

# Quarterly Industry Update

As of March 31, 2016

Industry: Food Distributors



## Industry Summary

Cogent Valuation identified Food Distributors publicly traded companies, IPOs, and recent M&A transactions within the Food Distributors industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2015, the median 52-week share price return of the Food Distributors industry was -8.3%. Between March 31, 2014 and March 31, 2016, the median EV/EBITDA multiple decreased from 15.0 to 7.8. Furthermore, the median price-to-earnings multiple decreased from 30.7 to 22.6 over the same period.

## Comparable Public Company Key Statistics

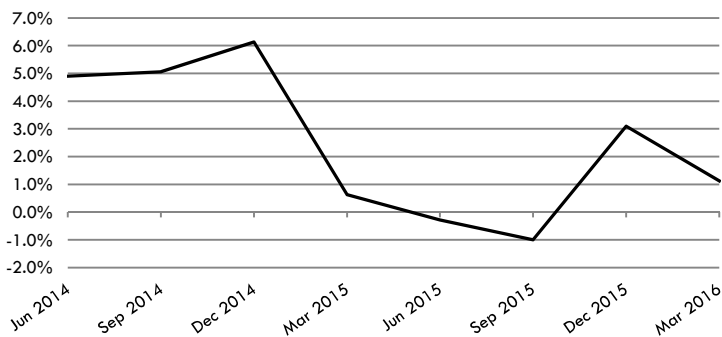
Median 52-Week Return	-8.3%	Median EV/Revenue Multiple	1.3x	Median Price/Earnings Multiple	22.6x
Median 3-Year CAGR Return	4.5%	Median EV/EBITDA Multiple	7.8x	Median EV/Gross CF Multiple	17.1x

## Comparable Public Company Market Price Returns (As of March 31, 2016)

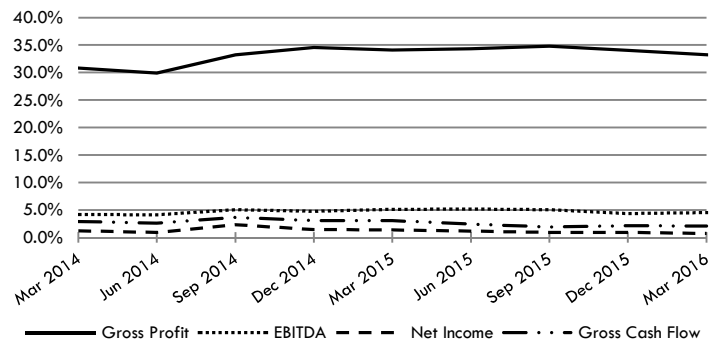
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
B&G Foods Inc.	-0.6%	-0.6%	18.3%	7.5%	4.5%	13.1%	17.1%	-11.8%	19.8%	17.6%	75.3%
Dean Foods Company	1.0%	1.0%	4.8%	5.8%	-21.8%	-2.8%	-11.5%	12.7%	-47.9%	47.4%	26.7%
Flowers Foods, Inc.	-14.1%	-14.1%	-18.8%	-7.2%	-5.6%	8.8%	12.0%	-10.6%	38.4%	22.6%	5.8%
Golden Enterprises Inc.	4.8%	4.8%	29.0%	7.7%	14.1%	9.6%	36.4%	-13.8%	19.5%	-5.2%	6.5%
Hormel Foods Corporation	9.4%	9.4%	52.1%	32.5%	27.9%	25.4%	51.8%	15.3%	44.7%	6.6%	14.3%
Inventure Foods, Inc.	-20.4%	-20.4%	-49.5%	-36.4%	-10.1%	8.0%	-44.3%	-3.9%	104.3%	73.5%	-13.4%
Koninklijke Wessanen N.V.	6.7%	6.7%	63.3%	37.9%	55.0%	23.4%	59.7%	62.6%	35.1%	-21.2%	-7.4%
Lifeway Foods Inc.	-2.4%	-2.4%	-49.4%	-14.2%	-8.0%	0.8%	-40.1%	16.0%	82.8%	-9.3%	0.9%
Pilgrim's Pride Corporation	15.0%	15.0%	12.4%	10.2%	40.3%	26.9%	-32.6%	101.8%	124.4%	25.7%	-18.8%
SunOpta Inc.	-34.4%	-34.4%	-57.8%	-38.5%	-14.7%	-9.6%	-42.6%	18.9%	77.9%	13.1%	-36.8%
The Hain Celestial Group, Inc.	1.3%	1.3%	-36.1%	-5.4%	10.2%	20.4%	-30.7%	28.4%	67.4%	47.9%	35.5%
The WhiteWave Foods Company	4.4%	4.4%	-8.3%	19.3%	33.5%	N/A	11.2%	52.5%	47.6%	N/A	N/A
United Natural Foods, Inc.	2.4%	2.4%	-47.7%	-24.6%	-6.4%	-2.1%	-49.1%	2.6%	40.7%	33.9%	9.1%
<b>Median of Industry Public Companies</b>	<b>1.3%</b>	<b>1.3%</b>	<b>-8.3%</b>	<b>5.8%</b>	<b>4.5%</b>	<b>9.2%</b>	<b>-11.5%</b>	<b>15.3%</b>	<b>44.7%</b>	<b>20.1%</b>	<b>6.1%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Food Distributors Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Food Distributors Industry

