



# LAKE SHORE

F O O D A D V I S O R S



## Weekly Update

Monday, November 16<sup>th</sup>, 2020

### *Global Stocks Rise Following COVID-19 Vaccine Development*

The S&P 500 closed at a new record high and global stocks posted a second week of gains following news of progress in developing a COVID-19 vaccine. Stocks surged on Monday after Pfizer and BioNTech announced that their vaccine had 90% effectiveness, triggering a wave of hope and optimism that a solution will address the health crisis and speed up the economic recovery.

The **Dow Jones Industrial Average** rose 4.1% on the week, finishing at 29,480.

The **S&P 500** increased 2.2% on the week, finishing at 3,585.

The **NASDAQ Composite** decreased 0.6% on the week, finishing at 11,829.

Yield on the **10-year Treasury** increased six basis points during the week, ending at 0.89%.

**Crude oil** rose 8.8% on the week, ending at \$40.40 per barrel.

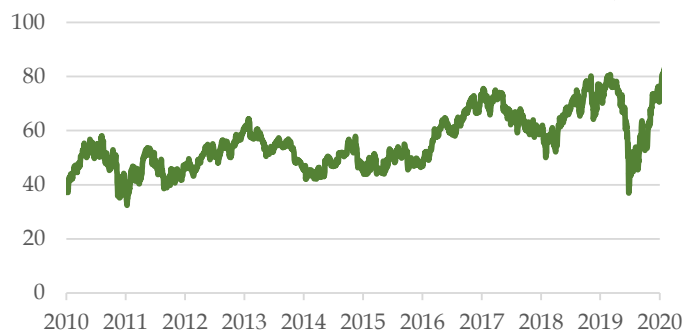
**Corn** increased 3.1% on the week, ending at \$4.20 per bushel.

**NASDAQ Highs:** Core-Mark Holding Company, Inc., Costco Wholesale Corp., Jack in the Box Inc., Monster Beverage Corp., Starbucks Corp., SunOpta Inc. **Lows:** Vital Farms, Inc.

**NYSE Highs:** AGCO Corp., Brinker International, Inc., Darden Restaurants, Inc., Darling Ingredients Inc., Deere & Company, Dollar General Corp., Farmland Partners Inc., FMC Corp., Lindsay Corp., The Scotts Miracle-Gro Co., Shake Shack Inc., The Unilever Group **Lows:** None

