



FOOD & BEVERAGE REPORT

Q2 2016

Explore M&A Activity, Capital Market
Conditions and Current Trends for the
Food & Beverage Industry

SDR*Ventures*

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Investment Banking & Securities Offered Through SDR Capital Markets, Inc., Member FINRA & SIPC.





Q2 INDUSTRY UPDATE

In 1957, applied mathematician and UCLA marketing professor Igor Ansoff introduced a concept called the Ansoff Matrix. The Ansoff Matrix was designed to visualize the strategy in which companies formulate products to enter markets. The purpose of the matrix was to give management teams the ability to think strategically about the potential risks and returns on various growth strategies.

The characteristics of each quality are explained below:

❑ Market Penetration Quadrant:

Least risky because product and market fit already have been proven/established. Least return because the lack of risk creates a low barrier to entry, meaning lots of competition. Usually a commodity/price-driven market where players who compete on price and capitalization win.

❑ Market Development and Product Development Quadrants:

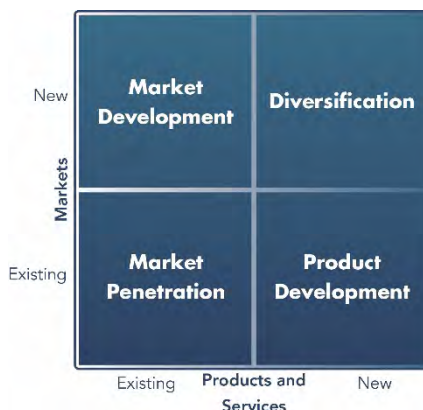
Incrementally more risk and return because either the product or the channel has been proven, but not both. Incrementally more return because something special or innovative must be done to create a new product or enter a new market.

❑ The Diversification Quadrant:

Riskiest because the company is not just trying to acquire market share, but it's also trying to create a new market altogether. There is no proof that existing channels for the product even exist.

Over the past five years, we have observed rapid venture capital investment and M&A activity in the diversification and product development quadrants, where innovation is derived from the conscious consumer demand for healthier, more functional, simpler, and allergen-free ingredients. These innovations started in many cases 25 years ago, but the rate at which consumer demand has accelerated toward these product features has rapidly outpaced the innovation cycles at large for food & beverage companies. This has created fertile ground for M&A activity.

Catalina's 2015 mid-year review revealed a dramatic loss in share across nearly all categories by top 100 CPG brands. It is clear that the strategy for large entities in this \$1.2-trillion industry has shifted from "Market Penetration" to the other three quadrants. Consumers rapidly are shifting to new markets, and to keep up the large players must either innovate quickly or acquire companies that are doing so.



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ABOUT SDR

Established in 2002, SDR Ventures has developed deep M&A and capital transaction knowledge and expertise. SDR offers transaction advisory, private capital formation and business consulting services across a wide range of industries. We serve business owners and operators of privately held companies and provide them with a professional-class experience.

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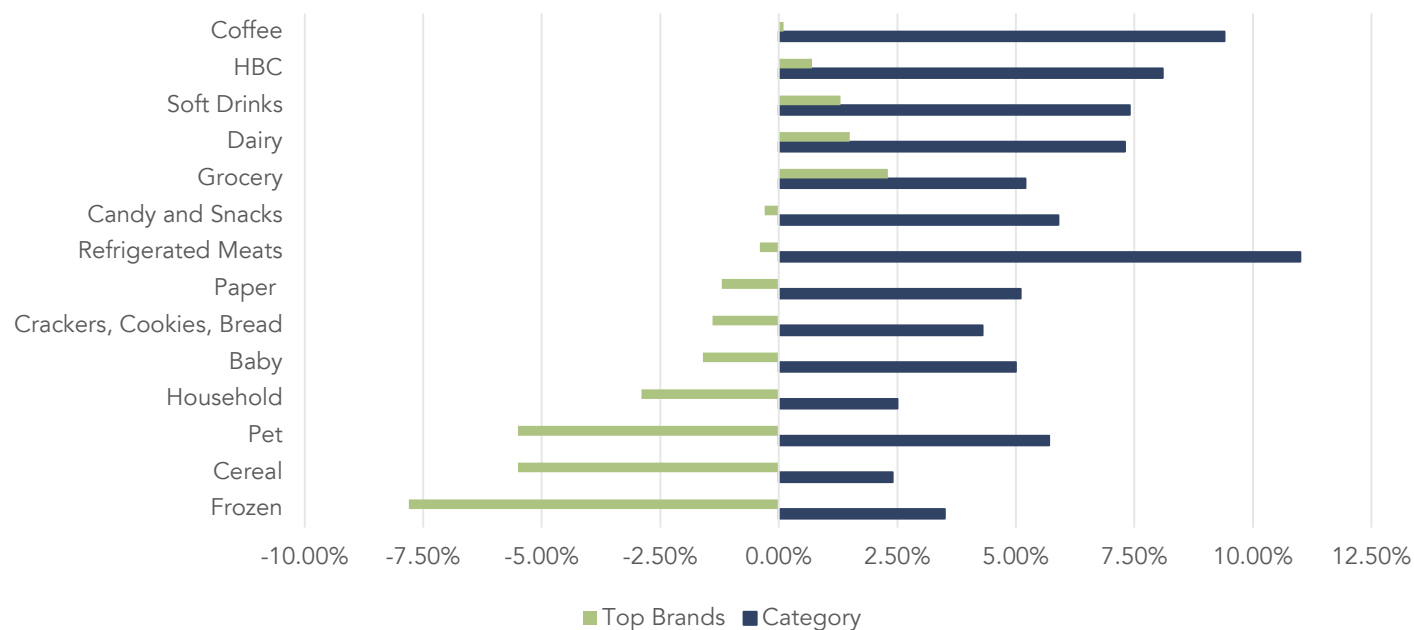
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FOOD & BEVERAGE REPORT

Top 100 CPG Brands Change in Sales vs. Categories



*Ansoff, I.: Strategies for Diversification, Harvard Business Review, Vol. 35 Issue 5, Sep-Oct 1957, pp. 113-124

*<http://www.catalina.com/insights/research-studies/>

Hormel has led the charge on the M&A front by acquiring Applegate and Justin's, each of which brings new products to the channels in which Hormel already occupied major shelf space (we would classify both of these acquisitions as "Product Development" strategies). The Applegate valuation reflected the premium that Hormel paid (2.3x revenue is large for a business with approximately \$330 million of sales at the time). Applegate's accomplishments in supply chain and product development innovation were rewarded by a differentiated presence as the leading natural and sustainable brand in the protein category.

