



# LAKE SHORE

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



## Weekly Update

Monday, September 25<sup>th</sup>, 2023

**S&P 500 and NASDAQ Decline for the Third Consecutive Week.** Although the Fed maintained its benchmark interest rate as anticipated, it signaled a longer period of high rates extending into 2024, with 12 of 19 officials favoring one more rate hike this year. The VIX increased by nearly 25% during the week, but despite this rise, it remained below its year-end 2022 level of 21.7, ending the week at 17.2.

The **Dow Jones Industrial Average** decreased 1.9%, finishing at 33,964.

The **S&P 500** was down 2.9% on the week, finishing at 4,320.

The **NASDAQ Composite** fell 3.6% this week, finishing at 13,212.

Yield on the **10-year Treasury** increased 11 basis points during the week, ending at 4.44%.

**Crude oil** finished unchanged on the week, ending at \$90.03 per barrel.

**Corn** increased 0.2% on the week, ending at \$4.77 per bushel.

**NASDAQ Highs:** Lifeway Foods, Inc., Sprouts Farmers Market, Inc. **Lows:** Beyond Meat, Inc., The Chefs' Warehouse, Inc., Dollar Tree, Inc., Gladstone Land Corporation, Noodles & Company, Rocky Mountain Chocolate Factory, Inc., SunOpta Inc.

**NYSE Highs:** None. **Lows:** American Vanguard Corporation, Brown-Forman Corporation, Diageo plc, Dollar General Corporation, FMC Corporation, General Mills, Inc., The J. M. Smucker Company

