

Q1: Quarterly Industry Update

AS OF March 31, 2019



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 March 31, 2018, the median 52-week share price return of the Food Distributors industry was -0.8%. Between March 31, 2018 and March 31, 2019, the median EV/EBITDA multiple increased from 12.7 to 13.2. Furthermore, the median price-to-earnings multiple decreased from 24.4 to 16.9 over the same period.

Public Company Key Statistics

Median 52-Week
Return

-.8 %

Median 3-Year CAGR
Return

-9.7%

Median EV/Revenue
Multiple

1.1x

Median EV/EBITDA
Multiple

13.2x

Median Price/Earnings
Multiple

16.9x

Median EV/Gross CF
Multiple

17.9x

Comparable Public Company Market Price Returns as of March 31, 2019

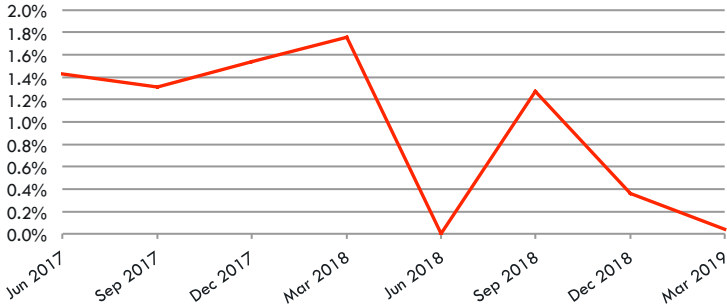
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
B&G Foods, Inc.	-32.6%	-32.6%	-41.1%	0.2%	5.0%	-19.7%	25.1%	17.1%
Dean Foods Company	-25.4%	-25.4%	-56.2%	-17.9%	-6.4%	-46.9%	27.0%	-11.5%
Flowers Foods, Inc.	13.2%	13.2%	12.6%	-5.2%	0.8%	-3.3%	-7.1%	12.0%
Hormel Foods Corporation	-5.7%	-5.7%	-0.9%	-4.1%	7.7%	4.5%	-12.0%	51.8%
Inventure Foods, Inc.	-2.8%	-2.8%	48.1%	42.5%	-28.7%	46.8%	38.4%	59.7%
Koninklijke Wessanen N.V.	-25.1%	-25.1%	-44.2%	-15.1%	45.8%	-30.5%	3.7%	-40.1%
Lifeway Foods, Inc.	-20.8%	-20.8%	9.4%	18.6%	-13.7%	63.6%	-14.0%	-32.6%
Pilgrim's Pride Corporation	-7.7%	-7.7%	2.7%	6.4%	-2.4%	8.3%	4.5%	-42.6%
The Hain Celestial Group, Inc.	-24.3%	-24.3%	-13.8%	11.9%	-7.0%	8.6%	-3.4%	-30.7%
United Natural Foods, Inc.	-12.8%	-12.8%	-0.7%	-7.4%	-12.2%	3.2%	21.2%	-49.1%
Median of Industry Public Companies	-16.8%	6.0%	-0.8%	-7.4%	-6.4%	3.9%	4.1%	-21.1%

Multiple year periods are calculated as the average annual return.

