



# LAKE SHORE

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## FOOD ADVISORS



## Weekly Update

Monday, May 14, 2017

### *Oil Prices Finish Lower, But Mark 2<sup>nd</sup> Straight Weekly Climb.*

Oil prices pulled back on Friday but marked the second consecutive weekly climb, driven by uncertainty over how much oil the global market will lose following the U.S. decision to re-impose sanctions on OPEC member Iran. The expectation that sanctions will again frustrate Iran's oil industry and limit global supply has helped support to oil prices.

The **Dow Jones Industrial Average** increased 2.3% on the week, finishing at 24,831.

The **S&P 500** rose 2.4% on the week, finishing at 2,728.

The **NASDAQ Composite** gained 2.7% on the week, finishing at 7,403.

Yield on the **10-year Treasury** increased two basis during the week, ending at 2.97%.

**Crude oil** increased 1.4% on the week, ending at \$70.68 per barrel.

**Corn** decreased 2.4% on the week, ending at \$3.97 per bushel.

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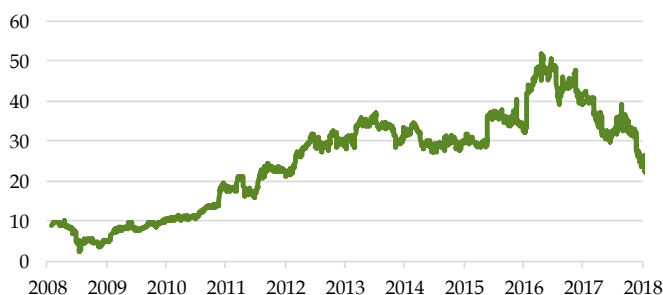
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**NASDAQ Highs:** Balchem Corporation, The Chefs' Warehouse, Inc., Noodles & Company, Village Super Market, Inc.  
**Lows:** Core-Mark Holding Company, Inc., The Hain Celestial Group, Inc. PepsiCo, Inc.

**NYSE Highs:** Brinker International, Inc., Brown-Forman Corporation, Lamb Weston Holdings, Inc., Natural Grocers by Vitamin Cottage, Inc., Performance Food Group Company, Shake Shack, Inc., Sysco Corporation  
**Lows:** Ingredion Inc.

### Featured Stocks of the Week:

B&G Foods, Inc. (NYSE: BGE) 10-Year History



Sysco Corporation (NYSE: SYY) 10-Year History



# The Lakeshore Food Chain

Company Name	Price 5/11/18	Price Compared to 5/4/18	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA	
			High	Low	2017	2016		Revenue	EBITDA		
											Sector Average:
Dow Jones Industrial Average	24,831	2.3%	26,617	20,548	0.5%	25.6%	23.5x				
S&P 500	2,728	2.4%	2,873	2,349	2.0%	21.8%	16.9				
NASDAQ Composite Index	7,403	2.7%	7,588	6,011	7.2%	37.5%	NA				
					Sector Average:		3.2%	28.3%			
<b>AGRICULTURAL LAND HOLDINGS</b>											
Farmland Partners Inc.	\$8.12	9.7%	\$10.28	\$7.15	(6.5%)	(27.2%)	73.8x	21.29x	31.0x	14.9x	
Gladstone Land Corporation	12.78	1.6%	14.29	10.84	(4.8%)	13.7%	NM	18.19	26.9	16.6	
Limoneira Company	24.14	3.2%	26.06	18.21	7.8%	12.2%	36.8	3.83	23.7	5.8	
					Sector Average:		(1.2%)	(0.4%)	18.4x	14.43x	27.2x
<b>INPUTS</b>											
American Vanguard Corporation	\$21.55	0.2%	\$24.00	\$16.70	9.7%	12.5%	25.6x	1.86x	13.9x	1.7x	
CF Industries Holdings, Inc.	39.50	2.6%	45.00	25.04	(7.1%)	25.5%	38.0	3.96	13.3	3.9	
DowDuPont Inc.	66.93	3.8%	77.08	61.27	(6.0%)	NA	15.3	2.56	12.9	2.6	
FMC Corporation	88.90	1.7%	98.70	69.94	(6.1%)	57.2%	14.0	4.28	16.7	3.7	
Intrepid Potash, Inc.	4.12	(4.0%)	5.12	2.03	(13.4%)	98.1%	29.8	4.61	17.3	1.9	
Monsanto Company	124.97	0.1%	126.80	114.19	7.0%	18.8%	21.5	4.15	14.7	1.9	
The Mosaic Company	26.56	(3.2%)	29.20	19.23	3.5%	(9.4%)	16.8	1.93	10.8	3.8	
* Nutrien Ltd.	48.86	5.0%	54.75	43.20	NA	NA	19.8	6.29	27.5	7.3	
