



LAKE SHORE

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



Weekly Update

Monday, July 24th, 2023

Markets Continued their Rally from October Lows, S&P 500 Within Six Percent of All Time High. The most recent round of corporate earnings reports provided an additional boost. Thus far, quarterly results have shown businesses successfully navigating the paradoxical environment of high but declining inflation and robust but moderating demand. Growing confidence in the possibility of a situation in which economic circumstances are neither too hot to keep inflation from falling further nor too cold to enter a recession has driven the market's rise since May.

The **Dow Jones Industrial Average** rose 2.1% on the week, finishing at 35,228.

The **S&P 500** was up 0.7% on the week, finishing at 4,536.

The **NASDAQ Composite** fell 0.6% on the week, finishing at 14,033.

Yield on the **10-year Treasury** rose one basis point on the week, ending at 3.84%.

Crude oil increased 2.3% on the week, ending at \$77.07 per barrel.

Corn increased 4.4% last week, ending at \$5.36 per bushel.

NASDAQ Highs: The Andersons, Inc., Freshworks Inc., Jack in the Box Inc., Sprouts Farmers Market, Inc. **Lows:** Cal-Maine Foods, Inc., SunOpta Inc.

NYSE Highs: Chipotle Mexican Grill, Inc., Constellation Brands, Inc., Darden Restaurants, Inc., McDonald's Corporation, Shake Shack Inc. **Lows:** The Boston Beer Company, Inc., Conagra Brands, Inc., Flowers Foods, Inc.

Featured Stocks of the Week:

Conagra Brands, Inc. (NYSE: CAG) 10-Year History



The Andersons, Inc. (NASDAQ: ANDE) 10-Year History



Mary Burke
Partner
(312) 348-7081

Lakeshore Food Advisors
20 N Wacker Drive
Suite 2800
Chicago, IL 60606

The Lakeshore Food Chain

Company Name	Price 7/21/23	Price Compared to 7/14/23	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2022	2021		Revenue	EBITDA	
			Dow Jones Industrial Average	35,228	2.1%	35,228		28,726	6.3%	
S&P 500	4,536	0.7%	4,566	3,577	18.1%	(4.8%)	20.8			
NASDAQ Composite Index	14,033	(0.6%)	14,358	10,213	34.1%	(10.3%)	NA			
Russell 3000 Index	2,611	0.7%	2,631	2,076	17.8%	(6.3%)	NA			
Sector Average:					19.1%	(6.1%)				
AGRICULTURAL LAND HOLDINGS										
Farmland Partners Inc.	\$13.17	6.0%	\$15.12	\$9.44	5.7%	10.2%	64.8x	20.46x	37.4x	13.5x
Gladstone Land Corporation	17.29	4.1%	27.45	14.95	(5.8%)	(48.8%)	NM	13.61x	17.2	9.2
Limoneira Company	15.09	(0.6%)	17.90	11.00	23.6%	0.6%	152.4	1.80x	181.3	91.4
Sector Average:					7.8%	(12.7%)	108.6	11.95x	27.3	38.0
INPUTS										
American Vanguard Corporation	\$17.85	0.5%	\$24.38	\$15.01	(17.8%)	8.9%	15.8x	1.07x	10.2x	2.0x
* BASF SE	47.47	4.7%	54.04	37.90	2.3%	(23.2%)	14.9x	0.73x	9.9x	2.1x
* Bayer Aktiengesellschaft	51.94	3.2%	65.66	46.70	7.5%	10.5%	7.4x	1.71x	7.5x	3.7x
CF Industries Holdings, Inc.	79.04	7.2%	119.60	60.08	(7.2%)	11.7%	11.5x	1.79x	3.2x	0.6x
Corteva, Inc.	56.35	3.9%	68.43	52.76	(4.1%)	19.2%	19.4x	2.46x	12.1x	1.4x
FMC Corporation	95.16	(0.1%)	134.38	88.77	(23.8%)	(13.4%)	14.5x	2.73x	10.9x	3.0x
Intrepid Potash, Inc.	25.52	5.9%	56.66	17.23	(11.6%)	(40.3%)	42.4x	1.10x	2.8x	0.1x
The Mosaic Company	38.56	7.9%	63.16	31.44	(12.1%)	(1.9%)	9.3x	0.90x	3.0x	0.8x