### *Featured Stocks of the Week:*

**AGCO Corp. (NYSE: AGCO) 10-Year History**



**Starbucks Corp. (NASDAQ: SBUX) 10-Year History**



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# The Lakeshore Food Chain

Company Name	Price 11/13/20	Price Compared to 11/6/20	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2019	2018		Revenue	EBITDA	
Dow Jones Industrial Average	29,480	4.1%	29,551	18,592	3.3%	26.4%	0.0x			
S&P 500	3,585	2.2%	3,585	2,237	11.0%	43.0%	22.9			
NASDAQ Composite Index	11,829	(0.6%)	12,056	6,861	31.8%	78.3%				
		Sector Average:			15.4%	49.2%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$7.71	16.5%	\$7.74	\$5.05	13.7%	69.8%	NM	18.41x	28.4x	14.5x
Gladstone Land Corporation	14.27	3.0%	16.76	9.61	10.0%	24.3%	NM	15.73	20.4	12.5
Limoneira Company	14.74	5.5%	21.85	10.60	(23.3%)	(24.6%)	85.0	2.42	NM	NM
		Sector Average:			0.1%	23.2%	85.0x	12.19x	24.4x	13.5x
<b>INPUTS</b>										
American Vanguard Corporation	\$14.46	8.3%	\$19.60	\$11.35	(25.7%)	(4.8%)	23.9x	1.32x	11.4x	3.1x
CF Industries Holdings, Inc.	30.89	13.0%	48.88	19.73	(35.3%)	(29.0%)	26.6	3.18	7.7	2.6
Corteva, Inc.	36.01	6.9%	36.90	20.38	21.8%	NA	21.9	1.96	12.2	1.4
FMC Corporation	108.60	(0.1%)	115.91	56.77	8.8%	46.8%	15.2	3.67	13.0	2.6
Intrepid Potash, Inc.	9.46	8.0%	27.40	6.00	(65.1%)	(63.6%)	NM	1.15	6.1	2.0
The Mosaic Company	18.02	6.7%	22.19	6.50	(16.7%)	(38.3%)	17.2	1.33	8.1	3.4
* Nutrien Ltd.	55.11	6.2%	65.84	34.80	(11.4%)	(14.1%)	21.2	1.85	10.2	3.7
S&W Seed Company	2.27	(2.2%)	3.98	1.67	8.1%	25.4%	NM	1.47	NM	NM
The Scotts Miracle-Gro Company	166.40	(5.7%)	179.97	76.50	56.7%	170.7%	20.2	2.61	15.5	2.2
Zoetis Inc.	165.78	(2.1%)	176.64	90.14	25.3%	93.8%	41.5	12.69	29.1	2.8
		Sector Average:			(3.4%)	20.8%	23.5x	3.12x	12.6x	2.6x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$28.31	5.1%	\$48.07	\$15.00	(39.0%)	(39.5%)	14.8x	1.38x	20.7x	12.9x
AGCO Corporation	92.33	1.8%	99.74	35.33	19.5%	65.9%	16.5	0.92	9.2	2.1
Art's-Way Manufacturing Co., Inc.	2.35	5.9%	4.37	1.75	32.8%	17.5%	0.0	0.67	NM	NM
* Buhler Industries Inc.	2.25	0.0%	3.95	2.25	(23.2%)	(41.7%)	0.0	0.35	NM	NM
CNH Industrial N.V.	10.09	8.4%	11.31	5.06	(8.3%)	9.6%	19.9	1.29	21.2	16.7
Deere & Company	251.79	1.7%	265.87	106.14	45.3%	68.8%	26.4	3.35	19.6	8.0
Lindsay Corporation	115.91	3.0%	122.98	71.86	20.8%	20.4%	36.3	2.66	15.8	1.8
Titan Machinery Inc.	16.59	7.2%	18.13	6.96	12.2%	26.2%	20.8	0.63	10.2	6.2
		Sector Average:			7.5%	15.9%	22.5x	1.40x	16.1x	7.9x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$22.08	21.5%	\$25.93	\$10.00	(12.7%)	(26.1%)	15.2x	0.27x	8.3x	4.6x
Archer-Daniels-Midland Company	49.86	3.3%	52.05	28.92	7.6%	21.7%	14.0	0.58	10.1	3.1
Bunge Limited	59.17	2.9%	60.50	29.00	2.8%	10.7%	11.2	0.41	4.1	1.9
Darling Ingredients Inc.	47.40	6.9%	49.64	10.25	68.8%	146.4%	26.1	2.73	8.8	3.0
* Gruma, S.A.B. de C.V.	222.21	(2.5%)	290.27	150.81	14.5%	(0.2%)	14.0	1.27	7.7	2.2
Ingredion Incorporated	73.41	6.0%	99.51	59.11	(21.0%)	(19.7%)	11.6	1.15	7.4	2.5
Landec Corporation	9.85	4.3%	12.09	7.48	(12.9%)	(16.8%)	74.6	0.84	29.1	12.1
MGP Ingredients, Inc.	41.28	6.7%	53.33	21.64	(14.8%)	(27.6%)	16.4	1.90	10.5	0.8
* Olam International Limited	1.37	3.8%	1.98	1.24	(24.3%)	(17.0%)	8.4	0.40	8.3	10.1
		Sector Average:			0.9%	7.9%	21.3x	1.06x	10.5x	4.5x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$27.41	(4.4%)	\$31.93	\$10.39	52.9%	(5.2%)	12.7x	1.84x	9.6x	5.0x
Campbell Soup Company	49.19	2.5%	57.54	40.70	(0.5%)	49.1%	16.8	2.35	10.8	3.4
Conagra Brands, Inc.	36.03	(0.1%)	39.34	22.83	5.2%	68.7%	14.9	2.39	10.9	4.1
General Mills, Inc.	60.97	(0.2%)	66.14	46.59	13.8%	56.6%	17.1	2.78	12.5	3.5
The Hain Celestial Group, Inc.	36.47	11.9%	36.90	18.12	40.5%	129.9%	28.6	1.95	17.6	1.7
The J. M. Smucker Company	119.09	2.1%	125.62	91.88	14.4%	27.4%	14.7	2.34	9.6	2.8
Kellogg Company	65.76	2.2%	72.88	52.66	(4.9%)	15.3%	16.7	2.27	12.6	3.8
The Kraft Heinz Company	31.61	0.2%	36.37	19.99	(1.6%)	(26.6%)	12.3	2.50	9.7	4.3
Lancaster Colony Corporation	174.92	3.7%	184.97	114.55	9.3%	(1.1%)	33.3	3.45	21.2	0.1
Mondelez International, Inc.	58.06	4.0%	59.96	41.19	5.4%	45.0%	21.4	3.86	15.6	3.4
* Nestlé S.A.	106.06	(0.4%)	112.62	83.37	1.2%	32.9%	23.9	3.72	16.7	2.1
* Nomad Foods Limited	23.41	(4.4%)	26.41	14.08	4.6%	40.0%	14.0	2.07	11.7	4.3
Post Holdings, Inc.	102.64	11.9%	112.38	68.97	(5.9%)	15.2%	26.9	2.33	12.5	6.8
The Simply Good Foods Company	23.89	17.8%	28.95	14.08	(16.3%)	26.4%	24.7	3.45	18.5	4.1
SunOpta Inc.	11.61	23.0%	11.72	1.82	259.4%	119.9%	63.0	1.11	14.9	5.4
TreeHouse Foods, Inc.	38.99	7.4%	53.98	33.50	(19.6%)	(23.1%)	13.5	1.00	7.8	4.5
The Unilever Group	52.58	1.9%	55.39	38.42	2.6%	10.9%	20.8	3.16	13.8	2.5
		Sector Average:			21.2%	34.2%	22.1x	2.51x	13.3x	3.6x

