

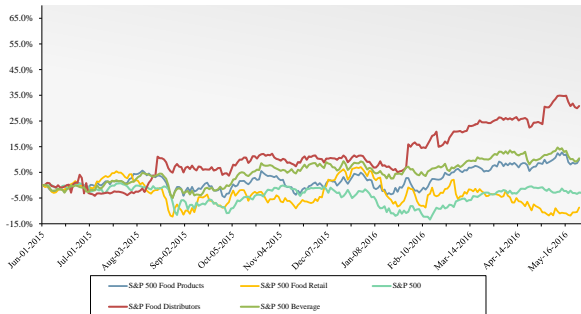
## The Cupboard



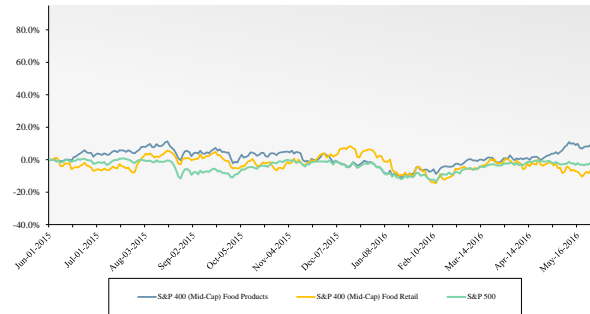
A Food & Beverage Industry Newsletter



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



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



### Indices Performance (% change)

	May 2016	LTM		May 2016	LTM		May 2016	LTM
S&P 500	0.7%	(0.7%)	S&P 500 Food Products	0.3%	10.2%	S&P 400 Food Products (Mid-Cap)	5.3%	9.9%
Dow Jones	(0.6%)	(1.4%)	S&P 500 Food Retail	2.8%	(7.7%)	S&P 400 Food Retail (Mid-Cap)	(3.7%)	(6.1%)
NASDAQ	2.7%	(2.7%)	S&P 500 Food Distributors	(1.3%)	29.2%			
			S&P 500 Beverage	(1.3%)	10.5%			

Source: Capital IQ

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

Whole Foods Market, Inc.	10.5%	Sprouts Farmers Market, Inc.	(9.1%)
Village Super Market Inc.	9.7%	Natural Grocers by Vitamin Cottage, Inc.	(2.5%)
Weis Markets, Inc.	5.1%	Ingles Markets, Incorporated	(2.2%)
The Kroger Co.	3.7%		
Casey's General Stores, Inc.	2.2%		

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

Coffee Holding Company, Inc.	27.1%	John B. Sanfilippo & Son Inc.	(20.0%)
Limoneira Company	22.9%	Cal-Maine Foods, Inc.	(17.1%)
Calavo Growers Inc.	13.5%	Hormel Foods Corporation	(13.7%)
Archer-Daniels-Midland Company	11.1%	Tyson Foods, Inc.	(12.8%)
Inventure Foods, Inc.	11.0%	Sanderson Farms, Inc.	(12.7%)

Source: Capital IQ

### Food Industry Contacts

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### Select Public Trading Statistics

#### Beverage:

(\$ in millions, except per share data)