* Nutrien Ltd.	84.95	6.1%	132.75	70.69	(14.1%)	(10.7%)	11.2x	1.27x	4.1x	1.4x
S&W Seed Company	1.20	(2.4%)	2.14	0.63	(19.5%)	(56.0%)	NM	1.51x	NM	NM
Zoetis Inc.	183.51	6.6%	187.82	124.15	25.2%	(24.8%)	33.2x	11.05x	26.7x	2.0x
Sector Average:					(6.8%)	(10.9%)	18.0x	1.53x	9.0x	1.7x
AGRICULTURAL EQUIPMENT										
* Ag Growth International Inc.	\$52.34	(3.1%)	\$63.40	\$31.02	20.7%	65.2%	10.9x	1.23x	9.4x	4.8x
AGCO Corporation	136.32	1.1%	145.53	93.53	(1.7%)	17.5%	9.4x	0.89x	6.4x	1.2x
Art's-Way Manufacturing Co., Inc.	2.61	0.0%	3.11	1.80	35.2%	(26.3%)	NA	0.67x	9.2x	3.7x
* Buhler Industries Inc.	2.10	(3.7%)	2.58	1.51	8.8%	(29.1%)	NA	0.47x	30.1x	18.6x
CNH Industrial N.V.	15.35	2.6%	17.98	10.89	(4.4%)	(21.0%)	8.7x	1.72x	11.7x	6.9x
Deere & Company	436.93	5.4%	448.40	310.46	1.9%	27.4%	14.1x	3.07x	13.3x	4.3x
Lindsay Corporation	127.07	2.0%	183.08	110.43	(22.0%)	(16.4%)	21.1x	2.00x	10.5x	1.0x
Titan Machinery Inc.	30.59	(4.3%)	47.87	24.90	(23.0%)	(9.2%)	6.6x	0.54x	6.5x	3.1x
Sector Average:					1.9%	1.0%	11.8x	1.32x	9.6x	3.6x
AGRIBUSINESS										
The Andersons, Inc.	\$47.77	2.4%	\$48.84	\$30.00	36.5%	23.4%	17.1x	0.17x	7.4x	3.1x
Archer-Daniels-Midland Company	82.14	5.0%	98.28	69.92	(11.5%)	21.5%	12.8x	0.55x	8.3x	2.0x
Bunge Limited	104.84	5.2%	106.99	80.41	5.1%	12.3%	9.2x	0.30x	4.3x	1.4x
Ingredion Incorporated	109.45	0.9%	113.46	78.81	11.8%	13.3%	12.0x	1.18x	8.4x	2.3x
MGP Ingredients, Inc.	113.26	2.0%	125.74	90.69	6.5%	33.3%	22.0x	3.43x	16.5x	1.4x
* Olam Group Limited	1.39	(2.1%)	1.71	1.17	(4.8%)	(20.6%)	NA	0.30x	8.0x	8.1x
Sector Average:					7.3%	13.9%	14.6x	0.99x	8.8x	3.1x
DIVERSIFIED FOODS										
B&G Foods, Inc.	\$13.66	2.9%	\$26.13	\$10.91	22.5%	(55.5%)	13.0x	1.54x	10.5x	7.5x
Campbell Soup Company	46.33	2.1%	57.78	44.76	(18.4%)	6.6%	15.1x	2.01x	9.6x	2.6x
Conagra Brands, Inc.	33.29	1.2%	41.30	32.05	(14.0%)	(2.5%)	12.1x	2.06x	10.0x	4.1x
General Mills, Inc.	77.00	2.7%	90.89	72.16	(8.2%)	14.3%	17.1x	2.82x	14.4x	3.1x
The Hain Celestial Group, Inc.	12.85	0.3%	25.48	11.73	(20.6%)	(69.8%)	21.9x	1.14x	12.7x	5.8x
The J. M. Smucker Company	152.11	2.7%	163.07	125.83	(4.0%)	12.0%	16.2x	2.21x	10.9x	2.6x
Kellogg Company	67.78	0.3%	77.17	63.74	(4.9%)	5.2%	16.4x	1.96x	14.7x	3.6x
The Kraft Heinz Company	36.32	1.3%	42.80	32.73	(10.8%)	1.2%	12.5x	2.38x	8.6x	2.7x
Lancaster Colony Corporation	193.65	3.4%	220.65	128.06	(1.8%)	16.9%	29.9x	2.89x	22.1x	0.1x
Mondelez International, Inc.	73.98	2.4%	78.59	54.72	11.0%	11.6%	22.7x	3.64x	16.6x	3.3x
* Nestlé S.A.	104.66	(0.5%)	118.70	103.42	(2.3%)	(17.9%)	20.7x	3.46x	16.4x	2.9x
* Nomad Foods Limited	18.18	2.0%	19.82	12.50	5.5%	(28.4%)	10.5x	1.60x	9.4x	4.4x
Post Holdings, Inc.	87.43	1.1%	98.84	80.39	(3.1%)	(22.4%)	20.3x	1.79x	12.5x	6.3x
The Simply Good Foods Company	37.73	2.6%	40.16	29.21	(0.8%)	(9.2%)	21.1x	3.39x	17.9x	1.6x
Sovos Brands, Inc.	18.81	1.1%	20.58	12.74	30.9%	25.0%	28.2x	2.64x	14.8x	3.0x
SunOpta Inc.	8.44	5.5%	15.90	7.66	(25.8%)	(3.8%)	NA	1.30x	13.7x	4.9x
TreeHouse Foods, Inc.	52.03	3.2%	55.30	40.56	5.4%	28.4%	19.8x	1.26x	12.4x	4.4x
Unilever PLC	47.15	1.2%	50.93	43.94	0.6%	0.2%	NA	2.37x	12.2x	2.6x
Utz Brands, Inc.	17.02	5.3%	19.98	13.85	7.3%	6.7%	30.5x	2.16x	24.9x	8.2x
Sector Average:					(1.7%)	(4.3%)	19.3x	2.24x	13.9x	3.9x