S&W Seed Company	3.50	(5.4%)	4.55	2.90	(10.3%)	(23.9%)	NM	1.68	62.0	19.9	
The Scotts Miracle-Gro Company	81.49	0.0%	110.12	76.60	(23.8%)	(14.7%)	18.9	2.61	14.3	4.9	
Zoetis Inc.	84.45	3.5%	86.38	59.50	17.2%	57.8%	27.2	8.12	21.4	2.4	
					Sector Average:		(2.9%)	24.6%	22.7x	3.82x	16.3x
<b>AGRICULTURAL EQUIPMENT</b>											
* Ag Growth International Inc.	\$45.15	10.5%	\$47.39	\$36.80	6.2%	15.5%	18.9x	1.87x	13.1x	5.1x	
AGCO Corporation	64.35	6.9%	75.95	58.12	(9.9%)	11.2%	15.7	0.80	9.0	2.9	
Art's-Way Manufacturing Co., Inc.	2.65	6.9%	3.40	2.00	(11.2%)	(22.1%)	NA	0.73	NM	NM	
* Buhler Industries Inc.	3.05	(3.2%)	3.82	3.05	(12.1%)	(7.8%)	NA	0.42	12.5	4.1	
CNH Industrial N.V.	12.48	0.2%	15.65	10.36	(6.9%)	43.6%	17.5	1.44	13.1	8.7	
Deere & Company	147.32	7.3%	175.26	111.12	(5.9%)	43.0%	14.7	2.82	16.9	8.0	
Lindsay Corporation	94.36	5.8%	100.40	82.31	7.0%	26.5%	20.7	1.91	17.3	2.0	
Titan Machinery Inc.	19.08	(1.1%)	25.09	11.68	(9.9%)	31.0%	44.1	0.59	19.0	9.3	
					Sector Average:		(5.3%)	17.6%	21.9x	1.32x	14.4x
<b>AGRIBUSINESS</b>											
* AGT Food and Ingredients Inc.	\$13.00	(1.3%)	\$22.63	\$11.53	(18.9%)	(52.3%)	19.6x	0.56x	21.9x	12.7x	
The Andersons, Inc.	31.30	(5.4%)	38.05	29.60	0.5%	(30.0%)	15.9	0.53	11.7	7.2	
Archer-Daniels-Midland Company	43.98	0.3%	46.25	38.59	9.7%	(3.7%)	13.8	0.54	11.3	3.6	
Bunge Limited	71.17	1.0%	83.75	63.87	6.1%	(1.5%)	11.2	0.39	17.7	7.1	
Darling Ingredients Inc.	17.71	6.1%	19.50	14.62	(2.3%)	37.2%	25.6	1.27	8.1	4.0	
* Gruma, S.A.B. de C.V.	11.22	(2.7%)	14.27	10.61	(11.6%)	(12.1%)	13.7	1.57	9.8	1.8	
Ingredion Incorporated	111.76	(1.3%)	146.28	107.77	(20.1%)	(10.6%)	13.8	1.60	8.6	1.5	
Landec Corporation	13.20	(2.2%)	14.95	11.42	4.8%	(4.3%)	22.3	0.78	15.7	2.2	
* Olam International Limited	1.72	5.4%	1.87	1.42	13.3%	26.3%	15.4	0.65	13.0	9.4	
					Sector Average:		(2.1%)	(5.7%)	16.8x	0.87x	13.1x
<b>DIVERSIFIED FOODS</b>											
B&G Foods, Inc.	\$27.15	8.8%	\$41.20	\$22.00	(22.8%)	(38.0%)	13.0x	2.24x	11.6x	6.4x	
Campbell Soup Company	40.68	(0.8%)	59.14	39.79	(15.4%)	(32.7%)	13.0	2.03	8.2	2.0	
Conagra Brands, Inc.	37.85	2.5%	40.25	32.16	0.5%	(4.3%)	16.8	2.36	12.4	2.6	
General Mills, Inc.	42.66	0.3%	60.69	41.01	(28.0%)	(30.9%)	13.7	2.25	10.7	3.0	
The Hain Celestial Group, Inc.	27.91	(2.1%)	45.61	25.80	(34.2%)	(28.5%)	21.4	1.24	14.1	2.9	
The J. M. Smucker Company	113.02	(0.3%)	134.12	99.57	(9.0%)	(11.7%)	12.4	2.39	10.8	3.0	
Kellogg Company	61.39	2.7%	74.28	56.40	(9.7%)	(16.7%)	13.8	2.27	9.8	2.9	
The Kraft Heinz Company	59.24	2.1%	93.88	54.11	(23.8%)	(32.2%)	15.6	3.93	12.4	3.9	
Lancaster Colony Corporation	127.96	0.9%	135.86	113.34	(1.0%)	(9.5%)	24.8	2.76	16.6	0.0	
Mondelez International, Inc.	39.23	0.8%	47.23	37.42	(8.3%)	(11.5%)	15.6	2.91	14.0	3.9	
* Nestlé S.A.	77.54	1.7%	86.34	72.95	(9.8%)	7.8%	19.6	2.85	13.8	1.5	
Pinnacle Foods Inc.	63.57	1.1%	66.67	52.25	6.9%	18.9%	21.5	3.25	15.5	4.2	
Post Holdings, Inc.	76.90	(2.3%)	88.93	70.66	(2.9%)	(4.3%)	15.5	2.17	11.9	7.2	
SunOpta Inc.	7.13	3.5%	10.58	6.25	(7.6%)	0.1%	NM	0.92	17.1	6.9	
TreeHouse Foods, Inc.	47.01	6.5%	87.22	36.35	(5.0%)	(34.9%)	21.0	0.81	9.2	4.6	
Unilever N.V.	56.74	3.1%	62.44	50.29	0.6%	37.4%	20.1	2.82	14.9	2.4	
					Sector Average:		(10.6%)	(11.2%)	17.2x	2.32x	12.4x

