein per 12-oz can and are available in seven flavors: banana, chocolate, coconut, mango, eggnog, strawberry and vanilla.

### ❖ Premium Brands Acquires Two Specialty Food Producers and Adds Seafood Company to Portfolio

December 8, 2016 – Premium Brands Holdings Corp., a producer and distributor of specialty food products, has acquired Island City Baking and its affiliate Conte Foods for C\$20.3 million (\$15.3 million USD). The amount consisted of C\$13.3 million in cash, C\$3 million in Premium Brands common shares and a minority equity stake in the Premium Brands' bakery group. Premium Brands Holdings Corp. has also acquired a 100% interest in Diana's Seafood, a supplier of fresh and frozen seafood products. Financial terms of the transaction were not disclosed. Toronto-based Diana's Seafood has annual sales of approximately C\$18 million (\$13.6 million USD). Premium Brands plans to use Diana's strength in niche seafood products to expand the offerings of its other seafood and wholesale food business.

### ❖ Ingredient to Buy TIC Gums

December 20, 2016 – Ingredient, Inc. will expand in texture systems again as the company has entered into a stock purchase agreement to acquire all of the outstanding shares of TIC Gums, Inc. Ingredient expects to fund the \$400 million transaction with available cash and short-term credit. TIC Gums, a White Marsh, Maryland-based, privately held company that provides texture systems to the food and beverage industry. The company has access to a variety of agriculturally derived ingredients, including acacia gum and guar gum. The nature-based ingredients from TIC Gums form the foundation for texture systems that allow for clean label reformulation.

### ❖ Coca-Cola to Buy AB InBev's Stake in African Bottling Operations for \$3.15 Billion

December 21, 2016 – The Coca-Cola Co. made an agreement to buy Anheuser-Busch InBev's 54.5% equity stake in Africa's largest Coca-Cola bottling operations for \$3.15 billion. Coca-Cola Beverages Africa includes the countries of South Africa, Namibia, Kenya, Uganda, Tanzania, Ethiopia, Mozambique, Ghana, Mayotte and Comoros. Additionally, the companies reached an agreement in principle for Coca-Cola to acquire the Belgian beer maker's interest in bottling operations in Zambia, Zimbabwe, Botswana, Swaziland, Lesotho, El Salvador and Honduras for an undisclosed amount.

### ❖ Charoen Pokphand Foods Completes \$1.08 Billion Acquisition of Bellisio Foods

December 27, 2016 – Charoen Pokphand Foods (CPF) has completed its acquisition of Bellisio Foods Inc. from Centre Partners Management L.L.C. for \$1.075 billion. Bellisio manufactures and distributes frozen entrees under the Atkins, Boston Market, Chili's, EatingWell, Eat! and Michelina's brands, as well as co-manufactures private label and food service products. Bellisio operates out of four facilities located in Ohio, California and Minnesota. Bangkok-based CPF is the leading agro-industrial and food conglomerate in the Asia-Pacific region.



## The Cupboard



A Food & Beverage  
Industry Newsletter



### Industry News, December 2016

#### ❖ Wilson to Step Down as Executive Chairman of McCormick & Co.

December 1, 2016 – The board of directors of McCormick & Co., Inc. has named Lawrence E. Kurzius as chairman, effective January 31, 2017. Mr. Kurzius, president and CEO of the company, will succeed Alan D. Wilson, executive chairman of the board of McCormick & Co., Inc., who has announced he will step down from his role on January 31, 2017. Mr. Wilson will continue to serve as a board member and senior adviser for McCormick, where he was employed for 23 years. Mr. Wilson retired as CEO in February 2016, but continued to serve as executive chairman since that time.

#### ❖ Nestlé Announces ‘Groundbreaking’ Discovery in Sugar Reduction

December 1, 2016 – In the not-so-distant future, Butterfinger and Baby Ruth candy bars may contain significantly less sugar, but will taste just as sweet. Scientists at Nestlé S.A. have discovered a way to structure sugar crystals so that the tongue perceives a nearly identical sweetness even when much less sugar is used in chocolate. The company is patenting the findings and will begin using the faster-dissolving sugar in a range of confectionery products in 2018. Nestlé expects to provide more details about the first roll-out of reduced-sugar products sometime next year.