Company	Share Price 05/31/2016	% 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 SANV	ENX:BRAB	\$127.54	91.7%	\$205,118	\$250,434	6.0x	15.8x	19.0x	37.8x	25.2x	31.3x	60.7%	31.4%	38.0%	2.6x
The Coca-Cola Company	KO	\$44.60	94.6%	\$192,948	\$218,045	5.0x	17.2x	20.3x	26.9x	22.6x	24.5x	60.2%	23.2%	27.6%	2.1x
PepsiCo, Inc.	PEP	\$101.17	94.6%	\$146,132	\$169,048	2.7x	14.0x	17.2x	28.9x	23.1x	23.3x	55.3%	15.7%	19.2%	1.9x
Diageo plc	LSB:DGE	\$26.38	95.2%	\$66,192	\$81,509	5.5x	16.9x	18.5x	19.0x	22.6x	22.1x	57.6%	27.8%	30.7%	2.9x
Constellation Brands Inc.	STZ	\$153.15	92.4%	\$30,620	\$38,767	5.9x	18.0x	20.0x	29.6x	28.1x	28.3x	46.0%	28.8%	32.2%	NM
Monster Beverage Corporation	MNST	\$150.00	93.5%	\$30,456	\$27,420	9.9x	26.2x	27.1x	42.7x	51.8x	40.1x	60.8%	36.5%	37.7%	NM
Brown-Forman Corporation	BF.B	\$98.07	88.3%	\$20,208	\$21,629	7.0x	19.3x	20.3x	29.6x	31.6x	29.3x	69.4%	33.9%	35.7%	1.1x
Dr Pepper Snapple Group, Inc.	DPS	\$91.40	95.3%	\$16,983	\$19,617	3.1x	12.6x	14.6x	22.2x	22.6x	21.7x	59.5%	21.3%	24.7%	1.7x
National Beverage Corp.	PIZZ	\$52.08	94.7%	\$2,424	\$2,333	3.4x	24.1x	27.4x	43.8x	NM	NM	33.5%	12.3%	14.0%	NM
The Boston Beer Company, Inc.	SAM	\$155.40	59.2%	\$1,970	\$1,919	2.0x	10.1x	13.2x	22.8x	33.4x	23.8x	52.0%	15.3%	20.0%	NM
Mean				\$71,306	\$83,072	5.0x	17.4x	19.8x	30.3x	29.0x	27.2x	55.5%	24.6%	28.0%	2.0x
Median				\$30,543	\$33,094	5.2x	17.0x	19.5x	29.2x	25.2x	24.5x	58.6%	25.5%	29.2%	2.0x
High				\$205,118	\$250,434	9.9x	26.2x	27.4x	43.8x	51.8x	40.1x	60.8%	36.5%	38.0%	2.9x
Low				\$1,970	\$1,919	2.0x	10.1x	13.2x	19.0x	22.6x	21.7x	33.5%	12.3%	14.0%	1.1x

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 05/31/2016	% 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	\$35.76	83.6%	\$34,107	\$45,914	0.4x	8.0x	12.7x	17.4x	21.3x	19.0x	22.8%	3.3%	5.2%	2.1x
Sysco Corporation	SY	\$48.11	94.9%	\$27,111	\$30,939	0.6x	12.5x	16.4x	35.0x	21.4x	22.5x	17.8%	3.8%	5.1%	1.5x
Whole Foods Market, Inc.	WFM	\$32.35	77.1%	\$10,385	\$10,589	0.7x	7.6x	11.5x	22.1x	19.2x	19.8x	34.7%	5.9%	8.9%	NM
Casey's General Stores, Inc.	CASY	\$120.21	92.8%	\$4,694	\$5,489	0.8x	10.0x	14.3x	21.5x	24.2x	23.2x	22.7%	5.5%	7.8%	1.4x
Weis Markets, Inc.	WMK	\$50.17	98.2%	\$1,349	\$1,241	0.4x	7.2x	12.1x	20.4x	NM	NM	27.5%	3.5%	6.0%	NM
SUPERVALU Inc.	SVU	\$4.63	49.4%	\$1,230	\$3,711	0.2x	4.7x	7.3x	7.3x	12.9x	9.0x	15.1%	2.9%	4.5%	3.2x
SpartanNash Company	SPTN	\$29.71	87.7%	\$1,113	\$1,600	0.2x	7.1x	11.1x	17.9x	14.5x	13.2x	14.6%	1.9%	3.0%	2.1x
Ingles Markets, Incorporated	IMKT.A	\$37.28	64.6%	\$755	\$1,654	0.4x	7.0x	12.7x	13.2x	NM	NM	24.0%	3.5%	6.2%	3.8x
Village Super Market Inc.	VLGE.A	\$27.10	82.0%	\$383	\$348	0.2x	5.3x	8.2x	12.5x	NM	NM	27.3%	2.6%	4.0%	NM
Mean				\$9,014	\$11,276	0.5x	7.7x	11.8x	18.6x	18.9x	17.8x	22.9%	3.6%	5.6%	2.3x
Median				\$1,349	\$3,711	0.4x	7.2x	12.1x	17.9x	20.3x	19.4x	22.8%	3.5%	5.2%	2.1x
High				\$34,107	\$45,914	0.8x	12.5x	16.4x	35.0x	24.2x	23.2x	34.7%	5.9%	8.9%	3.8x
Low				\$383	\$348	0.2x	4.7x	7.3x	7.3x	12.9x	9.0x	14.6%	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



