

Quarterly Industry Update

As of September 30, 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 September 30, 2015, the median 52-week share price return of the Food Distributors industry was 12.8%. Between September 30, 2014 and September 30, 2016, the median EV/EBITDA multiple increased from 13.4 to 15.1. However, the median price-to-earnings multiple decreased from 23.7 to 20.5 over the same period.

Comparable Public Company Key Statistics

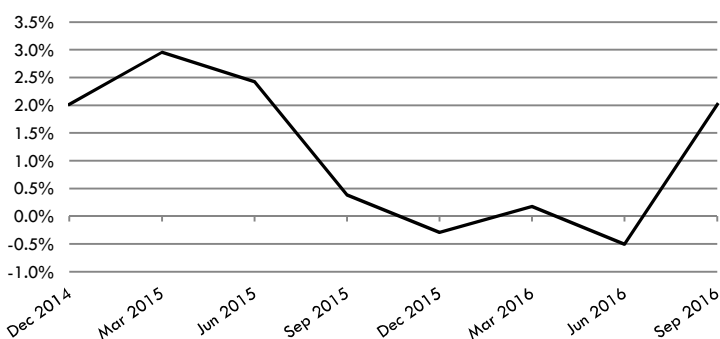
Median 52-Week Return	12.8%	Median EV/Revenue Multiple	1.3x	Median Price/Earnings Multiple	20.5x
Median 3-Year CAGR Return	2.6%	Median EV/EBITDA Multiple	15.1x	Median EV/Gross CF Multiple	19.4x

Comparable Public Company Market Price Returns (As of September 30, 2016)

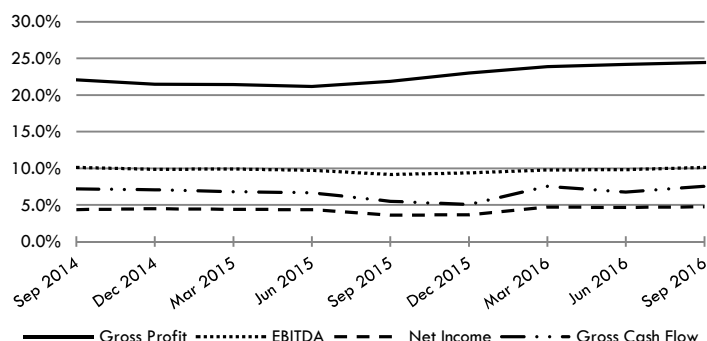
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
B&G Foods Inc.	40.4%	2.0%	34.9%	33.6%	12.5%	24.1%	17.1%	-11.8%	19.8%	17.6%	75.3%
Dean Foods Company	-4.4%	-9.3%	-0.7%	11.3%	-5.3%	-1.6%	-11.5%	12.7%	-47.9%	47.4%	26.7%
Flowers Foods, Inc.	-29.6%	-19.4%	-38.9%	-9.3%	-11.0%	3.1%	12.0%	-10.6%	38.4%	22.6%	5.8%
Hormel Foods Corporation	-4.1%	3.6%	19.8%	21.5%	21.7%	22.9%	51.8%	15.3%	44.7%	6.6%	14.3%
Inventure Foods, Inc.	32.4%	20.4%	5.9%	-14.8%	-3.6%	19.5%	-44.3%	-3.9%	104.3%	73.5%	-13.4%
Koninklijke Wessanen N.V.	26.5%	21.8%	21.8%	45.6%	52.7%	23.3%	59.7%	62.6%	35.1%	-21.2%	-7.4%
Lifeway Foods Inc.	52.6%	75.2%	61.6%	10.5%	7.8%	9.7%	-40.1%	16.0%	82.8%	-9.3%	0.9%
Pilgrim's Pride Corporation	-4.4%	-17.1%	1.6%	-16.9%	8.0%	37.7%	-32.6%	101.8%	124.4%	25.7%	-18.8%
SunOpta Inc.	3.4%	68.8%	45.2%	-23.7%	-10.2%	7.5%	-42.6%	18.9%	77.9%	13.1%	-36.8%
The Hain Celestial Group, Inc.	-11.9%	-28.5%	-31.0%	-16.6%	-2.6%	18.4%	-30.7%	28.4%	67.4%	47.9%	35.5%
The WhiteWave Foods Company	39.9%	16.0%	35.6%	22.4%	39.7%	N/A	11.2%	52.5%	47.6%	N/A	N/A
United Natural Foods, Inc.	1.7%	-14.4%	-17.5%	-19.3%	-15.9%	1.6%	-49.1%	2.6%	40.7%	33.9%	9.1%
Median of Industry Public Companies	2.5%	2.8%	12.8%	0.6%	2.6%	18.4%	-21.1%	15.6%	46.2%	22.6%	5.8%

(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:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	1.3x	1.3x	1.3x	1.4x	1.5x	1.4x	1.4x	1.3x	1.3x
EV/EBITDA Multiple	13.4x	14.5x	13.4x	13.3x	14.1x	14.3x	17.6x	15.4x	15.1x
Price/Earnings Multiple	23.7x	28.4x	28.3x	25.2x	39.0x	26.9x	21.9x	24.7x	20.5x
EV/Gross Cash Flows Multiple	21.5x	26.4x	22.0x	29.6x	22.6x	25.9x	19.3x	21.2x	19.4x

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The disclosures and limitations of this research on page four are an integral part of this report.