Krave seems to be a product that has crossed into the Diversification Quadrant. Krave not only brought an existing product into new markets (i.e., jerky to the masses), it created an entire sub-category: the premium jerky category. It brought jerky to people who would not normally eat jerky at all. This leadership was a catalyst for the emergence of the meat snack category to erupt, which is part of the reason why every major retailer has an entire set in its snack aisle. So, what was its reward for building out this new customer set? Krave sold for 6.9x revenue to Hershey's as Hershey's sought to unlock vast new horizons with this product line.

What does this mean today for SDR's clients and their peers? The most attractive businesses for investment or sale in the food space are those that unlock the shifting customers alluded to in chart above for the large strategic buyers. For example, Khosla Ventures, 301 (General Mills' VC arm) and CAVU Venture Partners just made an \$18-million investment in the fast-emerging plant based dairy brand Kite Hill. Currently, there are entire product categories that dairy-free consumers do not access, but Kite Hill is unlocking that customer set in the category.

Similarly, Amplify Brands just acquired snack bar brand Oatmega, a product that is in an existing category but aligns well with Amplify's portfolio (and thus distribution footprint), making the acquisition a Market Development play for Amplify.

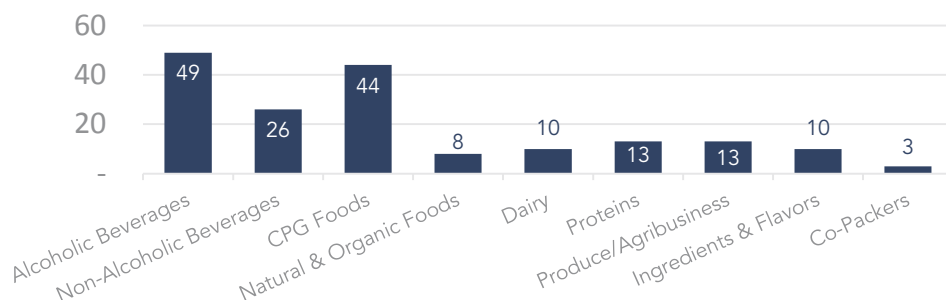
As consumer preferences complete the shift to healthier, artisanally-crafted, simpler and more sustainable products, companies that bring new products or access to new customers for existing products will be the most highly favored by investors and acquirers.

The information contained herein is based on sources we believe reliable but is not guaranteed by us and is not to be considered all-inclusive. It is not to be construed as an offer or consultation of an offer to sell or buy any securities.

