

# Q4: Quarterly Industry Update

AS OF December 31, 2019

**cogent** valuation  
FINANCIAL OPINIONS

## Specialty Foods

### INDUSTRY SUMMARY

COGENT VALUATION identified **Specialty Foods** publicly traded companies, IPOs, and recent M&A transactions within the Specialty Foods 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 December 31, 2018, the median 52-week share price return of the Specialty Foods industry was -2.2%. Between December 31, 2017 and December 31, 2019, the median EV/EBITDA multiple decreased from 13.6 to 12.0. Furthermore, the median price-to-earnings multiple decreased from 25.0 to 18.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.9% and 18.5%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

**-2.2%**

Median 3-Year CAGR  
Return

**-3.5%**

Median EV/Revenue  
Multiple

**2.4x**

Median EV/EBITDA  
Multiple

**12x**

Median Price/Earnings  
Multiple

**18.7x**

Median EV/Gross CF  
Multiple

**17.8x**

## Comparable Public Company Market Price Returns as of December 31, 2019

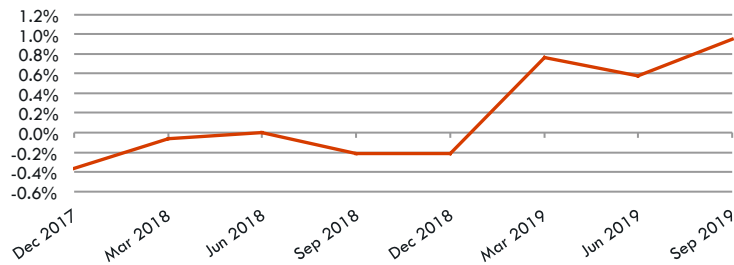
	2019	3 Month	1 Year	2 Year	2018	2017	2016	2015
Amira Nature Foods Ltd.	0.0%	0.0%	-59.9%	-32.3%	-32.2%	-32.5%	-36.5%	-8.9%
B&G Foods, Inc.	-32.6%	-32.6%	-16.0%	0.2%	-19.7%	25.1%	17.1%	-11.8%
Bridgford Foods Corporation	19.2%	19.2%	1.0%	20.1%	10.4%	30.7%	12.3%	-19.1%
Campbell Soup Company	-10.0%	-10.0%	-22.3%	-4.3%	-20.4%	15.1%	19.4%	1.7%
Dean Foods Company	-25.4%	-25.4%	-38.2%	-17.9%	-46.9%	27.0%	-11.5%	12.7%
Flowers Foods, Inc.	13.2%	13.2%	20.3%	-5.2%	-3.3%	-7.1%	12.0%	-10.6%
General Mills, Inc.	-24.0%	-24.0%	-20.1%	1.4%	-4.0%	7.1%	8.1%	6.9%
J&J Snack Foods Corp.	-10.1%	-10.1%	15.4%	14.1%	13.8%	14.4%	7.3%	22.8%
John B. Sanfilippo & Son, Inc.	-8.5%	-8.5%	18.0%	8.2%	-10.1%	30.3%	18.7%	84.4%
Kellogg Company	-4.4%	-4.4%	0.6%	-3.0%	-7.8%	2.0%	10.4%	7.2%
Mondelez International, Inc.	-2.5%	-2.5%	-5.1%	-2.3%	-3.5%	-1.1%	23.4%	2.9%
Pinnacle Foods Inc.	-9.0%	-9.0%	9.5%	18.3%	11.3%	25.9%	20.3%	28.6%
Post Holdings, Inc.	-4.4%	-4.4%	10.8%	13.3%	-1.4%	30.3%	47.3%	-15.0%
The Hershey Company	-12.8%	-12.8%	-13.3%	20.8%	9.7%	15.9%	-14.1%	6.9%
The Kraft Heinz Company	-0.2%	-0.2%	-26.6%	0.4%	-10.9%	20.0%	N/A	N/A
<b>Median of Industry Public Companies:</b>	<b>-8.8%</b>	<b>-8.8%</b>	<b>-5.1%</b>	<b>0.9%</b>	<b>-4.0%</b>	<b>15.9%</b>	<b>12.1%</b>	<b>4.9%</b>

Multiple year periods are calculated as the average annual return.