Date:	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016
EV/Revenues Multiple	1.4x	1.2x	1.2x	1.2x	1.1x	1.4x	1.4x	1.4x	1.3x
EV/EBITDA Multiple	15.0x	14.2x	13.4x	14.1x	13.4x	12.8x	13.8x	14.1x	7.8x
Price/Earnings Multiple	30.7x	28.3x	24.4x	29.6x	29.5x	25.7x	31.5x	28.7x	22.6x
EV/Gross Cash Flows Multiple	26.1x	21.2x	22.9x	13.1x	19.8x	24.5x	23.0x	12.7x	17.1x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2016 Cogent Valuation. All Rights Reserved.

# Quarterly Industry Update

As of March 31, 2016

Industry: Food Distributors



## Industry Initial Public Offerings (dollars in millions, except share prices)

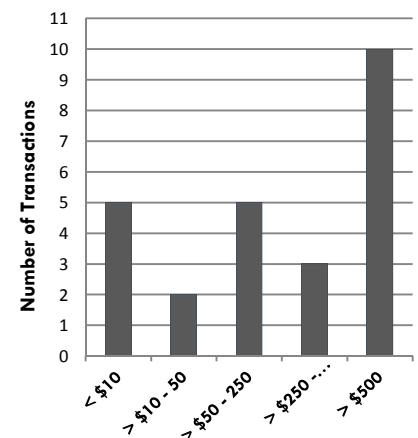
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/30/2015	Performance Food Group Company	\$19.00	14.5	\$275.5	\$3,390.9	\$1,449.9	\$15,270.0	\$281.4	\$56.5	\$357.7
3/27/2013	Pinnacle Foods Inc.	\$20.00	29.0	\$580.0	\$4,400.0	\$2,612.8	\$2,478.5	\$409.9	\$52.5	\$465.6
10/25/2012	The WhiteWave Foods Company	\$17.00	23.0	\$391.0	\$2,052.6	\$452.7	\$2,157.6	\$258.6	\$117.6	\$326.6
10/10/2012	Amira Nature Foods Ltd.	\$10.00	9.0	\$90.0	\$215.7	\$143.6	\$342.5	\$39.8	\$13.5	\$41.7
3/27/2012	Annie's, Inc.	\$19.00	5.0	\$95.0	\$68.2	\$13.3	\$134.9	\$19.1	\$12.8	\$19.8
10/22/2009	Dole Food Company Inc.	\$12.50	35.7	\$446.4	\$4,223.8	\$2,083.3	\$7,208.0	\$425.8	\$92.2	\$548.6
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$333.3</b>	<b>\$2,721.7</b>	<b>\$951.3</b>	<b>\$2,318.0</b>	<b>\$270.0</b>	<b>\$54.5</b>	<b>\$342.2</b>

