

# Quarterly Industry Update

As of March 31, 2017

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, 2016, the median 52-week share price return of the Food Distributors industry was 5.1%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple decreased from 13.4 to 12.7. Furthermore, the median price-to-earnings multiple decreased from 27.1 to 20.6 over the same period.

## Comparable Public Company Key Statistics

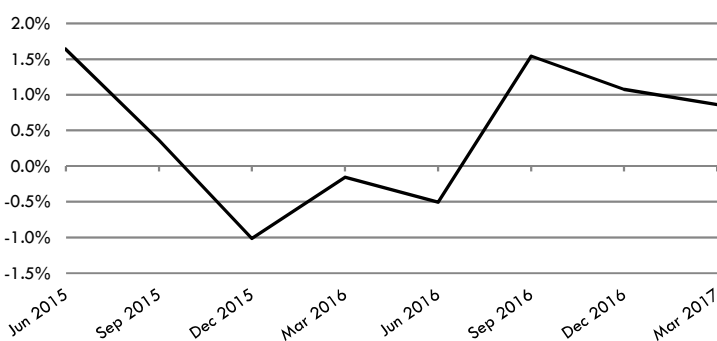
Median 52-Week Return	5.1%	Median EV/Revenue Multiple	1.3x	Median Price/Earnings Multiple	20.6x
Median 3-Year CAGR Return	-3.3%	Median EV/EBITDA Multiple	12.7x	Median EV/Gross CF Multiple	18.1x

## Comparable Public Company Market Price Returns (As of March 31, 2017)

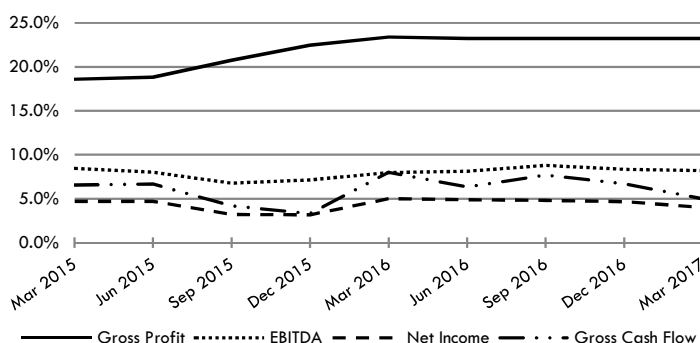
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
B&G Foods, Inc.	-8.1%	-8.1%	15.6%	16.9%	10.2%	12.3%	25.1%	17.1%	-11.8%	19.8%	17.6%
Dean Foods Company	-9.7%	-9.7%	13.5%	9.1%	8.3%	-4.1%	27.0%	-11.5%	12.7%	-47.9%	47.4%
Flowers Foods, Inc.	-2.8%	-2.8%	5.1%	-7.6%	-3.3%	7.4%	-7.1%	12.0%	-10.6%	38.4%	22.6%
Hormel Foods Corporation	-0.5%	-0.5%	-19.9%	10.4%	12.0%	18.6%	-12.0%	51.8%	15.3%	44.7%	6.6%
Inventure Foods, Inc.	-55.1%	-55.1%	-21.8%	-37.2%	-31.9%	-2.3%	38.7%	-44.3%	-3.9%	104.3%	73.5%
Koninklijke Wessanen N.V.	-3.7%	-3.7%	24.9%	42.8%	33.4%	31.1%	38.4%	59.7%	62.6%	35.1%	-21.2%
Lifeway Foods, Inc.	-6.8%	-6.8%	-0.9%	-29.2%	-10.0%	3.0%	3.7%	-40.1%	16.0%	82.8%	-9.3%
Pilgrim's Pride Corporation	18.5%	18.5%	-11.4%	-0.2%	2.5%	24.7%	-14.0%	-32.6%	101.8%	124.4%	25.7%
SunOpta Inc.	-2.6%	-2.6%	55.2%	-19.1%	-16.3%	4.7%	4.5%	-42.6%	18.9%	77.9%	13.1%
The Hain Celestial Group, Inc.	-4.7%	-4.7%	-9.1%	-23.8%	-6.6%	11.2%	-3.4%	-30.7%	28.4%	67.4%	47.9%
United Natural Foods, Inc.	-9.4%	-9.4%	7.3%	-25.1%	-15.2%	-1.5%	21.2%	-49.1%	2.6%	40.7%	33.9%
<b>Median of Industry Public Companies</b>	<b>-4.7%</b>	<b>-4.7%</b>	<b>5.1%</b>	<b>-7.6%</b>	<b>-3.3%</b>	<b>7.4%</b>	<b>4.5%</b>	<b>-30.7%</b>	<b>15.3%</b>	<b>44.7%</b>	<b>22.6%</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:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	1.1x	1.4x	1.4x	1.4x	1.3x	1.1x	1.1x	1.2x	1.3x
EV/EBITDA Multiple	13.4x	12.8x	13.8x	14.1x	15.2x	13.7x	14.6x	12.9x	12.7x
Price/Earnings Multiple	27.1x	24.3x	31.5x	24.6x	21.3x	22.7x	17.7x	20.0x	20.6x
EV/Gross Cash Flows Multiple	19.8x	24.5x	22.1x	24.1x	17.1x	18.8x	17.8x	17.7x	18.1x