### Featured Stocks of the Week:

Noodles & Company (NasdaqGS: NDLS) 9-Year History



Dollar General Corporation (NYSE: DG) 10-Year History



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# The Lakeshore Food Chain

Company Name	Price 9/22/23	Price Compared to 9/15/23	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	33,964	(1.9%)	35,631	28,726	2.5%	(6.5%)	NA			
S&P 500	4,320	(2.9%)	4,589	3,577	12.5%	(9.4%)	19.5			
NASDAQ Composite Index	13,212	(3.6%)	14,358	10,213	26.2%	(15.6%)	NA			
Russell 3000 Index	2,476	(3.0%)	2,644	2,076	11.7%	(11.2%)	NA			
Sector Average:					13.2%	(10.7%)				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$10.42	(2.4%)	\$14.37	\$9.44	(16.4%)	(12.8%)	57.3x	18.18x	33.0x	14.4x
Gladstone Land Corporation	14.43	(5.4%)	22.13	14.34	(21.4%)	(57.3%)	NM	12.20x	15.5	9.1
Limoneira Company	14.88	(1.7%)	17.90	11.00	21.9%	(0.8%)	78.0	1.83x	NM	NM
Sector Average:					(5.3%)	(23.6%)	67.7	10.74x	24.2	11.8
<b>INPUTS</b>										
American Vanguard Corporation	\$11.59	(6.6%)	\$24.13	\$11.50	(46.6%)	(29.3%)	9.9x	0.90x	9.5x	3.4x
* BASF SE	43.09	(6.8%)	54.04	37.90	(7.1%)	(30.3%)	10.6x	0.76x	12.7x	2.6x
* Bayer Aktiengesellschaft	47.64	(3.6%)	65.66	46.70	(1.4%)	1.4%	6.7x	1.76x	7.6x	4.0x
CF Industries Holdings, Inc.	84.21	2.6%	112.44	60.08	(1.2%)	19.0%	13.4x	2.18x	4.1x	0.7x
Corteva, Inc.	51.42	(2.2%)	68.43	48.68	(12.5%)	8.8%	17.0x	2.25x	11.3x	1.5x
FMC Corporation	68.39	(9.6%)	134.38	68.17	(45.2%)	(37.8%)	9.6x	2.32x	9.7x	3.8x
Intrepid Potash, Inc.	24.23	(2.5%)	46.88	17.23	(16.1%)	(43.3%)	125.9x	1.06x	3.4x	0.0x
The Mosaic Company	35.80	(6.7%)	57.46	31.44	(18.4%)	(8.9%)	10.1x	0.91x	3.6x	1.0x
* Nutrien Ltd.	83.59	(3.5%)	120.72	70.69	(15.4%)	(12.1%)	12.6x	1.35x	5.2x	1.7x
S&W Seed Company	0.79	(20.7%)	2.14	0.65	(46.8%)	(70.9%)	NM	1.26x	NM	NM
Zoetis Inc.	176.68	(2.0%)	194.99	124.15	20.6%	(27.6%)	31.1x	10.51x	24.9x	2.0x
Sector Average:					(17.3%)	(21.0%)	24.7x	1.48x	9.2x	2.1x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$54.98	(1.5%)	\$63.40	\$31.02	26.8%	73.5%	9.8x	1.27x	9.6x	4.7x
AGCO Corporation	116.07	(5.5%)	145.53	93.53	(16.3%)	0.0%	7.7x	0.75x	5.1x	1.2x
Art's-Way Manufacturing Co., Inc.	2.33	(4.1%)	3.11	1.80	20.7%	(34.2%)	NA	0.63x	8.6x	3.7x
* Buhler Industries Inc.	2.40	0.0%	2.79	1.51	24.4%	(18.9%)	NA	0.49x	20.2x	11.7x
CNH Industrial N.V.	12.29	(8.8%)	17.98	10.89	(23.5%)	(36.7%)	6.6x	1.57x	10.7x	7.2x
Deere & Company	380.87	(7.6%)	450.00	328.62	(11.2%)	11.1%	11.8x	2.73x	11.4x	4.3x