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### Fruits, Vegetables & Nuts:

(\$ in millions, except per share data)

Company	Share Price 05/31/2016	% 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	\$52.37	98.5%	\$2,662	\$2,950	0.7x	10.9x	15.0x	27.3x	0.0x	16.1x	9.4%	4.8%	6.6%	0.9x
Calavo Growers Inc.	CVGW	\$56.61	91.1%	\$987	\$1,026	1.2x	18.9x	22.3x	34.7x	36.7x	31.5x	10.7%	5.6%	6.5%	0.4x
Seneca Foods Corp.	SENE.A	\$31.22	87.1%	\$322	\$653	0.5x	6.4x	8.0x	7.3x	NM	NM	11.6%	7.7%	9.4%	2.6x
Inventure Foods, Inc.	SNAK	\$7.49	66.6%	\$147	\$258	0.9x	33.6x	NM	NM	NM	91.3x	12.6%	0.2%	2.8%	14.5x
Mean				\$1,029	\$1,222	0.8x	17.5x	15.1x	23.1x	18.3x	46.3x	11.1%	4.6%	6.3%	4.6x
Median				\$654	\$840	0.8x	14.9x	15.0x	27.3x	18.3x	31.5x	11.1%	5.2%	6.6%	1.8x
High				\$2,662	\$2,950	1.2x	33.6x	22.3x	34.7x	36.7x	91.3x	12.6%	7.7%	9.4%	14.5x
Low				\$147	\$258	0.5x	6.4x	8.0x	7.3x	0.0x	16.1x	9.4%	0.2%	2.8%	0.4x

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 05/31/2016	% 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	\$63.78	90.5%	\$24,571	\$30,679	0.8x	8.7x	10.9x	17.3x	16.6x	17.0x	11.8%	7.2%	9.0%	1.7x
Hormel Foods Corporation	HRL	\$34.41	75.3%	\$18,235	\$18,105	2.0x	13.1x	14.5x	23.7x	27.0x	24.5x	21.7%	13.1%	14.5%	(0.1x)
Pilgrim's Pride Corporation	PPC	\$24.87	89.5%	\$6,330	\$6,766	0.8x	6.3x	7.4x	11.5x	8.6x	11.9x	13.8%	11.3%	13.3%	0.4x
Sanderson Farms, Inc.	SAFM	\$89.71	93.5%	\$2,025	\$1,802	0.7x	6.1x	8.3x	14.8x	11.0x	12.4x	13.8%	8.0%	11.0%	(0.7x)
Bridgford Foods Corp.	BRID	\$12.75	92.2%	\$116	\$105	0.8x	7.5x	NM	7.2x	NM	NM	37.4%	8.7%	10.9%	(0.7x)
Mean				\$10,255	\$11,492	1.0x	8.3x	10.3x	14.9x	15.8x	16.4x	19.7%	9.6%	11.7%	0.1x
Median				\$6,330	\$6,766	0.8x	7.5x	9.6x	14.8x	13.8x	14.7x	13.8%	8.7%	11.0%	(0.1x)
High				\$24,571	\$30,679	2.0x	13.1x	14.5x	23.7x	27.0x	24.5x	37.4%	13.1%	14.5%	1.7x
Low				\$116	\$105	0.7x	6.1x	7.4x	7.2x	8.6x	11.9x	11.8%	7.2%	9.0%	(0.7x)