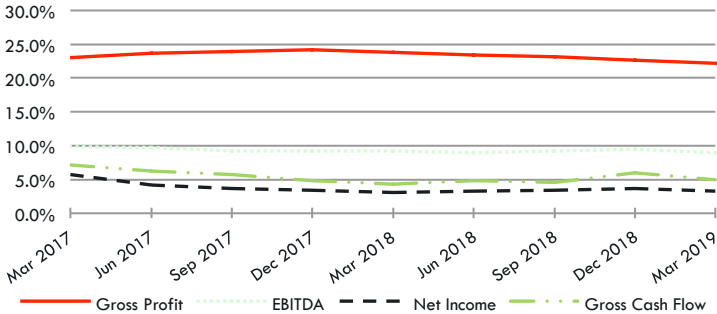
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
EV/Revenues Multiple	1.1x	1.2x	1.2x	1.2x	1.3x	1.6x	1.1x	1.3x
EV/EBITDA Multiple	13.2x	13.3x	11.8x	12.7x	12.7x	1.4x	13.6x	13.7x
Price/Earnings Multiple	16.9x	20.9x	22.2x	22.0x	24.4x	13.6x	16.8x	19.9x
EV/Gross Cash Flows Multiple	17.9x	18.5x	17.0x	17.6x	17.7x	23.0x	17.4x	17.3x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—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
3/13/19	Eagle Health Holdings Limited	\$0.13	62.5	\$19.0	\$43.9	\$0.0	\$47.4	\$5.5	\$11.8	\$17.9
1/27/19	BORATR CO., Ltd.	\$0.30	1.7	\$21.6	N/A	N/A	\$65.4	\$0.0	N/A	N/A
12/2/18	Asia Grocery Distribution Limited	\$12.79	280.0	\$8.3	\$7.2	\$0.0	\$0.0	\$8.2	(\$0.2)	\$2.1
11/12/18	AdvancePierre Foods Holdings, Inc.	\$0.03	18.6	\$390.6	\$1,149.4	\$1,279.3	\$24.2	\$2.1	\$105.0	\$260.5
7/14/18	BORATR CO., Ltd.	\$12.79	0.4	\$3.7	N/A	\$119.0	\$1,558.4	\$231.7	N/A	\$0.0
6/15/16	Asia Grocery Distribution Limited	\$0.03	44.4	\$1,022.2	\$9,023.6	\$5,030.0	N/A	N/A	\$173.7	\$1,147.6
6/15/16	Nousouken Corporation	\$9.92	14.5	\$275.5	\$3,404.7	\$1,506.3	\$23,167.0	\$883.0	\$62.1	\$367.0
5/25/16	US Foods Holding Corp.	\$23.00	29.0	\$580.0	\$4,400.0	\$2,612.8	\$15,501.3	\$290.7	\$534.5	\$447.5
6/29/17	Median of all IPOs	nm	nm	\$185.3	\$1,149.4	\$440.3	\$959	\$223.3	\$52.5	\$17.9

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/22/19	Snyder's-Lance, Inc.	Campbell Soup Company	\$6,136.3	100%	\$2,231.4	2.7x
1/12/19	Bob Evans Farms, Inc.	Post Holdings, Inc.	\$1,756.6	100%	\$418.2	4.2x
12/8/18	Associated Grocers of Florida	SUPERVALU INC.	\$193.0	100%	N/A	N/A
8/22/18	Really Time Trading Limited	Pearlfield China Limited	\$2.4	100%	N/A	N/A
7/31/18	Best Choice Food and Beverage	United 1 International Laboratories LLC	\$18.5	100%	N/A	N/A
7/21/18	China Forest Food Limited	Performance Food Group	\$50.0	100%	\$418.2	0.4x
6/8/18	Riverford Organic Vegetables Ltd.	N/A	\$8.5	70%	N/A	N/A
5/25/18	Siam Samut Warin Co., Ltd	The Foodsource Company Limited	\$1.3	100%	N/A	N/A
4/27/18	Sunland Volonte Agency Sdn. Bhd.	Performance Food Group	\$21.3	100%	N/A	2.2x
9/30/16	Super Group Ltd	Jacobs Douwe Egberts	\$275.2	70%	\$140.0	1.2x
2/1/16	Ralcorp Holdings Inc.	Treehouse Foods, Inc.	\$12,511.1	100%	\$357.6	0.8x
1/15/16	Boulder Brands, Inc.	Pinnacle Foods Inc.	\$1,006.5	100%	\$4,120.9	1.9x