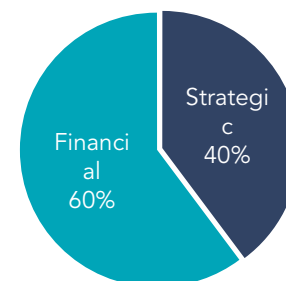


FOOD & BEVERAGE REPORT

TRANSACTIONS BY SEGMENT

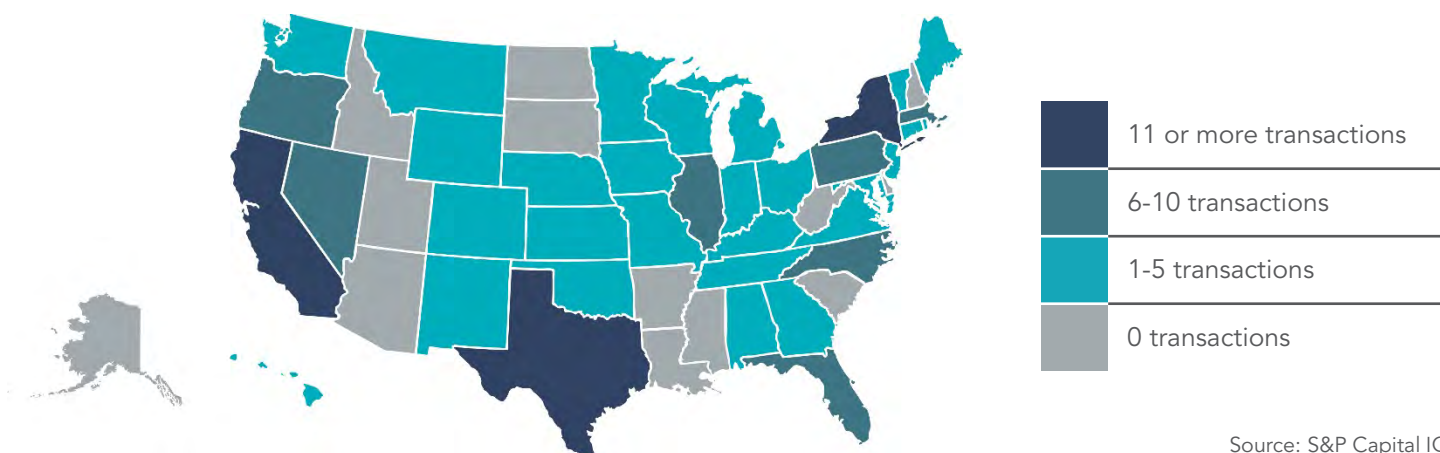


TRANSACTIONS BY TYPE



Source: S&P Capital IQ

TRANSACTIONS BY LOCATION



Source: S&P Capital IQ

TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
6/30/2016	The Hershey Company	Mondelez International, Inc.	CPG Foods	25,471	3.46	15.09
6/27/2016	Milk Specialties Company	American Securities	Dairy	-	-	-
6/17/2016	Ceres, Inc.	Land O Lakes Inc.	Dairy	11	1.64	-
6/14/2016	Wm. Wrigley Jr. Company	Mars, Incorporated	CPG Foods	50	-	-
6/9/2016	Brooks Peanut Company, Inc.	Olam International Limited	Produce	85	-	-
6/2/2016	The Ridgefield's Brand Corporation	Country Pure Foods, Inc.	CPG Foods	14	1.07	-
5/23/2016	Conagra Foods Food Ingredients Company, Inc.	Givaudan SA	Ingredients & Flavors	340	-	-
5/23/2016	B.T.T.R Ventures LLC	Red Sea Ventures; S2G Ventures; Acre Venture Partners	Produce	10	-	-
5/18/2016	Monsanto Company	Bayer AG	Ingredients & Flavors	62,322	4.48	15.32
5/18/2016	Justin's, LLC	Hormel Foods Corporation	Natural & Organic Foods	286	-	-

[ACCESS FULL LIST](#)

Source: S&P Capital IQ

Note: These data represent recorded transactions only, and are not all-inclusive. Nevertheless, they are typically representative of the industry.



FOOD & BEVERAGE REPORT

ACTIVE BUYERS

MOST ACTIVE STRATEGIC BUYERS

Strategic Buyer	Inv. Dates	Select Corporate Acquisitions
E. & J. Gallo Winery, Inc.	6/9/2016 12/16/2015 8/26/2015 7/20/2015 3/24/2015	- Orin Swift Cellars, LLC - Rutherford Wine Studios, LLC - Talbott Vineyards - Asti Winery - J Vineyards & Winery LLC
Anheuser-Busch Companies, LLC	3/31/2016 12/18/2015 12/31/2014 12/17/2014 1/31/2014	- Breckenridge Brewery, LLC - Golden Peaks Brewing 10 Barrel Brewing Company - Budweiser of Owensboro - Morgan Distributing, Inc.
Hormel Foods Corporation (NYSE:HRL)	5/18/2016 5/26/2015 6/30/2014	- Justin's, LLC - Applegate Farms LLC - CytoSport, Inc.
McCormick & Company, Incorporated (NYSE:MCK)	4/19/2016 6/24/2015 3/9/2015	- Botanical Food Company Pty Ltd. - One World Foods, Inc. - Brand Aromatics, Inc.
Amplify Snack Brands, Inc. (NYSE:BETR)	5/2/2016 4/21/2015	- Boundless Nutrition, LLC - Paqui, LLC

Source: S&P Capital IQ

SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

Financial Buyers	Inv. Date	Select Holdings
TSG Consumer Partners	7/29/2015 9/28/2014 11/13/2014 6/6/2011 10/5/2010	- My Fit Foods Inc. - SweetWater Brewing Company, LLC - Pabst Brewing Company, LLC - Stumptown Coffee Roasters, Inc. - Julian's Recipe, LLC
KarpReilly LLC	7/19/2016 3/8/2016 7/24/2015 7/13/2015 5/11/2015	- LifeAID Beverage Co. LLC - Hungryroot, Inc. - Fitlife Foods Tampa, LLC - Taylor Gourmet, LLC - Eureka! Restaurant Group, LLC
Kainos Capital, LLC	12/31/2007 9/8/2014 8/21/2015 7/10/2014 8/7/2015	- Advanced Refreshment LLC - JTM Foods, LLC - Kettle Cuisine, LLC - Slim-Fast Brand - Trilliant Food & Nutrition
Encore Consumer Capital	3/31/2015 3/9/2015 1/20/2015 10/10/2008 5/23/2008	- THANASI Foods, LLC - Full Sail Brewing, Inc. - Van Law Food Products, Inc. - Atlantic Aqua Farms, Inc. - Ciao Bella Gelato Company, Inc.
L Catterton	12/22/2015 7/30/2015 7/14/2015 6/22/2012 10/3/2013	- The Piada Group, LLC - Lily's Kitchen Limited - Snap Kitchen LLC - Edible Arrangements, LLC - PB Restaurants, LLC

Source: S&P Capital IQ

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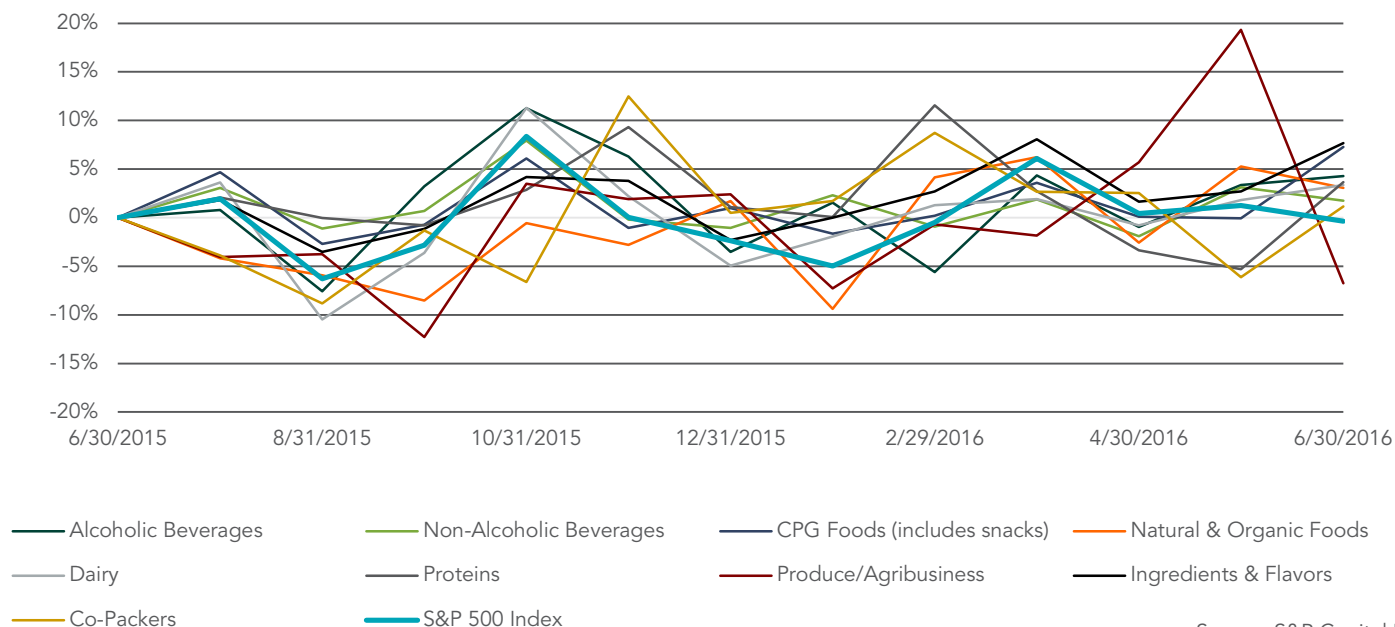