Company Name	Price 5/11/18	Price Compared to 5/4/18	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM
			High	Low	2017	2016		Revenue	EBITDA	
<b>ETHANOL</b>										
Green Plains Inc.	\$19.30	7.5%	\$25.45	\$15.60	14.5%	(30.7%)	89.1x	0.54x	16.0x	10.7x
Pacific Ethanol, Inc.	3.35	7.2%	7.50	2.75	(26.4%)	(64.7%)	NM	0.22	18.3	12.5
Renewable Energy Group, Inc.	13.75	4.2%	14.10	9.50	16.5%	41.8%	2.5	0.32	3.3	1.4
Sector Average:					1.6%	(17.9%)	2.53x	0.36x	9.7x	6.1x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$94.00	0.1%	\$98.85	\$64.00	11.4%	53.1%	29.7x	1.53x	22.1x	0.4x
Fresh Del Monte Produce Inc.	47.56	(2.1%)	54.61	43.02	(0.2%)	(21.6%)	15.3	0.75	12.8	3.2
Lamb Weston Holdings, Inc.	67.93	4.4%	68.70	42.07	20.3%	79.5%	23.1	3.70	15.6	3.4
Seneca Foods Corporation	27.75	0.9%	36.60	27.00	(9.8%)	(30.7%)	NA	0.55	17.1	10.9
* Total Produce plc	2.71	(4.6%)	3.07	2.30	(11.9%)	30.6%	18.5	0.29	10.2	2.3
Sector Average:					2.0%	22.2%	21.7x	1.37x	15.5x	2.3x
<b>PROTEIN</b>										
Cal-Maine Foods, Inc.	\$47.80	3.1%	\$50.45	\$33.40	7.5%	8.2%	19.5x	1.54x	18.4x	0.1x
Hormel Foods Corporation	36.26	1.4%	38.00	29.75	(0.4%)	4.2%	19.5	2.14	14.4	0.7
Industrias Bachoco, S.A.B. de C.V.	58.48	(2.0%)	67.61	53.46	2.1%	19.3%	12.9	0.67	5.5	0.7
* JBS S.A.	2.47	5.6%	3.09	1.46	(16.6%)	(29.5%)	6.7	0.44	6.3	5.1
Nathan's Famous, Inc.	78.45	(4.0%)	100.90	52.90	3.9%	20.9%	NA	3.90	14.2	5.1
Pilgrim's Pride Corporation	21.73	3.9%	38.39	20.23	(30.0%)	14.4%	6.3	0.69	5.4	2.0
Sanderson Farms, Inc.	113.67	1.0%	176.43	109.74	(18.1%)	20.6%	10.3	0.64	4.3	0.0
Seaboard Corporation	4,016.81	2.4%	4,690.00	3,247.00	(8.9%)	1.6%	NA	0.68	11.1	1.9
Tyson Foods, Inc.	68.25	1.9%	84.65	57.20	(15.8%)	10.7%	10.5	0.87	8.6	2.5
Sector Average:					(8.5%)	7.8%	12.2x	1.29x	8.7x	2.0x
<b>BAKING &amp; INGREDIENTS</b>										
* ARYZTA AG	\$22.11	2.6%	\$38.86	\$20.12	(43.5%)	(49.3%)	15.2x	0.91x	9.0x	6.4x
Balchem Corporation	93.65	0.9%	95.83	70.23	16.2%	11.6%	31.5	5.13	21.5	1.4
Flowers Foods, Inc.	22.63	1.3%	22.82	16.80	17.2%	13.3%	20.7	1.43	12.5	1.9
* Grupo Bimbo, S.A.B. de C.V.	2.06	(4.1%)	2.46	2.01	(7.2%)	(9.9%)	17.6	1.03	8.9	2.9
J&J Snack Foods Corp.	137.08	3.3%	157.33	124.10	(9.7%)	2.7%	27.3	2.13	14.9	0.0
* Kerry Group plc	106.23	0.2%	113.30	87.96	(5.4%)	48.2%	25.7	2.67	20.1	2.1
McCormick & Company, Incorporated	107.02	3.7%	111.46	90.25	5.0%	14.7%	21.5	3.78	19.1	5.3
* Tate & Lyle plc	8.14	2.0%	10.79	7.08	(14.4%)	(6.8%)	12.5	1.11	6.6	1.3
Sector Average:					(5.2%)	3.1%	21.5x	2.28x	14.1x	2.7x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$15.92	6.5%	\$21.55	\$11.05	26.9%	40.0%	NA	0.82x	10.2x	0.0x
The Hershey Company	92.46	0.7%	116.49	89.10	(18.5%)	(10.6%)	16.9	3.09	12.4	2.4
John B. Sanfilippo & Son, Inc.	63.42	1.1%	70.35	54.32	0.3%	(9.9%)	15.8	0.93	11.8	1.4
Rocky Mountain Chocolate Factory, Inc.	11.53	(0.8%)	12.60	11.05	(2.1%)	13.2%	NA	1.82	10.6	0.2
Tootsie Roll Industries, Inc.	28.00	(1.9%)	37.48	27.45	(20.8%)	(25.3%)	NA	3.62	19.3	0.1
Sector Average:					(2.9%)	1.5%	16.4x	2.1x	12.9x	0.8x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$39.76	8.6%	\$43.30	\$29.08	2.2%	20.2%	19.9x	1.20x	12.3x	3.3x
Freshpet, Inc.	20.85	5.3%	21.10	13.50	10.0%	105.4%	NM	4.44	74.4	0.6
Sector Average:					2.2%	62.8%	19.9x	2.82x	12.3x	2.0x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$232.30	2.3%	\$237.00	\$128.70	21.6%	36.8%	31.7x	2.98x	15.2x	0.0x
Brown-Forman Corporation	56.86	1.8%	57.67	37.71	3.5%	58.2%	33.1	9.49	25.8	1.8
The Coca-Cola Company	42.14	(0.5%)	48.62	41.52	(8.2%)	1.6%	19.8	6.16	17.4	4.5
Constellation Brands, Inc.	220.23	(0.5%)	236.62	176.21	(3.6%)	43.7%	22.6	6.93	16.1	3.7
* Cott Corporation	15.98	3.6%	17.78	13.08	(4.5%)	41.2%	43.3	1.44	12.0	4.7
Craft Brew Alliance, Inc.	18.35	(2.4%)	20.40	15.60	(4.4%)	8.6%	37.3	1.72	19.0	0.6
* Diageo plc	36.30	0.8%	37.04	30.25	(1.5%)	39.3%	37.3	1.72	19.0	0.6
Crimson Wine Group, Ltd.	9.20	(0.0%)	11.50	8.97	(13.8%)	(1.8%)	NA	3.58	29.7	3.3
Dr Pepper Snapple Group, Inc.	119.36	0.5%	126.65	83.23	23.0%	31.6%	22.7	3.84	16.9	2.9
Monster Beverage Corporation	49.27	(6.6%)	70.22	46.50	(22.2%)	11.1%	28.1	7.66	20.7	0.0
Jamba, Inc.	9.21	(1.0%)	10.38	6.71	14.3%	(10.6%)	NA	1.88	99.6	0.0
Jones Soda Co.	0.29	(8.1%)	0.55	0.25	(21.9%)	(36.7%)	NA	0.95	NM	NM
National Beverage Corp.	88.53	2.1%	129.82	82.91	(9.1%)	73.3%	23.4	4.20	18.7	0.0
PepsiCo, Inc.	97.43	(1.6%)	122.51	95.94	(18.8%)	(6.9%)	16.9	2.52	12.7	3.4
Starbucks Corporation	57.27	(0.7%)	64.87	52.58	(0.3%)	3.2%	22.1	3.55	15.4	1.3
Willamette Valley Vineyards, Inc.	8.16	(1.7%)	8.86	7.70	(1.1%)	1.9%	NA	2.68	11.0	1.7
Sector Average:					(2.9%)	18.4%	28.2x	3.83x	23.3x	1.9x