Company Name	Price 7/21/23	Price Compared to 7/14/23	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2022	2021		Revenue	EBITDA	
ETHANOL										
Alto Ingredients, Inc.	\$3.70	6.9%	\$5.30	\$1.20	28.5%	(23.1%)	82.2x	0.27x	NM	NM
Green Plains Inc.	34.12	5.4%	41.25	26.33	11.9%	(1.8%)	51.8x	0.71x	163.8x	53.0x
REX American Resources Corporation	35.76	2.1%	36.31	26.05	12.2%	11.8%	15.8x	0.50x	7.5x	0.3x
Sector Average:					17.5%	(4.4%)	49.9x	0.49x	85.7x	26.6x
FRUIT & VEGETABLE										
AppHarvest, Inc.	\$0.34	(4.2%)	\$4.34	\$0.32	(41.0%)	(91.4%)	NM	8.35x	NM	NM
Calavo Growers, Inc.	35.80	15.7%	45.50	22.64	21.8%	(15.6%)	27.3x	0.68x	22.7x	2.7x
Dole plc	13.05	3.9%	14.01	7.20	35.2%	(2.0%)	14.9x	0.30x	6.4x	3.8x
Fresh Del Monte Produce Inc.	26.33	2.3%	32.49	23.09	0.5%	(4.6%)	12.8x	0.45x	6.2x	2.1x
Lamb Weston Holdings, Inc.	112.96	0.2%	116.00	74.00	26.4%	78.2%	22.9x	3.96x	18.5x	3.1x
Mission Produce, Inc.	12.19	5.8%	16.96	9.81	4.9%	(22.4%)	22.5x	1.15x	20.7x	5.4x
Seneca Foods Corporation	35.97	(1.2%)	68.74	32.50	(41.0%)	(25.0%)	NA	0.50x	6.6x	4.3x
Sector Average:					1.0%	(11.8%)	20.1x	1.17x	13.5x	3.6x
PROTEIN										
Beyond Meat, Inc.	\$15.17	(11.0%)	\$44.59	\$9.82	23.2%	(76.7%)	NM	4.73x	NM	NM
Cal-Maine Foods, Inc.	44.11	0.9%	65.32	43.29	(19.0%)	19.2%	9.2x	0.50x	1.5x	NA
Darling Ingredients Inc.	67.72	6.2%	82.69	51.77	8.2%	(2.3%)	11.5x	2.25x	9.7x	4.0x
Hormel Foods Corporation	40.14	0.0%	51.69	37.78	(11.9%)	(17.8%)	21.9x	2.01x	12.3x	1.7x
* JBS S.A.	18.10	(4.8%)	33.45	15.12	(17.7%)	(52.3%)	11.4x	0.38x	5.3x	4.0x
Nathan's Famous, Inc.	79.04	1.9%	83.00	53.38	17.6%	35.4%	NA	2.90x	9.8x	2.2x
Pilgrim's Pride Corporation	24.35	(2.0%)	33.96	19.96	2.6%	(13.7%)	14.8x	0.53x	6.3x	2.4x
Seaboard Corporation	3574.11	(0.3%)	4242.95	3295.00	(5.3%)	(9.2%)	NA	0.41x	4.2x	1.8x
Tyson Foods, Inc.	52.66	0.6%	88.76	47.11	(15.4%)	(39.6%)	24.1x	0.51x	6.3x	2.1x
Vital Farms, Inc.	10.68	4.1%	18.18	10.00	(28.4%)	(40.9%)	37.7x	0.90x	2.1x	0.1x
Sector Average:					(4.6%)	(19.8%)	15.5x	1.15x	6.4x	2.3x
BAKING & INGREDIENTS										
Balchem Corporation	\$131.59	0.6%	\$143.88	\$116.68	7.8%	(22.0%)	30.7x	4.89x	23.1x	2.2x
Flowers Foods, Inc.	24.72	2.2%	30.16	23.87	(14.0%)	(10.0%)	20.5x	1.34x	11.3x	2.3x
* Gruma, S.A.B. de C.V.	293.48	0.8%	296.00	190.82	12.6%	11.8%	15.0x	1.31x	9.0x	2.3x
* Grupo Bimbo, S.A.B. de C.V.	88.76	(1.0%)	103.41	64.69	7.8%	41.0%	21.1x	1.26x	9.0x	2.2x
J&J Snack Foods Corp.	160.89	1.8%	165.90	127.80	7.5%	1.9%	35.5x	2.18x	22.7x	1.1x
* Kerry Group plc	89.88	0.9%	107.90	84.10	6.7%	(20.6%)	20.5x	2.07x	15.3x	2.7x
Krispy Kreme, Inc.	15.68	2.1%	16.22	10.21	51.9%	(17.1%)	45.5x	2.54x	16.0x	5.2x
McCormick & Company, Incorporated	88.13	2.8%	94.39	70.60	6.3%	(8.8%)	31.9x	4.37x	22.6x	4.0x
* Tate & Lyle plc	7.49	2.7%	8.38	6.48	5.3%	(2.9%)	13.4x	1.84x	11.5x	2.3x
Sector Average:					10.2%	(3.0%)	26.0x	2.42x	15.6x	2.7x
CANDY, NUTS, & SNACKS										
Bridgford Foods Corporation	\$11.95	3.3%	\$15.38	\$10.71	0.3%	(1.3%)	NA	0.39x	7.0x	0.6x
The Hershey Company	246.64	3.3%	276.88	211.49	6.5%	27.5%	25.3x	5.12x	19.9x	1.8x
John B. Sanfilippo & Son, Inc.	112.12	2.7%	127.26	69.58	37.9%	24.4%	NA	1.31x	11.9x	0.4x
Laird Superfood, Inc.	1.17	0.9%	2.92	0.65	39.3%	(91.0%)	NM	NM	NM	NM
Rocky Mountain Chocolate Factory, Inc.	5.76	12.7%	7.29	4.77	1.1%	(26.6%)	NA	1.11x	NM	NM
Tootsie Roll Industries, Inc.	34.68	1.5%	46.11	32.04	(16.1%)	1.6%	NA	3.26x	21.5x	0.1x
Sector Average:					11.5%	(10.9%)	25.3x	2.24x	15.1x	0.7x
PET FOOD AND PRODUCTS										
Central Garden & Pet Company	\$40.34	2.6%	\$45.78	\$35.60	7.7%	(23.4%)	15.3x	1.05x	9.3x	3.8x
Freshpet, Inc.	65.30	(0.9%)	73.48	36.02	23.7%	(31.5%)	NM	5.00x	NM	NM
Sector Average:					15.7%	(27.4%)	15.3x	3.02x	9.3x	3.8x
WINE & BEVERAGE										
The Boston Beer Company, Inc.	\$303.17	0.3%	\$422.75	\$296.27	(8.0%)	(40.0%)	38.1x	1.75x	17.7x	0.3x
Brown-Forman Corporation	68.62	1.6%	78.15	60.90	4.5%	(5.8%)	33.3x	8.46x	26.5x	2.2x
The Coca-Cola Company	62.44	2.5%	65.47	54.02	(1.8%)	5.5%	23.5x	6.93x	19.6x	3.2x
Constellation Brands, Inc.	269.50	5.5%	270.37	208.12	16.3%	7.4%	22.3x	6.44x	48.2x	3.5x
Crimson Wine Group, Ltd.	6.56	(1.2%)	7.59	5.11	16.8%	(20.5%)	NA	1.76x	29.9x	4.4x
* Diageo plc	34.38	2.3%	39.60	32.46	(5.8%)	(14.8%)	20.4x	5.59x	15.2x	3.2x
Monster Beverage Corporation	58.10	1.4%	60.47	42.81	14.4%	21.0%	36.7x	8.90x	33.1x	0.0x
National Beverage Corp.	51.42	3.3%	57.65	38.40	10.5%	13.4%	28.1x	3.99x	21.2x	0.2x
PepsiCo, Inc.	190.16	1.0%	196.88	160.98	5.3%	9.5%	24.4x	3.32x	18.0x	2.6x
Starbucks Corporation	102.82	1.2%	115.48	80.00	3.6%	(12.1%)	27.2x	4.09x	15.0x	2.7x
Willamette Valley Vineyards, Inc.	5.92	4.2%	6.69	5.59	(0.8%)	(31.6%)	NA	2.49x	39.9x	9.1x
Sector Average:					5.0%	(6.2%)	28.2x	4.88x	25.8x	2.8x