FOOD & BEVERAGE REPORT

PUBLIC BASKET

FOOD & BEVERAGE SEGMENTS VS. S&P 500

Running 12 Months



Source: S&P Capital IQ

ALCOHOLIC BEVERAGES

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/LMT EPS	Price/Book	TEV/Rev	TEV/EBITDA
Anheuser-Busch InBev SA/NV	ENXTBR:ABI	N/A	\$189,129	\$118	7.6%	3%	42.8x	5.1x	6.1x	16.2x
SABMiller plc	LSE:SAB	N/A	\$70,385	\$44	2.7%	7%	39.7x	4.4x	7.6x	18.7x
Diageo plc	LSE:DGE	N/A	\$52,353	\$21	10.9%	12%	32.3x	6.4x	6.0x	18.4x
Constellation Brands Inc.	NYSE:STZ	NY	\$33,178	\$165	9.5%	16%	31.7x	4.8x	6.1x	18.1x
Molson Coors Brewing Company	NYSE:TAP	CO	\$21,711	\$101	5.1%	8%	39.4x	2.2x	6.3x	18.9x
Brown-Forman Corporation	NYSE:BF.B	KY	\$20,348	\$100	1.3%	0%	32.5x	12.6x	7.0x	19.5x
The Boston Beer Company, Inc.	NYSE:SAM	MA	\$2,168	\$171	-7.6%	-15%	25.3x	4.9x	2.2x	11.1x
MGP Ingredients Inc.	NasdaqGS:MGPI	KS	\$638	\$38	57.7%	47%	24.6x	5.2x	2.1x	12.2x
Craft Brew Alliance, Inc.	NasdaqGS:BREW	OR	\$221	\$12	40.0%	38%	NM	1.9x	1.2x	22.8x
Castle Brands Inc.	AMEX:ROX	NY	\$118	\$1	-22.1%	-40%	NM	5.8x	2.1x	68.0x
Willamette Valley Vineyards Inc.	NasdaqCM:WVVI	OR	\$42	\$8	21.2%	19%	19.4x	1.8x	2.6x	10.2x
Truett-Hurst, Inc.	NasdaqCM:THST	CA	\$7	\$2	-7.0%	5%	44.8x	0.7x	0.7x	34.3x
Segment Average			\$32,525		9.9%	8.3%	33.3x	4.7x	4.2x	22.4x

Source: S&P Capital IQ

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FOOD & BEVERAGE REPORT

PUBLIC BASKET (CONTINUED)

NON-ALCOHOLIC BEVERAGES

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Fomento Económico Mexicano, S.A.B de C.V	BMV:FEMSA UBD	NL	\$573,934	\$169	1.4%	5%	42.5x	2.5x	1.9x	12.2x
The Coca-Cola Company	NYSE:KO	GA	\$196,107	\$45	-2.3%	6%	29.1x	7.9x	5.0x	17.4x
Pepsico, Inc.	NYSE:PEP	NY	\$153,022	\$106	3.4%	6%	28.3x	13.6x	2.8x	14.6x
Monster Beverage Corporation	NasdaqGS:MNST	CA	\$32,631	\$161	20.5%	8%	51.8x	6.5x	10.7x	28.3x
Dr Pepper Snapple Group, Inc.	NYSE:DPS	TX	\$17,955	\$97	8.1%	4%	24.0x	8.6x	3.3x	13.2x
Treehouse Foods, Inc.	NYSE:THS	IL	\$5,793	\$103	18.3%	31%	37.6x	2.1x	2.4x	20.7x
The Hain Celestial Group, Inc.	NasdaqGS:HAIN	NY	\$5,147	\$50	21.6%	23%	29.7x	2.8x	2.1x	16.0x
National Beverage Corp.	NasdaqGS:FIZZ	FL	\$2,924	\$63	48.4%	38%	55.3x	14.8x	4.1x	29.2x
Cott Corporation	TSX:BCB	FL	\$2,454	\$18	0.1%	19%	260.2x	2.2x	1.2x	10.0x
SodaStream International Ltd.	NasdaqGS:SODA	N/A	\$450	\$21	51.5%	31%	38.7x	1.3x	1.1x	12.9x
Primo Water Corporation	NasdaqGM:PRMW	NC	\$305	\$12	17.0%	48%	118.6x	11.3x	2.5x	19.5x
Coffee Holding Company, Inc.	NasdaqCM:JVA	NY	\$34	\$6	44.9%	47%	18.7x	1.4x	0.4x	8.8x
REEDS, Inc.	AMEX:REED	CA	\$33	\$2	-47.1%	-54%	NM	NM	1.0x	NM
Crystal Rock Holdings, Inc.	AMEX:CRVP	CT	\$15	\$1	-4.2%	19%	19.9x	3.5x	0.4x	5.0x
Leading Brands Inc.	NasdaqCM:LBIX	BC	\$5	\$2	-25.2%	-38%	NM	0.5x	0.5x	NM
Segment Average			\$ 5,616		6.6%	(0.6%)	38.2x	4.2x	3.0x	20.6x