Company Name	Price 11/13/20	Price Compared to 11/6/20	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2019	2018		Revenue	EBITDA	
<b>ETHANOL</b>										
Green Plains Inc.	\$16.17	13.2%	\$17.76	\$3.77	4.8%	23.3%	NM	0.52x	27.7x	33.3x
Pacific Ethanol, Inc.	5.73	(15.0%)	11.44	0.22	781.5%	565.5%	3.8x	0.50	11.1x	3.8x
Renewable Energy Group, Inc.	60.31	12.4%	65.65	16.05	123.8%	134.7%	14.5	0.80	2.9	0.1
Sector Average:					303.4%	241.2%	9.2x	0.6x	13.9x	12.4x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$71.56	3.7%	\$94.92	\$48.31	(21.0%)	(1.9%)	25.5x	1.22x	24.0x	1.5x
Fresh Del Monte Produce Inc.	23.13	9.0%	37.47	20.25	(33.9%)	(18.2%)	13.8	0.44	6.6	2.5
Lamb Weston Holdings, Inc.	71.93	8.3%	96.32	39.06	(16.4%)	(2.2%)	28.4	3.42	14.8	3.8
Mission Produce, Inc.	13.29	(2.9%)	15.03	11.75	NA	NA	18.2	1.21	10.8	2.0
Seneca Foods Corporation	39.87	2.2%	48.05	25.04	(2.3%)	41.3%	0.0	0.43	3.6	1.5
* Total Produce plc	1.23	5.1%	1.51	0.79	(14.0%)	(13.1%)	9.1	0.24	7.4	4.8
Sector Average:					(17.5%)	1.2%	15.9x	1.2x	11.2x	2.7x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$124.74	(20.5%)	\$197.50	\$48.18	65.0%	NA	NM	19.0	NM	NM
Cal-Maine Foods, Inc.	40.20	2.5%	46.66	30.74	(6.0%)	(5.0%)	38.1	1.26	16.9	0.0
Hormel Foods Corporation	52.15	4.5%	52.97	39.01	15.6%	22.2%	29.6	2.86	15.6	0.8
Industrias Bachoco, S.A.B. de C.V.	39.26	1.8%	53.21	28.04	(24.5%)	(0.8%)	11.9	0.44	6.4	0.7
* JBS S.A.	21.18	5.3%	30.68	13.65	(17.9%)	82.7%	6.5	0.52	4.9	3.4
Nathan's Famous, Inc.	60.19	17.7%	79.00	39.01	(15.1%)	(9.4%)	0.0	3.90	10.4	5.1
Pilgrim's Pride Corporation	18.45	8.5%	33.67	14.06	(43.6%)	19.0%	10.0	0.55	8.5	3.7
Sanderson Farms, Inc.	132.09	2.8%	179.45	102.13	(25.0%)	33.0%	45.4	0.85	5.7	0.3
Seaboard Corporation	3,253.14	(2.2%)	4,387.96	2,614.00	(23.5%)	(8.1%)	0.0	0.57	7.9	2.9
Tyson Foods, Inc.	62.35	8.8%	94.24	42.57	(31.5%)	16.8%	11.7	0.80	6.8	2.5
Vital Farms, Inc.	29.87	(18.3%)	43.30	28.13	NA	NA	NM	5.32	87.9	0.7
Sector Average:					(10.6%)	16.7%	17.0x	3.28x	17.1x	2.0x
<b>BAKING &amp; INGREDIENTS</b>										
* ARYZTA AG	\$0.60	15.6%	\$1.21	\$0.28	(44.9%)	(45.2%)	NM	0.52x	7.7x	7.7x
Balchem Corporation	106.21	5.2%	113.93	78.30	4.5%	35.6%	30.6	5.17	22.1	1.3
Flowers Foods, Inc.	22.29	(5.5%)	25.18	17.42	2.5%	20.7%	18.8	1.35	10.1	2.4
* Grupo Bimbo, S.A.B. de C.V.	43.49	4.1%	45.48	26.00	26.3%	11.1%	19.1	0.98	6.7	2.7
J & J Snack Foods Corp.	161.29	15.7%	189.83	105.67	(12.5%)	11.5%	57.1	2.77	30.2	0.7
* Kerry Group plc	117.70	9.8%	126.50	88.50	5.9%	36.1%	31.9	3.24	22.9	2.9
McCormick & Company, Incorporated	184.62	(2.1%)	211.07	112.23	8.8%	32.6%	32.5	5.20	22.5	3.5
* Tate & Lyle plc	6.72	4.1%	8.11	4.94	(11.6%)	1.8%	12.1	1.24	6.7	1.7
Sector Average:					(2.6%)	13.0%	28.9x	2.56x	16.1x	2.9x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$18.30	0.7%	\$31.87	\$14.06	(26.2%)	(7.9%)	0.0x	0.97x	19.2x	3.2x
The Hershey Company	154.00	3.1%	161.83	109.88	4.8%	43.7%	23.7	4.48	17.2	2.5
John B. Sanfilippo & Son, Inc.	76.59	3.3%	103.87	66.35	(16.1%)	37.6%	17.1	1.08	10.0	0.7
Laird Superfood, Inc.	39.13	(18.5%)	60.80	31.00	NA	NA	NM	18.63	NM	NM
Rocky Mountain Chocolate Factory, Inc.	3.27	23.4%	9.40	2.55	(64.6%)	(61.6%)	0.0	0.88	NM	NM
Tootsie Roll Industries, Inc.	31.90	4.6%	38.92	28.99	(3.8%)	1.3%	0.0	3.72	19.0	0.1
Utz Brands, Inc.	18.61	7.7%	19.35	9.84	81.0%	92.8%	39.8	NA	NA	NA
Sector Average:					(4.1%)	17.7%	13.4x	4.96x	16.4x	1.6x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$41.47	1.5%	\$44.80	\$23.82	33.5%	20.4%	22.8x	0.94x	8.4x	2.8x
Freshpet, Inc.	129.10	(4.6%)	139.71	40.79	118.5%	301.4%	276.3	17.20	175.7	0.3
Sector Average:					76.0%	160.9%	149.6x	9.07x	92.0x	1.5x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$937.53	(11.7%)	\$1,092.80	\$290.02	148.1%	289.3%	41.2x	7.16x	36.5x	0.2x
Brown-Forman Corporation	79.58	5.7%	83.40	44.68	17.7%	67.3%	46.7	11.55	32.4	2.3
The Coca-Cola Company	53.45	8.1%	60.13	36.27	(3.4%)	12.9%	25.9	7.86	21.3	4.7
Constellation Brands, Inc.	202.01	8.7%	208.55	104.28	6.5%	25.6%	20.9	6.23	25.5	3.8
Crimson Wine Group, Ltd.	5.21	6.3%	7.94	4.55	(29.6%)	(33.4%)	0.0	1.73	259.3	58.2
* Diageo plc	29.04	9.9%	32.97	20.51	(9.3%)	3.9%	26.3	7.09	19.9	4.4
Monster Beverage Corporation	84.02	0.9%	88.41	50.06	32.2%	70.7%	32.9	9.66	26.4	0.0
Jones Soda Co.	0.15	(9.5%)	0.43	0.15	(47.6%)	(35.4%)	0.0	0.64	NM	NM
National Beverage Corp.	91.12	11.7%	93.41	35.71	78.6%	27.0%	25.9	3.82	17.9	0.2
PepsiCo, Inc.	144.71	4.6%	147.20	101.42	5.9%	31.0%	24.5	3.43	18.7	3.5
Starbucks Corporation	95.56	5.4%	97.65	50.02	8.7%	48.4%	34.1	5.65	16.3	3.2
Willamette Valley Vineyards, Inc.	6.31	3.1%	7.10	4.50	(8.9%)	(8.4%)	0.0	1.99	7.5	1.8
Sector Average:					16.6%	41.6%	23.2x	5.57x	43.8x	7.5x

