

# Quarterly Industry Update

As of September 30, 2015

Industry: Food Distributors

## 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, 2014, the median 52-week share price return of the Food Distributors industry was -7.6%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple increased from 13.6 to 14.1. Furthermore, the median price-to-earnings multiple increased from 31.1 to 31.5 over the same period.

## Comparable Public Company Key Statistics

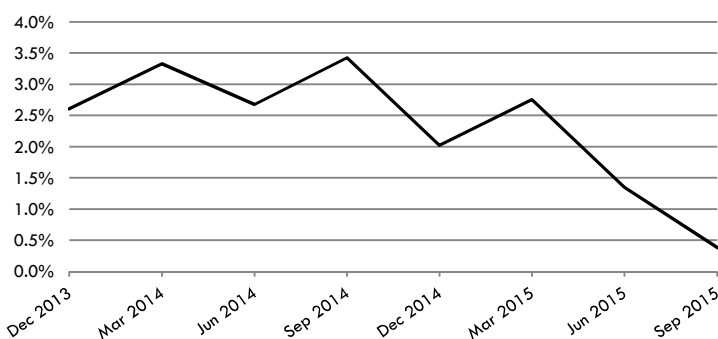
Median 52-Week Return	-7.6%	Median EV/Revenue Multiple	1.5x	Median Price/Earnings Multiple	31.5x
Median 3-Year CAGR Return	6.3%	Median EV/EBITDA Multiple	14.1x	Median EV/Gross CF Multiple	23.0x

## Comparable Public Company Market Price Returns (As of September 30, 2015)

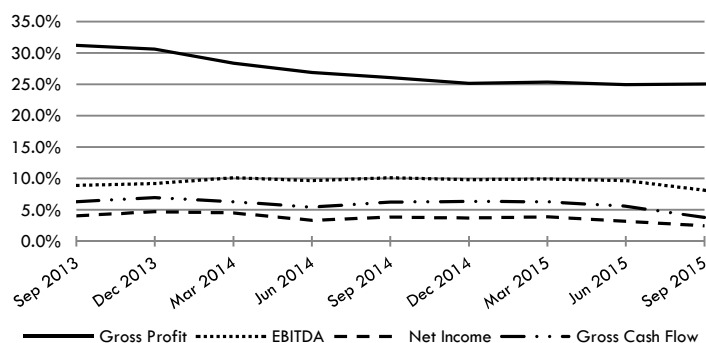
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
B&G Foods Inc.	21.9%	27.8%	32.3%	2.7%	6.3%	27.3%	-11.8%	19.8%	17.6%	75.3%	49.6%
Boulder Brands, Inc.	-25.9%	18.0%	-39.9%	-28.5%	-12.2%	16.1%	-30.3%	22.9%	140.7%	23.8%	-27.8%
Dean Foods Company	-14.8%	2.2%	24.7%	-7.5%	-20.4%	-4.2%	12.7%	-47.9%	47.4%	26.7%	-51.0%
Flowers Foods, Inc.	28.9%	17.0%	34.7%	7.4%	22.5%	17.5%	-10.6%	38.4%	22.6%	5.8%	13.3%
Golden Enterprises Inc.	10.6%	-4.2%	-16.1%	-0.5%	4.8%	3.8%	-13.8%	19.5%	-5.2%	6.5%	-7.1%
Hormel Foods Corporation	21.5%	12.3%	23.2%	22.6%	29.4%	23.2%	15.3%	44.7%	6.6%	14.3%	33.3%
Inventure Foods, Inc.	-30.3%	-12.5%	-31.5%	-8.0%	16.0%	18.6%	-3.9%	104.3%	73.5%	-13.4%	83.1%
Koninklijke Wessanen N.V.	65.9%	20.2%	74.1%	71.0%	58.2%	24.4%	62.6%	35.1%	-21.2%	-7.4%	-33.9%
Lifeway Foods Inc.	-43.4%	-45.4%	-24.4%	-11.9%	3.3%	-0.1%	16.0%	82.8%	-9.3%	0.9%	-19.6%
Pilgrim's Pride Corporation	-36.6%	-9.5%	-32.0%	11.3%	59.6%	29.9%	101.8%	124.4%	25.7%	-18.8%	-20.3%
SunOpta Inc.	-59.2%	-54.8%	-59.9%	-29.3%	-8.7%	-4.4%	18.9%	77.9%	13.1%	-36.8%	131.3%
The Hain Celestial Group, Inc.	-11.5%	-21.7%	0.8%	15.7%	17.9%	33.9%	28.4%	67.4%	47.9%	35.5%	59.1%
The WhiteWave Foods Company	14.7%	-17.9%	10.5%	41.8%	N/A	N/A	52.5%	47.6%	N/A	N/A	N/A
United Natural Foods, Inc.	-37.3%	-23.8%	-21.1%	-15.1%	-6.0%	7.9%	2.6%	40.7%	33.9%	9.1%	37.2%
<b>Median of Industry Public Companies</b>	<b>-13.1%</b>	<b>-6.8%</b>	<b>-7.6%</b>	<b>1.1%</b>	<b>6.3%</b>	<b>17.5%</b>	<b>14.0%</b>	<b>42.7%</b>	<b>22.6%</b>	<b>6.5%</b>	<b>13.3%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Food Distributors Companies