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<b>DAIRY</b>										
* Danone SA	\$77.26	(0.5%)	\$86.09	\$74.62	(8.0%)	21.6%	17.1x	2.29x	12.4x	4.4x
Dean Foods Company	10.47	24.6%	19.29	8.14	(9.4%)	(51.9%)	15.9	0.24	5.8	2.9
Lifeway Foods, Inc.	4.87	(0.6%)	10.75	4.76	(39.1%)	(57.7%)	NM	0.66	30.4	2.4
* Saputo Inc.	33.43	2.8%	37.20	30.55	(7.2%)	(5.5%)	20.5	1.58	14.2	1.4
Sector Average:					(15.9%)	(23.4%)	17.8x	1.19x	15.7x	2.8x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$27.70	11.2%	\$30.32	\$11.85	35.1%	75.3%	36.1x	0.80x	17.1x	5.1x
Core-Mark Holding Company, Inc.	19.06	(6.2%)	38.20	17.10	(39.6%)	(55.7%)	15.7	0.11	13.7	5.0
Performance Food Group Company	34.75	5.8%	36.25	25.40	5.0%	44.8%	20.9	0.28	12.8	3.3
SpartanNash Company	17.46	0.6%	37.44	16.32	(34.6%)	(55.8%)	7.7	0.17	6.4	3.5
SUPERVALU INC.	16.21	(3.5%)	29.12	13.60	(25.0%)	(50.4%)	8.4	0.18	5.5	4.4
Sysco Corporation	62.82	0.9%	64.77	48.85	3.4%	13.5%	18.7	0.71	13.2	3.0
United Natural Foods, Inc.	45.14	(0.3%)	52.69	29.53	(8.4%)	(5.4%)	13.9	0.28	8.2	1.4
US Foods Holding Corp.	34.08	1.6%	35.75	25.43	6.7%	24.0%	15.9	0.45	11.5	3.8
Sector Average:					(7.2%)	(1.2%)	17.2x	0.37x	11.0x	3.7x
<b>MASS MERCHANDISE &amp; CLUB STORES</b>										
Costco Wholesale Corporation	\$195.76	0.3%	\$199.88	\$150.00	5.2%	22.3%	27.0x	0.64x	14.9x	1.1x
Walmart Inc.	83.38	(4.7%)	109.98	73.13	(15.6%)	20.6%	17.1	0.58	8.8	1.4
Sector Average:					(5.2%)	21.4%	22.1x	0.61x	11.9x	1.3x
<b>DOLLAR STORES</b>										
Dollar General Corporation	\$93.62	(2.0%)	\$105.82	\$65.97	0.7%	26.4%	15.4x	1.19x	11.5x	1.2x
Dollar Tree, Inc.	93.89	0.3%	116.65	65.63	(12.5%)	21.7%	16.7	1.21	10.3	2.2
Sector Average:					(5.9%)	24.0%	16.1x	1.20x	10.9x	1.7x
<b>TRADITIONAL RETAIL</b>										
* Ahold Delhaize	\$23.43	2.7%	\$24.29	\$17.57	6.4%	10.8%	13.0x	0.34x	5.2x	1.0x
Ingles Markets, Incorporated	29.00	(8.9%)	40.05	20.75	(16.2%)	(39.7%)	10.5	0.36	6.1	3.7
The Kroger Co.	24.57	1.8%	31.45	19.69	(10.5%)	(28.8%)	11.9	0.30	7.3	3.2
Village Super Market, Inc.	27.33	(1.5%)	28.14	21.95	19.2%	(11.6%)	NA	0.22	5.6	0.8
Weis Markets, Inc.	46.75	3.0%	58.75	31.26	12.9%	(30.1%)	NA	0.33	7.0	0.1
Sector Average:					2.4%	(19.9%)	11.8x	0.31x	6.3x	1.7x
<b>SPECIALTY RETAIL</b>										
Natural Grocers by Vitamin Cottage, Inc.	\$10.54	24.0%	\$10.69	\$4.79	18.0%	(11.4%)	40.3x	0.35x	6.8x	1.4x
Sprouts Farmers Market, Inc.	21.96	1.4%	28.29	17.55	(9.8%)	16.1%	17.8	0.70	10.1	1.5
Sector Average:					4.1%	2.4%	29.0x	0.53x	8.4x	1.4x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$45.30	2.4%	\$47.04	\$29.50	16.6%	(8.5%)	12.3x	1.07x	7.9x	3.2x
The Cheesecake Factory Incorporated	53.56	1.1%	60.30	38.34	11.2%	(10.6%)	19.0	1.08	10.1	0.5
Darden Restaurants, Inc.	90.33	(2.7%)	100.11	76.27	(5.9%)	24.2%	17.4	1.52	11.7	1.0
Dine Brands Global, Inc.	74.98	(3.3%)	81.78	36.71	47.8%	(2.6%)	13.5	4.38	13.0	6.9
Jack in the Box Inc.	90.52	2.5%	113.00	79.30	(7.7%)	(18.9%)	22.0	2.52	11.4	3.3
McDonald's Corporation	165.39	0.2%	178.70	144.46	(3.9%)	35.9%	21.3	7.10	15.8	3.1
The Wendy's Company	16.63	(0.7%)	17.75	13.57	1.3%	23.0%	29.0	5.01	16.2	7.0
YUM! Brands, Inc.	84.62	2.7%	88.07	68.74	3.7%	33.6%	25.2	6.14	18.1	4.8
Sector Average:					7.9%	9.5%	20.0x	3.60x	13.0x	3.7x
<b>HIGH-GROWTH RESTAURANTS</b>										
Bojangles', Inc.	\$15.55	4.0%	\$17.80	\$11.35	31.8%	(16.6%)	21.4x	1.28x	10.1x	2.2x
Chipotle Mexican Grill, Inc.	424.90	1.1%	499.00	247.52	47.0%	12.6%	45.9	2.48	23.7	0.0
El Pollo Loco Holdings, Inc.	10.15	(2.9%)	14.85	9.05	2.5%	(17.5%)	14.7	1.16	7.8	1.4
The Habit Restaurants, Inc.	8.80	(1.7%)	19.65	8.11	(7.9%)	(49.0%)	268.3	0.58	8.2	0.7
Noodles & Company	8.95	23.4%	9.10	3.35	70.5%	118.3%	223.8	0.96	14.1	2.1
Papa Murphy's Holdings, Inc.	5.50	4.0%	6.50	3.50	2.2%	30.3%	17.6	1.56	6.0	2.9
Potbelly Corporation	12.95	4.4%	13.50	10.50	5.3%	0.4%	36.5	0.70	8.8	0.0
Shake Shack Inc.	58.68	4.9%	59.50	30.12	35.8%	64.0%	101.8	4.20	26.4	0.3
Wingstop Inc.	52.15	(2.3%)	55.86	28.28	33.8%	76.2%	61.4	15.91	41.1	5.3
Zoe's Kitchen, Inc.	15.66	1.7%	18.51	10.77	(6.3%)	(34.7%)	NM	1.12	15.5	2.0
Sector Average:					21.5%	18.4%	87.9x	2.99x	16.2x	1.7x