Lindsay Corporation	114.72	0.5%	183.08	110.43	(29.6%)	(24.5%)	19.0x	1.80x	9.4x	1.0x
Titan Machinery Inc.	26.52	(3.5%)	47.87	24.90	(33.2%)	(21.3%)	5.6x	0.52x	6.3x	3.6x
Sector Average:					(5.2%)	(6.4%)	10.1x	1.22x	8.7x	3.7x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$51.36	1.7%	\$53.45	\$30.00	46.8%	32.7%	17.0x	0.15x	6.6x	1.9x
Archer-Daniels-Midland Company	76.98	(3.0%)	98.28	69.92	(17.1%)	13.9%	11.8x	0.50x	7.9x	1.8x
Bunge Limited	110.40	(1.8%)	116.59	80.41	10.7%	18.3%	9.4x	0.34x	4.2x	1.1x
Ingredion Incorporated	99.56	0.7%	113.46	78.81	1.7%	3.0%	11.0x	1.08x	7.5x	2.1x
MGP Ingredients, Inc.	100.67	(6.6%)	125.74	90.69	(5.4%)	18.4%	18.2x	3.16x	14.6x	1.9x
* Olam Group Limited	1.09	0.9%	1.71	1.04	(25.3%)	(37.7%)	NA	0.34x	9.0x	8.5x
Sector Average:					1.9%	8.1%	13.5x	0.93x	8.3x	2.9x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$10.42	(1.3%)	\$18.50	\$9.90	(6.5%)	(66.1%)	10.0x	1.42x	9.2x	7.0x
Campbell Soup Company	42.61	(1.0%)	57.78	40.76	(24.9%)	(2.0%)	13.9x	1.87x	8.1x	2.3x
Conagra Brands, Inc.	28.86	(0.3%)	41.30	28.35	(25.4%)	(15.5%)	10.6x	1.89x	9.2x	4.1x
General Mills, Inc.	64.82	(1.6%)	90.89	64.50	(22.7%)	(3.8%)	14.2x	2.45x	11.8x	3.0x
The Hain Celestial Group, Inc.	10.16	1.7%	22.14	9.36	(37.2%)	(76.2%)	23.9x	0.99x	11.3x	5.8x
The J. M. Smucker Company	126.59	(0.2%)	163.07	125.23	(20.1%)	(6.8%)	12.9x	1.98x	9.2x	2.5x
Kellogg Company	60.21	0.4%	77.17	58.82	(15.5%)	(6.5%)	14.5x	1.76x	13.2x	3.5x
The Kraft Heinz Company	34.16	2.1%	42.80	32.42	(16.1%)	(4.8%)	11.8x	2.26x	8.1x	2.7x
Lancaster Colony Corporation	167.27	(3.0%)	220.65	149.76	(15.2%)	1.0%	27.4x	2.49x	19.6x	0.1x
Mondelez International, Inc.	70.43	(2.1%)	78.59	54.72	5.7%	6.2%	20.8x	3.38x	14.7x	2.9x
* Nestlé S.A.	106.90	1.4%	116.84	102.78	(0.2%)	(16.1%)	20.9x	3.57x	16.9x	3.1x
* Nomad Foods Limited	15.74	(0.1%)	19.76	12.50	(8.7%)	(38.0%)	9.2x	1.44x	8.5x	4.4x
Post Holdings, Inc.	88.10	0.7%	98.84	80.39	(2.4%)	(21.8%)	17.6x	1.72x	11.4x	6.1x
The Simply Good Foods Company	34.92	3.1%	40.16	29.81	(8.2%)	(16.0%)	19.6x	3.16x	16.7x	1.6x
Sovos Brands, Inc.	22.67	0.1%	22.73	12.74	57.8%	50.6%	31.5x	2.79x	14.8x	2.8x
SunOpta Inc.	4.82	(8.7%)	15.90	4.77	(57.6%)	(45.0%)	NA	0.99x	10.7x	5.4x
TreeHouse Foods, Inc.	45.33	(4.9%)	55.30	40.56	(8.2%)	11.8%	17.7x	1.19x	10.5x	4.3x
Unilever PLC	47.37	(0.6%)	50.93	43.94	1.1%	0.7%	NA	2.42x	12.5x	2.7x
Utz Brands, Inc.	13.73	(4.2%)	19.15	13.56	(13.4%)	(13.9%)	22.7x	1.97x	23.1x	8.6x
Sector Average:					(11.5%)	(13.8%)	17.6x	2.09x	12.6x	3.8x

