

## Food Distribution

### 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 June 30, 2016, the median 52-week share price return of the Food Distributors industry was -7.7%. Between June 30, 2015 and June 30, 2017, the median EV/EBITDA multiple decreased from 12.8 to 12.6. Furthermore, the median price-to-earnings multiple decreased from 24.3 to 21.7 over the same period.

### Public Company Key Statistics

Median 52-Week  
Return

-7.7%

Median 3-Year CAGR  
Return

-6.4%

Median EV/Revenue  
Multiple

1.1x

Median EV/EBITDA  
Multiple

12.6x

Median Price/Earnings  
Multiple

21.7x

Median EV/Gross CF  
Multiple

16.1x

## Comparable Public Company Market Price Returns as of June 30, 2017

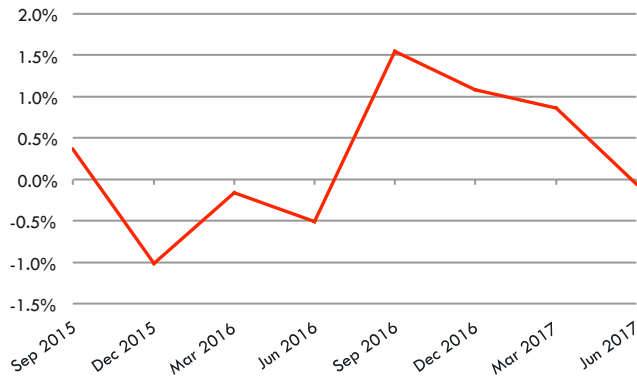
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
<b>B&amp;G Foods, Inc.</b>	-18.7%	-11.6%	-26.1%	11.7%	2.9%	25.1%	17.1%	-11.8%
<b>Dean Foods Company</b>	-21.9%	-13.5%	-6.0%	2.5%	-1.1%	27.0%	-11.5%	12.7%
<b>Flowers Foods, Inc.</b>	-13.3%	-10.8%	-7.7%	-9.5%	-6.4%	-7.1%	12.0%	-10.6%
<b>Hormel Foods Corporation</b>	-2.0%	-1.5%	-6.8%	10.0%	11.4%	-12.0%	51.8%	15.3%
<b>Inventure Foods, Inc.</b>	-56.2%	-2.5%	-44.8%	-34.8%	-27.4%	38.7%	-44.3%	-3.9%
<b>Koninklijke Wessanen N.V.</b>	20.5%	25.1%	60.5%	38.9%	41.4%	38.4%	59.7%	62.6%
<b>Lifeway Foods, Inc.</b>	-18.9%	-13.0%	-3.4%	-30.2%	-12.6%	3.7%	-40.1%	16.0%
<b>Pilgrim's Pride Corporation</b>	15.4%	-2.6%	-14.0%	-2.3%	-7.1%	-14.0%	-32.6%	101.8%
<b>SunOpta Inc.</b>	42.6%	46.3%	143.2%	-2.7%	-10.3%	4.5%	-42.6%	18.9%
<b>The Hain Celestial Group, Inc.</b>	-0.5%	4.4%	-22.0%	-23.2%	-4.4%	-3.4%	-30.7%	28.4%
<b>United Natural Foods, Inc.</b>	-23.1%	-15.1%	-21.6%	-24.1%	-17.4%	21.2%	-49.1%	2.6%
<b>Median of Industry Public Companies</b>	-13.3%	-2.6%	-7.7%	-2.7%	-6.4%	4.5%	-30.7%	15.3%

Multiple year periods are calculated as the average annual return.

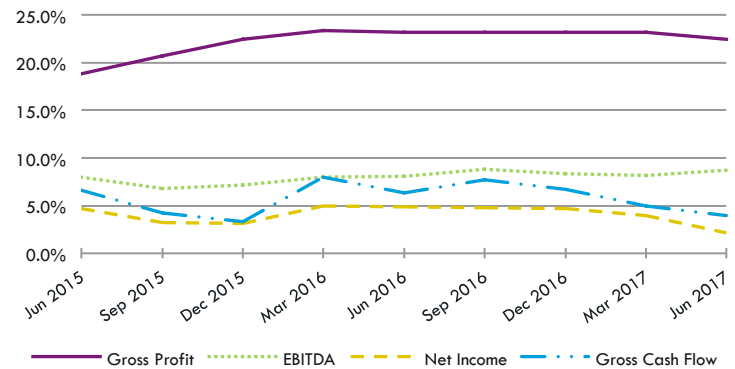
■ Highest Return
 ■ Lowest Return
 ■ Median Return

# Industry Revenue Growth and Profit Margins for the Past Two Years

**Median Quarterly Revenue Growth of All Food Distribution Companies**



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



## Median Public Companies

The chart below illustrates Public Company Multiples.