Quarterly Industry Update

As of September 30, 2016

Industry: Food Distributors



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

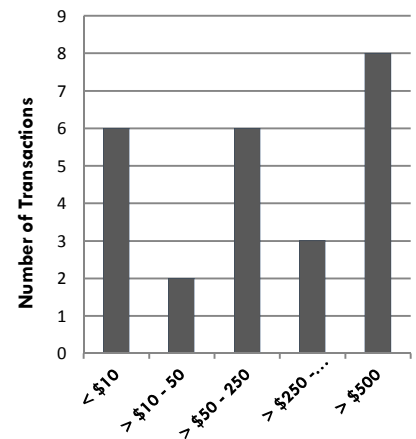
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
7/14/2016	AdvancePierre Foods Holdings, Inc.	\$21.00	18.6	\$390.6	\$1,112.9	\$1,257.9	\$1,579.6	\$225.5	\$43.1	\$254.3
6/15/2016	Nousouken Corporation	\$9.92	0.4	\$3.7	\$4.5	\$1.0	\$7.3	\$0.0	\$0.4	\$0.0
5/25/2016	US Foods Holding Corp.	\$23.00	44.4	\$1,022.2	\$9,023.6	\$5,030.0	\$23,167.0	\$892.1	\$173.7	\$1,147.7
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
Median of All IPOs		nm	nm	\$390.6	\$2,052.6	\$1,257.9	\$2,157.6	\$258.6	\$52.5	\$326.6

nm: not meaningful, N/A: not applicable

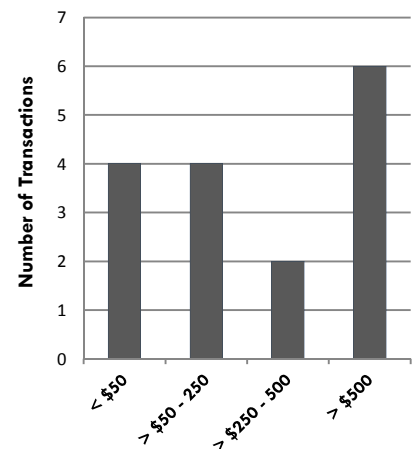
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
9/30/2016	Golden Enterprises Inc.	UTZ Quality Foods, Inc.	\$144.4	100%	\$135.9	1.0x
7/25/2016	JK International	EQUISnZAROO CO.,LTD	\$5.9	51%	\$73.2	0.2x
5/13/2016	Haddon House Food Products	United Natural Foods	\$217.5	100%	N/A	N/A
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 Mostyn & 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
Median of the 25 M&A Transaction Targets			\$147.1	100%	\$330.4	1.1x

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 September 30, 2016

General Distribution Aggregates



Comparable Public Company Key Statistics

Median 52-Week Return	19.4%	Median EV/Revenue Multiple	1.0x	Median Price/Earnings Multiple	25.9x
Median Year-to-Date Return	17.3%	Median EV/EBITDA Multiple	14.5x	Median EV/Gross CF Multiple	16.7x