nm: not meaningful, N/A: not applicable

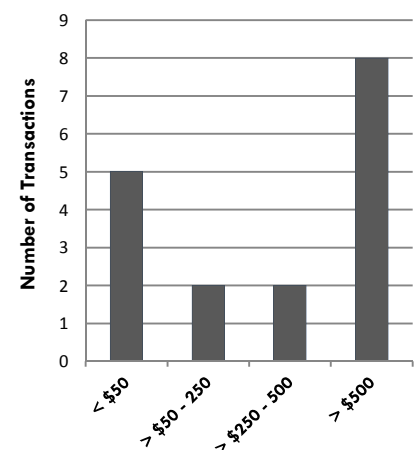
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
3/31/2016	Nor-Cal Produce, Inc.	United Natural Foods	\$68.6	100%	N/A	N/A
2/29/2016	Diamond Foods, Inc.	Snyder's-Lance, Inc.	\$1,937.8	100%	\$864.2	2.2x
2/25/2016	Central Roast Inc.	GreenSpace Brands Inc.	\$7.7	70%	\$8.7	1.2x
2/1/2016	Ralcorp Holdings Inc.	Treehouse Foods, Inc.	\$2,700.0	100%	\$3,600.0	0.8x
1/15/2016	Boulder Brands, Inc.	Pinnacle Foods Inc.	\$991.4	100%	\$508.2	1.9x
12/18/2015	Craig Mastyn & Co Pty	Mareterram Trading Pty	\$2.8	100%	N/A	N/A
10/26/2015	FineFrance UK Limited	Vestey Group Limited	\$9.5	100%	N/A	N/A
10/13/2015	Alpine Valley Bread	Flowers Bakeries, LLC	\$120.0	100%	N/A	N/A
10/6/2015	Jacks International Limited	N/A	\$13.1	66%	\$10.8	1.5x
3/17/2015	Goodman Fielder Ltd.	First Pacific Company	\$1,788.8	90%	\$2,076.7	0.8x
1/31/2015	La Sirena Alimentación	OpCapita LLP	\$56.2	100%	N/A	N/A
11/30/2014	Associated Wholesalers	C&S Wholesale Grocers	\$256.6	100%	\$1,100.0	0.2x
10/24/2014	Abatewood Limited	Zeno Capital Ltd.	\$3.8	100%	\$10.3	0.4x
10/21/2014	Annie's, Inc.	General Mills, Inc.	\$823.0	100%	\$208.1	3.9x
7/29/2014	FoodTec UK Ltd.	Adams Foods	\$2.0	100%	N/A	N/A
7/29/2014	Flagstone Foods	Bay Valley Foods, LLC	\$875.0	100%	\$721.4	1.2x
6/2/2014	MFI Holding Corporation	Post Holdings, Inc.	\$2,499.5	100%	N/A	N/A
5/30/2014	Aimia Foods (Holdings)	Cott Beverages Limited	\$147.1	100%	\$110.0	1.3x
4/3/2014	Goudas Food Products	BLVD Holdings, Inc.	\$16.6	100%	\$27.1	0.6x
2/19/2014	Arden Group Inc.	TPG Capital, L.P.	\$389.7	100%	\$452.8	0.8x
2/13/2014	Atrium Innovations Inc.	Permira Advisers Ltd.	\$993.2	100%	\$471.8	2.0x
2/1/2014	Golden Boy Foods Ltd.	Post Holdings, Inc.	\$300.6	100%	N/A	N/A
12/23/2013	Phil's Fresh Foods, LLC	GFA Brands, Inc.	\$60.7	100%	\$14.3	4.2x
11/19/2013	Nash Finch Co.	Spartan Stores Inc.	\$797.2	100%	\$4,945.7	0.2x
11/1/2013	Dole Food Company Inc.	DFC Holdings LLC	\$1,435.2	60%	\$4,322.6	0.3x
<b>Median of the 25 M&amp;A Transaction Targets</b>			<b>\$256.6</b>	<b>100%</b>	<b>\$471.8</b>	<b>1.2x</b>

### Size of M&A Transactions



### LTM Revenues Reported



### Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

# Quarterly Industry Update

As of March 31, 2016

General Distribution Aggregates

## Comparable Public Company Key Statistics

Median 52-Week Return	-4.3%	Median EV/Revenue Multiple	0.5x	Median Price/Earnings Multiple	23.2x
Median Year-to-Date Return	2.4%	Median EV/EBITDA Multiple	13.7x	Median EV/Gross CF Multiple	15.5x

