

Q1: Quarterly Industry Update

AS OF March 31, 2020

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 March 31, 2019, the median 52-week share price return of the Specialty Foods industry was -2.2%. Between March 31, 2019 and March 31, 2020, 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 March 31, 2020

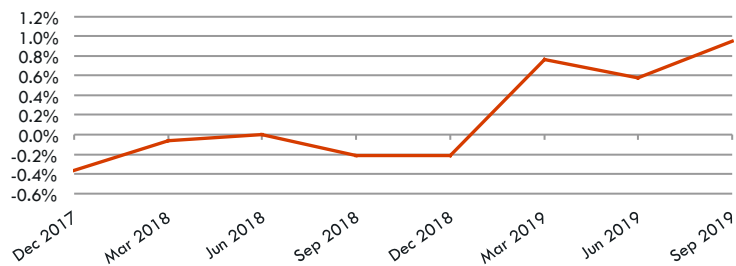
	2020	3 Month	1 Year	2 Year	3 Year	2019	2018	2017
Amira Nature Foods Ltd.	0.0%	0.0%	-59.9%	-32.3%	-32.2%	-32.5%	-36.5%	-8.9%
B&G Foods, Inc.	-32.6%	-32.6%	-16.0%	0.2%	-19.7%	25.1%	17.1%	-11.8%
Bridgford Foods Corporation	19.2%	19.2%	1.0%	20.1%	10.4%	30.7%	12.3%	-19.1%
Campbell Soup Company	-10.0%	-10.0%	-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
Median of Industry Public Companies:	-8.8%	-8.8%	-5.1%	0.9%	-4.0%	15.9%	12.1%	4.9%

Multiple year periods are calculated as the average annual return.

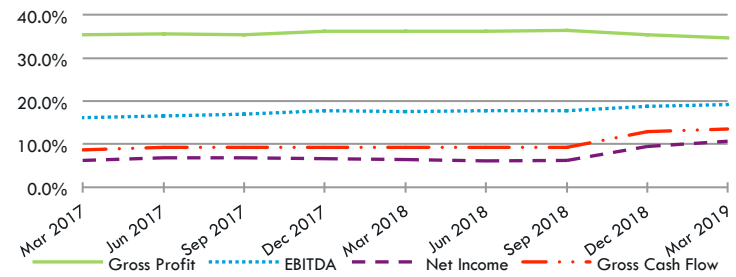
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
EV/Revenues Multiple	2.4x	2.3x	2.1x	2.4x	2.2x	2.4x	2.5x	2.6x
EV/EBITDA Multiple	12.0x	11.9x	10.9x	11.8x	11.6x	11.7x	12.6x	13.5x
Price/Earnings Multiple	18.7x	17.3x	15.4x	21.0x	22.6x	25.3x	25.2x	26.6x
EV/Gross Cash Flows Multiple	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
2/19/20	Dangee Dums Limited	\$1.05	2.7	\$21.7	\$11.9	\$2.3	\$47.4	\$5.5	\$3.9	\$5.6
1/24/20	At-Tahur Limited	\$0.17	36.7	\$1.0	\$5.2	\$3.6	\$0.0	\$0.0	\$0.2	\$0.7
11/27/19	Cake Box Holdings plc	\$1.42	15.3	\$12.8	\$20.7	\$9.7	\$9.2	\$1.4	\$3.5	\$6.4
12/27/18	Halsley Bakery LLC	\$0.52	1.9	\$3.8	\$16.4	\$5.3	\$18.0	\$0.0	\$0.0	\$0.0
11/13/18	Nakoda Group of Industries Limited	\$0.13	50.0	\$2.5	\$9.4	\$5.5	\$3.7	\$1.4	\$0.4	\$1.4
10/17/18	B & S International Holdings Ltd.	\$0.70	5.2	\$156.0	\$621.7	\$147.1	\$47.4	\$0.0	\$24.4	\$0.0
	Median IPO	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
1/17/20	Best Choice Nuts, Candy and Specialties, Inc.	Katjes International GmbH	\$0.5	100%	\$44.2	1.8x
12/6/19	Haydens Bakery Ltd.	Otsuka Pharmaceutical Co.	\$15.5	100%	N/A	N/A
11/5/19	Salsa Business in US of Sabra Dipping Co., LLC	Frutarom Industries Ltd.	\$10.5	100%	N/A	N/A
9/4/19	Guangdong Jiahao Foodstuff Co., Ltd.	Huabao International Holdings Limited	\$674.0	100%	\$50.6	0.3x
8/26/19	Marketing and Distribution Rights of Various Brands of Starbucks Corporation	Nestlé S.A.	\$7,150.0	60%	N/A	N/A
8/16/19	Falco Ltd.	N/A	\$15.0	100%	N/A	N/A
7/31/18	Mademoiselle Desserts SAS	Alphaone International S.à r.l.	\$382.6	100%	N/A	N/A
6/19/18	Shepherd Gourmet Dairy (Ontario)	Saputo Inc.	\$77.6	90%	\$4.4	5.3x
6/7/18	Tate's Bake Shop, Inc.	Mondelez International, Inc.	\$500.0	51%	N/A	N/A
6/1/18	Nestlé S.A. (US Chocolate)	Ferrero International S.A.	\$2,800.0	100%	N/A	N/A
3/26/18	Snyder's-Lance, Inc.	Campbell Soup Company	\$6,136.3	100%	\$2,231	2.7x
3/14/18	Hawaiian Macadamia Nut, Inc.	Saputo Inc.	\$77.6	100%	\$44.2	1.8x