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 05/31/2016	% 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	\$70.67	94.9%	\$43,205	\$52,288	2.1x	12.2x	15.3x	30.0x	22.8x	22.2x	50.0%	13.2%	16.7%	2.2x
The WhiteWave Foods Company	WWAV	\$44.65	85.0%	\$7,899	\$10,012	2.5x	21.3x	29.1x	45.3x	43.0x	35.5x	34.3%	8.9%	12.0%	4.4x
Dean Foods Company	DF	\$18.28	86.3%	\$1,677	\$2,428	0.3x	5.6x	9.7x	16.2x	16.5x	13.3x	25.2%	3.2%	5.5%	1.7x
Lifeway Foods Inc.	LWAY	\$9.47	47.4%	\$153	\$154	1.3x	21.2x	37.6x	78.5x	93.3x	64.8x	28.2%	3.4%	6.0%	0.2x
Mean				\$13,234	\$16,221	1.5x	15.1x	22.9x	42.5x	43.9x	33.9x	34.4%	7.2%	10.0%	2.1x
Median				\$4,788	\$6,220	1.7x	16.7x	22.2x	37.7x	32.9x	28.8x	31.2%	6.1%	9.0%	1.9x
High				\$43,205	\$52,288	2.5x	21.3x	37.6x	78.5x	93.3x	64.8x	50.0%	13.2%	16.7%	4.4x
Low				\$153	\$154	0.3x	5.6x	9.7x	16.2x	16.5x	13.3x	25.2%	3.2%	5.5%	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 05/31/2016	% 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	\$44.65	85.0%	\$7,899	\$10,012	2.5x	21.3x	29.1x	45.3x	43.0x	35.5x	34.3%	8.9%	12.0%	4.4x
The Hain Celestial Group, Inc.	HAIN	\$49.44	70.0%	\$5,114	\$5,907	2.0x	16.0x	19.1x	24.7x	30.1x	23.6x	23.2%	10.7%	12.8%	2.1x
Amplify Snack Brands, Inc.	BETR	\$13.05	75.9%	\$976	\$1,165	6.0x	18.7x	20.2x	74.0x	38.7x	29.1x	55.1%	29.7%	32.1%	3.0x
Mean				\$4,663	\$5,694	3.5x	18.7x	22.8x	48.0x	37.3x	29.4x	37.6%	16.4%	19.0%	3.2x
Median				\$5,114	\$5,907	2.5x	18.7x	20.2x	45.3x	38.7x	29.1x	34.3%	10.7%	12.8%	3.0x
High				\$7,899	\$10,012	6.0x	21.3x	29.1x	74.0x	43.0x	35.5x	55.1%	29.7%	32.1%	4.4x
Low				\$976	\$1,165	2.0x	16.0x	19.1x	24.7x	30.1x	23.6x	23.2%	8.9%	12.0%	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 05/31/2016	% 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	\$76.16	95.4%	\$234,911	\$253,389	2.7x	13.7x	16.5x	25.4x	23.2x	22.5x	49.8%	15.5%	19.0%	1.0x
Mondelez International, Inc.	MDLZ	\$44.49	91.6%	\$69,051	\$85,179	3.0x	18.4x	22.6x	9.6x	28.2x	26.5x	39.2%	13.0%	16.0%	3.5x
General Mills, Inc.	GIS	\$62.78	95.9%	\$37,317	\$46,504	2.7x	13.2x	15.4x	25.7x	18.9x	20.6x	36.0%	17.4%	20.4%	2.3x
Kellogg Company	K	\$74.37	95.2%	\$26,033	\$33,979	2.5x	16.6x	22.1x	47.4x	20.0x	20.9x	36.8%	11.5%	15.3%	3.9x
KonAgra Foods, Inc.	CAG	\$45.70	98.0%	\$19,944	\$25,051	1.6x	10.3x	13.2x	NM	20.3x	21.0x	23.0%	11.1%	14.5%	2.2x
Campbell Soup Company	CPB	\$60.57	90.7%	\$18,725	\$22,028	2.8x	14.0x	17.5x	27.5x	18.0x	19.4x	35.4%	16.1%	20.0%	2.1x
The J. M. Smucker Company	SM	\$129.15	97.4%	\$15,457	\$20,600	2.8x	13.4x	18.1x	37.1x	23.2x	20.0x	38.2%	16.6%	22.1%	3.1x
Trehouse Foods, Inc.	THIS	\$94.70	98.8%	\$5,344	\$8,258	2.2x	19.6x	30.4x	46.4x	30.7x	33.0x	19.8%	7.3%	11.4%	6.9x
Post Holdings, Inc.	POST	\$76.01	97.5%	\$4,888	\$8,774	1.7x	10.9x	17.3x	NM	51.2x	38.4x	28.2%	10.1%	15.9%	4.8x
Lancaster Colony Corporation	LANC	\$121.23	97.3%	\$3,323	\$3,228	2.7x	16.1x	18.3x	28.5x	28.0x	25.1x	24.4%	14.9%	17.0%	(0.5x)
Snyder's-Lance, Inc.	LNCE	\$30.91	79.1%	\$2,962	\$4,348	2.5x	21.2x	33.1x	158.9x	40.3x	30.0x	34.8%	7.6%	11.9%	6.7x
B&G Foods Inc.	BGS	\$42.99	96.8%	\$2,693	\$4,174	3.8x	16.6x	18.9x	30.1x	24.5x	20.3x	31.2%	20.0%	22.9%	5.9x
J&J Snack Foods Corp.	JJSF	\$105.50	84.0%	\$1,964	\$1,877	1.9x	12.3x	16.4x	27.3x	28.6x	26.0x	30.8%	11.5%	15.4%	(0.6x)
Mean				\$34,047	\$39,799	2.5x	15.1x	20.0x	42.1x	27.3x	24.9x	32.9%	13.3%	17.1%	3.2x
Median				\$15,457	\$20,600	2.7x	14.0x	18.1x	28.5x	24.5x	22.5x	34.8%	13.0%	16.0%	3.1x
High				\$234,911	\$253,389	3.8x	21.2x	33.1x	158.9x	51.2x	38.4x	49.8%	20.0%	22.9%	6.9x
Low				\$1,964	\$1,877	1.6x	10.3x	13.2x	9.6x	18.0x	19.4x	19.8%	7.3%	11.4%	(0.6x)