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



## Median Public Company Multiples of the Food Distributors Industry

Date:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	1.2x	1.4x	1.4x	1.3x	1.3x	1.3x	1.3x	1.4x	1.5x
EV/EBITDA Multiple	13.6x	14.4x	15.6x	14.4x	13.4x	14.1x	13.4x	12.7x	14.1x
Price/Earnings Multiple	31.1x	34.5x	30.7x	28.3x	24.4x	29.6x	29.5x	25.7x	31.5x
EV/Gross Cash Flows Multiple	23.1x	24.9x	28.4x	21.7x	25.1x	24.8x	19.8x	24.5x	23.0x

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# Quarterly Industry Update

As of September 30, 2015

Industry: Food Distributors



## Industry Initial Public Offerings (dollars in millions, except share prices)

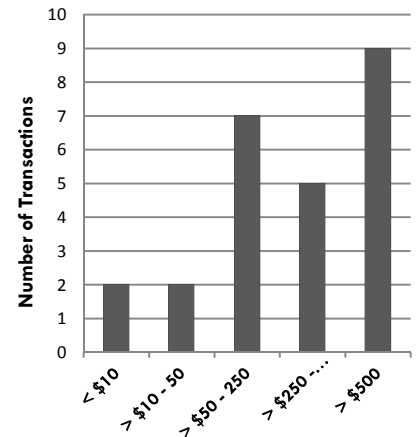
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
3/27/2013	Pinnacle Foods Inc.	\$20.00	29.0	\$580.0	\$4,400.0	\$2,612.8	\$2,478.5	\$409.9	\$52.5	\$465.6
10/25/2012	The WhiteWave Foods Company	\$17.00	23.0	\$391.0	\$2,052.6	\$452.7	\$2,157.6	\$258.6	\$117.6	\$326.6
10/10/2012	Amira Nature Foods Ltd.	\$10.00	9.0	\$90.0	\$215.7	\$143.6	\$342.5	\$39.8	\$13.5	\$41.7
3/27/2012	Annie's, Inc.	\$19.00	5.0	\$95.0	\$68.2	\$13.3	\$134.9	\$19.1	\$12.8	\$19.8
10/22/2009	Dole Food Company Inc.	\$12.50	35.7	\$446.4	\$4,223.8	\$2,083.3	\$7,208.0	\$425.8	\$92.2	\$548.6
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$391.0</b>	<b>\$2,052.6</b>	<b>\$452.7</b>	<b>\$2,157.6</b>	<b>\$258.6</b>	<b>\$52.5</b>	<b>\$326.6</b>