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# Quarterly Industry Update

As of March 31, 2017

Industry: Food Distributors



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

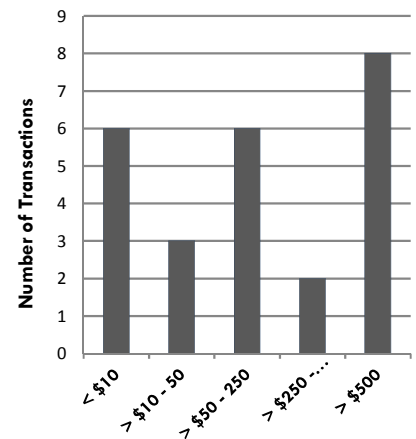
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
7/14/2016	AdvancePierre Foods Holdings, Inc.	\$21.00	18.6	\$390.6	\$1,112.9	\$1,257.9	\$1,579.6	\$225.5	\$43.1	\$254.3
6/15/2016	Nousouken Corporation	\$9.92	0.4	\$3.7	\$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
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$390.6</b>	<b>\$2,052.6</b>	<b>\$1,257.9</b>	<b>\$2,157.6</b>	<b>\$258.6</b>	<b>\$52.5</b>	<b>\$326.6</b>

nm: not meaningful, N/A: not applicable

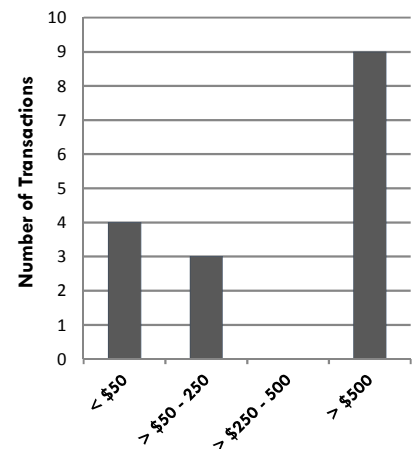
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
4/12/2017	The WhiteWave Foods Co.	Danone	\$12,519.2	100%	\$4,120.9	3.0x
3/21/2017	Ready Pac Produce, Inc.	Bonduelle SA	\$409.0	100%	\$800.0	0.5x
1/19/2017	Vegetalia, S.L.	Alimentation Sante SA	\$15.9	100%	\$12.2	1.3x
1/9/2017	Caito Food Service, Inc.	SpartanNash Company	\$229.9	100%	\$600.0	0.4x
12/6/2016	Gourmet F&B Korea	Unison Capital, Inc.	\$12.8	70%	N/A	N/A
9/30/2016	Golden Enterprises Inc.	UTZ Quality Foods, Inc. (nka:Utz)	\$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.	\$1,949.6	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.	\$827.8	100%	\$208.1	4.0x
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
<b>Median of the 25 M&amp;A Transaction Targets</b>			<b>\$144.4</b>	<b>100%</b>	<b>\$554.1</b>	<b>1.1x</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, 2017

General Distribution Aggregates



## Comparable Public Company Key Statistics

Median 52-Week Return	13.5%	Median EV/Revenue Multiple	0.9x	Median Price/Earnings Multiple	25.0x
Median Year-to-Date Return	-2.6%	Median EV/EBITDA Multiple	14.1x	Median EV/Gross CF Multiple	20.5x