**Notes:**

\* Denotes local currency.

Source: Capital IQ.

Summary multiples adjusted for extraordinary and non-recurring items; outliers excluded from mean calculation.

# Major Indices (1-year & 12-year History)

## S&P 500



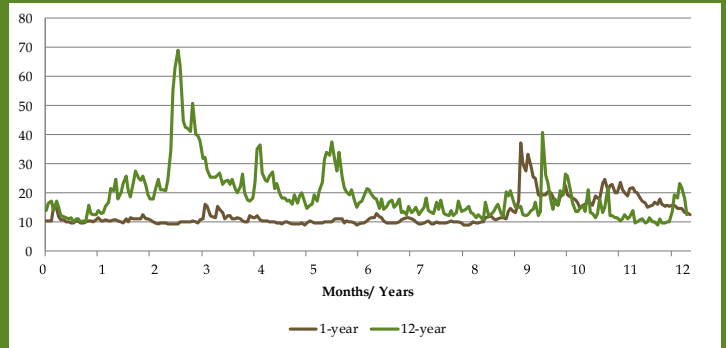
## Dow Jones Industrial Average



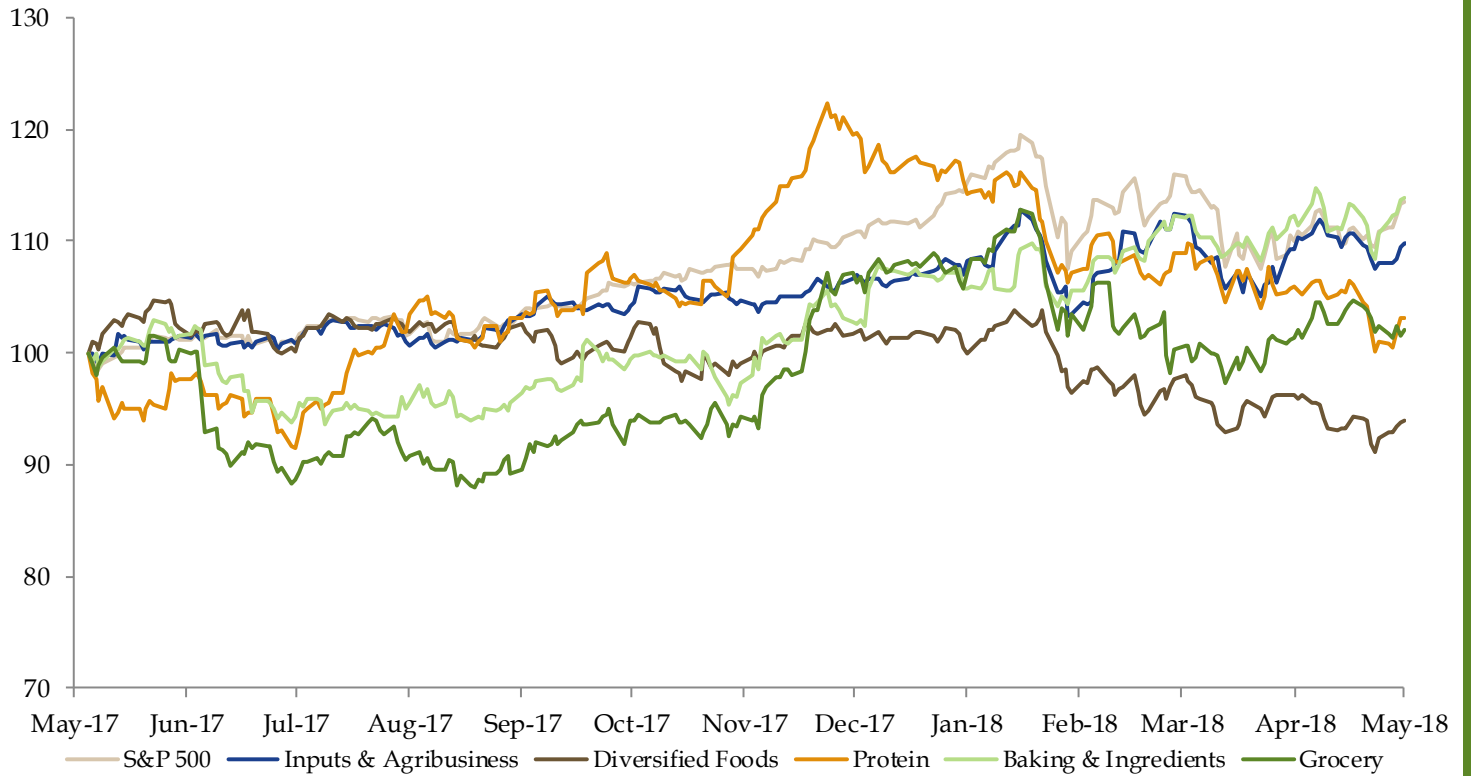
## 10-year Treasury



## CBOE Market Volatility Index - VIX



# Lakeshore Sector Indices vs. S&P 500 (1-year Only)



## Food For Thought...

Partner Column

Written By William W. Whipple

### Fresh Del Monte Recovering From 2017 Headwinds-

Plus acquisition of Mann Packing – grower/packer/shipper of fresh/value-added vegetable products. Mann Packing adds leverage in the fresh-cut vegetable business. Banana sales up 2% to \$445M on 11% higher pricing / 8% lower volumes on tight inventories. Fresh-Cut category, sales increased 28% to \$180M, the result of Mann Packing – volume up 36% / 6% lower pricing. Avocados saw net sales increase 19% increase to \$84M with volume up 35% / pricing 12% down. Company ordered 6 new reefer container vessels due in 2020, increasing its fleet to 17 vessels. The Company has also been buying back stock. Analyst expect stock price to increase 10-20% this year.

“Grilling Season” Has Started For Meat-Lovers! Future market forecasts a big slide with cash prices - expected to decline 15% through the season! Note the April 1 Cattle-on-feed report showed a 7% increase, the 2<sup>nd</sup> highest April 1 inventory report since statistics began in 1996.

1<sup>st</sup> Quarter Beef Exports Up 6% YOY- Volume up 9%, pricing jumped 19%. Exports accounted for 13.6% of total beef production in March, up 1% from a year ago.

1<sup>st</sup> Quarter Pork Increased 4%/- Pork increased 4% on volume increase of 1%, and pricing of 8%. Exports accounted for 27% of total pork production – flat with last year 1<sup>st</sup> quarter. Industry will need minimum 5% more growth in Pork Exports to breakup excess production.

Cull Beef & Dairy Cow Slaughter Up 7%/ Prices Down 3%/- With beef cows up 10% and dairy cow slaughter up 5%. Remember the beef herd is up nearly 3% this year.

New CS Beef Packer Facility In Kuna, ID- The new facility has developed a competitive cattle-buying environment as existing meat packers fight CS for local cows. Cull cow prices are 7% higher as Caviness/Simplot plant fights for local cows. We all knew this fight was coming – no one voluntarily hands over market-share. Question – how long does this last? Lots of big boys involved.