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<b>DAIRY</b>										
* Danone S.A.	54.38	9.5%	75.42	46.03	(26.4%)	(11.6%)	15.8	1.93	9.6	3.6
Lifeway Foods, Inc.	5.04	3.9%	8.89	1.43	153.3%	168.1%	0.0	0.80	18.3	0.8
* Saputo Inc.	34.36	5.4%	41.95	29.31	(14.5%)	(12.3%)	18.0	1.21	12.5	3.1
Sector Average:					37.4%	48.1%	11.3x	1.32x	13.4x	2.5x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$19.45	38.4%	\$40.33	\$3.55	(49.0%)	(39.2%)	NM	0.84x	68.8x	34.6x
Core-Mark Holding Company, Inc.	34.67	11.4%	34.80	20.94	27.5%	49.1%	19.3	0.16	9.5	2.9
Performance Food Group Company	43.74	15.3%	54.49	7.41	(15.0%)	35.5%	30.2	0.34	12.0	4.6
SpartanNash Company	18.90	2.7%	23.94	9.00	32.7%	10.0%	9.2	0.16	5.5	3.2
Sysco Corporation	71.54	17.5%	85.98	26.00	(16.4%)	14.2%	31.5	0.91	20.2	6.5
United Natural Foods, Inc.	16.75	4.9%	23.38	5.00	91.2%	58.2%	5.0	0.18	4.5	3.6
US Foods Holding Corp.	30.06	28.9%	42.28	8.32	(28.2%)	(5.0%)	22.7	0.52	15.6	7.9
Sector Average:					6.1%	17.5%	19.7x	0.44x	19.4x	9.0x
<b>MASS MERCHANDISE &amp; CLUB STORES</b>										
BJ's Wholesale Club	\$40.39	(6.7%)	\$47.46	\$18.84	77.6%	82.3%	17.0x	0.61x	8.8x	3.4x
Costco Wholesale Corporation	378.84	(1.8%)	389.50	271.28	28.9%	86.0%	38.9	0.99	20.7	1.4
Walmart Inc.	150.54	3.3%	151.33	102.00	26.7%	61.6%	27.8	0.90	12.1	1.8
Sector Average:					44.4%	76.6%	27.9x	0.83x	13.9x	2.2x
<b>DOLLAR STORES</b>										
Dollar General Corporation	\$213.90	(3.4%)	\$225.25	\$125.00	37.1%	97.9%	23.0x	2.03x	12.2x	2.5x
Dollar Tree, Inc.	94.95	(0.6%)	113.35	60.20	1.0%	5.1%	17.3	1.26	6.9	2.3
Sector Average:					19.0%	51.5%	20.2x	1.65x	9.6x	2.4x
<b>TRADITIONAL RETAIL</b>										
Albertsons	\$15.15	(2.2%)	\$16.50	\$12.91	NA	NA	8.4x	0.31x	4.1x	2.9x
* Ahold Delhaize	23.19	(2.6%)	26.86	18.04	4.0%	5.1%	10.4	0.49	6.2	3.2
Ingles Markets, Incorporated	37.72	3.8%	49.14	32.21	(20.6%)	38.6%	0.0	0.33	4.2	2.5
The Kroger Co.	32.14	(3.1%)	37.22	26.25	10.9%	16.9%	11.6	0.33	5.9	2.9
Village Super Market, Inc.	23.54	2.0%	28.71	16.48	1.5%	(12.0%)	0.0	0.36	6.6	4.3
Weis Markets, Inc.	47.31	2.4%	59.39	32.44	16.8%	(1.0%)	0.0	0.32	4.1	0.7
Sector Average:					2.5%	9.5%	5.1x	0.36x	5.2x	2.7x
<b>SPECIALTY RETAIL</b>										
Natural Grocers by Vitamin Cottage, Inc.	\$11.58	3.2%	\$17.39	\$5.41	17.3%	(24.5%)	14.2x	0.63x	5.9x	3.7x
Sprouts Farmers Market, Inc.	20.41	0.5%	28.00	13.00	5.5%	(13.2%)	11.1	0.61	5.3	2.1
Sector Average:					11.4%	(18.8%)	12.7x	0.62x	5.6x	2.9x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$47.30	4.0%	\$52.95	\$7.00	12.6%	7.5%	14.5x	1.46x	9.0x	4.8x
The Cheesecake Factory Incorporated	35.11	13.0%	44.66	14.52	(9.7%)	(19.3%)	29.4	1.56	12.0	7.8
Darden Restaurants, Inc.	107.59	5.4%	125.96	26.15	(1.3%)	7.7%	21.9	2.65	20.5	6.2
Dine Brands Global, Inc.	59.75	8.4%	104.47	14.16	(28.5%)	(11.3%)	12.3	3.78	15.7	11.8
Jack in the Box Inc.	83.71	(0.7%)	91.52	16.81	7.3%	7.8%	17.1	4.12	9.7	5.6
McDonald's Corporation	213.28	(1.5%)	231.91	124.23	7.9%	20.1%	26.6	10.85	19.3	4.8
The Wendy's Company	22.68	2.0%	24.91	6.82	2.1%	45.3%	32.3	6.22	21.7	9.6
Yum! Brands, Inc.	102.87	3.5%	107.62	54.95	2.1%	11.9%	27.1	7.35	21.6	5.9
Sector Average:					(0.9%)	8.7%	22.7x	4.75x	16.2x	7.1x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$1,251.43	(5.6%)	\$1,384.46	\$415.00	49.5%	189.8%	64.5x	6.38x	40.9x	3.4x
El Pollo Loco Holdings, Inc.	15.65	4.5%	19.90	6.15	3.4%	3.2%	18.1	1.96	10.1	3.5
Noodles & Company	7.02	5.7%	9.31	3.14	26.7%	0.4%	29.0	1.48	11.4	5.6
Potbelly Corporation	3.59	3.5%	6.00	1.50	(14.9%)	(55.4%)	NM	1.00	9.0	7.2
Shake Shack Inc.	79.06	11.1%	86.99	30.01	32.7%	74.1%	NM	6.30	40.4	4.7
Wingstop Inc.	129.98	(1.7%)	170.00	44.27	50.7%	102.5%	103.3	17.35	60.7	4.9
Sector Average:					24.7%	52.4%	53.7x	5.75x	28.7x	4.9x

Notes:

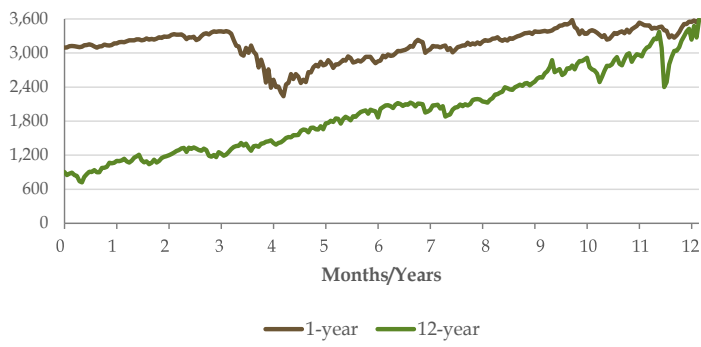
\* Denotes local currency.