Company Name	Price 7/21/23	Price Compared to 7/14/23	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2022	2021		Revenue	EBITDA	
DAIRY										
* Danone S.A.	\$56.58	1.7%	\$61.88	\$46.75	14.9%	3.6%	16.2x	1.68x	10.5x	3.3x
Lifeway Foods, Inc.	6.00	(4.9%)	8.10	4.93	8.1%	30.4%	15.9x	0.61x	11.1x	0.8x
* Saputo Inc.	28.29	(1.3%)	37.50	27.70	(15.6%)	(0.7%)	15.7x	0.88x	10.5x	2.7x
Sector Average:					2.5%	11.1%	15.9x	1.06x	10.7x	2.3x
WHOLESALE, FOOD SERVICE, & DISTRIBUTION										
The Chefs' Warehouse, Inc.	\$37.63	3.2%	\$39.54	\$28.70	13.1%	13.0%	23.5x	0.80x	11.7x	4.5x
Performance Food Group Company	61.97	3.1%	63.22	42.77	6.1%	35.0%	15.2x	0.27x	10.5x	3.5x
SpartanNash Company	21.96	2.4%	37.75	20.61	(27.4%)	(14.8%)	9.5x	0.16x	7.0x	3.7x
Sysco Corporation	75.20	2.9%	87.95	69.22	(1.6%)	(4.3%)	17.3x	0.65x	12.2x	2.9x
United Natural Foods, Inc.	20.65	2.5%	48.26	19.36	(46.7%)	(57.9%)	18.3x	0.15x	4.8x	3.6x
US Foods Holding Corp.	44.05	0.3%	44.52	25.49	29.5%	26.5%	16.5x	0.46x	12.8x	4.0x
Sector Average:					(4.5%)	(0.4%)	16.7x	0.42x	9.8x	3.7x
MASS MERCHANDISE, CLUB STORES, & DOLLAR STORES										
BJ's Wholesale Club	\$65.11	3.8%	\$80.41	\$60.33	(1.6%)	(2.8%)	16.1x	0.60x	8.7x	2.3x
Costco Wholesale Corporation	557.86	2.0%	564.75	447.90	22.2%	(1.7%)	36.2x	1.03x	22.7x	0.8x
Dollar General Corporation	167.09	2.4%	261.59	151.27	(32.1%)	(29.1%)	16.4x	1.41x	9.0x	3.0x
Dollar Tree, Inc.	151.57	2.5%	175.68	128.85	7.2%	7.9%	24.1x	1.48x	8.7x	2.1x
Grocery Outlet Holding Corp.	33.34	1.5%	46.37	25.71	14.2%	17.9%	32.2x	1.23x	14.3x	4.3x
Walmart Inc.	158.37	2.4%	159.12	120.06	11.7%	9.5%	24.9x	0.79x	12.3x	1.7x
Sector Average:					3.6%	0.3%	25.0x	1.09x	12.6x	2.4x
TRADITIONAL & SPECIALTY RETAIL										
Albertsons	\$22.01	0.4%	\$30.17	\$19.14	6.1%	(27.1%)	7.8x	0.35x	5.3x	2.9x
* Ahold Delhaize	31.53	2.7%	32.51	25.45	17.5%	4.6%	12.4x	0.44x	5.5x	2.6x
Amazon.com, Inc.	130.00	(3.5%)	146.57	81.43	54.8%	(22.0%)	75.3x	2.76x	21.2x	2.6x
Ingles Markets, Incorporated	83.57	1.2%	102.99	78.32	(13.4%)	(3.2%)	NA	0.33x	4.1x	1.3x
The Kroger Co.	47.99	3.3%	52.00	41.82	7.6%	6.0%	10.5x	0.35x	6.1x	2.4x
Natural Grocers by Vitamin Cottage, Inc.	12.55	1.6%	17.63	8.00	37.3%	(11.9%)	15.1x	0.58x	5.5x	3.2x
Sprouts Farmers Market, Inc.	40.07	6.5%	40.39	26.20	23.8%	35.0%	15.0x	0.84x	7.0x	2.1x
* Tesco PLC	2.60	4.1%	3.07	1.94	16.1%	(10.2%)	12.1x	0.45x	7.0x	3.6x
Village Super Market, Inc.	23.31	1.2%	24.28	19.09	0.1%	(0.3%)	NA	0.29x	3.9x	2.5x
Weis Markets, Inc.	65.40	2.9%	95.57	58.75	(20.5%)	(0.7%)	NA	0.34x	5.2x	0.6x
Sector Average:					12.9%	(3.0%)	21.2x	0.67x	7.1x	2.4x
TRADITIONAL RESTAURANTS										
Brinker International, Inc.	\$38.99	2.7%	\$42.12	\$23.58	22.2%	6.6%	11.5x	0.95x	6.8x	3.8x
The Cheesecake Factory Incorporated	36.86	2.9%	41.28	26.86	16.2%	(5.8%)	12.9x	1.07x	8.8x	4.4x
Cracker Barrel Old Country Store, Inc.	96.11	2.2%	121.17	88.72	1.4%	(25.3%)	15.6x	0.96x	9.6x	3.5x
Darden Restaurants, Inc.	170.37	1.7%	173.06	115.07	23.2%	13.1%	19.5x	2.50x	13.4x	3.0x
Dine Brands Global, Inc.	59.53	0.3%	82.43	56.00	(7.8%)	(21.5%)	9.9x	2.72x	11.3x	7.8x
Jack in the Box Inc.	95.99	(1.8%)	99.36	62.39	40.7%	9.7%	15.1x	2.90x	8.3x	5.2x
McDonald's Corporation	295.61	0.2%	299.35	230.58	12.2%	10.3%	26.2x	11.19x	18.6x	3.6x
Papa John's International, Inc.	80.56	6.0%	97.78	66.74	(2.1%)	(39.6%)	28.2x	1.73x	13.8x	3.9x
Texas Roadhouse, Inc.	115.88	1.6%	118.16	80.71	27.4%	29.8%	23.7x	1.99x	15.2x	1.3x
The Wendy's Company	21.62	1.2%	23.90	18.50	(4.5%)	(9.4%)	21.4x	3.80x	16.3x	8.7x
Yum! Brands, Inc.	137.54	1.5%	143.25	103.97	7.4%	(1.0%)	25.8x	7.30x	20.9x	5.2x
Sector Average:					12.4%	(3.0%)	19.1x	3.37x	13.0x	4.6x
HIGH-GROWTH RESTAURANTS										
Chipotle Mexican Grill, Inc.	\$2,098.87	2.1%	\$2,175.01	\$1,291.63	51.3%	20.1%	45.4x	6.75x	28.1x	1.7x
El Pollo Loco Holdings, Inc.	10.17	2.1%	13.00	8.15	2.1%	(28.3%)	13.5x	1.29x	8.4x	3.5x
Noodles & Company	3.45	9.9%	6.55	3.00	(37.2%)	(62.0%)	16.4x	0.82x	6.2x	3.9x
Potbelly Corporation	9.15	1.8%	11.14	4.31	64.3%	64.0%	38.1x	0.95x	6.1x	2.8x
Shake Shack Inc.	77.92	(1.1%)	80.58	40.83	87.6%	8.0%	NM	3.72x	25.8x	5.4x
Wingstop Inc.	185.78	(4.2%)	223.77	93.92	35.0%	7.5%	85.1x	15.64x	52.0x	6.2x
Sector Average:					33.9%	1.5%	39.7x	4.86x	21.1x	3.9x
CANNABIS & CBD										
Canopy Growth Corporation	\$0.51	0.0%	\$6.44	\$0.46	(83.8%)	(95.4%)	NM	2.48x	NM	NM
Cronos Group Inc.	2.44	(3.2%)	4.88	2.15	(29.1%)	(51.0%)	NM	NM	NM	NM
Jones Soda Co.	0.20	0.6%	0.48	0.18	(24.5%)	(72.6%)	NA	0.75x	NM	NA
The Scotts Miracle-Gro Company	68.41	1.8%	90.01	39.06	40.8%	(57.5%)	23.4x	2.05x	12.6x	6.2x
Tilray Brands, Inc.	1.68	1.2%	5.12	1.50	(37.5%)	(76.1%)	NM	2.20x	NM	NM
Village Farms International, Inc.	0.60	(2.5%)	3.53	0.56	(55.2%)	(90.7%)	NM	0.41x	NM	NM
Sector Average:					(31.6%)	(73.9%)	23.4x	1.58x	12.6x	6.2x