Company Name	Price 9/22/23	Price Compared to 9/15/23	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	
<b>ETHANOL</b>										
Alto Ingredients, Inc.	\$4.37	(0.5%)	\$4.54	\$1.20	51.7%	(9.1%)	18.6x	0.32x	NM	NM
Green Plains Inc.	31.20	(7.7%)	37.49	26.33	2.3%	(10.2%)	34.1x	0.71x	NM	NM
REX American Resources Corporation	39.53	0.9%	41.63	26.05	24.1%	23.5%	15.4x	0.58x	8.3x	0.3x
Sector Average:					26.0%	1.4%	22.7x	0.54x	8.3x	0.3x
<b>FRUIT &amp; VEGETABLE</b>										
Calavo Growers, Inc.	\$26.49	(7.2%)	\$38.97	\$22.64	(9.9%)	(37.5%)	17.1x	0.59x	13.8x	2.4x
Dole plc	11.58	(3.3%)	14.01	7.20	20.0%	(13.1%)	10.8x	0.28x	5.8x	3.6x
Fresh Del Monte Produce Inc.	25.77	1.3%	32.49	23.09	(1.6%)	(6.6%)	10.8x	0.41x	5.1x	1.7x
Lamb Weston Holdings, Inc.	94.05	(5.6%)	117.38	76.21	5.2%	48.4%	17.9x	3.18x	10.7x	3.2x
Mission Produce, Inc.	9.81	5.0%	16.96	8.55	(15.6%)	(37.5%)	18.1x	1.03x	21.8x	6.8x
Seneca Foods Corporation	53.89	0.8%	68.74	32.50	(11.6%)	12.4%	NA	0.57x	7.7x	4.2x
Sector Average:					(2.2%)	(5.7%)	14.9x	1.01x	10.8x	3.7x
<b>PROTEIN</b>										
Beyond Meat, Inc.	\$9.56	(7.6%)	\$22.87	\$9.41	(22.3%)	(85.3%)	NM	4.54x	NM	NM
Cal-Maine Foods, Inc.	48.27	4.8%	65.32	43.29	(11.3%)	30.5%	10.9x	0.55x	1.6x	0.0x
Darling Ingredients Inc.	54.24	(5.2%)	82.69	51.77	(13.3%)	(21.7%)	9.2x	1.89x	7.8x	4.0x
Hormel Foods Corporation	38.91	1.8%	49.73	36.78	(14.6%)	(20.3%)	22.5x	1.96x	12.3x	1.7x
* JBS S.A.	18.22	(3.7%)	28.00	15.12	(17.1%)	(52.0%)	11.4x	0.37x	6.5x	5.0x
Nathan's Famous, Inc.	71.23	(4.0%)	83.00	62.00	6.0%	22.0%	NA	2.59x	9.0x	2.2x
Pilgrim's Pride Corporation	22.81	(7.9%)	26.57	19.96	(3.9%)	(19.1%)	12.6x	0.51x	8.1x	3.7x
Seaboard Corporation	3795.49	(1.4%)	4090.63	3295.00	0.5%	(3.5%)	NA	0.45x	5.3x	2.1x
Tyson Foods, Inc.	51.12	(6.3%)	70.55	47.11	(17.9%)	(41.3%)	21.8x	0.50x	7.7x	2.7x
Vital Farms, Inc.	11.69	8.0%	18.18	10.00	(21.6%)	(35.3%)	33.4x	0.93x	2.2x	0.1x
Sector Average:					(11.6%)	(22.6%)	14.7x	1.08x	6.7x	2.4x
<b>BAKING &amp; INGREDIENTS</b>										
Balchem Corporation	\$127.19	(5.6%)	\$143.88	\$116.68	4.2%	(24.6%)	31.9x	4.74x	21.7x	2.1x
Flowers Foods, Inc.	22.92	0.1%	30.16	22.47	(20.3%)	(16.6%)	18.5x	1.24x	10.4x	2.3x
* Gruma, S.A.B. de C.V.	303.97	6.8%	307.08	190.82	16.6%	15.8%	14.9x	1.35x	9.2x	2.3x
* Grupo Bimbo, S.A.B. de C.V.	82.60	0.8%	103.41	68.83	0.3%	31.2%	20.1x	1.18x	8.7x	2.3x