## Comparable Public Company Market Price Returns (As of March 31, 2016)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
A. M. Castle & Co.	69.8%	69.8%	-26.0%	-57.1%	-46.4%	-32.2%	-80.1%	-46.0%	0.0%	56.1%	-48.6%
Applied Industrial Technologies, Inc.	7.2%	7.2%	-4.3%	-5.1%	-1.2%	5.5%	-11.2%	-7.1%	16.9%	19.4%	8.3%
B&G Foods Inc.	-0.6%	-0.6%	18.3%	7.5%	4.5%	13.1%	17.1%	-11.8%	19.8%	17.6%	75.3%
Calavo Growers Inc.	16.4%	16.4%	11.0%	26.6%	25.6%	21.2%	3.6%	56.3%	20.0%	-1.8%	11.4%
Dean Foods Company	1.0%	1.0%	4.8%	5.8%	-21.8%	-2.8%	-11.5%	12.7%	-47.9%	47.4%	26.7%
Dorman Products, Inc.	14.6%	14.6%	9.4%	-4.0%	13.5%	20.9%	-1.7%	-13.9%	58.6%	91.4%	1.9%
DXP Enterprises, Inc.	-23.0%	-23.0%	-60.2%	-57.0%	-38.3%	-5.3%	-54.9%	-56.1%	134.8%	52.4%	34.2%
Flowers Foods, Inc.	-14.1%	-14.1%	-18.8%	-7.2%	-5.6%	8.8%	12.0%	-10.6%	38.4%	22.6%	5.8%
Golden Enterprises Inc.	4.8%	4.8%	29.0%	7.7%	14.1%	9.6%	36.4%	-13.8%	19.5%	-5.2%	6.5%
Hormel Foods Corporation	9.4%	9.4%	52.1%	32.5%	27.9%	25.4%	51.8%	15.3%	44.7%	6.6%	14.3%
Huttig Building Products Inc.	-3.2%	-3.2%	29.1%	-10.4%	10.7%	30.3%	13.4%	-13.2%	141.3%	207.7%	-45.2%
Inventure Foods, Inc.	-20.4%	-20.4%	-49.5%	-36.4%	-10.1%	8.0%	-44.3%	-3.9%	104.3%	73.5%	-13.4%
Koninklijke Wessanen N.V.	6.7%	6.7%	63.3%	37.9%	55.0%	23.4%	59.7%	62.6%	35.1%	-21.2%	-7.4%
Lifeway Foods Inc.	-2.4%	-2.4%	-49.4%	-14.2%	-8.0%	0.8%	-40.1%	16.0%	82.8%	-9.3%	0.9%
MRC Global Inc.	1.9%	1.9%	10.9%	-30.2%	-26.4%	N/A	-14.9%	-53.0%	16.1%	N/A	N/A
Perfumania Holdings, Inc.	2.5%	2.5%	-53.8%	-39.3%	-24.3%	-23.7%	-59.3%	-5.5%	29.1%	-52.7%	15.6%
Pilgrim's Pride Corporation	15.0%	15.0%	12.4%	10.2%	40.3%	26.9%	-32.6%	101.8%	124.4%	25.7%	-18.8%
Pool Corp.	8.6%	8.6%	25.8%	19.6%	22.3%	29.5%	27.3%	9.1%	37.4%	40.6%	33.5%
SunOpta Inc.	-34.4%	-34.4%	-57.8%	-38.5%	-14.7%	-9.6%	-42.6%	18.9%	77.9%	13.1%	-36.8%
Taitron Components Inc.	-6.0%	-6.0%	-8.0%	-6.4%	-2.7%	-9.9%	-1.5%	-5.4%	2.9%	-10.5%	-27.8%
The Hain Celestial Group, Inc.	1.3%	1.3%	-36.1%	-5.4%	10.2%	20.4%	-30.7%	28.4%	67.4%	47.9%	35.5%
The WhiteWave Foods Company	4.4%	4.4%	-8.3%	19.3%	33.5%	N/A	11.2%	52.5%	47.6%	N/A	N/A
United Natural Foods, Inc.	2.4%	2.4%	-47.7%	-24.6%	-6.4%	-2.1%	-49.1%	2.6%	40.7%	33.9%	9.1%
VOXX International Corporation	-15.0%	-15.0%	-51.2%	-42.8%	-25.3%	-11.0%	-40.0%	-47.5%	148.1%	-20.4%	-2.1%
Watsco Inc.	15.0%	15.0%	7.2%	16.1%	17.0%	14.1%	9.5%	11.4%	28.3%	14.1%	4.1%
<b>Median of Industry Public Companies</b>	<b>2.4%</b>	<b>2.4%</b>	<b>-4.3%</b>	<b>-5.4%</b>	<b>-1.2%</b>	<b>8.8%</b>	<b>-11.2%</b>	<b>-3.9%</b>	<b>38.4%</b>	<b>19.4%</b>	<b>5.8%</b>