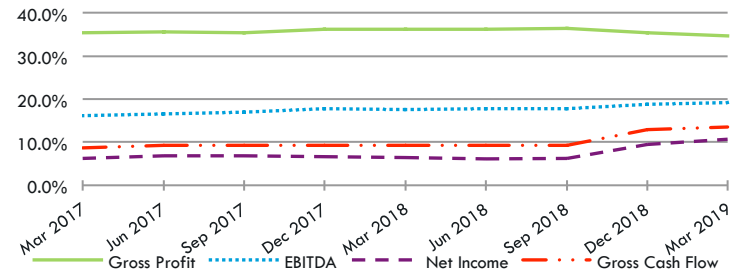
■ Highest Return    
 ■ Lowest Return    
 ■ Median Return

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

Median Quarterly Revenue Growth of All Specialty Foods Companies



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



## Public Company Median Multiples by Quarter

	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
<b>EV/Revenues Multiple</b>	2.4x	2.3x	2.1x	2.4x	2.2x	2.4x	2.5x	2.6x
<b>EV/EBITDA Multiple</b>	12.0x	11.9x	10.9x	11.8x	11.6x	11.7x	12.6x	13.5x
<b>Price/Earnings Multiple</b>	18.7x	17.3x	15.4x	21.0x	22.6x	25.3x	25.2x	26.6x
<b>EV/Gross Cash Flows Multiple</b>	17.8x	18.0x	15.8x	18.3x	19.6x	23.2x	22.8x	21.5x

■ Highest Multiple   
 ■ Lowest Multiple   
 ■ Median Multiple

## Industry Initial Public Offerings—Industry: Specialty Foods (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
12/9/19	<b>Dangee Dums Limited</b>	\$1.05	2.7	\$21.7	\$11.9	\$2.3	\$47.4	\$5.5	\$3.9	\$5.6
11/24/19	<b>At-Tahur Limited</b>	\$0.17	36.7	\$1.0	\$5.2	\$3.6	\$0.0	\$0.0	\$0.2	\$0.7
9/27/19	<b>Cake Box Holdings plc</b>	\$1.42	15.3	\$12.8	\$20.7	\$9.7	\$9.2	\$1.4	\$3.5	\$6.4
12/27/18	<b>Halsley Bakery LLC</b>	\$0.52	1.9	\$3.8	\$16.4	\$5.3	\$18.0	\$0.0	\$0.0	\$0.0
11/13/18	<b>Nakoda Group of Industries Limited</b>	\$0.13	50.0	\$2.5	\$9.4	\$5.5	\$3.7	\$1.4	\$0.4	\$1.4
10/17/18	<b>B &amp; S International Holdings Ltd.</b>	\$0.70	5.2	\$156.0	\$621.7	\$147.1	\$47.4	\$0.0	\$24.4	\$0.0
	<b>Median IPO</b>	nm	nm	\$8.3	\$14.1	\$5.4	\$9.2	\$1.0	\$1.9	\$1.1

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
11/27/19	<b>Best Choice Nuts, Candy and Specialties, Inc.</b>	Katjes International GmbH	\$0.5	100%	\$44.2	1.8x
11/6/19	<b>Haydens Bakery Ltd.</b>	Otsuka Pharmaceutical Co.	\$15.5	100%	N/A	N/A
9/5/19	<b>Salsa Business in US of Sabra Dipping Co., LLC</b>	Frutarom Industries Ltd.	\$10.5	100%	N/A	N/A
9/4/19	<b>Guangdong Jiahao Foodstuff Co., Ltd.</b>	Huabao International Holdings Limited	\$674.0	100%	\$50.6	0.3x
8/26/19	<b>Marketing and Distribution Rights of Various Brands of Starbucks Corporation</b>	Nestlé S.A.	\$7,150.0	60%	N/A	N/A
8/16/19	<b>Falco Ltd.</b>	N/A	\$15.0	100%	N/A	N/A
7/31/18	<b>Mademoiselle Desserts SAS</b>	Alphaone International S.à r.l.	\$382.6	100%	N/A	N/A
6/19/18	<b>Shepherd Gourmet Dairy (Ontario)</b>	Saputo Inc.	\$77.6	90%	\$4.4	5.3x
6/7/18	<b>Tate's Bake Shop, Inc.</b>	Mondelez International, Inc.	\$500.0	51%	N/A	N/A
6/1/18	<b>Nestlé S.A. (US Chocolate)</b>	Ferrero International S.A.	\$2,800.0	100%	N/A	N/A
3/26/18	<b>Snyder's-Lance, Inc.</b>	Campbell Soup Company	\$6,136.3	100%	\$2,231	2.7x
3/14/18	<b>Hawaiian Macadamia Nut, Inc.</b>	Saputo Inc.	\$77.6	100%	\$44.2	1.8x