Source: S&P Capital IQ

CPG FOODS (INCLUDING SNACKS)

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Mondelez International, Inc.	NasdaqGS:MDLZ	IL	\$70,634	\$46	13.4%	1%	39.5x	2.5x	3.1x	18.7x
General Mills, Inc.	NYSE:GIS	MN	\$42,393	\$71	12.6%	24%	27.2x	8.6x	3.1x	14.8x
Kellogg Company	NYSE:K	MI	\$28,581	\$82	6.7%	13%	40.5x	14.1x	2.7x	17.8x
ConAgra Foods, Inc.	NYSE:CAG	IL	\$20,865	\$48	7.1%	13%	47.7x	5.5x	2.2x	18.3x
Campbell Soup Company	NYSE:CPB	NJ	\$20,534	\$67	4.3%	27%	29.4x	12.3x	3.0x	15.0x
Hormel Foods Corporation	NYSE:HRL	MN	\$19,393	\$37	-15.4%	-7%	25.9x	4.5x	2.1x	14.1x
Mead Johnson Nutrition Company	NYSE:MJN	IL	\$16,940	\$91	6.8%	15%	35.6x	NM	4.6x	17.8x
McCormick & Company, Incorporated	NYSE:MKC	MD	\$13,533	\$107	7.2%	25%	35.7x	7.7x	3.4x	19.8x
Pinnacle Foods Inc.	NYSE:PF	NJ	\$5,408	\$46	3.6%	9%	24.1x	3.0x	3.1x	15.7x
Post Holdings, Inc.	NYSE:POST	MO	\$5,318	\$83	20.2%	34%	122.3x	1.8x	1.8x	11.5x
Flowers Foods, Inc.	NYSE:FLO	GA	\$3,878	\$19	1.6%	-13%	21.3x	3.4x	1.3x	11.2x
Lancaster Colony Corporation	NasdaqGS:LANC	OH	\$3,498	\$128	15.4%	11%	31.6x	7.0x	2.9x	16.9x
B&G Foods Inc.	NYSE:BGS	NJ	\$3,019	\$48	38.5%	38%	27.2x	4.9x	4.1x	17.9x
J&J Snack Foods Corp.	NasdaqGS:JJSF	NJ	\$2,221	\$119	10.1%	2%	31.3x	3.7x	2.2x	14.0x
Cal-Maine Foods, Inc.	NasdaqGS:CALM	MS	\$2,151	\$44	-14.6%	-4%	6.2x	2.4x	0.9x	3.1x
Dean Foods Company	NYSE:DF	TX	\$1,660	\$18	4.4%	5%	14.3x	2.9x	0.3x	5.6x

*Continued on next page.

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FOOD & BEVERAGE REPORT

PUBLIC BASKET (CONTINUED)

CPG (CONTINUED)

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Amplify Snack Brands, Inc.	NYSE:BETR	TX	\$1,103	\$15	3.0%	28%	39.5x	44.8x	6.7x	20.8x
Farmer Brothers Co.	NasdaqGS:FARM	CA	\$522	\$32	15.0%	-1%	45.5x	5.0x	0.9x	12.4x
Lifeway Foods Inc.	NasdaqGM:LWAY	IL	\$156	\$10	-10.7%	-13%	64.6x	3.4x	1.3x	21.7x
Inventure Foods, Inc.	NasdaqGS:SNAK	AZ	\$153	\$8	38.2%	10%	NM	3.0x	1.0x	34.4x
Golden Enterprises Inc.	NasdaqGM:GLDC	AL	\$81	\$7	42.8%	50%	28.3x	3.5x	0.6x	9.9x
Segment Average			\$11,914		9.6%	11.8%	35.8x	7.0x	2.4x	15.4x

Source: S&P Capital IQ

NATURAL & ORGANIC FOODS

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Whole Foods Market, Inc.	NasdaqGS:WFM	TX	\$10,279	\$32	2.9%	-4%	19.3x	3.2x	0.7x	7.5x
The WhiteWave Foods Company	NYSE:WWAV	CO	\$8,305	\$47	15.5%	21%	49.1x	6.3x	2.6x	22.2x
Pinnacle Foods Inc.	NYSE:PF	NJ	\$5,408	\$46	3.6%	9%	24.1x	3.0x	3.1x	15.7x
The Hain Celestial Group, Inc.	NasdaqGS:HAIN	NY	\$5,147	\$50	21.6%	23%	29.7x	2.8x	2.1x	16.0x
Sprouts Farmers Market, Inc.	NasdaqGS:SFM	AZ	\$3,452	\$23	-21.1%	-14%	25.2x	4.2x	1.0x	11.5x
Darling Ingredients Inc.	NYSE:DAR	TX	\$2,452	\$15	13.1%	42%	41.6x	1.3x	1.3x	8.8x
United Natural Foods, Inc.	Nasdaq:UNFI	RI	\$2,358	\$47	16.1%	19%	17.4x	1.6x	0.3x	9.2x
Calavo Growers Inc.	NasdaqGS:CVGW	CA	\$1,168	\$67	17.4%	37%	38.8x	5.7x	1.4x	21.1x
Amplify Snack Brands, Inc.	NYSE:BETR	TX	\$1,103	\$15	3.0%	28%	39.5x	44.8x	6.7x	20.8x
SunOpta Inc.	TSX:SOY	ON	\$463	\$5	-6.6%	-43%	270.1x	0.9x	0.7x	15.5x
Natural Grocers by Vitamin Cottage, Inc.	NYSE:NGVC	CO	\$294	\$13	-38.6%	-36%	20.4x	2.4x	0.5x	6.6x
Limoneira Company	NasdaqGS:LMNR	CA	\$250	\$18	15.9%	18%	NM	2.1x	3.8x	99.7x
Lifeway Foods Inc.	NasdaqGM:LWAY	IL	\$156	\$10	-10.7%	-13%	64.6x	3.4x	1.3x	21.7x
Inventure Foods, Inc.	NasdaqGS:SNAK	AZ	\$153	\$8	38.2%	10%	NM	3.0x	1.0x	34.4x
AMCON Distributing Co.	AMEX:DIT	NE	\$54	\$90	9.8%	12%	9.4x	0.9x	0.1x	5.5x
REEDS, Inc.	AMEX:REED	CA	\$33	\$2	-47.1%	-54%	NM	NM	1.0x	NM
RiceBran Technologies	NasdaqCM:RIBT	AZ	\$17	\$2	48.2%	-13%	NM	2.3x	0.8x	NM
Tofutti Brands Inc.	AMEX:TOF	NJ	\$11	\$2	-31.5%	-49%	NM	5.0x	0.8x	NM
Segment Average			\$2,283		2.8%	-0.5%	49.9x	5.5x	1.6x	21.1x