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	5.2x	17.0x
Retail & Distribution	0.4x	7.2x
Fruits, Vegetables & Nuts	0.8x	14.9x
Protein Products	0.8x	7.5x
Dairy	1.7x	16.7x
Organics & Healthy	2.5x	18.7x
Food Conglomerates	2.7x	14.0x
<b>Mean</b>	<b>2.0x</b>	<b>13.7x</b>
<b>Median</b>	<b>1.7x</b>	<b>14.9x</b>

Note: Multiples represent median values

Source: Capital IQ





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### Commodity Score Card

Commodity	Units	5/31/2016	1 month prior	6 months prior	1 year prior
Corn	\$ per bu.	\$4.35	\$3.91	\$3.72	\$3.59
Coffee	\$ per lb.	\$1.39	\$1.22	\$1.20	\$1.33
Cocoa	\$ per lb.	\$1.41	\$1.47	\$1.51	\$1.41
Wheat	\$ per bu.	\$4.91	\$4.88	\$4.75	\$5.12
Live Cattle	\$ per lb.	\$1.14	\$1.15	\$1.32	\$1.52

Source: Capital IQ

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

### ❖ Ventura Foods to Buy Cargill Dressings, Sauces and Mayonnaise Business

May 3, 2016 – Ventura Foods has agreed to acquire the dressings, sauces and mayonnaise (DSM) business of Cargill. Financial terms of the transaction were not disclosed. Cargill DSM makes products such as mayonnaise, tartar sauce, flavored dressings and sauces for national food service companies and distributors. The business operates from one standalone facility in Port St. Lucie, Florida, and two facilities integrated within the broader operations of Cargill's Fats & Oils Group in Gainesville, Georgia and Sidney, Ohio.

### ❖ JAB to Acquire Krispy Kreme for \$1.35 Billion

May 9, 2016 – JAB Holding Co. has reached an agreement to acquire Krispy Kreme Doughnuts, Inc. for \$21 per share in cash, or approximately \$1.35 billion. The agreement has been unanimously approved by the board of directors of Krispy Kreme and represents a premium of approximately 25% over the company's closing stock price of \$16.86 on May 6. The company's share price was up more than 24% in mid-morning trading following the announcement. Following the transaction, Krispy Kreme will be privately owned and will continue to be independently operated from its current headquarters in Winston-Salem.

### ❖ Dean Foods Gets Friendly's

May 10, 2016 – The Dean Foods Co. has acquired the manufacturing, retail ice cream business and trademark of Friendly's Ice Cream L.L.C., Wilbraham, Massachusetts, for \$155 million (0.9x revenue) from an affiliate of the private equity firm Sun Capital Partners. The Friendly's restaurant business is not a part of the transaction. Friendly's has one manufacturing plant in Wilbraham that processes packaged ice cream and other frozen dessert products. The ice cream business generated \$166 million in revenue in 2015.