J&J Snack Foods Corp.	165.53	(3.7%)	177.71	127.80	10.6%	4.8%	29.6x	2.17x	19.3x	1.0x
* Kerry Group plc	82.04	(1.1%)	100.00	81.18	(2.6%)	(27.6%)	17.8x	1.85x	13.8x	2.1x
Krispy Kreme, Inc.	12.79	(2.6%)	16.22	10.21	23.9%	(32.4%)	36.8x	2.21x	12.9x	4.8x
McCormick & Company, Incorporated	76.55	(4.1%)	94.39	70.60	(7.6%)	(20.8%)	27.8x	3.89x	20.1x	4.0x
* Tate & Lyle plc	6.93	(2.5%)	8.38	6.48	(2.6%)	(10.3%)	12.5x	1.71x	10.7x	2.3x
Sector Average:					2.5%	(8.9%)	23.3x	2.26x	14.1x	2.6x
<b>CANDY, NUTS, &amp; SNACKS</b>										
Bridgford Foods Corporation	\$11.16	(0.6%)	\$15.29	\$10.03	(6.4%)	(7.8%)	NA	0.38x	7.2x	0.6x
The Hershey Company	207.94	(2.1%)	276.88	206.69	(10.2%)	7.5%	21.0x	4.36x	16.6x	1.8x
John B. Sanfilippo & Son, Inc.	97.34	(4.4%)	127.26	74.33	19.7%	8.0%	NA	1.14x	10.3x	0.1x
Laird Superfood, Inc.	1.05	(0.9%)	2.18	0.65	25.0%	(91.9%)	NM	NM	NM	NM
Rocky Mountain Chocolate Factory, Inc.	4.75	(2.9%)	6.98	4.75	(16.7%)	(39.5%)	NA	0.90x	NM	NM
Tootsie Roll Industries, Inc.	30.96	2.8%	46.11	29.82	(25.1%)	(9.3%)	NA	2.85x	17.2x	0.1x
Sector Average:					(2.3%)	(22.2%)	21.0x	1.93x	12.8x	0.7x
<b>PET FOOD AND PRODUCTS</b>										
Central Garden & Pet Company	\$46.69	(0.5%)	\$48.48	\$35.60	24.7%	(11.3%)	16.7x	1.03x	8.4x	3.4x
Freshpet, Inc.	63.92	(11.5%)	84.70	43.96	21.1%	(32.9%)	NM	4.67x	NM	NM
Sector Average:					22.9%	(22.1%)	16.7x	2.85x	8.4x	3.4x
<b>WINE &amp; BEVERAGE</b>										
The Boston Beer Company, Inc.	\$378.31	1.8%	\$422.75	\$296.27	14.8%	(25.1%)	42.3x	2.15x	20.7x	0.2x
Brown-Forman Corporation	60.51	(5.1%)	74.76	60.47	(7.9%)	(17.0%)	29.1x	7.49x	24.0x	2.3x
The Coca-Cola Company	57.60	(0.6%)	64.99	54.02	(9.4%)	(2.7%)	21.2x	6.30x	17.6x	3.0x
Constellation Brands, Inc.	256.03	(1.7%)	273.65	208.12	10.5%	2.0%	21.1x	6.19x	46.2x	3.5x
Crimson Wine Group, Ltd.	6.01	1.9%	6.96	5.11	7.1%	(27.2%)	NA	1.58x	26.6x	4.4x
* Diageo plc	31.54	(0.3%)	39.37	30.62	(13.6%)	(21.9%)	19.0x	5.14x	14.4x	3.0x
Monster Beverage Corporation	54.52	(2.9%)	60.47	42.81	7.4%	13.5%	33.1x	8.05x	28.4x	0.0x
National Beverage Corp.	46.78	0.3%	55.12	38.40	0.5%	3.2%	24.8x	3.55x	17.6x	0.2x
PepsiCo, Inc.	175.27	(2.5%)	196.88	160.98	(3.0%)	0.9%	22.5x	3.09x	16.8x	2.6x
Starbucks Corporation	93.68	(2.6%)	115.48	82.43	(5.6%)	(19.9%)	23.8x	3.66x	13.4x	2.6x
Willamette Valley Vineyards, Inc.	5.85	(1.3%)	6.59	5.59	(2.0%)	(32.4%)	NA	2.35x	37.2x	8.5x
Sector Average:					(0.1%)	(11.5%)	26.3x	4.50x	23.9x	2.8x