Comparable Public Company Market Price Returns (As of September 30, 2016)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
A. M. Castle & Co.	-49.7%	-51.2%	-64.0%	-69.4%	-63.2%	-40.7%	-80.1%	-46.0%	0.0%	56.1%	-48.6%
Applied Industrial Technologies, Inc.	15.4%	3.5%	22.5%	1.2%	-3.2%	11.5%	-11.2%	-7.1%	16.9%	19.4%	8.3%
B&G Foods Inc.	40.4%	2.0%	34.9%	33.6%	12.5%	24.1%	17.1%	-11.8%	19.8%	17.6%	75.3%
Calavo Growers Inc.	33.5%	-2.3%	46.6%	20.4%	29.3%	26.1%	3.6%	56.3%	20.0%	-1.8%	11.4%
Dean Foods Company	-4.4%	-9.3%	-0.7%	11.3%	-5.3%	-1.6%	-11.5%	12.7%	-47.9%	47.4%	26.7%
Dorman Products, Inc.	34.6%	11.7%	25.6%	26.3%	8.8%	31.1%	-1.7%	-13.9%	58.6%	91.4%	1.9%
DXP Enterprises, Inc.	23.6%	88.8%	3.3%	-38.1%	-29.1%	8.4%	-54.9%	-56.1%	134.8%	52.4%	34.2%
Flowers Foods, Inc.	-29.6%	-19.4%	-38.9%	-9.3%	-11.0%	3.1%	12.0%	-10.6%	38.4%	22.6%	5.8%
Hormel Foods Corporation	-4.1%	3.6%	19.8%	21.5%	21.7%	22.9%	51.8%	15.3%	44.7%	6.6%	14.3%
Huttig Building Products Inc.	52.1%	10.1%	85.4%	25.0%	32.9%	67.4%	13.4%	-13.2%	141.3%	207.7%	-45.2%
Inventure Foods, Inc.	32.4%	20.4%	5.9%	-14.8%	-3.6%	19.5%	-44.3%	-3.9%	104.3%	73.5%	-13.4%
Koninklijke Wessanen N.V.	26.5%	21.8%	21.8%	45.6%	52.7%	23.3%	59.7%	62.6%	35.1%	-21.2%	-7.4%
Lifeway Foods Inc.	52.6%	75.2%	61.6%	10.5%	7.8%	9.7%	-40.1%	16.0%	82.8%	-9.3%	0.9%
MRC Global Inc.	27.4%	15.6%	47.4%	-16.1%	-15.0%	N/A	-14.9%	-53.0%	16.1%	N/A	N/A
Perfumania Holdings, Inc.	-10.7%	-9.5%	-48.5%	-41.4%	-23.2%	-31.1%	-59.3%	-5.5%	29.1%	-52.7%	15.6%
Pilgrim's Pride Corporation	-4.4%	-17.1%	1.6%	-16.9%	8.0%	37.7%	-32.6%	101.8%	124.4%	25.7%	-18.8%
Pool Corp.	17.0%	0.5%	30.7%	32.4%	19.0%	29.3%	27.3%	9.1%	37.4%	40.6%	33.5%
SunOpta Inc.	3.4%	68.8%	45.2%	-23.7%	-10.2%	7.5%	-42.6%	18.9%	77.9%	13.1%	-36.8%
Taitron Components Inc.	17.5%	10.6%	16.2%	4.9%	4.1%	4.8%	-1.5%	-5.4%	2.9%	-10.5%	-27.8%
The Hain Celestial Group, Inc.	-11.9%	-28.5%	-31.0%	-16.6%	-2.6%	18.4%	-30.7%	28.4%	67.4%	47.9%	35.5%
The WhiteWave Foods Company	39.9%	16.0%	35.6%	22.4%	39.7%	N/A	11.2%	52.5%	47.6%	N/A	N/A
United Natural Foods, Inc.	1.7%	-14.4%	-17.5%	-19.3%	-15.9%	1.6%	-49.1%	2.6%	40.7%	33.9%	9.1%
VOXX International Corporation	-43.2%	7.2%	-59.7%	-43.3%	-39.8%	-11.4%	-40.0%	-47.5%	148.1%	-20.4%	-2.1%
Watsco Inc.	20.3%	0.1%	18.9%	27.9%	14.3%	22.5%	9.5%	11.4%	28.3%	14.1%	4.1%
Median of Industry Public Companies	17.3%	3.6%	19.4%	3.0%	0.7%	14.9%	-11.3%	-0.7%	39.5%	21.0%	4.9%

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

Quarterly Industry Update

As of September 30, 2016

General Distribution Aggregates



Median Public Company Multiples of the General Distribution Aggregates

Date:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	0.9x	0.9x	0.9x	0.9x	0.8x	0.8x	0.8x	0.9x	1.0x
EV/EBITDA Multiple	13.0x	13.9x	13.5x	12.8x	13.2x	12.8x	13.8x	14.1x	14.5x
Price/Earnings Multiple	24.6x	26.6x	26.4x	24.4x	26.5x	23.9x	24.4x	25.1x	25.9x
EV/Gross Cash Flows Multiple	31.7x	28.4x	28.3x	19.0x	19.3x	20.7x	16.7x	18.3x	16.7x

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
7/14/2016	AdvancePierre Foods Holdings, Inc.	\$21.00	18.6	\$390.6	\$1,112.9	\$1,257.9	\$1,579.6	\$225.5	\$43.1	\$254.3
6/15/2016	Nousouken Corporation	\$9.92	0.4	\$3.7	\$4.5	\$1.0	\$7.3	\$0.0	\$0.4	\$0.0
5/25/2016	US Foods Holding Corp.	\$23.00	44.4	\$1,022.2	\$9,023.6	\$5,030.0	\$23,167.0	\$892.1	\$173.7	\$1,147.7
5/5/2016	Hotel Chocolat Group Plc	\$2.14	37.5	\$80.4	\$72.0	\$22.5	\$133.6	\$16.0	\$7.2	\$21.3
5/2/2016	Tegel Group Holdings Limited	\$1.09	192.8	\$209.3	\$607.8	\$304.8	\$385.8	\$49.6	\$4.9	\$61.7
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
Median of All IPOs		nm	nm	\$242.4	\$860.3	\$829.0	\$1,615.8	\$159.3	\$6.1	\$177.3

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