## Comparable Public Company Market Price Returns (As of March 31, 2017)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
A.M. Castle & Co.	19.0%	19.0%	-88.9%	-71.3%	-72.7%	-52.7%	-84.2%	-80.1%	-46.0%	0.0%	56.1%
Applied Industrial Technologies, Inc.	4.1%	4.1%	42.5%	16.8%	8.6%	8.5%	46.7%	-11.2%	-7.1%	16.9%	19.4%
B&G Foods, Inc.	-8.1%	-8.1%	15.6%	16.9%	10.2%	12.3%	25.1%	17.1%	-11.8%	19.8%	17.6%
Calavo Growers, Inc.	-1.3%	-1.3%	6.2%	8.6%	19.4%	17.7%	25.3%	3.6%	56.3%	20.0%	-1.8%
Dean Foods Company	-9.7%	-9.7%	13.5%	9.1%	8.3%	-4.1%	27.0%	-11.5%	12.7%	-47.9%	47.4%
Dorman Products, Inc.	12.4%	12.4%	50.9%	28.5%	11.6%	26.6%	53.9%	-1.7%	-13.9%	58.6%	91.4%
DXP Enterprises, Inc.	9.0%	9.0%	115.7%	-7.3%	-26.4%	-2.7%	52.4%	-54.9%	-56.1%	134.8%	52.4%
Flowers Foods, Inc.	-2.8%	-2.8%	5.1%	-7.6%	-3.3%	7.4%	-7.1%	12.0%	-10.6%	38.4%	22.6%
Hormel Foods Corporation	-0.5%	-0.5%	-19.9%	10.4%	12.0%	18.6%	-12.0%	51.8%	15.3%	44.7%	6.6%
Huttig Building Products, Inc.	23.1%	23.1%	121.2%	69.0%	21.1%	41.2%	73.9%	13.4%	-13.2%	141.3%	207.7%
Inventure Foods, Inc.	-55.1%	-55.1%	-21.8%	-37.2%	-31.9%	-2.3%	38.7%	-44.3%	-3.9%	104.3%	73.5%
Koninklijke Wessanen N.V.	-3.7%	-3.7%	24.9%	42.8%	33.4%	31.1%	38.4%	59.7%	62.6%	35.1%	-21.2%
Lifeway Foods, Inc.	-6.8%	-6.8%	-0.9%	-29.2%	-10.0%	3.0%	3.7%	-40.1%	16.0%	82.8%	-9.3%
MRC Global Inc.	-9.5%	-9.5%	39.5%	24.4%	-12.1%	N/A	57.1%	-14.9%	-53.0%	16.1%	N/A
Perfumania Holdings, Inc.	-20.0%	-20.0%	-52.0%	-52.9%	-43.9%	-33.5%	-38.5%	-59.3%	-5.5%	29.1%	-52.7%
Pilgrim's Pride Corporation	18.5%	18.5%	-11.4%	-0.2%	2.5%	24.7%	-14.0%	-32.6%	101.8%	124.4%	25.7%
Pool Corporation	14.4%	14.4%	36.0%	30.8%	24.8%	26.1%	29.2%	27.3%	9.1%	37.4%	40.6%
SunOpta Inc.	-2.6%	-2.6%	55.2%	-19.1%	-16.3%	4.7%	4.5%	-42.6%	18.9%	77.9%	13.1%
Taitron Components Incorporated	-0.8%	-0.8%	29.3%	9.1%	4.3%	3.3%	22.6%	-1.5%	-5.4%	2.9%	-10.5%
The Hain Celestial Group, Inc.	-4.7%	-4.7%	-9.1%	-23.8%	-6.6%	11.2%	-3.4%	-30.7%	28.4%	67.4%	47.9%
United Natural Foods, Inc.	-9.4%	-9.4%	7.3%	-25.1%	-15.2%	-1.5%	21.2%	-49.1%	2.6%	40.7%	33.9%
VOXX International Corporation	10.6%	10.6%	16.3%	-24.7%	-27.6%	-17.4%	-10.6%	-40.0%	-47.5%	148.1%	-20.4%
Watsco, Inc.	-3.3%	-3.3%	6.3%	6.7%	12.7%	14.1%	26.5%	9.5%	11.4%	28.3%	14.1%
<b>Median of Industry Public Companies</b>	<b>-2.6%</b>	<b>-2.6%</b>	<b>13.5%</b>	<b>6.7%</b>	<b>2.5%</b>	<b>8.0%</b>	<b>25.1%</b>	<b>-11.5%</b>	<b>-3.9%</b>	<b>38.4%</b>	<b>21.0%</b>

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

# Quarterly Industry Update

As of March 31, 2017

General Distribution Aggregates



## Median Public Company Multiples of the General Distribution Aggregates

Date:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	0.8x	0.8x	0.7x	0.7x	0.8x	0.9x	0.9x	1.0x	0.9x
EV/EBITDA Multiple	13.2x	12.8x	13.1x	12.4x	13.6x	13.1x	14.4x	13.9x	14.1x
Price/Earnings Multiple	26.3x	24.2x	26.3x	23.7x	22.1x	25.8x	25.2x	23.3x	25.0x
EV/Gross Cash Flows Multiple	28.3x	19.0x	19.3x	20.7x	15.4x	16.0x	16.4x	20.3x	20.5x

## 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
10/19/2016	Groupe Parot SA	\$7.70	0.8	\$6.5	\$143.5	\$32.1	\$264.5	\$2.7	(\$0.7)	\$3.3
10/6/2016	Smart-Core Holdings Limited	\$0.24	112.5	\$29.5	\$124.0	\$42.1	\$550.1	\$13.9	\$7.7	\$14.2
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
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$204.7</b>	<b>\$592.1</b>	<b>\$352.4</b>	<b>\$1,064.8</b>	<b>\$71.3</b>	<b>\$6.1</b>	<b>\$81.0</b>

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