Notes:

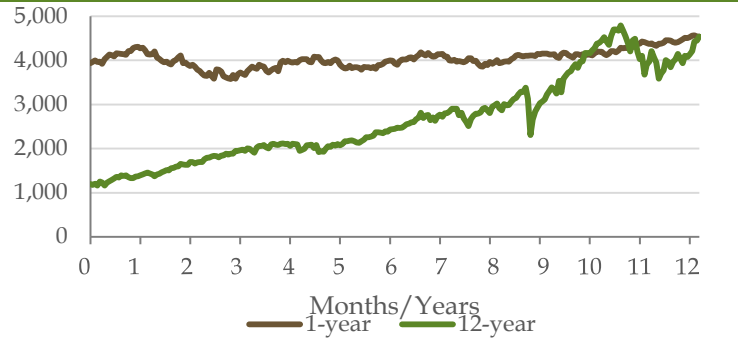
* Denotes local currency.

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



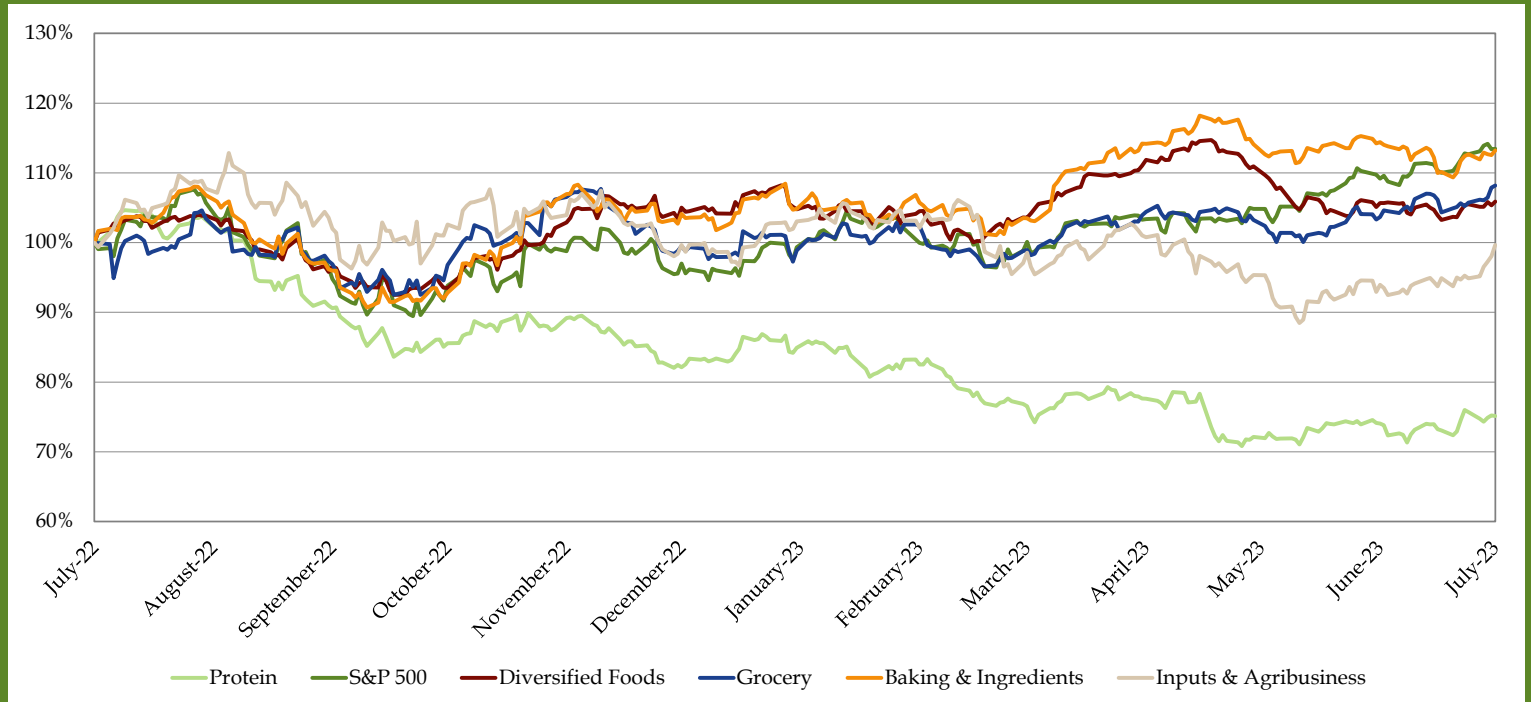
10-year Treasury



CBOE Market Volatility Index - VIX



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



Partner Column...

Partner Column

Written by Mary Burke

As we have seen, egg prices have returned to earth and are more normalized. Layer levels were flat at the end of June at 121.6 million hens, but a 17 million increase from inventory levels a year earlier, as the HPAI was pummeling the industry.

Remember the push several years ago by foodservice to move to “cage-free” eggs and the commitments they made? Most said they would be cage-free by 2025. Well, that is less than 18 months away. At the time of the pledges, estimates were made that 75% of the industry would need to convert to cage-free. Currently, it is at 38%, and a fair number of buyers are equivocating on their pledges. Cage-free inventories will likely plateau at around 50% of overall numbers or a bit less. This could change if state and federal governments become involved, which they have been quiet about to date. The cost dynamic remains vital to keep in mind.

With the corn and soybean crops and acreage starting to come into focus for this year, it is estimated that breakeven costs for conventional egg producers are around \$1.10 per dozen, and the cage-free breakeven nears the \$1.40 mark.

Not all plant-based foods are healthy for the consumer. The same research on what is in a product must be done. According to FMI, the younger generations, including Gen Z and Millennials, purchase more plant-based alternatives than older generations. Plant-based food sales metrics and purchase dynamics for 2022 are shown below.

2022	Dollar sales	1-year dollar growth	3-year growth	Unit sales	1-year unit growth	Repeat rate
Total plant based foods	\$8.0B	7%	44%	1.9B	-3%	80%
Plant based meat	\$1.4B	-1%	43%	255MM	-8%	63%
Plant based milk	\$2.8B	9%	36%	749MM	-2%	76%

Source: The Good Food Institute

As the summer continues, it is probably a good time to check in on alcohol trends. A couple of points maybe of interest:

- The spirits market has outperformed the total alcoholic beverage market with beer and wine threatened by consumer interest in premium spirits.

- The post-pandemic return to on-premise drinking has not dampened at-home consumption. If financial pressures continue, spirit brands can take hope that consumers will remain interested in premium and their favorite brands even if drinking at home.

- Vodka remains far and above the rest among white spirits, however, tequila’s rapid rise is stealing share across segment as it moves past rum in volume sales.

- Among the dark spirits, the US whiskey market remains a thriving segment of the total alcoholic beverage industry. Demand for premium whiskeys has only grown over time. The flat volume performance of some whiskey categories reflects the decline of value-tier products and the growth of higher-end products.