Source: Capital IQ.

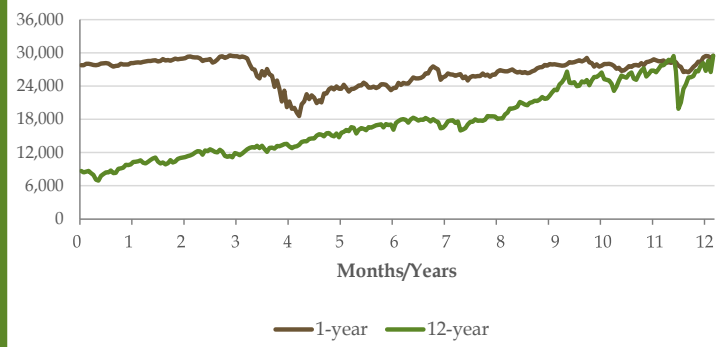
Summary multiples adjusted for extraordinary and non-recurring items; outliers excluded from mean calculation.

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

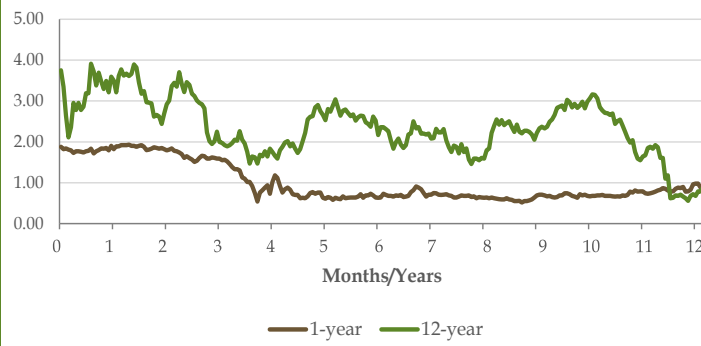
### S&P 500



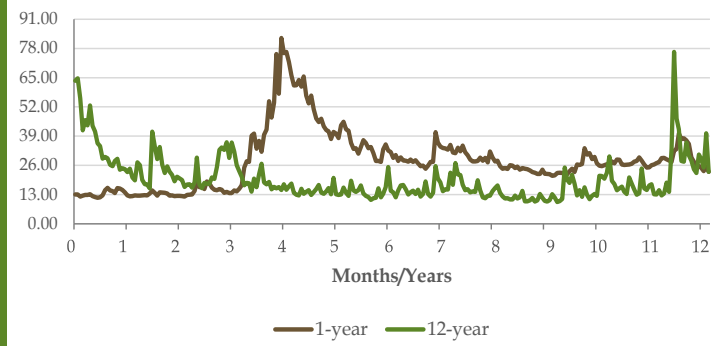
### Dow Jones Industrial Average



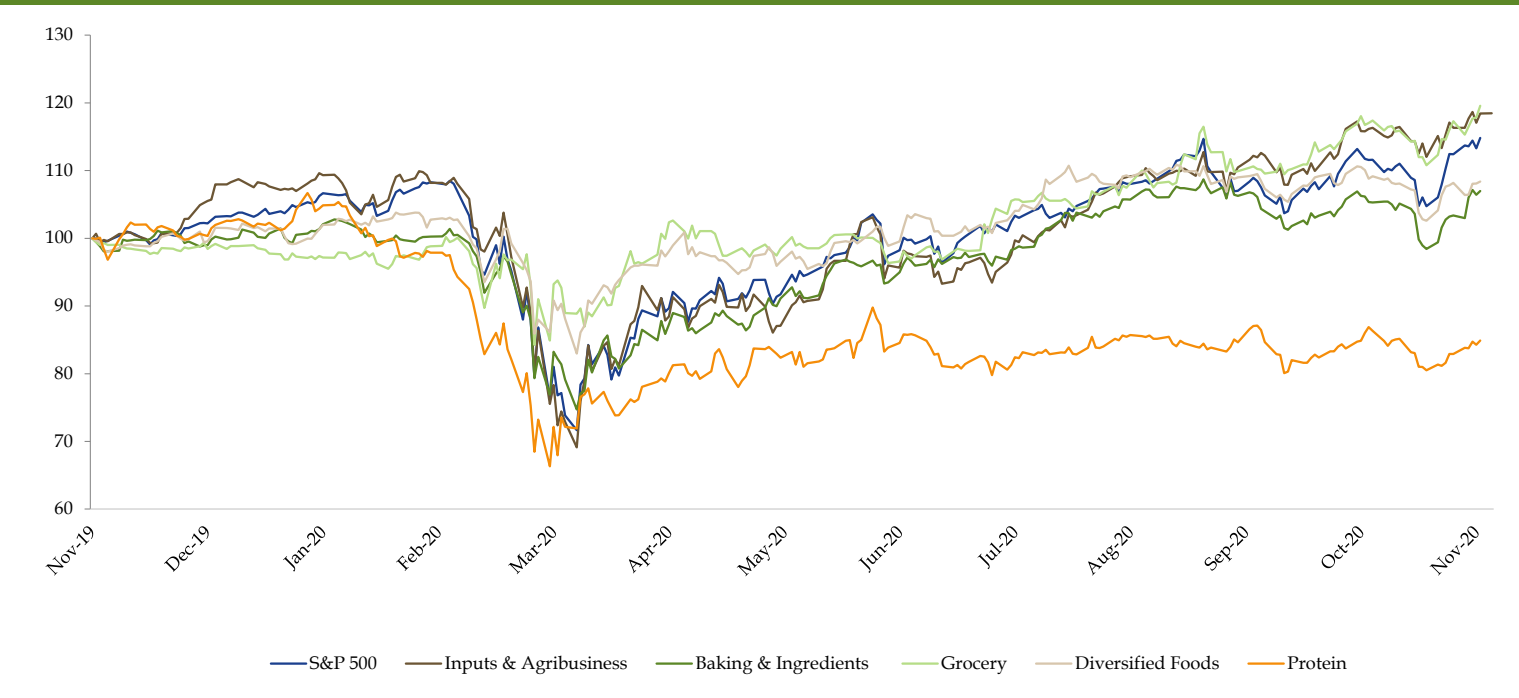
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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