### ❖ Amplify Stockholders Launch Public Offering

May 17, 2016 – Amplify Snack Brands, Inc., maker of Skinny Pop Popcorn and Paqui tortilla chips, has launched a public offering for 10 million shares of the company's common stock. All shares are being sold by existing stockholders, including certain directors of the company. Last fall, Amplify undertook an initial public offering, under the NYSE symbol "BETR," in which 15 million shares of the company's common stock were sold to the public at a price of \$18 per share.

### ❖ Emmi Ropes Cowgirl Creamery

May 17, 2016 – Emmi, the largest Swiss milk processor, has entered into a merger with Cowgirl Creamery Corp. and the associated Tomales Bay Foods, Inc., located in Petaluma, California. Financial terms of the transaction were not disclosed. Founded in 1997, Tomales Bay Foods, Inc. and Cowgirl Creamery Corp. produce soft, semi-hard and aged artisan specialty cheeses made with organic cow's milk sourced from Marin and Sonoma counties in Northern California. In 2015, Tomales Bay Foods and Cowgirl Creamery had combined annual revenue of more than \$20 million and employed 95 people.

### ❖ PE-Backed US Foods Intensifies Acquisition Spree in Wake of Sysco Transaction Failure

May 19, 2016 – US Foods Inc. is acquiring Freshway Foods, a fruit and vegetable processor and distributor to Eastern U.S. customers. The buyer began hunting for other acquisitions after the proposed merger with Sysco Corp. was canceled. Terms of the transaction were not disclosed. US Foods will keep Freshway's Sidney, Ohio, 100,000-square-foot building open and Freshway's 400+ employees will become US Foods employees. Freshway cuts, cleans, chops and packages raw produce for customized products delivered to foodservice companies and retailers in the Eastern U.S.

### ❖ MTY to Acquire Cold Stone Parent Company

May 27, 2016 – Canadian company MTY Food Group, Inc. has agreed to acquire Kahala Brands, Ltd., parent company of 18 brands, including Cold Stone Creamery, Blimpie and Pinkberry. The acquisition of the Scottsdale, Arizona-based company is contingent on the merger of a wholly-owned subsidiary of MTY with and into Kahala. The cash-and-stock transaction, expected to be complete within the next three months, is valued at \$300 million (1.6x revenue). MTY is the franchisor and operator of more than 2,700 restaurants under 39 brands, including TCBY, Madisons New York Grill & Bar and Big Smoke Burger. The acquisition of Kahala Brands will result in a combined entity of approximately 5,500 units under 57 brands with total system-wide sales of more than \$1.5 billion, \$190 million in revenue from Kahala Brands.

### ❖ Grupo LaLa to Acquire U.S. Assets from Laguna Dairy

May 31, 2016 – Grupo LaLa, S.A.B. de C.V., a producer and marketer of dairy products in Mexico and Latin America, has entered into an agreement to acquire certain U.S. branded business assets from Laguna Dairy, S. de R.L. de C.V. for \$246 million in an all-cash transaction (1.2x revenue). The acquisition includes three production plants and five brands, and is in line with Grupo LaLa's strategy of expanding in value-added branded categories in high-growth markets in the Americas. The U.S. branded business is expected to generate approximately \$200 million in revenue during 2016 and has achieved double-digit growth for the past two years.



## The Cupboard

A Food & Beverage  
Industry Newsletter



### Industry News, May 2016

#### ❖ Red Robin Names COO

May 2, 2016 – Carin Stutz has been named executive vice-president and COO of Red Robin Gourmet Burgers, Inc. Ms. Stutz brings more than three decades of experience to the company. Most recently she was president of McAlister's Deli and has held operations leadership positions for such restaurant brands as Chili's, Applebee's, Cosi and Wendy's. In her new role, she will lead regional restaurant management teams overseeing the operational performance of more than 440 company-owned Red Robin casual dining restaurants and 11 Red Robin Burger Works fast-casual restaurants, in addition to alternative platforms and all franchise operations. Ms. Stutz will report to Denny Marie Post, president of Red Robin Gourmet Burgers and Brews.