Source: S&P Capital IQ

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FOOD & BEVERAGE REPORT

PUBLIC BASKET (CONTINUED)

PRODUCE/AGRIBUSINESS

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Monsanto Company	NYSE:MON	MO	\$45,250	\$103	17.9%	5%	31.9x	8.9x	4.1x	15.1x
Fresh Del Monte Produce Inc	NYSE:FDP	FL	\$2,766	\$54	29.4%	40%	24.0x	1.6x	0.8x	11.3x
Calavo Growers Inc.	NasdaqGS:CVGW	CA	\$1,168	\$67	17.4%	37%	38.8x	5.7x	1.4x	21.1x
Limoneira Company	NasdaqGS:LMNR	CA	\$250	\$18	15.9%	18%	NM	2.1x	3.8x	99.7x
S&W Seed Company	NasdaqCM:SANW	CA	\$74	\$4	4.3%	3%	NM	1.1x	1.2x	23.4x
China Green Agriculture, Inc.	NYSE:CGA	N/A	\$49	\$1	-1.5%	-13%	2.2x	0.1x	NM	NM
Agria Corporation	NYSE:GRO	N/A	\$48	\$1	-12.1%	-37%	NM	1.0x	0.4x	8.0x
Origin Agritech Limited	NasdaqGS:SEED	N/A	\$41	\$2	34.8%	24%	NM	1.4x	1.5x	22.3x
Segment Average			\$6,206	\$	13.3%	9.7%	24.2x	2.7x	1.9x	28.7x

Source: S&P Capital IQ

INGREDIENTS & FLAVORS

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
McCormick & Company, Incorporated	NYSE:MKC	MD	\$13,533	\$107	7.2%	25%	35.7x	7.7x	3.4x	19.8x
Ingredion Incorporated	NYSE:INGR	IL	\$9,316	\$129	21.2%	35%	22.3x	4.1x	1.9x	11.3x
Sensient Technologies Corporation	NYSE:SXT	WI	\$3,184	\$71	11.9%	13%	27.3x	3.7x	2.8x	15.0x
Darling Ingredients Inc.	NYSE:DAR	TX	\$2,452	\$15	13.1%	42%	41.6x	1.3x	1.3x	8.8x
SunOpta Inc.	TSX:SOY	ON	\$463	\$5	-6.6%	-43%	270.1x	0.9x	0.7x	15.5x
TerraVia Holdings, Inc.	NasdaqGS:TVIA	CA	\$222	\$3	29.1%	6%	NM	NM	7.8x	NM
Feronia Inc.	TSXV:FRN	ON	\$35	\$40	-25.9%	-35%	NM	0.2x	4.1x	NM
Segment Average			\$4,172		7.2%	6.0%	79.4x	3.0x	3.2x	14.1x

Source: S&P Capital IQ

CO-PACKERS

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Pilgrim's Pride Corporation	NasdaqGS:PPC	CO	\$6,486	\$25	0.3%	15%	12.2x	4.7x	0.9x	6.4x
High Liner Foods Inc.	TSX:HLF	NS	\$582	\$19	25.7%	21%	16.1x	2.1x	0.7x	9.5x
John B Sanfilippo & Son Inc.	NasdaqGS:JBSS	IL	\$478	\$43	-38.3%	-21%	16.2x	1.9x	0.6x	8.4x
Landec Corp.	NasdaqGS:LNDC	CA	\$291	\$11	2.5%	-9%	36.0x	1.4x	0.6x	16.0x
Amira Nature Foods Ltd.	NYSE:ANFI	N/A	\$266	\$7	-24.3%	-19%	9.6x	1.4x	0.7x	5.5x
Bridgford Foods Corp.	NasdaqGM:BRID	CA	\$115	\$13	2.6%	46%	16.6x	2.9x	0.8x	7.4x
Coffee Holding Company, Inc.	NasdaqCM:JVA	NY	\$34	\$6	44.9%	47%	18.7x	1.4x	0.4x	8.8x
RiceBran Technologies	NasdaqCM:RIBT	AZ	\$17	\$2	48.2%	-13%	NM	2.3x	0.8x	NM
Segment Average			\$1,034		7.7%	8.4%	17.9x	2.3x	0.7x	8.9x

Source: S&P Capital IQ

Note: These data represent recorded transactions only, and are not all-inclusive. Nevertheless, they are typically representative of the industry.