Company Name	Price	Price	52-Week Range		Price as Compared to		Forward P/E	Enterprise Value to LTM:		Total Debt
	9/22/23	Compared to 9/15/23	High	Low	YE: 2022	2021		Revenue	EBITDA	to LTM: EBITDA
<b>DAIRY</b>										
* Danone S.A.	\$53.02	(1.4%)	\$61.88	\$46.75	7.7%	(2.9%)	15.1x	1.59x	9.9x	3.7x
Lifeway Foods, Inc.	12.42	3.5%	12.96	5.22	123.8%	170.0%	18.1x	1.20x	14.4x	0.5x
* Saputo Inc.	28.41	(2.1%)	37.50	27.17	(15.2%)	(0.3%)	14.9x	0.89x	10.4x	2.7x
Sector Average:					38.7%	55.6%	16.0x	1.22x	11.6x	2.3x
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>										
The Chefs' Warehouse, Inc.	\$23.26	(18.8%)	\$39.54	\$22.30	(30.1%)	(30.2%)	16.5x	0.58x	9.6x	5.0x
Performance Food Group Company	59.98	(0.8%)	64.34	42.77	2.7%	30.7%	13.8x	0.26x	9.5x	3.2x
SpartanNash Company	22.13	4.1%	37.75	20.57	(26.8%)	(14.1%)	9.6x	0.16x	6.4x	3.4x
Sysco Corporation	68.63	(3.4%)	87.41	68.18	(10.2%)	(12.6%)	15.9x	0.59x	12.2x	3.0x
United Natural Foods, Inc.	18.85	0.3%	47.88	17.71	(51.3%)	(61.6%)	16.7x	0.15x	4.7x	3.6x
US Foods Holding Corp.	39.80	(1.9%)	44.52	25.49	17.0%	14.3%	13.9x	0.41x	10.1x	3.5x
Sector Average:					(16.5%)	(12.2%)	14.4x	0.36x	8.8x	3.6x
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>										
BJ's Wholesale Club	\$72.89	5.1%	\$80.41	\$60.33	10.2%	8.8%	17.8x	0.66x	9.5x	2.3x
Costco Wholesale Corporation	558.59	0.4%	571.16	447.90	22.4%	(1.6%)	36.3x	1.03x	22.8x	0.8x
Dollar General Corporation	108.14	(6.5%)	261.59	107.72	(56.1%)	(54.1%)	13.7x	1.07x	7.0x	3.1x
Dollar Tree, Inc.	104.50	(7.0%)	170.36	104.09	(26.1%)	(25.6%)	15.9x	1.12x	7.0x	2.2x
Grocery Outlet Holding Corp.	28.80	(4.3%)	36.54	25.71	(1.3%)	1.8%	25.9x	1.08x	12.5x	4.2x
Walmart Inc.	162.35	(1.4%)	165.85	128.07	14.5%	12.2%	24.1x	0.79x	12.2x	1.7x
Sector Average:					(6.1%)	(9.7%)	22.3x	0.96x	11.8x	2.4x
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>										
Albertsons	\$23.21	(1.4%)	\$29.19	\$19.14	11.9%	(23.1%)	8.6x	0.35x	5.5x	2.9x
* Ahold Delhaize	29.21	0.3%	32.51	25.45	8.8%	(3.1%)	11.3x	0.48x	6.3x	2.7x
Amazon.com, Inc.	129.12	(8.0%)	145.86	81.43	53.7%	(22.6%)	51.9x	2.68x	19.2x	2.3x
Ingles Markets, Incorporated	75.24	(0.9%)	102.99	73.38	(22.0%)	(12.9%)	NA	0.30x	3.9x	1.3x
The Kroger Co.	45.66	(1.4%)	50.41	41.82	2.4%	0.9%	10.1x	0.34x	5.9x	2.3x
Natural Grocers by Vitamin Cottage, Inc.	12.77	(1.8%)	13.80	8.00	39.7%	(10.4%)	15.6x	0.59x	5.4x	3.1x
Sprouts Farmers Market, Inc.	41.38	1.4%	41.93	26.35	27.8%	39.4%	15.1x	0.85x	7.1x	2.0x
* Tesco PLC	2.71	0.1%	3.07	1.94	20.8%	(6.6%)	12.1x	0.46x	7.1x	3.6x