■ USA
 ■ International

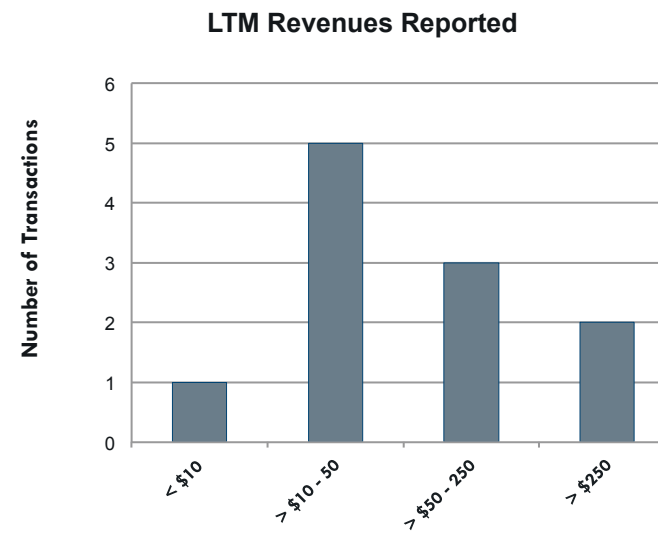
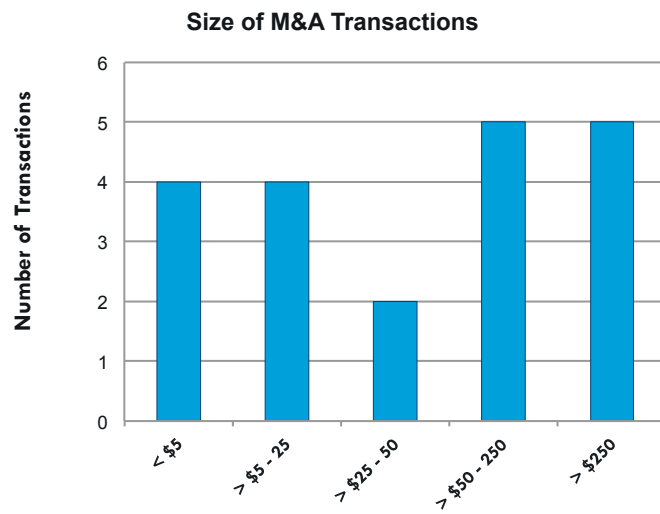
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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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