FOOD & BEVERAGE REPORT

PUBLIC BASKET (CONTINUED)

DAIRY

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Danone	ENXTPA:BN	N/A	\$38,769	\$63	1.4%	2%	23.9x	3.1x	2.1x	12.2x
Mead Johnson Nutrition Company	NYSE:MJN	IL	\$16,940	\$91	6.8%	15%	35.6x	NM	4.6x	17.8x
The WhiteWave Foods Company	NYSE:WWAV	CO	\$8,305	\$47	15.5%	21%	49.1x	6.3x	2.6x	22.2x
Dean Foods Company	NYSE:DF	TX	\$1,660	\$18	4.4%	5%	14.3x	2.9x	0.3x	5.6x
Synutra International Inc.	NasdaqGS:SYUT	MD	\$216	\$4	-23.3%	-19%	10.2x	1.6x	1.7x	9.8x
Lifeway Foods Inc.	NasdaqGM:LWAY	IL	\$156	\$10	-10.7%	-13%	64.6x	3.4x	1.3x	21.7x
Segment Average			\$11,008		-1.0%	1.8%	32.9x	3.5x	2.1x	14.9x

Source: S&P Capital IQ

PROTEINS

Company Name	Symbol	State	Market Cap (\$ in Mil)	Price	Stock Price Quarter Change	YTD Change	Price/ LMT EPS	Price/ Book	TEV/ Rev	TEV/ EBITDA
Tyson Foods, Inc.	NYSE:TSN	AR	\$25,731	\$67	0.2%	25%	16.9x	2.7x	0.8x	9.0x
Hormel Foods Corporation	NYSE:HRL	MN	\$19,393	\$37	-15.4%	-7%	25.9x	4.5x	2.1x	14.1x
Pilgrim's Pride Corporation	NasdaqGS:PPC	CO	\$6,486	\$25	0.3%	15%	12.2x	4.7x	0.9x	6.4x
Post Holdings, Inc.	NYSE:POST	MO	\$5,318	\$83	20.2%	34%	122.3x	1.8x	1.8x	11.5x
Seaboard Corp.	AMEX:SEB	KS	\$3,360	\$2,871	-4.4%	-1%	20.4x	1.2x	0.5x	9.2x
Cal-Maine Foods, Inc.	NasdaqGS:CALM	MS	\$2,151	\$44	-14.6%	-4%	6.2x	2.4x	0.9x	3.1x
Sanderson Farms, Inc.	NasdaqGS:SAFM	MS	\$1,956	\$87	-3.9%	12%	14.3x	1.8x	0.6x	5.8x
Premium Brands Holdings Corporation	TSX:PBH	BC	\$1,576	\$54	-0.7%	42%	35.1x	4.5x	1.2x	15.8x
Nomad Foods Limited	NYSE:NOMD	N/A	\$1,424	\$8	-11.4%	-34%	NM	0.9x	1.7x	0.0x
Bridgford Foods Corp.	NasdaqGM:BRID	CA	\$115	\$13	2.6%	46%	16.6x	2.9x	0.8x	7.4x
Pingtian Marine Enterprise Lt	NasdaqCM:PME	N/A	\$97	\$1	-2.2%	-12%	25.0x	0.7x	4.6x	NM
Aoxin Tianli Group, Inc.	NasdaqCM:ABAC	N/A	\$27	\$1	20.3%	-8%	7.8x	0.3x	NM	NM
Segment Average			\$5,636		-0.8%	9.0%	27.5x	2.4x	1.4x	8.2x

Source: S&P Capital IQ

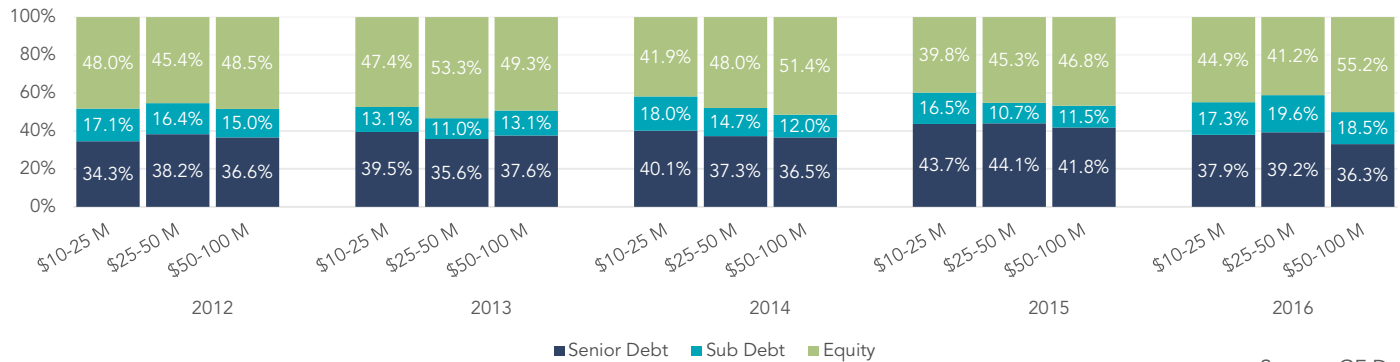
Note: These data represent recorded transactions only, and are not all-inclusive. Nevertheless, they are typically representative of the industry.