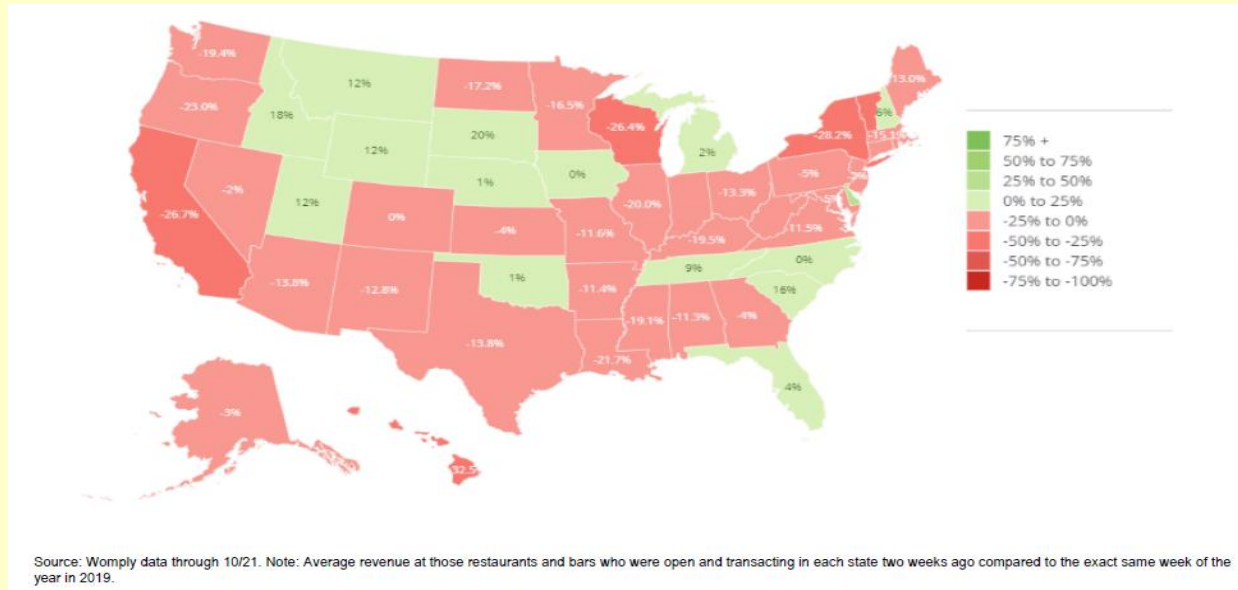


# Food For Thought...

Partner Column  
Written By Mary Burke

The current wave of increased COVID-19 infections is affecting many different segments of the food chain. Amongst those most effected are food service distributors and restaurants. As seen in the map below, restaurants in the more populous areas are continuing to see a decrease in revenue.

**State-by-State Weekly Average Revenue Y/Y at Open Restaurants**



An analyst report published by JP Morgan earlier this month pointed out differences and similarities in the business models between US Foods and Sysco.

**Customer Mix (SYY vs. USFD)**

SYY Customer Mix		USFD Customer Mix	
Restaurants	62%	National Chains, Education, Govt. & Other	~33%
Healthcare	9%	Independents & Regional Concepts	~33%
Education, government	8%	Healthcare	~17%
Travel/leisure	7%	Hospitality	~17%
Other (cafeterias, caterers etc.)	14%		
<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>

Source: Company filings.

Sysco’s diversified business model is helping them and results in a projected valuation of 13x P2022 EBITDA versus 9.6x P2022 EBITDA for US Foods. This does not help though for right now as the current wave is closing restaurants with takeout business increasing again which is not at the same margin.

This week the European Union imposed \$4 billion in tariffs on US goods in response to the WTO conclusion that aerospace company Boeing has benefitted unfairly from state support. This provided the EU with a green light to impose tariffs on the US. The list of products to which the tariffs will apply is lengthy and includes sweet potatoes and fresh grapefruit as well as fruit juices and nuts. For many products that were using export to obtain a higher price, this will be devastating. With food service consumption down, demand for many products is down pushing price down ---this avenue has evaporated.

*Have a good week and stay safe!*



**McDonald's Reports Q3 Earnings.** Last Monday, McDonald's reported strong Q3 earnings, surpassing expectations with earnings per share of \$2.22 and total revenue of \$5.4 billion. Their Q3 net income per share was \$2.35, up from \$2.11 in Q3 2019. Global same store sales fell 2.2%, as international markets experienced slower recoveries from COVID-19. Same store sales in the U.S. were up 4.6% behind a strong September which included promotions involving rapper Travis Scott and a limited-time launch of spicy McNuggets. The company announced that they will up their quarterly cash dividend to \$1.29 per share, a 3% increase.

The company reaffirmed that it expects to spend \$1.6 billion on capital expenditures this year, with \$850.0 million going towards its U.S. business. Furthermore, the company plans on opening about 950 new restaurant locations. Over 400 of these new locations will be in China, with an additional 270 locations to be built in the U.S., France, and the United Kingdom.

McDonald's also announced the creation of McPlant, a line of meat alternative products which could ultimately include beef, chicken, and sausage substitutes.

**Beyond Meat Fails To Meet Q3 Expectations.** Last Monday, Beyond Meat, a leading meat-substitute producer, announced Q3 earnings. The company posted a loss of \$19.3 million, or \$0.31 per share. Revenue improved by 3% YoY, from \$92.1 million in Q3 2019 to \$94.4 million in 2020. Shares plummeted over 25% on the day in response to the announcement of the company's earnings.

Chief Executive Ethan Brown explained the quarter by saying "our financial results reflect a quarter where for the first time since the pandemic began, we experienced the full brunt and unpredictability of COVID-19 on our net revenues and accordingly, throughout our P&L." Brown continued, "unlike the second quarter where record retail buying and freezer loading by consumers offset the deterioration of our food-service business as COVID-19 stay-at-home and related measures set in, the long tail of retail stockpiling by consumers, coupled with continued challenges across the majority of our food-service customers, led to Q3 results that were lower than we expected."

This earnings news comes on the heels of several major announcements by the faux-meat producer, including a partnership with plant-based Jamaican products to be sold at Golden Krust and the nationwide launch of Beyond Breakfast Links in grocery stores. In addition, the company increased its grocery distribution of Beyond Breakfast Sausage Patties to major retailers Walmart Inc. and Publix.