### Australia Drought Is Forcing 4% More Cattle To Slaughter.

Mondelez- (Confectionary, biscuits, beverage, cheese, packaged grocery) worldwide organic sales growth of 2.4% on 1-2% price increase and 1% volume increase. North America sales declining 1-2% with operating margin compression. Company has 18x forward multiple / 14x EBITDA – on 1-2% sales growth? EBITDA margin runs around 20%. Company is all about free cashflow! Growth is a function of acquisitions. Analysts believe a strategic buyer would pay a 20%+ premium. Too late to breakup the company / start over?

Barron’s: Kroger- Supermarket On Sale- Grocery Wars is not just Amazon/WholeFoods and Walmart but Dollar Stores, Warehouse Clubs/Costco, Trader Joes, Walgreens, etc. People still prefer a Supermarket to other formats. Amazon has quietly been scaling back its AmazonFresh grocery-delivery service – damaged produce. Click & Collect favor the Industry leaders – Walmart and Kroger. Are People overly-concerned about Amazon and groceries? In 2016, Kroger traded at a frothy 18x+ forward earnings. Currently Kroger trades at 11.5x – a 30% discount to the S&P 500 index. Remember, Kroger sales of private-label goods runs 26% of sales. Will Kroger be like Best Buy, and experienced 50% growth in 2 years? The Grocery Wars have evolved over a *developing new category* (click & deliver) which loses money for everyone involved – much like Peapod! Let’s hope Kroger might, at least, be able to bury the Amazon/WholeFoods demons?

Goldman Sachs Hits Campbell Soup With A Sell Rating- The price target of \$43 on limited earnings potential and a stretched balance sheet. Shares of Campbell Soup are down over 20% YTD.

Hershey Company- The Hershey Company, NYSE: HSY, is one of those reliable dividend stocks that is suffering from leverage accrued in acquisition of Amplify earlier this year. The acquisition was funded with debt. The good news - the company produces excess free cash flow after the dividend, so it can paydown debt. Stock is down from \$115 high in January to \$92 today. Company pays a 2.8%+ dividend.

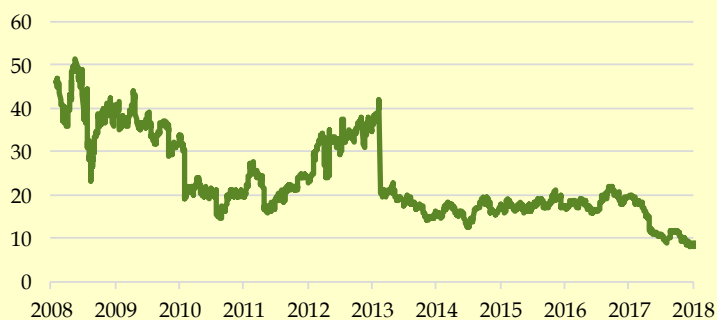
*Have a good week!*

## Food For Thought...

**Freight Costs Hinder B&G First Quarter Earnings.** B&G Foods (NYSE: BGS) first quarter earnings results had an increase in net sales of 4.7%, reaching \$431.7 million from \$412.3 million last year. Product lines Back to Nature and Green Giant led sales improvements as Green Giant frozen products increased by 13% while net sales of Back to Nature contributed \$20 million. Other brands which contributed positively to sales included: Cream of Wheat, rising 11%; Victoria, rising 11%; and Oretega, rising 4%. Rising freight costs took a toll on earnings, and dragged net income down 62%, reaching \$20.5 million. Rising freight costs are occurring throughout the industry, as noted by President and CEO Robert C. Cantwell. He explained, "We know that freight costs have increased for every company that puts anything on a truck, and we are expecting these costs to remain elevated throughout the year. This is how we built our budget for the year. We hope that we are wrong and that these freight costs come down sooner, but we have planned for these costs to be with us for some time, and we have various levers at our disposal to help us deal with these costs." To help offset these rising costs, B&G has increased prices across the majority of its portfolio.

**Dean Foods Has Poor First Quarter Results.** Dean Foods (NYSE: DF) released its first quarter results this past week with poor results overall as the company continues to face decreased earnings. The company had a net loss of \$265,000 for the first quarter compared to 2017's first quarter profit of \$32.8 million. Net sales for the dairy producer declined 0.8% compared to last year's first quarter at \$1.98 billion. In an effort to help improve margins, the company has focused on cost cutting strategies. This quarter, operating costs fell over 5% to \$433.2 million. The dairy industry is currently in a tough spot as consumer preferences demand more plant-based non-dairy products. Overall, sales in the U.S. for non-dairy milk products have increased 61% during the past five years while dairy milk sales have declined about 15% since 2012.

Dean Foods Company (NYSE: DF) 10-Year History



**Tyson Reports Second Quarter Earnings.** Tysons Foods Inc. (NYSE: TSN) announced its second quarter earnings last week as sales surged 8% to \$9.8 billion compared to last year's sales of \$9.1 billion. The increase can be attributed to three of Tyson's four operating units posting solid revenue gains. Yet, Tyson reported net income of \$315 million, a decrease from \$340 million from the same period one year ago. The company reported a 3.7% increase in beef sales from the second quarter of 2017, earning \$3.7 billion. Tyson's chicken sales increased 3.6% to \$3 billion in the period, while prepared foods had the highest sales advance in the quarter, rising 11% to \$2.1 billion. Both Jimmy Dean breakfast line and new Hillshire snack items facilitated growth this past year. Looking forward as the company continues to transition from a chicken processing and manufacturing company to a "modern food company", the company announced increased focus on its prepared foods segment specifically meal kits and the Any'tizers product line.

Tyson's President and CEO Tom Hayes announced in a conference call that continued higher transportation and labor costs caused a "choppy quarter" despite sales gains. These higher costs were attributed as the main decline in net income. Hayes and Tyson's CFO, Stewart Glendenning, stressed the cost factors and their future effect, including an anticipated impact of \$250 million in transportation costs for FY2018. Tyson also announced that as part of its Financial Fitness Plan, it would eliminate approximately 550 jobs across multiple levels in the corporate offices in: Springdale, AR; Chicago, IL; and, Cincinnati, OH. The move is expected to result in a pretax charge of \$253 million in severance and employee-related costs.