nm: not meaningful, N/A: not applicable

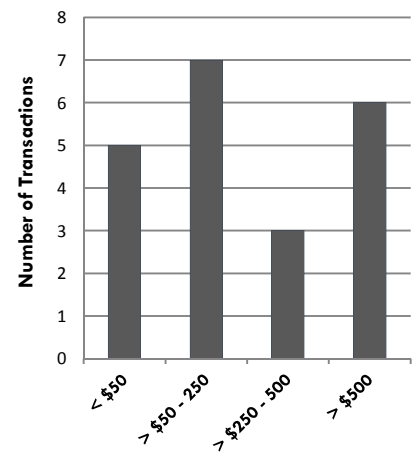
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
3/17/2015	Goodman Fielder Ltd.	First Pacific Company	\$1,788.8	90%	\$2,076.7	0.8x
1/31/2015	La Sirena Alimentación	OpCapita LLP	\$56.2	100%	N/A	N/A
11/30/2014	Associated Wholesalers	C&S Wholesale Grocers	\$256.6	100%	\$1,100.0	0.2x
10/24/2014	Abatewood Limited	Zeno Capital Ltd.	\$3.8	100%	\$10.3	0.4x
10/21/2014	Annie's, Inc.	General Mills, Inc.	\$823.0	100%	\$208.1	3.9x
7/29/2014	FoodTec UK Ltd.	Adams Foods	\$2.0	100%	N/A	N/A
7/29/2014	Flagstone Foods	Bay Valley Foods, LLC	\$875.0	100%	\$721.4	1.2x
6/2/2014	MFI Holding Corporation	Post Holdings, Inc.	\$2,499.5	100%	N/A	N/A
5/30/2014	Aimia Foods (Holdings)	Cott Beverages Limited	\$147.1	100%	\$110.0	1.3x
4/3/2014	Goudas Food Products	BLVD Holdings, Inc.	\$16.6	100%	\$27.1	0.6x
2/19/2014	Arden Group Inc.	TPG Capital, L.P.	\$389.7	100%	\$452.8	0.8x
2/13/2014	Atrium Innovations Inc.	Permira Advisers Ltd.	\$993.2	100%	\$471.8	2.0x
2/1/2014	Golden Boy Foods Ltd.	Post Holdings, Inc.	\$300.6	100%	N/A	N/A
12/23/2013	Phil's Fresh Foods, LLC	GFA Brands, Inc.	\$60.7	100%	\$14.3	4.2x
11/19/2013	Nash Finch Co.	Spartan Stores Inc.	\$797.2	100%	\$4,945.7	0.2x
11/1/2013	Dole Food Company Inc.	DFC Holdings LLC	\$1,435.2	60%	\$4,322.6	0.3x
8/21/2013	Aceford Food Industry Pte Ltd	Lei Shing Hong (Singapore)	\$57.6	100%	\$25.6	2.2x
8/9/2013	Overhill Farms, Inc.	Bellisio Foods, Inc.	\$87.6	100%	\$194.1	0.4x
5/8/2013	Grupo Nutrisa SAB de CV	Grupo Herdez	\$158.1	67%	\$90.8	2.5x
1/29/2013	Ralcorp Holdings Inc.	ConAgra Foods, Inc.	\$7,152.6	100%	\$4,322.2	1.6x
12/28/2012	Valpiform SAS	Nutrition & Santé SAS	\$16.4	100%	\$10.9	1.5x
10/1/2012	Avid Health, Inc.	Church & Dwight Co. Inc.	\$650.0	100%	\$198.5	3.3x
8/20/2012	Conopco, Inc.	ConAgra Foods, Inc.	\$266.9	100%	\$300.0	0.9x
8/10/2012	Michael's Finer Meats	The Chefs' Warehouse	\$71.8	100%	\$83.7	0.8x
7/21/2012	Lepage Bakeries, Inc.	Flowers Foods, Inc.	\$320.0	100%	\$166.4	1.8x
<b>Median of the 25 M&amp;A Transaction Targets</b>			<b>\$266.9</b>	<b>100%</b>	<b>\$198.5</b>	<b>1.2x</b>

### Size of M&A Transactions



### LTM Revenues Reported



### 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.

# Quarterly Industry Update

As of September 30, 2015

General Distribution Aggregates



## Comparable Public Company Key Statistics

Median 52-Week Return	-15.9%	Median EV/Revenue Multiple	0.8x	Median Price/Earnings Multiple	26.5x
Median Year-to-Date Return	-13.1%	Median EV/EBITDA Multiple	13.2x	Median EV/Gross CF Multiple	19.9x