	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
<b>EV/Revenues Multiple</b>	1.1x	1.3x	1.2x	1.1x	1.1x	1.3x	1.4x	1.4x
<b>EV/EBITDA Multiple</b>	12.6x	12.7x	12.9x	14.6x	13.7x	15.2x	14.1x	13.8x
<b>Price/Earnings Multiple</b>	21.7x	20.6x	20.0x	17.7x	22.7x	21.3x	24.6x	31.5x
<b>EV/Gross Cash Flows Multiple</b>	16.1x	18.1x	17.7x	17.8x	18.8x	17.1x	24.1x	22.1x

■ Highest Multiple    
 ■ Lowest Multiple    
 ■ Median Multiple

## Industry Initial Public Offerings—Industry: Food Distribution (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
6/27/17	<b>Eagle Health Holdings Limited</b>	\$0.30	62.5	\$19.0	\$24.8	\$0.0	\$60.9	\$16.8	\$11.5	\$17.9
6/2/17	<b>BORATR CO., Ltd.</b>	\$12.79	1.7	\$21.6	N/A	N/A	N/A	N/A	N/A	N/A
4/12/17	<b>Asia Grocery Distribution Limited</b>	<b>\$0.03</b>	<b>280.0</b>	<b>\$8.3</b>	<b>\$6.4</b>	<b>\$0.0</b>	<b>\$24.4</b>	<b>\$2.0</b>	<b>\$1.0</b>	<b>\$2.1</b>
7/14/16	<b>AdvancePierre Foods Holdings, Inc.</b>	\$21.00	18.6	\$390.6	\$1,149.4	\$1,279.3	\$1,558.4	\$231.7	\$105.0	\$260.5
6/15/16	<b>Nousouken Corporation</b>	\$9.92	0.4	\$3.7	\$549.0	\$119.0	\$884.0	\$0.0	\$52.0	\$0.0
5/25/16	<b>US Foods Holding Corp.</b>	<b>\$23.00</b>	<b>44.4</b>	<b>\$1,022.2</b>	<b>\$9,023.6</b>	<b>\$5,030.0</b>	<b>\$23,167.0</b>	<b>\$892.0</b>	<b>\$173.7</b>	<b>\$1,147.6</b>
9/30/15	<b>Performance Food Group Company</b>	\$19.00	14.5	\$275.5	\$3,404.7	\$1,506.3	\$15,501.3	\$290.7	\$62.1	\$367.0
3/27/13	<b>Pinnacle Foods Inc.</b>	\$20.00	29.0	\$580.0	\$4,400.0	\$2,612.8	\$2,478.5	\$391.8	\$52.5	\$447.5
6/29/17	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$185.3</b>	<b>\$1,149.4</b>	<b>\$440.3</b>	<b>\$1,558.4</b>	<b>\$223.3</b>	<b>\$52.5</b>	<b>\$17.9</b>

Multiple year periods are calculated as the average annual return.