**Hain Celestial Misses Analyst Targets Despite Sales Growth.** Hain Celestial (NASDAQ: HAIN) posted sales growth of over 7% as it reported \$632.7 million of revenue compared to last year's \$588.7 million. The company had strong sales outside of the U.S., helping offset Hain Celestial's 3% decline in domestic sales. The company recorded EBITDA for this quarter of \$73.4 million, below analyst estimates of \$92.8 million. Following this decline, operating income in the U.S. fell 44% compared to last year at \$25 million for the quarter. Hain Celestial anticipated a decline this quarter though, as it continues to focus on Project Terra, the SKU rationalization program which intends to increase margins in the long run. While these results cast a shadow on the company's yearly performance, the main issue concerning the company currently is whether it will be a target for a takeover or not. Investor confidence reflected poorly after the earnings results as Hain's stock hit a 52-week low of \$25.80.

## Heard on the Street...

**Mondelez Acquires Tate's Bake Shop.** Mondelez International reached an agreement to acquire Tate's Bake Shop, a manufacturer and marketer of thin and crispy cookies, for approximately \$500 billion. Tate's Bake Shop is currently owned by The Riverside Co. and other shareholders including Tate's founder, Kathleen King. Based in Long Island, N.Y., Tate's has shown significant growth in the past five years as sales improved approximately 400%.

Following the acquisition, Tate's will operate as a standalone business, and will continue to be managed by current leadership from its headquarters in Long Island with its existing operations. Dirk Van de Put, Chairman and CEO of Mondelez, explained: "Tate's is a great strategic fit that will complement our portfolio of beloved snacks brands. With a unique and authentic brand and truly delicious products, this acquisition gives us an attractive entry point into the fast-growing premium cookie segment. Tate's has demonstrated exceptional and very profitable growth, and we look forward to working with Tate's management team to expand distribution and build upon that success."

**Nestlé Agrees To \$7 Billion Licensing Deal With Starbucks.** Nestlé has agreed to pay Starbucks \$7 billion in cash for the rights to sell select brands internationally. Brands include Starbucks Seattle's Best Coffee, Starbucks Reserve, Teavana, Starbucks Via, and Torrefazione Italia. Starbucks will receive revenue through both product sales and royalties. Nestlé CEO Mark Schneider said, "This transaction is a significant step for our coffee business, Nestlé's largest high-growth category." Nestlé's most recent strategy focuses on penetrating the coffee segment.

The deal includes 500 Starbucks' employees joining forces with Nestlé and it is believed to increase Starbucks' annual revenue by an estimated \$2 billion. The deal will help Starbucks focus on improving its mainstay U.S. Café business where there is increased competition from fast food chains and upscale coffee houses. Kevin Johnson, Starbucks' President and CEO, describes the agreement as a brand amplifier. He said, "This global coffee alliance will bring the Starbucks experience to the homes of millions more around the world through the reach and reputation of Nestlé." With these two companies combining forces, Schneider expects to see both a sales boost for Nestlé in North America and an increase in Starbucks' brand awareness in China, which is Nestlé's second largest market. Analysts agree that the alliance fuels Nestlé's position as one of the world's leading coffee companies.

**Cargill And Tyson Reportedly Interested In McDonald's Chicken Nugget Supplier.** Keystone Foods LLC., the U.S. chicken nugget supplier to McDonald's Corp., is reportedly an acquisition target for Tyson Foods Inc., Cargill Inc., and Fosun International Ltd. Marfrig Global Foods SA, Brazil's second-largest beef producer and the owner of Keystone, intends to sell Keystone and raise more than \$3 billion to help finance the \$969 million acquisition of a controlling stake in National Beef Packing Co. The remaining proceeds will be used to help pay down debt. As part of this transaction, the buyer would have control over Keystone's operations in the U.S., South Korea, China, Malaysia, Thailand, and Australia. If Keystone sells for \$3 billion, the company would be valued at about 11 times last year's EBITDA. After speculation of the sale was announced, Marfrig's stock jumped over 9%.

Tyson Foods Inc. (NYSE: TSN) 10-Year History



**Fresh Del Monte Invests In Purple Carrot.** Fresh Del Monte Produce, a global producer, marketer, and distributor of fresh fruits and vegetables, announced its recent \$4 million investment in Purple Carrot. Purple Carrot is a plant-based meal-kit provider based in Needham, Massachusetts. It expects the plant-based eating market to reach \$25 billion by 2020, while the meal-kit market is projected to grow to \$35 billion by 2025. Purple Carrot plans to use the investment to gain access to the retail channel and other opportunities for category expansion. Purple Carrot's CEO, Andy Levitt, said: "Securing this strategic investment from Fresh Del Monte is a huge validation of our business model, and an important step forward for our company." It would also benefit the customers as they will be offered more healthy options. Fresh Del Monte's CEO, Mohammad Abu-Ghazaleh, said: "This investment builds on our commitment to seize growth opportunities that will further diversify our business, leverage our distribution network and infrastructure, and get [healthy], fresh fruit and vegetables offerings in as many channels as possible."



**Changing Consumer Demand Will Continue To Drive Beverage M&A Activity.** Food & Beverage M&A enjoyed a banner year in 2017. A strong component of the surge in deal flow was acquisitions in alcoholic and non-alcoholic beverage sectors, which accounted for 24.1% of total Food & Beverage industry M&A.

A key driver of this uptick in transactions is established food and drink players buying up smaller, innovative drinks businesses, which have the brand resonance and cachet to appeal to younger consumers. While we expect this trend to continue, the large traditional drink businesses need to avoid damaging the integrity of acquired brands to ensure that M&A creates value. As competition for consumer attention and loyalty intensifies, the trend of established beverage producers acquiring innovative and exciting brands to gain new customers, has been strengthening over the past 12 months.

Key deals in 2017 included Unilever, owner of Lipton increasing its presence in the herbal tea market by acquiring Pukka Herbs and Diageo's \$1 billion takeover of George Clooney's Casamigos Tequila brand. In 2018 so far, there has been no let-up in the pace of transactions, with Bacardi buying tequila maker Patron in \$5.1 billion deal and Pernod Ricard acquiring the remaining stake in Avion Tequila.

In previous years this dynamic was not as strong a factor in deal-making. Large drink companies such as Diageo, AB InBev and Pernod Ricard were not under the same pressure from a proliferation of disruptive brands enticing consumers to seek alternative choices. For decades, the large drinks corporations that have dominated the landscape did not feel the need to break the convention of their category or innovate. In recent years, this has been changing as millennial customers seek new brands with more authenticity and a strong brand story.