Village Super Market, Inc.	22.61	0.0%	24.86	19.09	(2.9%)	(3.3%)	NA	0.28x	3.9x	2.5x
Weis Markets, Inc.	63.52	(1.2%)	95.57	58.75	(22.8%)	(3.6%)	NA	0.32x	4.9x	0.6x
Sector Average:					11.8%	(4.5%)	17.8x	0.67x	6.9x	2.3x
<b>TRADITIONAL RESTAURANTS</b>										
Brinker International, Inc.	\$30.15	(4.0%)	\$42.12	\$23.94	(5.5%)	(17.6%)	9.0x	0.84x	6.0x	3.7x
The Cheesecake Factory Incorporated	28.95	(5.0%)	41.28	27.91	(8.7%)	(26.1%)	9.6x	0.95x	7.5x	4.2x
Cracker Barrel Old Country Store, Inc.	66.75	(3.9%)	121.17	66.28	(29.5%)	(48.1%)	12.5x	0.75x	7.2x	3.1x
Darden Restaurants, Inc.	143.50	(4.4%)	173.06	120.20	3.7%	(4.7%)	16.0x	2.23x	12.1x	3.5x
Dine Brands Global, Inc.	51.91	(3.6%)	82.43	51.40	(19.6%)	(31.5%)	8.4x	2.66x	10.8x	7.5x
Jack in the Box Inc.	69.92	(2.9%)	99.56	65.72	2.5%	(20.1%)	10.7x	2.55x	7.3x	5.2x
McDonald's Corporation	272.22	(2.2%)	299.35	230.58	3.3%	1.5%	23.0x	10.14x	16.7x	3.3x
Papa John's International, Inc.	71.68	(6.8%)	97.78	66.74	(12.9%)	(46.3%)	24.8x	1.60x	13.6x	4.1x
Texas Roadhouse, Inc.	95.62	(5.5%)	118.16	83.29	5.1%	7.1%	18.9x	1.62x	12.5x	1.3x
The Wendy's Company	20.47	1.8%	23.90	18.50	(9.5%)	(14.2%)	19.5x	3.64x	15.4x	8.4x
Yum! Brands, Inc.	125.00	(2.3%)	143.25	103.97	(2.4%)	(10.0%)	22.8x	6.70x	19.1x	5.0x
Sector Average:					(6.7%)	(19.1%)	15.9x	3.06x	11.6x	4.5x
<b>HIGH-GROWTH RESTAURANTS</b>										
Chipotle Mexican Grill, Inc.	\$1,875.58	(1.9%)	\$2,175.01	\$1,344.05	35.2%	7.3%	39.7x	5.85x	23.8x	1.7x
El Pollo Loco Holdings, Inc.	8.92	(1.7%)	13.00	8.35	(10.4%)	(37.1%)	10.9x	1.13x	7.2x	3.4x
Noodles & Company	2.49	(5.0%)	6.55	2.45	(54.6%)	(72.5%)	NM	0.77x	5.9x	4.2x
Potbelly Corporation	7.87	(2.5%)	11.14	4.31	41.3%	41.0%	52.5x	0.82x	5.2x	2.6x
Shake Shack Inc.	57.86	(6.8%)	80.58	40.83	39.3%	(19.8%)	161.9x	2.78x	17.7x	4.8x
Wingstop Inc.	169.36	(0.6%)	223.77	113.20	23.1%	(2.0%)	72.8x	13.58x	46.0x	6.0x
Sector Average:					12.3%	(13.9%)	67.5x	4.16x	17.6x	3.8x
<b>CANNABIS &amp; CBD</b>										
Canopy Growth Corporation	\$1.13	(38.3%)	\$6.44	\$0.46	(64.0%)	(89.8%)	NM	3.43x	NM	NM
Cronos Group Inc.	2.83	(12.9%)	4.88	2.15	(17.7%)	(43.2%)	NM	NM	NM	NM
Jones Soda Co.	0.18	2.2%	0.48	0.17	(30.6%)	(74.8%)	NA	0.78x	NM	NA
The Scotts Miracle-Gro Company	50.83	(7.7%)	88.61	39.06	4.6%	(68.4%)	28.2x	1.68x	10.8x	5.8x
Tilray Brands, Inc.	2.40	(18.1%)	5.12	1.50	(10.8%)	(65.9%)	NM	2.49x	NM	NM
Village Farms International, Inc.	0.90	(11.3%)	2.54	0.55	(33.1%)	(86.0%)	NM	0.56x	NM	NM
Sector Average:					(25.3%)	(71.3%)	28.2x	1.79x	10.8x	5.8x