## Comparable Public Company Market Price Returns (As of September 30, 2015)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
A. M. Castle & Co.	-72.2%	-64.0%	-74.0%	-62.9%	-43.8%	-30.0%	-46.0%	0.0%	56.1%	-48.6%	34.5%
Applied Industrial Technologies, Inc.	-16.3%	-3.8%	-16.4%	-13.9%	-2.7%	4.5%	-7.1%	16.9%	19.4%	8.3%	47.2%
B&G Foods Inc.	21.9%	27.8%	32.3%	2.7%	6.3%	27.3%	-11.8%	19.8%	17.6%	75.3%	49.6%
Boulder Brands, Inc.	-25.9%	18.0%	-39.9%	-28.5%	-12.2%	16.1%	-30.3%	22.9%	140.7%	23.8%	-27.8%
Calavo Growers Inc.	-5.6%	-14.0%	-1.1%	21.5%	21.3%	15.5%	56.3%	20.0%	-1.8%	11.4%	35.6%
Dean Foods Company	-14.8%	2.2%	24.7%	-7.5%	-20.4%	-4.2%	12.7%	-47.9%	47.4%	26.7%	-51.0%
Dorman Products, Inc.	5.4%	6.8%	27.0%	1.3%	17.3%	27.0%	-13.9%	58.6%	91.4%	1.9%	131.3%
DXP Enterprises, Inc.	-46.0%	-41.3%	-63.0%	-41.2%	-17.0%	7.5%	-56.1%	134.8%	52.4%	34.2%	83.6%
Flowers Foods, Inc.	28.9%	17.0%	34.7%	7.4%	22.5%	17.5%	-10.6%	38.4%	22.6%	5.8%	13.3%
Golden Enterprises Inc.	10.6%	-4.2%	-16.1%	-0.5%	4.8%	3.8%	-13.8%	19.5%	-5.2%	6.5%	-7.1%
Hormel Foods Corporation	21.5%	12.3%	23.2%	22.6%	29.4%	23.2%	15.3%	44.7%	6.6%	14.3%	33.3%
Huttig Building Products Inc.	-6.9%	-0.7%	-15.7%	12.6%	29.1%	28.2%	-13.2%	141.3%	207.7%	-45.2%	26.5%
Inventure Foods, Inc.	-30.3%	-12.5%	-31.5%	-8.0%	16.0%	18.6%	-3.9%	104.3%	73.5%	-13.4%	83.1%
Koninklijke Wessanen N.V.	65.9%	20.2%	74.1%	71.0%	58.2%	24.4%	62.6%	35.1%	-21.2%	-7.4%	-33.9%
Lifeway Foods Inc.	-43.4%	-45.4%	-24.4%	-11.9%	3.3%	-0.1%	16.0%	82.8%	-9.3%	0.9%	-19.6%
MRC Global Inc.	-26.4%	-27.8%	-52.2%	-35.5%	-23.2%	N/A	-53.0%	16.1%	N/A	N/A	N/A
Perfumania Holdings, Inc.	-29.5%	-25.5%	-33.4%	-6.3%	-16.2%	-12.0%	-5.5%	29.1%	-52.7%	15.6%	25.0%
Pilgrim's Pride Corporation	-36.6%	-9.5%	-32.0%	11.3%	59.6%	29.9%	101.8%	124.4%	25.7%	-18.8%	-20.3%
Pool Corp.	14.0%	3.0%	34.1%	13.6%	20.2%	29.2%	9.1%	37.4%	40.6%	33.5%	18.1%
SunOpta Inc.	-59.2%	-54.8%	-59.9%	-29.3%	-8.7%	-4.4%	18.9%	77.9%	13.1%	-36.8%	131.3%
Taitron Components Inc.	-0.3%	1.0%	-5.3%	-1.5%	-0.3%	-1.2%	-5.4%	2.9%	-10.5%	-27.8%	10.5%
The Hain Celestial Group, Inc.	-11.5%	-21.7%	0.8%	15.7%	17.9%	33.9%	28.4%	67.4%	47.9%	35.5%	59.1%
The WhiteWave Foods Company	14.7%	-17.9%	10.5%	41.8%	N/A	N/A	52.5%	47.6%	N/A	N/A	N/A
United Natural Foods, Inc.	-37.3%	-23.8%	-21.1%	-15.1%	-6.0%	7.9%	2.6%	40.7%	33.9%	9.1%	37.2%
VOXX International Corporation	-15.3%	-10.4%	-20.2%	-26.4%	-0.3%	1.6%	-47.5%	148.1%	-20.4%	-2.1%	21.7%
Watsco Inc.	10.7%	-4.3%	37.5%	12.1%	16.1%	16.3%	11.4%	28.3%	14.1%	4.1%	28.8%
<b>Median of Industry Public Companies</b>	<b>-13.1%</b>	<b>-6.9%</b>	<b>-15.9%</b>	<b>-1.0%</b>	<b>4.8%</b>	<b>15.8%</b>	<b>-4.7%</b>	<b>37.9%</b>	<b>21.0%</b>	<b>6.1%</b>	<b>27.6%</b>