■ USA ■ International

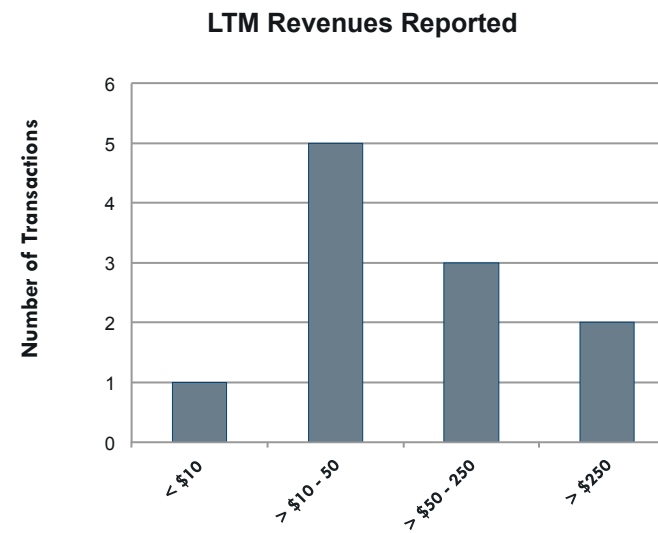
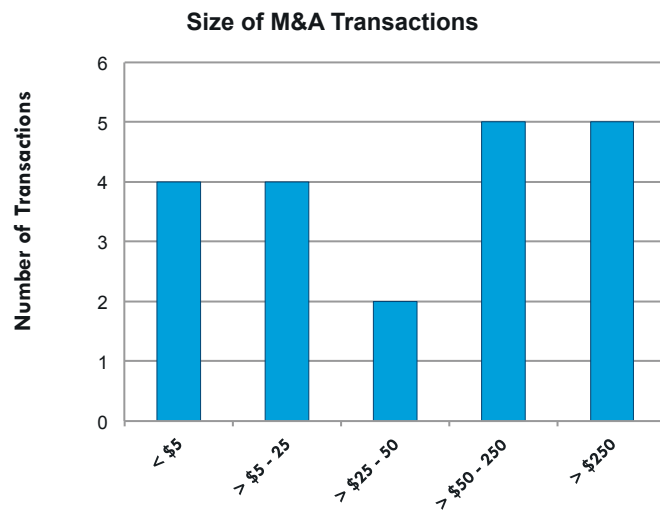
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## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
9/29/17	Udder Delights Australia Pty	N/A	\$3.8	66%	\$21.7	0.3x
9/27/17	Steenland Chocolate BV	Koninklijke Wessanen N.V.	\$71.9	100%	\$29.0	2.5x
9/27/17	Blend and Pack Pty Ltd	Unison Capital, Inc.	\$12.8	70%	N/A	N/A
9/5/17	Cloetta Italia S.r.l	B&G Foods, Inc.	\$70.0	100%	N/A	N/A
11/4/16	Daiya Foods Inc.	Gores Holdings, Inc.	\$2,198.4	100%	\$621.0	3.5x
11/1/16	Mühlehof-Gewürze AG	Renaissance Food Group	\$19.4	100%	N/A	N/A
10/3/16	KREEK'S France Arachides	Green Plains II LLC	\$250.0	100%	N/A	N/A
9/30/16	Golden Enterprises Inc.	UTZ Quality Foods, Inc.	\$144.4	100%	\$135.9	1.0x
	Median of the 20 M&A Transaction Targets		\$66.5	100%	\$40.0	1.0x

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





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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):** 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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