#### ❖ Starbucks’ CEO Schultz Switching to New Role

December 2, 2016 – Howard Schultz, current chairman and CEO for Starbucks Corp., will step down and become executive chairman on April 3, 2017. He will shift his focus to innovation, design and development of Starbucks Roastery stores and Reserve bar initiatives around the world, expansion of the Starbucks Reserve retail store format and the company’s social impact initiatives. Kevin Johnson, current president and COO, will become president and CEO on April 3. A seven-year member of the Starbucks board of directors, Mr. Johnson has held his position since March 2015. He has led the company’s global operating businesses across all geographies as well as the core support functions of Starbucks supply chain, marketing, human resources, technology, and mobile and digital platforms.

#### ❖ Bunge to Bring Boehlert on Board as CFO

December 9, 2016 – Thomas Boehlert has been named executive vice-president and CFO of Bunge Ltd., effective January 1, 2017. He will succeed Drew Burke, who is retiring, and will report directly to Soren Schroder, the company’s CEO. Mr. Boehlert was CEO, president and a director of First Nickel Inc. from 2011 to 2015. Previously, he was CFO for Kinross Gold Corp., a global mining company, and has also been CFO for several energy companies, including Texas Genco, Direct Energy and Sithe Energies, Inc.

#### ❖ Coca-Cola CEO to Step Down

December 9, 2016 – James Quincey, president and COO of the Coca-Cola Co., will succeed Muhtar Kent as CEO, effective May 1, 2017. Mr. Kent will continue as chairman of the board of directors. The board plans to nominate Mr. Quincey to stand for election as a director at the company’s annual shareholders meeting in April. Mr. Kent, who began his career with the Coca-Cola Co. in 1978, has held his position as chairman and CEO since April 2009. Mr. Quincey joined Coca-Cola in 1996 as director, learning strategy for the Latin America Group, and served in a series of operational roles of increasing responsibility in Latin America, eventually becoming president of the South Latin Division in 2003. From 2005 to 2008, he was president of the Mexico division, and from 2008 to 2012 he was president of the Northwest Europe & Nordics Business Unit. He was named president of the company’s Europe Group in 2013 and advanced to his current role in August 2015.

#### ❖ Buck to Succeed Bilbrey as Hershey President, CEO

December 22, 2016 – Michele Buck has been named president and CEO of the Hershey Co., effective March 1, 2017. Currently executive vice-president and COO, Ms. Buck will succeed John P. Bilbrey, who previously announced plans to retire and will continue as non-executive chairman of the company’s board of directors. Prior to joining Hershey in 2005, Ms. Buck served 17 years at Kraft/Nabisco in numerous senior positions and at the Frito-Lay division of PepsiCo. Ms. Buck joined Hershey in 2005 as senior vice-president and global CMO, a position she held for six years before advancing to the role of senior vice-president and global chief growth officer in 2011. In 2013, she became senior vice-president and president of North America, and this past June she was promoted to executive vice-president and COO, with responsibility for leading the company’s commercial operations. During her tenure at Hershey, she has spearheaded the development and execution of a number of strategic initiatives, including the company’s move from a supply-driven business model to a demand-driven business model. She has led Hershey’s expansion into broader snacking categories, overseeing the acquisitions of the Krave jerky and barkThins snacking chocolate brands.

#### ❖ Two Executives to Plead Guilty to Price Fixing

December 22, 2016 – Two executives with San Diego-based Bumble Bee Foods, L.L.C. have agreed to plead guilty in connection with a conspiracy to fix the prices of packaged seafood such as canned tuna sold in the United States. Walter Scott Cameron, senior vice-president of sales, and Kenneth Worsham, the company’s senior vice-president of trade marketing, have pleaded guilty. Kenneth Worsham agreed to the charge and also agreed to pay a criminal fine and cooperate with the D.O.J.’s ongoing investigation. Mr. Worsham and his co-conspirators discussed the prices of packaged seafood sold in the United States and agreed to fix the prices of those products. Mr. Worsham and his co-conspirators negotiated prices and issued price announcements for packaged seafood in accordance with the agreements they reached. The D.O.J. investigation into the price fixing first came to light in July 2015, when Thai Union, which in 2014 had announced plans to acquire Bumble Bee Foods for \$1.5 billion, canceled a share offering upon hearing news that an investigation was under way.

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Sources include [foodbusinessnews.net](http://foodbusinessnews.net), Capital IQ and various publicly available news publications.

Additional information is available upon request.