FOOD & BEVERAGE REPORT

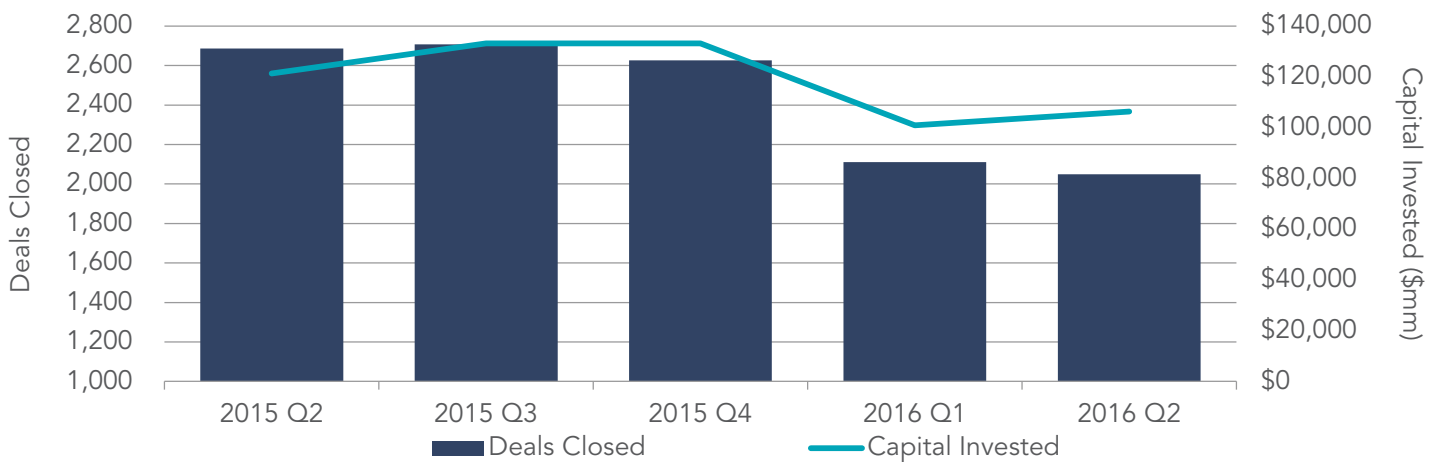
OVERALL U.S. LOWER MIDDLE MARKET M&A ACTIVITY

CAPITAL STACK



Source: GF Data*

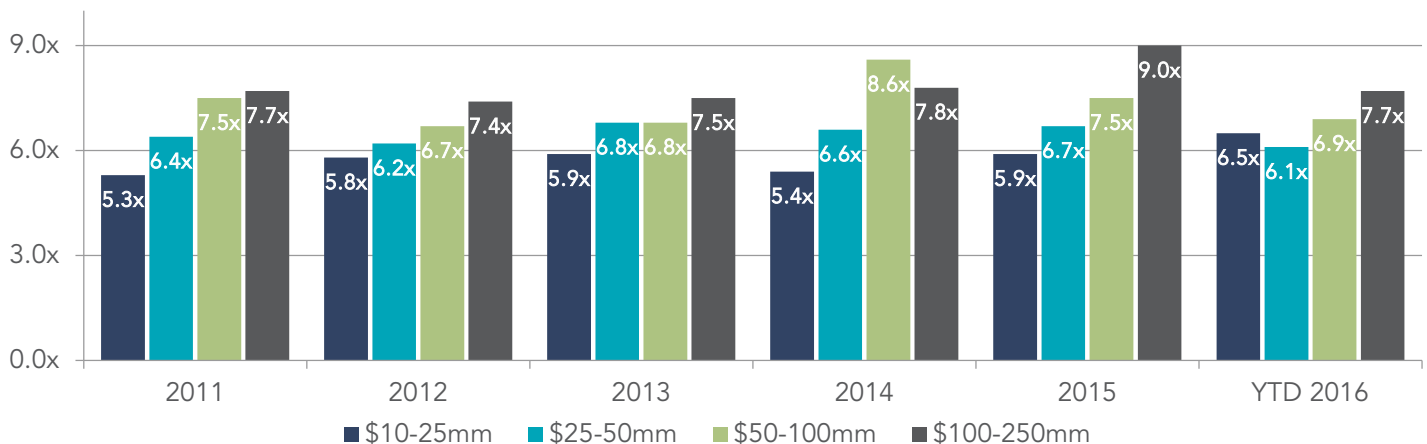
M&A ACTIVITY



Source: S&P Capital IQ

TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



Source: GF Data*

*The most current source of GF Data is as of March 31, 2016, and lags one quarter behind the current quarter.



FOOD & BEVERAGE REPORT

COMPREHENSIVE FOOD & BEVERAGE EXPERTISE

The food & beverage industry may have stolen the national spotlight in recent years, but we have been involved in the food & beverage industry for well over a decade. Our experience and drive puts us at the leading edge of information in the market, giving you the advantage when the time comes to buy, sell or seek investments to grow your business.

Our food & beverage industry investment banking expertise includes the following segments:

- ☐ Alcoholic Beverages
- ☐ Non-Alcoholic Beverages
- ☐ CPG Foods
- ☐ Natural & Organic Foods
- ☐ Dairy
- ☐ Proteins
- ☐ Produce/Agribusiness
- ☐ Ingredients & Flavors
- ☐ Co-Packers

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FEATURED M&A CASE STUDY

SDR has completed numerous transactions types throughout the Food & Beverage industry, including:



Hollandia Produce, L.P. ("Hollandia Produce" or "Hollandia") has implemented an Employee Stock Ownership Plan ("ESOP"), with structuring and funding co-led by Mosaic Capital Partners, LLC ("Mosaic Capital Partners" or "Mosaic") and The SEAM Fund ("SEAM"). SDR Ventures served as Hollandia's transaction advisor throughout the process.

California-based Hollandia Produce is a leading producer of greenhouse-grown leafy greens, and has built a strong reputation around its production of Live Gourmet® brand butter lettuce as well as Grower Pete's Certified Organic brand butter lettuce and watercress. As Hollandia's exclusive transaction advisor, SDR Ventures was able to help Hollandia capitalize on its unique growing and packaging process and its high growth potential. SDR utilized its extensive consumer-products network to locate two qualified investors in Mosaic Capital and The SEAM Fund, each of which fit the financial and ESOP-related goals of Hollandia.

SDR SERVICE OFFERINGS



SELL-SIDE ADVISORY



PRIVATE CAPITAL FORMATION



BUY-SIDE ADVISORY



STRATEGIC CONSULTING