**USDA Data Shows Smaller Corn Crops, Tighter Ending Stocks.** Last Tuesday, the USDA released its November supply/demand report, which revealed that the U.S. corn and soybeans stocks are tightening. The report had corn ending stocks for 2020/21 at 1.702 billion bushels, down significantly from their October estimate of 2.167 billion bushels. On yield, the USDA sees the U.S. raising a corn crop at an average yield of 175.8 bushels per acre vs. the trade's expectation of 177.7 bushels per acre. For soybeans, the USDA sees this year's crop totaling 4.17 billion bushels vs. the avg. trade estimate of 4.25 billion. Regarding yield, the USDA sees the U.S. farmers averaging 50.7 bu./acre vs. the trade's estimate of 51.6 bu./acre.

**Hain Celestial Reports Q1 2021 Sales Growth.** Hain Celestial reported strong Q1 earnings. The global organic and natural products company has benefitted from increasing focus on its top brands and reductions of unprofitable SKUs. Q1 represents the third consecutive quarter of growth in net sales, gross margin, and adjusted gross margin for the company. President and CEO Mark Schiller was pleased with the quarter, saying "I am very proud of the strong results the team has delivered in the quarter and the growth momentum of our business. Our transformation plan is clearly working, and we continue to believe there is significant upside, both in North America and our international businesses."

The company's strategy shift outlined above has benefitted from its timing, as well as shifting consumer trends. Schiller reaffirmed this, saying "remember that our transformation started well before the pandemic when we made the decision to eliminate money-losing SKUs and poor ROI investment, even if it meant giving up topline growth," Schiller said. "Importantly, those decisions and actions are behind us, and we now have a strong foundation to grow from."

The company's most profitable brands, its "Get Bigger" brands, have seen significant growth during COVID-19, with household penetration up 11% and repeat sales rate up 17% during the pandemic. In this quarter alone, household penetration was up 15% and the repeat sales rate was up 20%.

**Pacific Ethanol Reports Q3 Earnings.** Pacific Ethanol released earnings for its fiscal period ending September 30. The specialty alcohols and essential ingredients producer reported net income of \$14.9 million and adjusted EBITDA of \$34.1 million. Total debt was reduced by \$29.3 million during the quarter. CEO Mike Kandris said "we have realigned our business around specialty alcohols and essential ingredients, focusing on the stable growth markets of Health, Home & Beauty, Food and Beverage and Essential Ingredients."

## Heard on the Street...

**Nomad Foods to Buy Findus Switzerland From Froneri.** Last week, UK-headquartered Nomad Foods agreed to acquire Findus Switzerland from ice cream company, Froneri. Nomad has agreed to pay \$130.6 million as it further consolidates the Findus brand – Nomad already owns the brand in France, Italy, Spain, Sweden, Norway, Finland, and Denmark. The Findus brand accompanies many other frozen-food brands in the Nomad portfolio including Birds Eye, Aunt Bessie’s, and Goodfellas and joins a vast frozen-food product line including categories such as fish, vegetables, and ready meals.

Noman Chief Executive Officer, Stefan Descheemaeker said, “We are thrilled to announce the acquisition of Findus Switzerland, a brand and market which closely complement our existing portfolio. By unifying the Findus brand under Nomad Foods’ ownership and extending our geographic reach into Switzerland, we believe we have multiple levers for long term value creation.”

The deal is expected to close early next year and Nomad believes it will be “immediately accretive.”

**TreeHouse to Acquire Majority Stake in Ebro Riviana.** Last week, TreeHouse Foods agreed to acquire a majority stake in of the U.S. branded pasta portfolio of Riviana Foods, a subsidiary of Ebro. The deal is for a reported \$242.5 million in cash. The transaction will include well-known regional brands such as Prince, Creamette, Skinner, No Yolks, San Giorgio, and American Beauty among others. These three brands generated a reported \$200 million in revenue for Riviana through the twelve-month period ending June 30, 2020. TreeHouse will also acquire the St. Louis manufacturing facility which employs roughly 90 people. The acquisition will not include the Ronzoni brand or its Virginia and California manufacturing facilities.

"The acquisition of Ebro's well-known regional pasta brands further strengthens our portfolio and expands our scale to better serve our national and regional customers," said Steve Oakland, CEO and President of TreeHouse Foods. "Our existing private label and regional brand pasta business will be a natural complement to the acquired brands and will enable us to further optimize our production network, improve capacity utilization and deliver greater profitability and free cash flow. The work we have done over the past several years to strengthen our operating platform and realign our businesses into two distinct segments has positioned us well to execute this transaction and integrate the pasta business."

TreeHouse expects the transaction will be accretive by \$0.20 to \$0.30 per share in the first full year after closing. TreeHouse expects its leverage ratio to remain in the 3.0x to 3.5x range.

**Tyson Foods Ramping Up Operations Overseas.** Tyson Foods, Inc. announced last week plans to invest in new processing facilities and expand existing plants in Thailand, China, and The Netherlands to capitalize on growing global demand for its products.

“We have been aggressively building our overseas presence servicing foodservice and expanding into retail with innovative products,” said Chris Langholz, President of Tyson Foods International.

Expansion at facilities in The Netherlands and other European locations are expected to create more than 150 jobs, while a new plant in China will employ an estimated 700 people. The company’s new joint venture with GFPT Public Co. Ltd. will include construction of a new plant in Thailand that will create more than 1,000 jobs.

“Global population and income growth will continue to drive an increased need for protein,” said Dean Banks, president, and chief executive officer of Tyson. “These investments allow us to increase our in-country operations and global export capabilities, helping us bring more safe, high-quality protein for consumers in these countries as well as for customers in other parts of the world.”

**Walmart to Sell Argentinian Operations.** Walmart Inc, the world’s largest retailer, said it was selling its retail operations in Argentina to South American supermarket chain owner Grupo de Narvez, pulling back as the country grapples with an economic crisis. The U.S. company did not disclose the size of the deal for the retail operations, which involves over 90 stores, but said it would record about a \$1.0 billion after-tax, non-cash loss related to the divestiture in its fiscal third quarter next year.

This comes after Walmart sold most of its Brazilian unit in 2018. The company will maintain its major operations in Chile and Mexico. The exit from its business in Argentina, where it began operating in 1995 and currently has some 9,000 employees in 92 stores, would include its popular Changomas and Punto Mayorista chains.