(Multiple year periods are calculated as the average annual return.)

# Quarterly Industry Update

As of March 31, 2016

General Distribution Aggregates



## Median Public Company Multiples of the General Distribution Aggregates

Date:	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016
EV/Revenues Multiple	0.6x	0.5x	0.4x	0.5x	0.5x	0.5x	0.4x	0.4x	0.5x
EV/EBITDA Multiple	15.0x	13.2x	12.7x	21.0x	13.2x	24.0x	10.6x	20.0x	13.7x
Price/Earnings Multiple	29.3x	25.9x	24.6x	27.3x	27.1x	24.6x	26.3x	23.9x	23.2x
EV/Gross Cash Flows Multiple	23.7x	29.7x	31.7x	27.6x	32.4x	61.0x	24.5x	38.9x	15.5x

## Industry Initial Public Offerings - General Distribution Aggregates (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/30/2015	Performance Food Group Company	\$19.00	14.5	\$275.5	\$3,390.9	\$1,449.9	\$15,270.0	\$281.4	\$56.5	\$357.7
6/17/2015	Univar Inc.	\$22.00	35.0	\$770.0	\$5,916.3	\$3,816.1	\$10,156.6	\$508.2	\$2.4	\$643.1
4/28/2015	Enviva Partners, LP	\$20.00	10.0	\$200.0	\$384.5	\$94.2	\$290.1	\$28.0	\$0.3	\$46.7
6/26/2013	HD Supply Holdings, Inc.	\$18.00	53.2	\$957.4	\$6,459.0	\$6,630.0	\$8,267.0	\$663.0	(\$950.0)	\$729.0
5/22/2013	Global Brass and Copper Holdings, Inc.	\$11.00	7.0	\$77.0	\$576.5	\$400.0	\$1,652.1	\$93.1	\$9.9	\$100.3
3/27/2013	Pinnacle Foods Inc.	\$20.00	29.0	\$580.0	\$4,400.0	\$2,612.8	\$2,478.5	\$409.9	\$52.5	\$465.6
2/7/2013	Health Insurance Innovations, Inc.	\$14.00	4.7	\$65.3	\$17.5	\$3.6	\$38.2	\$4.4	\$3.2	\$4.4
10/25/2012	The WhiteWave Foods Company	\$17.00	23.0	\$391.0	\$2,052.6	\$452.7	\$2,157.6	\$258.6	\$117.6	\$326.6
10/24/2012	CrossAmerica Partners LP	\$20.00	6.0	\$120.0	\$300.7	\$259.3	\$1,717.1	\$32.6	\$6.1	\$47.2
10/10/2012	Amira Nature Foods Ltd.	\$10.00	9.0	\$90.0	\$215.7	\$143.6	\$342.5	\$39.8	\$13.5	\$41.7
3/27/2012	Annie's, Inc.	\$19.00	5.0	\$95.0	\$68.2	\$13.3	\$134.9	\$19.1	\$12.8	\$19.8
10/22/2009	Dole Food Company Inc.	\$12.50	35.7	\$446.4	\$4,223.8	\$2,083.3	\$7,208.0	\$425.8	\$92.2	\$548.6
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$237.8</b>	<b>\$1,314.5</b>	<b>\$426.3</b>	<b>\$1,937.3</b>	<b>\$175.8</b>	<b>\$11.4</b>	<b>\$213.5</b>

**Disclosures and Limitations:** This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](#) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2016 Cogent Valuation. All Rights Reserved.