■ USA
 ■ International

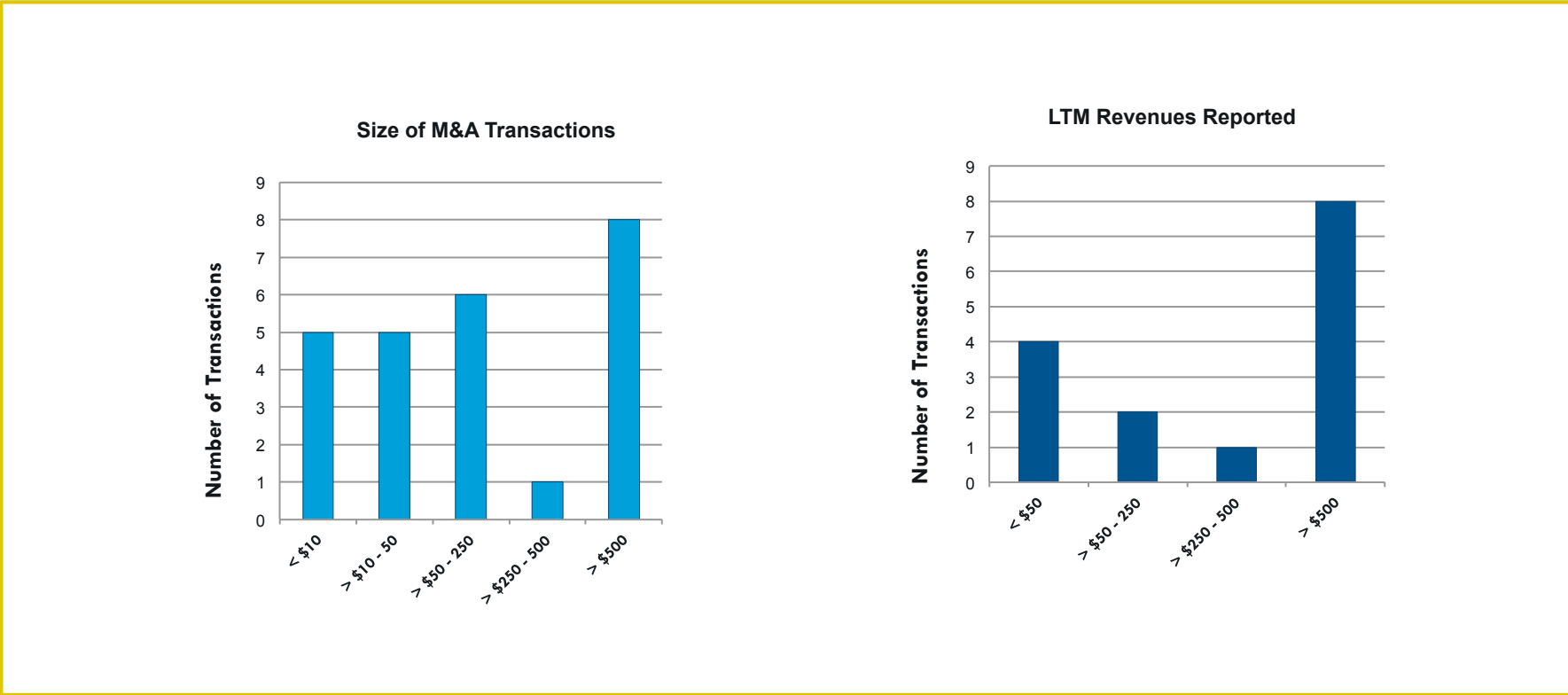
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
5/13/16	FineFrance UK Limited	Vestey Group Limited	\$5.9	100%	N/A	N/A
3/31/16	Alpine Valley Bread	Flowers Bakeries, LLC	\$217.5	100%	N/A	N/A
2/29/16	Jacks International Limited	N/A	\$68.6	66%	\$10.8	1.5x
2/25/16	Goodman Fielder Ltd.	First Pacific Company	\$1,949.6	90%	\$2,076.7	0.8x
5/13/16	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

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2019



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): 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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