The divestiture was largely driven by Argentina’s poor economic conditions. The country is headed for an economic decline of nearly 12%, exacerbated by the COVID-19 pandemic, and has imposed capital controls to combat inflation.

Following the acquisition, family-owned Grupo de Narvez will own 656 stores, including supermarkets, and apparel and home appliance outlets in nine countries, including Ecuador and Uruguay, and employ more than 24,500 workers.



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

(\$ in millions)

Date	Target	Acquirer	Enterprise Value	Revenue	EBITDA	Target Description
11/12/2020	Truco Enterprises, LP	Heron Holding Corporation	\$ 480.00	-	-	- Truco Enterprises, LP provides Southwestern Mexican Style snacks and drink
11/10/2020	Swerve, LLC	Whole Earth Brands, Inc. (NasdaqCM:FREE)	\$ 80.00	-	-	- Swerve, LLC manufactures and markets zero sugar, keto-friendly, and plant-baking mixes.
11/10/2020	Solero Organic Fruit Bar Business	Crave Better Foods, LLC	-	-	-	- Solero Organic Fruit Bar Business comprises a frozen fruit bar manufacturing
11/06/2020	Manna Pro Products, LLC	The Carlyle Group Inc. (NasdaqGS:CG)	-	-	-	- Manna Pro Products, LLC manufactures and markets animal feeds for animal
11/05/2020	Certain Assets of its Dry Pasta and Noodles Business in USA	American Italian Pasta Company	\$ 242.50	-	-	- American Italian Pasta Company comprises a pasta and noodles producing b
11/05/2020	Florida Whole Foods	Armada Hoffer Properties, Inc. (NYSE:AHH)	-	-	-	- Florida Whole Foods comprises a supermarket.
11/05/2020	Beverages & More, Inc.	GoBrands, Inc.	\$ 350.00	-	-	- Beverages & More, Inc. engages in the retail of specialty beverages.
11/04/2020	Bonnie Plants, Inc.	The Scotts Miracle-Gro Company (NYSE:SMG)	-	-	-	- Bonnie Plants, Inc. wholesales and supplies vegetable, herb, and flower plants gardeners in the United States.
11/04/2020	SweetWater Brewing Company, Inc.	Aphria Inc. (ISX:APHA)	\$ 366.00	-	-	- SweetWater Brewing Company, Inc. operates as a microbrewery.
11/03/2020	Miller Baking Company	Benestar Brands	-	-	-	- Miller Baking Company produces soft pretzel bread and buns under the Pretz
11/03/2020	Manufacturing Plant of Veggie Noodle Co., LLC	Fresh From Texas, LLC	-	-	-	- The manufacturing plant of Veggie Noodle Co., LLC comprises a spiralized pi facility.
11/03/2020	Higgins & White Inc	Skidmore Sales & Distributing Company, Inc.	-	-	-	- Higgins & White Inc provides fruit, nut, and specialty ingredient brokerage se
11/02/2020	Assets of Peter Pan Seafoods, Inc.	Northwest Fish Company, LLC	-	-	-	- Peter Pan Seafoods, Inc. comprises a marine fishery product business.
11/02/2020	3,280 Citrus Acres	Alico, Inc. (NasdaqGS:ALCO)	\$ 16.45	-	-	- 3,280 Citrus Acres were acquired by Alico, Inc.
11/02/2020	Manufacturing Facility of CeCe Veggie Noodles	Texas Next Capital; Fresh From Texas, LLC	-	-	-	- The manufacturing facility of Cece's® Veggie Co. produces and sells hand-cra solutions.
11/02/2020	Umpqua Dairy Products, Inc.	Producers Dairy Foods, Inc.	-	-	-	- Umpqua Dairy Products, Inc. produces and distributes dairy products.
10/29/2020	Stolt Sea Farm California, LLC	Hyde road agricultural associates LLC	-	-	-	- Stolt Sea Farm California, LLC produces farm-raised sturgeon caviar in the U
10/29/2020	HydroGro, LLC	The McGregor Company, Inc.	-	-	-	- HydroGro, LLC manufactures water based, micronutrient solutions for the ag
10/28/2020	2 Cultivation and Production facilities of 4Front Ventures	Innovative Industrial Properties, Inc. (NYSE:IIPR)	\$ 30.00	-	-	- 2 Cultivation and Production facilities of 4Front Ventures comprises cultivatio for growing cannabis.
10/28/2020	Dry pasta business of Catelli Foods Corporation	Barilla America, Inc.	-	-	-	- Dry pasta business of Catelli Foods Corporation comprises a pasta producing
10/27/2020	GeeFree - Gluten Free Crusader, LLC	The Fillo Factory, Inc	-	-	-	- GeeFree - Gluten Free Crusader, LLC produces frozen food products, such as bagel puffs.
10/26/2020	Barley Business and Related Production Assets of Dakota Dry Bean, Inc.	Anchor Ingredients Co., LLC	-	-	-	- The Barley Business and Production Assets of Dakota Dry Bean, Inc. comprise milling barley into ingredients for use in food and pet food markets.
10/26/2020	Crisco Oils and Shortening Business of The J. M. Smucker Company	B&G Foods North America, Inc.	\$ 550.00	-	-	- The Crisco Oils and Shortening Business of The J. M. Smucker Company comp
10/22/2020	J&K Ingredients, Inc.	CORE Industrial Partners LLC	-	-	-	- J&K Ingredients, Inc. manufactures bakery ingredients for the baking industry
10/22/2020	Best Fresh Produce Inc.	GrubMarket, Inc.	-	-	-	- Best Fresh Produce Inc. distributes fresh fruits and vegetables.
10/21/2020	Real Food Blends, LLC	Danone Trading Medical B.V.	-	-	-	- Real Food Blends, LLC develops, produces, and sells food meals for people or
10/20/2020	Manufacturing Facility of Foremost Farms	Diversified Ingredients, Inc.	-	-	-	- The Manufacturing Facility of Foremost Farms comprises units engaged in pr
10/16/2020	The Jordre Well, LLC	Coffee Holding Co., Inc. (NasdaqCM:JVA)	\$ 0.96	-	-	- The Jordre Well, LLC produces and distributes cannabidiol infused beverages and tea.

Source: Capital IQ.

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

### Soybean



### 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: Thompson 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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