■ Highest Return    
 ■ Lowest Return    
 ■ Median Return

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
5/4/17	Ohio Pizza Products, Inc.	Performance Food Group	\$50.0	100%	\$140.0	0.4x
4/25/17	Super Group Ltd	Jacobs Douwe Egberts	\$1,076.1	100%	\$357.6	2.7x
4/12/17	The WhiteWave Foods Co.	Danone	\$12,511.1	100%	\$4,120.9	3.0x
3/21/17	Ready Pac Produce, Inc.	Bonduelle SA	\$409.0	100%	\$800.0	0.5x
1/19/17	Vegetalia, S.L.	Alimentation Sante SA	\$15.9	100%	\$12.2	1.3x
1/9/17	Caito Food Service, Inc.	SpartanNash Company	\$229.9	100%	\$600.0	0.4x
12/6/16	Gourmet F&B Korea	Unison Capital, Inc.	\$12.8	70%	N/A	N/A
3/31/16	Nor-Cal Produce, Inc.	United Natural Foods	\$68.6	100%	N/A	N/A
2/29/16	Diamond Foods, Inc.	Snyder's-Lance, Inc.	\$1,949.6	100%	\$864.2	2.2x
2/25/16	Central Roast Inc.	GreenSpace Brands Inc.	\$7.7	70%	\$8.7	1.2x
2/1/16	Ralcorp Holdings Inc.	Treehouse Foods, Inc.	\$2,700.0	100%	\$3,600.0	0.8x
1/15/16	Boulder Brands, Inc.	Pinnacle Foods Inc.	\$1,006.5	100%	\$508.2	1.9x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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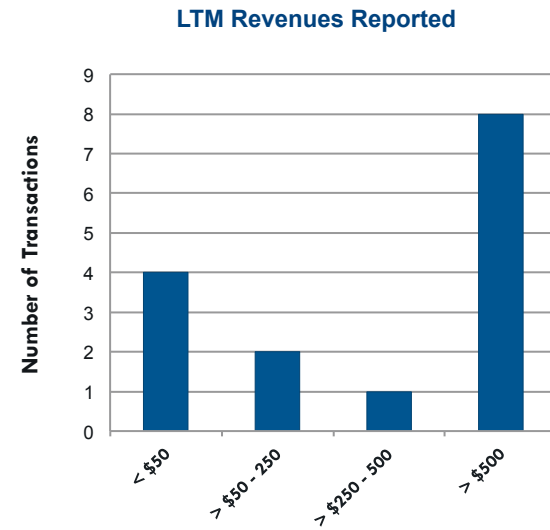
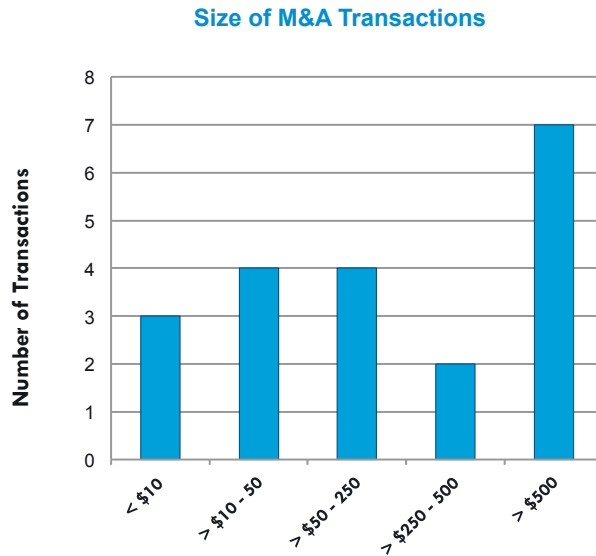
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
10/26/15	<b>FineFrance UK Limited</b>	<b>Vestey Group Limited</b>	\$9.5	100%	N/A	N/A
10/13/15	<b>Alpine Valley Bread</b>	<b>Flowers Bakeries, LLC</b>	\$120.0	100%	N/A	N/A
10/6/15	<b>Jacks International Limited</b>	<b>N/A</b>	\$13.1	66%	\$10.8	1.5x
3/17/15	<b>Goodman Fielder Ltd.</b>	<b>First Pacific Company</b>	\$1,788.8	90%	\$2,076.7	0.8x
1/31/15	<b>La Sirena Alimentación</b>	<b>OpCapita LLP</b>	\$56.2	100%	N/A	N/A
11/30/14	<b>Associated Wholesalers</b>	<b>C&amp;S Wholesale Grocers</b>	<b>\$256.6</b>	<b>100%</b>	<b>\$1,100.0</b>	<b>0.2x</b>
10/24/14	<b>Abatewood Limited</b>	<b>Zeno Capital Ltd.</b>	\$3.8	100%	\$10.3	0.4x
10/21/14	<b>Annie's, Inc.</b>	<b>General Mills, Inc.</b>	\$827.8	100%	\$208.1	4.0x
Median of the 20 M&A Transaction Targets			<b>\$174.9</b>	<b>100%</b>	<b>\$508.2</b>	<b>1.2x</b>

USA
  International
  Highest
  Lowest
  Median

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2017





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**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.

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