- Nearly half (49%) of consumers agree that they are flexible on a sprits price if its from a brand they trust.

Reporting earnings this week include: Dominos Pizza, ADM, Chipotle Mexican Grill, Coca-Cola, Mondelez, Anheuser-Busch and Hershey.

Have a good week

Food For Thought...

Bread Prices Rise in June. Although all bread prices are up from 2022, there was less commonality with changes in bread pricing from May to June. White bread, for example, fell \$0.14 per pound from May, while wheat bread grew \$0.62 per lb. Compared to last June, white bread prices are up \$0.25, and wheat bread is up \$0.33 per lb. Small increases month over month have accumulated into steadily higher prices for the most common of goods. The steady increase in the price of common goods has led to the highest grocery bill consumers have seen in recent times. Reinstatement of the grocery tax, as previously mentioned, has also contributed.

In addition, last week, the grain deal collapsed as Russia began attacking Ukrainian grain exports and bombing stores. Since then, grain prices have soared as over 60,000 tons of grain were destroyed in one day. Exports out of Ukraine are no longer protected. Bread prices will likely feel a significant impact from this.

Supply Chains Remain Fragile. Despite being intricately designed, supply chains are not invincible, especially in the food and beverage industries. Supply chains face vulnerability as slight changes can significantly impact consumer preferences.

Some suppliers have begun closing their doors due to inflation, leaving key dependents scrambling to adapt to the closures. Not only does a new supplier need the correct ingredients, but also the volume and the ability to meet the proper timelines. Altogether, these factors create a fragile supply chain that can be drastically affected by a tiny change.

In addition to inflation, the effects of employees on supply chains are also a significant factor. This week, we are on the verge of a UPS Labor strike which will have significant implications across the nation if it occurs, including in the food and beverage space. Labor negotiations have been at a standstill for the past few days, and the strike threat continues to fester. The current labor agreement between UPS and the Teamsters Union expires on July 31st, and if a new deal is not reached by then, a strike will be the likely outcome. The Teamsters Union consists of 330,000 UPS package-delivery drivers and sortation workers. UPS and the Teamsters Union are set to continue negotiations beginning July 25th.

The impact of employees on supply chains has also been commented on by Roxi Beck, Consumer Engagement Director for the Center for Food Integrity. She summed up her ideas: "We have an incredible supply chain that is also incredibly fragile." Pointing out how perfectly everything must align to achieve ultimate goals. Moving forward, Beck believes there

will need to be an "unbelievable" amount of growth to have a more sustainable planet. This growth includes various things; however, it surely means more stability in supply chain processes.

Consumers' Purchasing Habits are Changing. Following Conagra's earnings report, Chief Executive Officer Sean Connolly shared his insight on consumers' purchasing habits. He believes consumers are yet again changing their consumption patterns as prices continue to surge, commenting that consumers have begun switching to cheaper options over the past year. However, now consumers are going without the product altogether.

Connolly reflected on how consumers get "crafty" to stretch their budget. One way they do so is to "cut back temporarily" to purchase other things. He believes the shift to going without the product began in early April and has stayed prevalent.

Connolly is one of many to notice this shift. A reporter from NielsenIQ, Carman Allison, commented: "We're spending more, but we're buying less." This idea is reemphasized as food companies' overall net sales dollars increase while volumes decline. Conagra saw over a seven-and-a-half percent decrease in volume sold while revenue rose by just over two percent during its second fiscal quarter. A more significant price increase offset the significant decline in volume.

Armanino Foods of Distinction, Inc. Releases Earnings. Last week, Armanino, a manufacturer and marketer of frozen Italian specialty foods, released its Q2 earnings for the period ending June 30th, 2023. Despite a decrease in Q2 sales compared to last year, the company is still trending above the prior year due to a significant year-over-year increase in Q1. The company is proud to report its 80th consecutive quarter of profit.

Armanino Chief Executive Officer Tim Anderson praised the company's success, saying that their "overall performance for the first six months continues to outpace 2022 results, which set records for both sales and net income." This trajectory puts them on a path to set new records this year for both sales and profits. The increase in sales and profits largely accounts for the rise in working capital. Below is data comparing last year's first half to this year's.

Armanino Foods of Distinction, Inc. \$ in millions	H2		
	2022	2023	% Change
Net Sales	\$ 28,755	\$ 31,388	9.2%
Net Income	\$ 3,604	\$ 3,923	8.9%
Working Capital	\$ 19,010	\$ 22,661	19.2%

Heard on the Street...

Agrofresh Acquires Tessara. Philadelphia-based ag-tech innovator AgroFresh Solutions Inc. has acquired Tessara, a post-harvest solutions provider, from global investment firm Carlyle. Tessara, established in South Africa in 1988, specializes in global post-harvest preservation solutions for fresh produce growers. With this acquisition, AgroFresh expands its presence in food waste reduction and freshness solutions, particularly for table grapes and berries. The move also strengthens AgroFresh's operations in growing regions such as South Africa, China, Australia, and South America. Tessara protects over \$3 billion of fresh produce annually across more than 30 countries. Financial details of the transaction were not disclosed.

Seviroli Foods Acquires Mama Rosie's. Seviroli Foods LLC, a leading manufacturer of frozen pasta and other food products and importer of specialty foods, acquired Mama Rosie's from Mill Point Capital LLC. Mama Rosie's is a second-generation family-owned frozen pasta manufacturer based in the Greater Boston area. It produces various filled and non-filled pasta products for customers in the Northeast. After the acquisition, Nick Sardo, the Owner, and Chief Executive Officer of Mama Rosie's, will take on a senior adviser role in the combined companies. The financial details of the transaction were not disclosed.

Bimbo Bakeries Acquires National Choice Bakery. Bimbo Bakeries USA, a subsidiary of Grupo Bimbo SAB de CV, acquired National Choice Bakery based in South St. Paul, Minnesota. National Choice Bakery, formerly known as Twin City Bagel Inc., specializes in manufacturing European-style bagels through water boiling and hearth baking. It produces fresh, refrigerated, frozen, and thaw-and-sell bagels in various sizes and flavors. The transaction also includes National Choice Bakery's 66,000 sq-ft kosher-certified production plant in South St. Paul. Bimbo Bakeries USA bakes bagels under various brands, including Sara Lee, Lender's, and Thomas'. Financial details of the transaction were not disclosed.

Brynwood Partners Acquires Marie's & Dean Dip Businesses. Private equity firm Brynwood Partners is acquiring the Marie's salad dressing and Dean's Dip businesses from Ventura Foods, LLC. A manufacturing plant in Thornton, Illinois, is also a part of the deal. Marie's is a maker of salad dressings, dips, and spreads. It also has a strong position in the refrigerated salad dressing space, according to Brynwood Partners. Dean's manufactures and markets gourmet dips and spreads as well. Financial details of the deal were not disclosed.