(Multiple year periods are calculated as the average annual return.)

# Quarterly Industry Update

As of September 30, 2015

General Distribution Aggregates



## Median Public Company Multiples of the General Distribution Aggregates

Date:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	0.8x	0.8x	0.9x	0.9x	0.9x	0.9x	0.9x	0.9x	0.8x
EV/EBITDA Multiple	13.6x	14.8x	15.1x	13.4x	13.0x	13.9x	13.5x	12.6x	13.2x
Price/Earnings Multiple	25.9x	28.5x	29.8x	26.6x	24.6x	28.0x	27.9x	25.7x	26.5x
EV/Gross Cash Flows Multiple	30.1x	26.1x	23.7x	33.3x	31.7x	27.6x	29.8x	19.0x	19.9x

## Industry Initial Public Offerings - General Distribution Aggregates (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
6/17/2015	Univar Inc.	\$22.00	35.0	\$770.0	\$5,916.3	\$3,816.1	\$10,156.6	\$508.2	\$2.4	\$643.1
4/28/2015	Enviva Partners, LP	\$20.00	10.0	\$200.0	\$384.5	\$94.2	\$290.1	\$28.0	\$0.3	\$46.7
6/26/2013	HD Supply Holdings, Inc.	\$18.00	53.2	\$957.4	\$6,459.0	\$6,630.0	\$8,267.0	\$663.0	(\$950.0)	\$729.0
5/22/2013	Global Brass and Copper Holdings, Inc.	\$11.00	7.0	\$77.0	\$576.5	\$400.0	\$1,652.1	\$93.1	\$9.9	\$100.3
3/27/2013	Pinnacle Foods Inc.	\$20.00	29.0	\$580.0	\$4,400.0	\$2,612.8	\$2,478.5	\$409.9	\$52.5	\$465.6
2/7/2013	Health Insurance Innovations, Inc.	\$14.00	4.7	\$65.3	\$17.5	\$3.6	\$38.2	\$4.4	\$3.2	\$4.4
10/25/2012	The WhiteWave Foods Company	\$17.00	23.0	\$391.0	\$2,052.6	\$452.7	\$2,157.6	\$258.6	\$117.6	\$326.6
10/24/2012	CrossAmerica Partners LP	\$20.00	6.0	\$120.0	\$300.7	\$259.3	\$1,717.1	\$32.6	\$6.1	\$47.2
10/24/2012	CrossAmerica Partners LP	\$20.00	6.0	\$120.0	\$300.7	\$259.3	\$1,717.1	\$32.6	\$6.1	\$47.2
10/10/2012	Amira Nature Foods Ltd.	\$10.00	9.0	\$90.0	\$215.7	\$143.6	\$342.5	\$39.8	\$13.5	\$41.7
3/27/2012	Annie's, Inc.	\$19.00	5.0	\$95.0	\$68.2	\$13.3	\$134.9	\$19.1	\$12.8	\$19.8
10/22/2009	Dole Food Company Inc.	\$12.50	35.7	\$446.4	\$4,223.8	\$2,083.3	\$7,208.0	\$425.8	\$92.2	\$548.6
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$160.0</b>	<b>\$480.5</b>	<b>\$329.7</b>	<b>\$1,717.1</b>	<b>\$66.4</b>	<b>\$8.0</b>	<b>\$73.8</b>

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