#### ❖ Erik Fyrwald to Lead Syngenta

May 4, 2016 – J. Erik Fyrwald, who spent 27 years at E.I. du Pont de Nemours and Co., has been named president and CEO of Syngenta AG, effective June 1. He succeeds John Ramsay, who has been interim CEO since November 2015. Michael Mack stepped down as CEO on October 31, 2015, just a few months after the Swiss company rejected a \$47 billion takeover bid from St. Louis-based rival Monsanto Co. Mr. Fyrwald most recently has been president and CEO of Univar Inc., a global distributor of chemical products and provider of related services, including agricultural inputs, since 2012.

#### ❖ Kellogg CFO to Retire

May 5, 2016 – Ron Dissinger, a longtime executive with The Kellogg Co., will retire as CFO at the end of the year. Although Mr. Dissinger will step down as CFO on December 31, he will remain with Kellogg into 2017 to help ensure an orderly transition to his successor. An internal and external search for a new company CFO has now commenced.

#### ❖ Guilbault Promoted to President of Qdoba

May 12, 2016 – Keith Guilbault has been named president of Qdoba Mexican Eats, a subsidiary of Jack in the Box Inc. He succeeds Tim Casey, who resigned from the company to pursue other career interests. Mr. Guilbault most recently was COO at Qdoba, a position he has held since March. He also was senior vice-president and CMO for the Jack in the Box brand where he directed all marketing functions, including marketing communications, advertising, media and merchandising, as well as oversight of the brand's menu strategy and other functions integral to product development and marketing, including R&D, regional marketing and social engagement.

#### ❖ Nestle Touts Food Waste Reduction Initiatives

May 18, 2016 – Nestle USA has joined other food companies, lawmakers and environmental advocates to support a joint effort in the U.S. Senate and House of Representatives to standardize date labels on food products sold in grocery stores. The purpose of the proposed legislation is to create clearer date labeling practices to prevent billions of pounds of food from premature disposal into landfills across the country.

#### ❖ Bunge CFO to Retire at Year's End

May 20, 2016 – Drew Burke, CFO of Bunge Ltd., has announced his retirement, effective December 31. The company plans to name a successor before the end of the year and is conducting a search that will consider both internal and external candidates. Mr. Burke was named CFO in February 2011, having served as interim CFO since September 2010. He joined Bunge in 2002 as a managing director of soy ingredients and new business development. Earlier, he was CEO of the U.S. subsidiary of Degussa AG and worked for Beecham Pharmaceuticals and Price Waterhouse & Company.

#### ❖ ConAgra CFO to Retire

May 24, 2016 – John Gehring, executive vice-president and CFO of ConAgra Foods, Inc., plans to retire after 14 years with the company. Mr. Gehring will maintain his current role until the company names a successor and will aid in the transition. ConAgra Foods has initiated a search to find a replacement for Mr. Gehring. Prior to ConAgra Foods, Mr. Gehring was a partner with Ernst & Young and held auditing positions with PepsiCo, Inc. and KPMG. He joined ConAgra Foods in 2002, assuming his current role in 2009.

#### ❖ Hormel Find Next CFO

May 25, 2016 – Hormel Foods Corp. has elected James N. Sheehan as the company's next senior vice-president and CFO, effective October 31. He will succeed Jody H. Feragen, who will retire as executive vice-president and CFO on October 30. Mr. Sheehan has held finance and accounting leadership roles at Hormel Foods for more than 20 years, most recently as vice-president and chief accounting officer. He also oversees the information technology organization.

#### ❖ Snyders's-Lance CFO to Step Aside

May 27, 2016 – Rick D. Puckett, executive vice-president and CFO of Snyder's-Lance, Inc., will retire December 31. Mr. Puckett will continue as CFO until a candidate is selected and transitioned into the company. Mr. Puckett was named executive vice-president and CFO of Snyder's-Lance in 2010 following the merger of Snyder's of Hanover and Lance. Previously, he was executive vice-president and CFO of Lance from 2006 to 2010. Prior to joining Lance, Mr. Puckett was executive vice-president and CFO of United Natural Foods, Inc. from 2003 to 2006.

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

Additional information is available upon request.

