

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 September 30, 2016, the median 52-week share price return of the Food Distributors industry was 3.9%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple decreased from 13.8 to 12.0. Furthermore, the median price-to-earnings multiple decreased from 31.5 to 21.0 over the same period.

Public Company Key Statistics

Median 52-Week
Return

3.9%

Median 3-Year CAGR
Return

-6.4%

Median EV/Revenue
Multiple

1.1x

Median EV/EBITDA
Multiple

12.0x

Median Price/Earnings
Multiple

21.0x

Median EV/Gross CF
Multiple

17.4x

Comparable Public Company Market Price Returns as of September 30, 2017

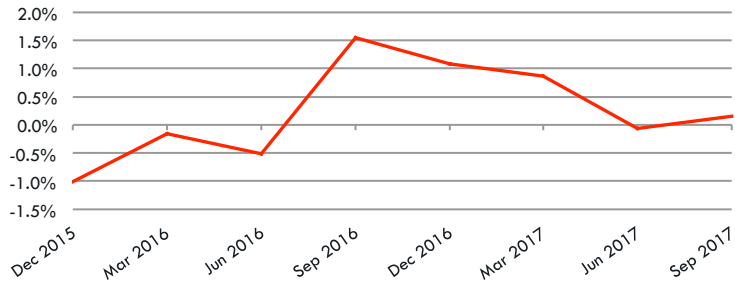
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
B&G Foods, Inc.	-27.3%	-10.5%	-35.2%	-6.5%	5.0%	25.1%	17.1%	-11.8%
Dean Foods Company	-50.0%	-36.0%	-33.7%	-18.8%	-6.4%	27.0%	-11.5%	12.7%
Flowers Foods, Inc.	-5.8%	8.7%	24.4%	-12.8%	0.8%	-7.1%	12.0%	-10.6%
Hormel Foods Corporation	-7.7%	-5.8%	-15.3%	0.8%	7.7%	-12.0%	51.8%	15.3%
Inventure Foods, Inc.	-52.4%	8.8%	-50.1%	-27.3%	-28.7%	38.7%	-44.3%	-3.9%
Koninklijke Wessanen N.V.	33.7%	11.0%	46.3%	33.5%	45.8%	38.4%	59.7%	62.6%
Lifeway Foods, Inc.	-22.7%	-4.7%	-47.5%	-7.8%	-13.7%	3.7%	-40.1%	16.0%
Pilgrim's Pride Corporation	49.6%	29.6%	34.5%	16.9%	-2.4%	-14.0%	-32.6%	101.8%
SunOpta Inc.	21.4%	-14.8%	22.7%	33.5%	-10.6%	4.5%	-42.6%	18.9%
The Hain Celestial Group, Inc.	5.4%	6.0%	15.7%	-10.7%	-7.0%	-3.4%	-30.7%	28.4%
United Natural Foods, Inc.	-12.8%	13.3%	3.9%	-7.4%	-12.2%	21.2%	-49.1%	2.6%
Median of Industry Public Companies	-7.7%	6.0%	3.9%	-7.4%	-6.4%	4.5%	-30.7%	15.3%

Multiple year periods are calculated as the average annual return.

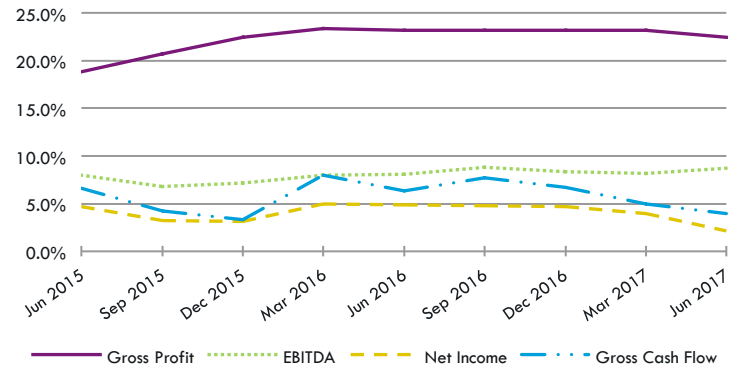
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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