Kraft Heinz to Build One of The Largest CPG Distribution Centers in U.S. Kraft Heinz Co. plans to invest over \$400 million in building an automated consumer packaged goods distribution center in DeKalb, Illinois. The facility will cover 775,000 sq-ft and utilize cutting-edge automation technology and national railway access to enhance supply chain efficiency and expedite product distribution to retail and foodservice customers. The center, scheduled to open in 2025, will include a 24/7 automated storage and a retrieval system capable of twice the previous workload for Kraft Heinz customers, distributing 60% of the company's foodservice business and about 30% of all dry goods. Additionally, the facility aligns with Kraft Heinz's broader ESG goals to reduce its environmental footprint through sustainable technology and waste reduction.

The project involves partnerships with Trammell Crow Co., Krusinski Construction Co., Daifuku, the City of DeKalb, and the DeKalb County Economic Development Corp. The strategic location in the ChicagoWest Business Center will bring more than 150 jobs to the region. With 2022 net sales of approximately \$26 billion, Kraft Heinz remains focused on expanding its renowned food and beverage brands globally.

Monster's Bang Energy Acquisition Approved. Monster Beverage has received approval from a U.S. bankruptcy court to purchase Bang Energy from Vital Pharmaceuticals (VPX Sports) for \$362 million. The acquisition involves all of Bang Energy's assets, including its performance beverages and related businesses, as well as a beverage production facility in Phoenix, Arizona. The deal allows Bang Energy to emerge from bankruptcy. VPX Sports will let go of over 450 employees as part of the restructuring efforts after facing legal and financial issues that led to the Chapter 11 bankruptcy filing last October.

Alani Nu is Exploring a Sale. Alani Nu, a successful energy drinks and snack maker founded by Katy Hearn, is considering a complete or partial sale of the company. The potential valuation for the company is \$3 billion representing a ~30x multiple on ~\$100 million of EBITDA. Alani Nu has experienced rapid growth since its establishment in 2018, primarily boosted by Katy Hearn's substantial social media following as a personal trainer and an influencer. JPMorgan is advising Alani Nu in exploring these options while Congo Brands and Katy Hearn's husband both hold a significant stake in the company. A deal has yet to be confirmed by Alani Nu, Congo Brands, or JPMorgan, as all declined to comment. As demand for innovative beverages grows, beverage companies are taking advantage of high valuations while many large companies are looking to enhance their portfolios.

Capital

In light of previous bank failures, Michael Barr, vice chairman of the Federal Reserve, recently outlined a detailed strategy to raise capital requirements for the nation's largest banks. The primary objective of the proposal is to strengthen the financial system's resilience and reduce known and unforeseen risks by tightening capital rules for U.S. banks with assets over \$100 billion. However, the banking sector immediately criticized the planned changes, expressing concerns that the proposed changes would result in lending constraints and have a detrimental effect on the economy.

Barr's remarks offered the most detailed insight into his agenda yet. He confirmed the industry's fears that he would implement a broad set of tighter requirements while ignoring pleas for relief in certain areas. In response, the banking industry argued that the proposed changes do not adequately consider the potential negative repercussions and contended that existing regulatory tools were sufficient for managing risks. The American Bankers Association, representing the nation's largest bank lobby, strongly opposed the proposals, which it deems unnecessary and economically harmful. "The changes he outlined today fail to adequately consider the negative repercussions from forcing banks of all sizes to hold more capital than is needed to maintain safety and soundness." said Rob Nichols, CEO of the American Bankers Association.

Among the proposed changes were the full implementation of the globally agreed Basel Bank capital agreement and the expansion of annual stress tests to assess banks' health. While Barr did not specify a timeline for the changes, the effort is expected to commence in the coming weeks. According to Fed data, banks such as Citizens Financial Group, Fifth Third, Huntington, and Regions would be among those affected by the proposed changes.

Addressing industry hopes for potential rules relief, Barr confirmed that he did not plan to weaken the existing surcharge on large global banks or leverage rules, which the industry had claimed hampered Treasury market functions. Barr asserted that evidence supporting such claims was inconclusive and suggested that any potential impact would be minimized once a comprehensive set of rules was in place.

Despite industry concerns, Barr emphasized that any new requirements would undergo a formal rule-writing and public comment process. He assured that lengthy transition periods would be included to allow banks sufficient time to raise the necessary capital. Regarding banks' ability to meet requirements, Barr mentioned that most banks already possessed sufficient capital. For those banks that needed to raise capital, he assured that they could do so within a period of less

than two years from retained earnings while still maintaining dividends for investors.

In addition to the proposed changes in capital requirements, the Federal Reserve faced criticism for its oversight of banks involved in this year's banking crisis. Consequently, the Republican-led U.S. House of Representatives Oversight Committee requested confidential documents from Fed Chair Jerome Powell concerning the U.S. central bank's supervision of failed Silicon Valley Bank.

Finally, Barr discussed the Fed's efforts to address inflation. He mentioned that the central bank was close to achieving the appropriate level of interest rates to target 2% inflation. However, he acknowledged that some further work is still needed in this regard.

Largest U.S. Banks

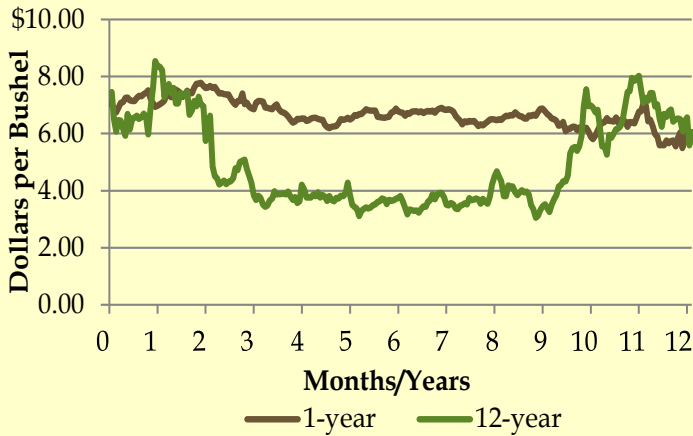
Bank	Total Assets (\$B)	Min. CET1 Capital Ratio	Additional Buffers & Surcharges*	CET1 Capital Requirement
JPMorgan Chase & Co.	\$ 3,977.25	4.5%	6.7%	11.2%
Bank of America Corporation	3,194.66	4.5	5.0	9.5
Citigroup Inc.	2,455.11	4.5	6.0	10.5
Wells Fargo & Company	1,886.40	4.5	5.1	9.6
The Goldman Sachs Group	1,538.35	4.5	8.9	13.4
Morgan Stanley	1,199.90	4.5	8.7	13.2
U.S. Bancorp	682.38	4.5	2.5	7.0
Truist Financial Corporation	574.35	4.5	2.5	7.0
The PNC Financial Services	561.78	4.5	2.5	7.0
TD Group US Holdings LLC	514.34	4.5	2.5	7.0
Capital One Financial Corp.	471.66	4.5	2.5	7.0
The Bank of New York Mellon	425.11	4.5	4.0	8.5
BMO Financial Corp.	295.19	4.5	3.0	7.5
State Street Corporation	290.82	4.5	3.5	8.0
American Express Company	235.84	4.5	2.5	7.0
Citizens Financial Group, Inc.	222.26	4.5	3.4	7.9
HSBC North America Holdings	217.03	4.5	7.5	12.0
Fifth Third Bancorp	208.66	4.5	2.5	7.0
M&T Bank Corporation	202.96	4.5	2.5	7.0
Huntington Bancshares	199.07	4.5	2.5	7.0
KeyCorp	197.52	4.5	2.5	7.0
UBS Americas Holding LLC	197.39	4.5	7.1	11.6
Ally Financial Inc.	196.37	4.5	3.5	8.0
Santander Holdings USA, Inc.	177.56	4.5	2.5	7.0
RBC US Group Holdings LLC	165.40	4.5	3.4	7.9
Regions Financial Corporation	154.14	4.5	2.5	7.0
Northern Trust Corporation	151.11	4.5	2.5	7.0
Discover Financial Services	133.06	4.5	3.6	8.1