### Recent U.S. Food & Agribusiness M&A Activity

(\$ in millions)

Date	Target	Acquirer	Enterprise Value	Enterprise Revenue	Enterprise Value / EBITDA	Target Description
5/10/2018	Greenhouse Complex in Salinas Valley California	Player's Network, Inc.	\$5.0	n/a	n/a	Assets of 56,000 Square Foot Fully Operating Greenhouse Complex in Salinas Valley California licensed for cannabis cultivation.
5/8/2018	California Olive Ranch Inc	Crefica, SL; Calliopsis, LLC; Duncanson SL	20.3	n/a	n/a	California Olive Ranch Inc. produces olive oil. It offers its products through its online store, as well as retailers in the United States and Canada.
5/8/2018	G & S Foods, Inc.	MAW Acquisitions LP	n/a	n/a	n/a	G & S Foods, Inc. processes and packages popcorns. The company was founded in 1996 and is based in Abbotstown, Pennsylvania.
5/7/2018	Marketing and Distribution Rights of Various Brands of Starbucks Corporation	Nestlé S.A. (SWX:NESN)	7,150.0	n/a	n/a	Comprises marketing and distribution rights of various brands of food products.
5/6/2018	Tate's Bake Shop, Inc.	Mondelez International, Inc. (NasdaqGS:MDLZ)	500.0	n/a	n/a	Tate's Bake Shop, Inc. produces baking products.
5/3/2018	Rancho Real Vineyard	E. & J. Gallo Winery, Inc.	n/a	n/a	n/a	Rancho Real Vineyard produces wines.
5/2/2018	Apio Cooling LP	Apio, Inc.	8.0	n/a	n/a	Apio Cooling LP engages in retail of fresh-cut specialty packaged vegetable.
5/2/2018	Farmtiva, LLC	Isodiol International Inc. (CNSX:ISOL)	n/a	n/a	n/a	Farmtiva, LLC cultivates hemp and provides farming support and potential distribution channels.
5/1/2018	109 Acres of Agricultural Property in Scio, Oregon	Marijuana Company of America, Inc. (OTCPK:MCOA); Global Hemp Group	0.1	n/a	n/a	Comprises of an agricultural property. The property is located in the United States.
5/1/2018	Rain Forest Nutraceuticals Inc.	GVCL Ventures, Inc. (OTCPK:GVCL)	0.5	n/a	n/a	Rain Forest Nutraceuticals Inc. markets and sells health supplement including grape seed extract products.
5/1/2018	PetEdge, Inc.	Boss Pet Products, Inc.	n/a	n/a	n/a	PetEdge, Inc. distributes pet supplies and grooming products for pet care professionals and independent retailers in the United States, Canada, and internationally.
4/27/2018	Four BI-LO Stores of Southeastern Grocers, LLC	Food Lion, LLC	n/a	n/a	n/a	Four BI-LO Stores of Southeastern Grocers, LLC comprises grocery stores.
4/27/2018	Customers and Storefront in Gettysburg, Pennsylvania of Roaring Spring Water	Nestlé Waters North America Inc.	n/a	n/a	n/a	Comprises bottled water and related beverages store.
4/26/2018	Old Orchard Brands, LLC	Lassonde Industries Inc. (TSX:LAS.A)	146.0	1.41	9.2x	Old Orchard Brands, LLC produces fruit juices. It offers bottled juices, fruit juice concentrates, and frozen juice concentrates.
4/26/2018	Mainwood Pastry LLC	-	n/a	n/a	n/a	Mainwood Pastry LLC owns and operates as a bakery shop.
4/24/2018	La Vida Verde, Inc.	International Cannabrands Inc. (CNSX:JUJ.A)	12.7	n/a	n/a	La Vida Verde, Inc. engages in extraction, manufacturing, and distribution of food products.
4/24/2018	Eight Distribution Centers	-	483.0	n/a	n/a	Eight Distribution Centers comprises grocery distribution centers.
4/24/2018	Assets of Steep & Brew, Inc.	Generations Coffee Company, LLC	2.7	0.39	n/a	Steep & Brew, Inc. is a coffee roasting business.
4/23/2018	Mobile Bottling Business of Elmaro Vineyard	Chankaska Creek Ranch LLC	n/a	n/a	n/a	Mobile Bottling Business of Elmaro Vineyard produces wine.
4/19/2018	Pupco Brands, Inc.	BestnPet, Inc. (OTCPK:BPET)	n/a	n/a	n/a	Pupco Brands, Inc. develops, produces, and distributes natural consumable products for dogs and cats.
4/18/2018	California Gold Bars, Inc.	High Hampton Holdings Corp. (CNSX:HC)	6.1	n/a	n/a	California Gold Bars, Inc. produces cannabis infused chocolate bars.
4/18/2018	FloraCal Farms	CannaRoyalty Corp. (CNSX:CRZ)	12.8	2.00	4.0	FloraCal Farms engages in growing cannabis flowers and products.
4/18/2018	Heitz Wine Cellars Inc.	The Lawrence Group	n/a	n/a	n/a	Heitz Wine Cellars Inc. produces wines in the United States.
4/17/2018	Hearthside Food Solutions LLC	Charlesbank Capital Partners, LLC	n/a	n/a	n/a	Hearthside Food Solutions LLC provides contract manufacturing services for baked goods and bars.
4/17/2018	Green Oil, LLC	Mahoney Environmental, Inc.	n/a	n/a	n/a	Green Oil, LLC, doing business as Green Dining, provides used cooking oil collection, recycling, and rebates services to restaurant and hospitality industry.
4/17/2018	Deli Star Ventures, Inc.	Deli Star Corporation	n/a	n/a	n/a	Deli Star Ventures co-packs sauces, dressings, and salsas.
4/13/2018	Al Dente Pasta Company	ALB-GOLD Teigwaren GmbH	n/a	n/a	n/a	Al Dente Pasta Company manufactures pasta and pasta mixes.

Source: Capital IQ.

# Commodities Overview (1-year & 12-year History)

## Soybeans



## Sugar



## Cattle



## Milk



## Cotton



## Oil



Broiler price based off spot closing price. All other commodity prices are based off the closing price of their respective nearby futures contract.

Sources: Thomson Financial Data Securities, Capital IQ, Reuters, Edgar Online, Wall Street Journal, Barron's, New York Times, Bloomberg, Chicago Tribune, Denver Post, MarketWatch, USDA, The Economist, BusinessWeek, Food Institute, Food Business News, Supermarket News, LPC, Company Press Releases. The information contained in this publication is compiled using publicly available news/media sources and industry-specific sources that Lakeshore Food Advisors, LLC ("LFA") believes to be reliable, but the accuracy and completeness of which LFA cannot guarantee.

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