Public Company Median Multiples by Quarter

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15
EV/Revenues Multiple	1.1x	1.1x	1.3x	1.2x	1.1x	1.1x	1.3x	1.4x
EV/EBITDA Multiple	12.0x	12.6x	12.7x	13.0x	14.6x	13.7x	15.2x	14.1x
Price/Earnings Multiple	21.0x	21.7x	20.6x	20.0x	17.7x	22.7x	21.3x	24.6x
EV/Gross Cash Flows Multiple	17.4x	16.1x	18.1x	17.7x	17.8x	18.8x	17.1x	24.1x

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

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
8/22/17	Ohio Pizza Products, Inc.	Performance Food Group	\$2.4	100%	\$140.0	0.4x
7/14/17	Super Group Ltd	Jacobs Douwe Egberts	\$18.5	100%	\$357.6	2.7x
5/4/17	The WhiteWave Foods Co.	Danone	\$50.0	100%	\$4,120.9	3.0x
4/25/17	Ready Pac Produce, Inc.	Bonduelle SA	\$1,076.1	100%	\$800.0	0.5x
4/12/17	Vegetalia, S.L.	Alimentation Sante SA	\$12,511.1	100%	\$12.2	1.3x
3/21/17	Caito Food Service, Inc.	SpartanNash Company	\$229.9	100%	\$600.0	0.4x
1/19/17	Gourmet F&B Korea	Unison Capital, Inc.	\$12.8	70%	N/A	N/A
1/9/17	Nor-Cal Produce, Inc.	United Natural Foods	\$68.6	100%	N/A	N/A
12/6/16	Diamond Foods, Inc.	Snyder's-Lance, Inc.	\$1,949.6	100%	\$864.2	2.2x
9/30/16	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)

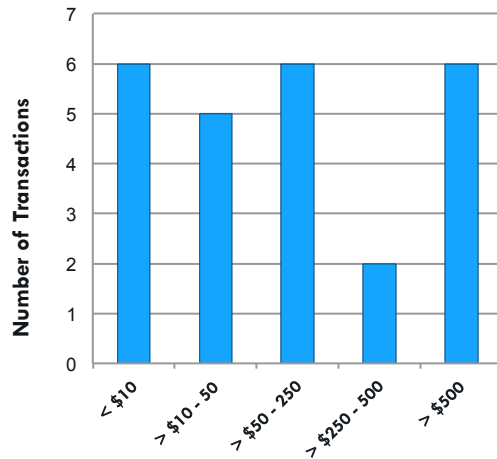
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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
10/26/15	FineFrance UK Limited	Vestey Group Limited	\$9.5	100%	N/A	N/A
10/13/15	Alpine Valley Bread	Flowers Bakeries, LLC	\$120.0	100%	N/A	N/A
10/6/15	Jacks International Limited	N/A	\$13.1	66%	\$10.8	1.5x
3/17/15	Goodman Fielder Ltd.	First Pacific Company	\$1,788.8	90%	\$2,076.7	0.8x
1/31/15	La Sirena Alimentación	OpCapita LLP	\$56.2	100%	N/A	0.8x
11/30/14	Associated Wholesalers	C&S Wholesale Grocers	\$256.6	100%	\$1,100.0	N/A
10/24/14	Abatewood Limited	Zeno Capital Ltd.	\$3.8	100%	\$10.3	0.2x
10/21/14	Annie's, Inc.	General Mills, Inc.	\$68.6	100%	\$208.1	0.4x
Median of the 20 M&A Transaction Targets			\$1,788.8	100%	\$508.2	0.9x

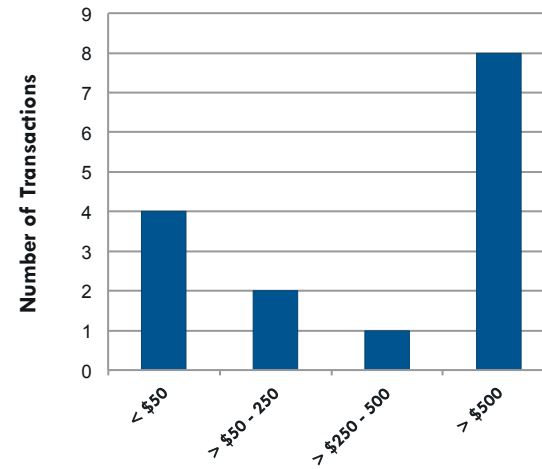
USA
 International
 Highest
 Lowest
 Median

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

Size of M&A Transactions



LTM Revenues Reported



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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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