Sources: Board of Governors of the Federal Reserve System, CapitalIQ

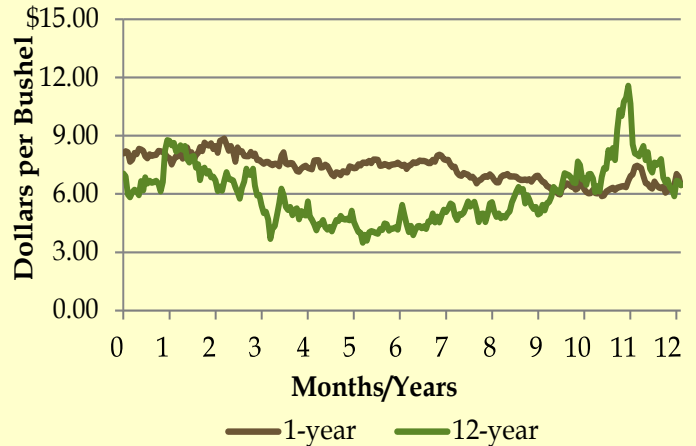
*Buffers & Surcharges are determined by The Basel Committee, effective as of October 1, 2021

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

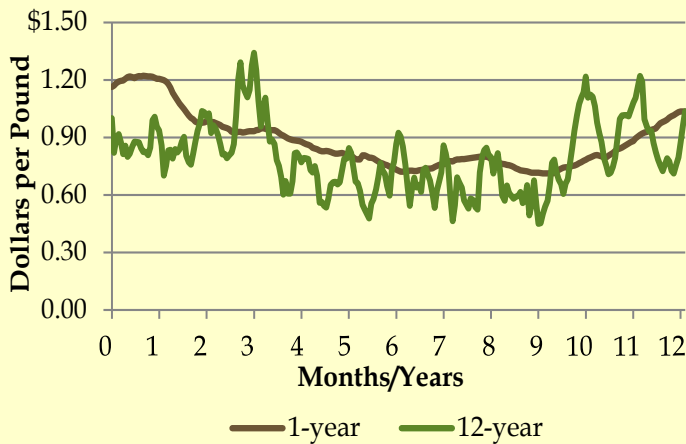
Corn



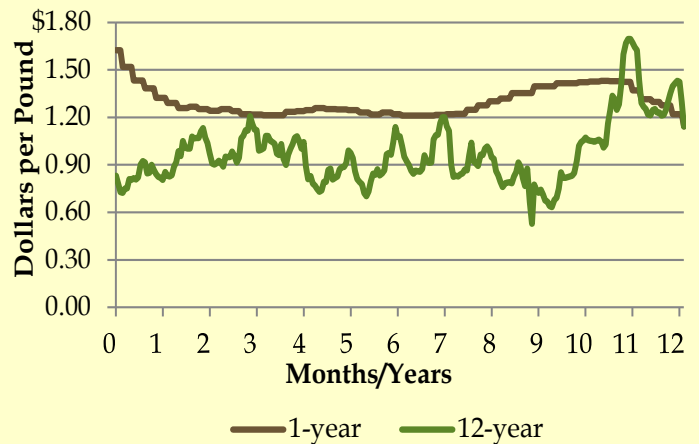
Wheat



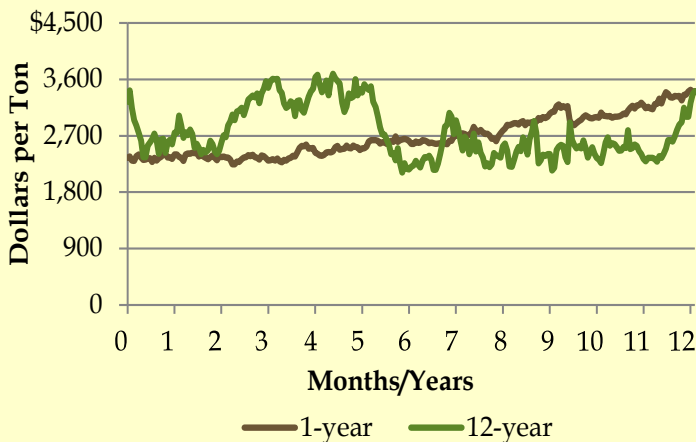
Hogs



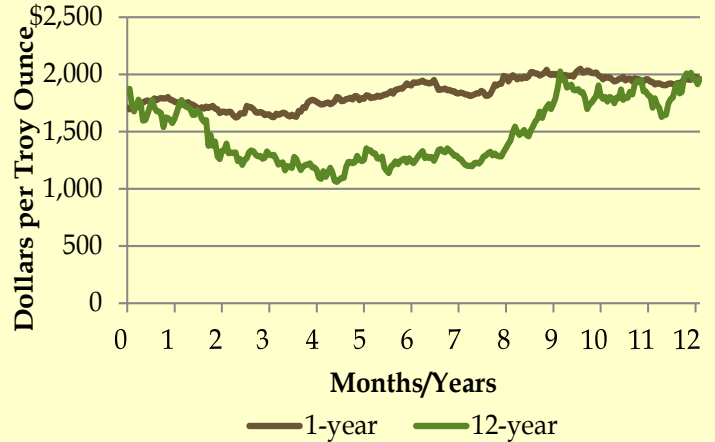
Broilers



Cocoa



Gold



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.

Please send your feedback and comments to Mary Burke at lakeshorefoodadvisors@lakeshorefoodadvisors.com.