**Notes:**

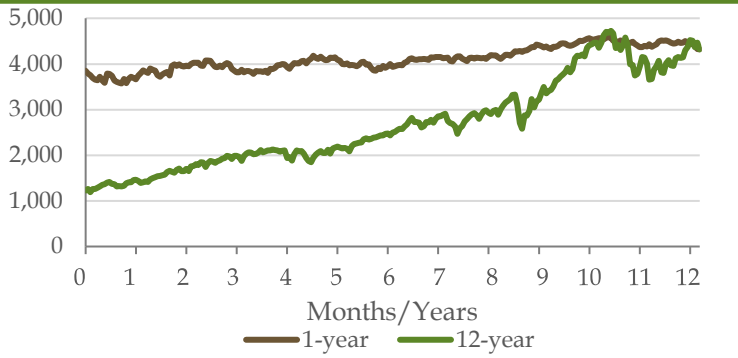
\* Denotes local currency.

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



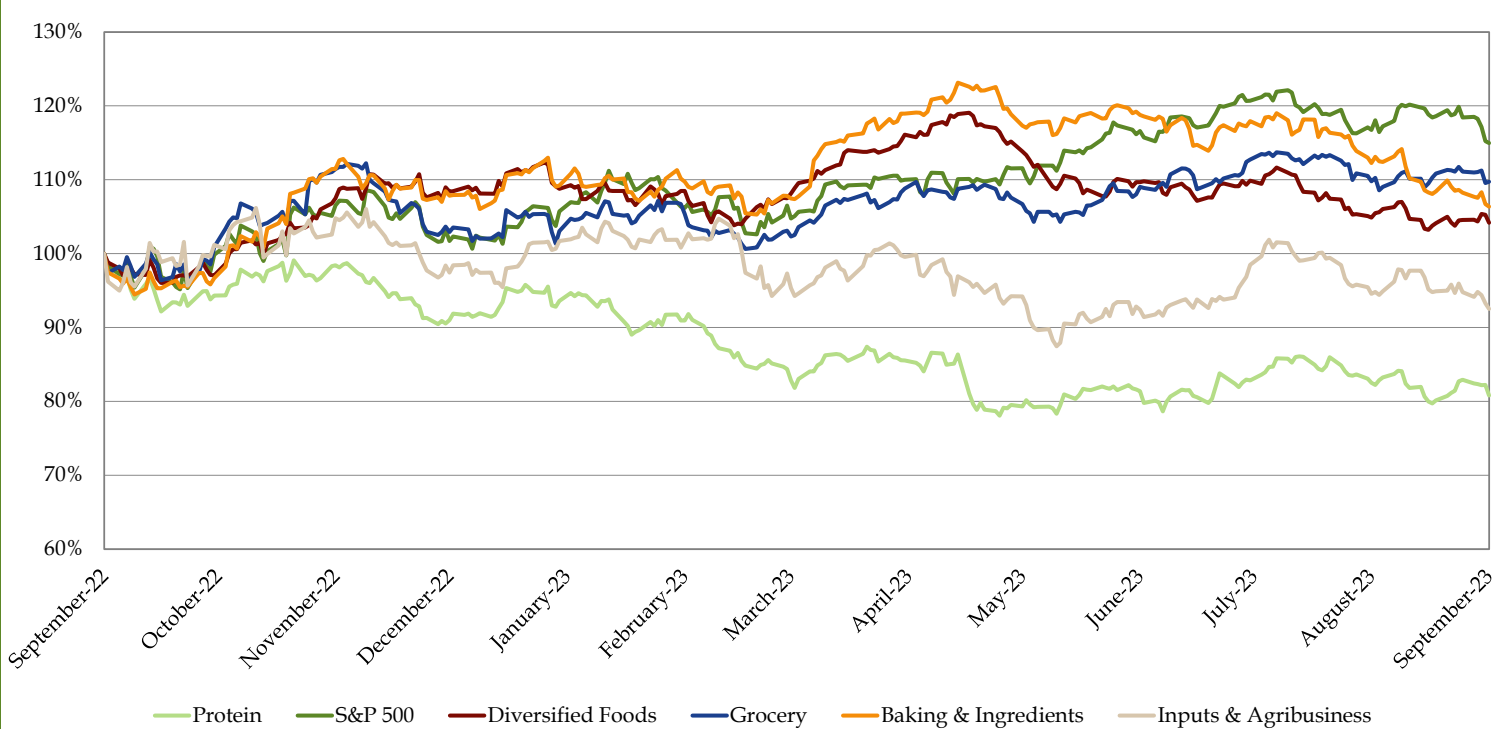
### 10-year Treasury



### CBOE Market Volatility Index - VIX



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



## Food For Thought...

*Partner Column*

*Written by Mary Burke*

Due to travel, there will be no partner column this week.

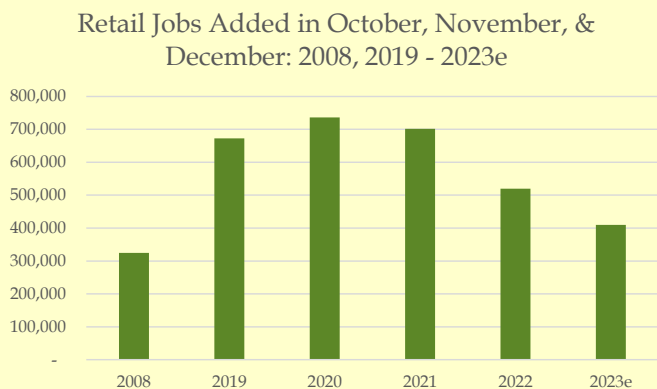
## Food for Thought...

**Companies Preparing for Slower than Normal Holiday Season.** With inflation remaining stubborn, Americans have cut back spending over the past six months and plan to continue cutting back consumption heading into the holidays. Over ninety percent of U.S. adults have reduced spending in the last six months, according to a poll of 4,403 adults conducted by Morning Consult on behalf of CNBC. Over sixty percent of respondents cut spending at restaurants and bars, and 54% cut back on grocery spending. Consumer sentiment has remained weak, thanks in part to August's hotter-than-expected CPI numbers, which showed a 3.7% year-over-year increase, up from 3.2% in July. Economists expect the increase to be temporary as gas prices come back to earth- gasoline prices skyrocketed 10.6% in August. Anne-Marie Roerink, president of 210 Analytics LLC, is paying close attention to gas prices, which "seem to be rising and have always had a tremendous negative impact on grocery spending."

The Fed elected to keep interest rates constant at their last meeting, but markets are still pricing in one more rate hike before the end of the year. LFA will be paying close attention to the FOMC's actions for the rest of the year as hiring slows amid stubborn inflation.

Wary of high prices, over three-quarters of American adults say they expect to reduce spending on non-essentials, and 62% plan to limit consumption of essentials into February. 210 Analytics reported that 94% of Americans continue to be concerned about food and beverage costs, and only 16% are browsing grocery aisles for new items to try.

Consumer companies are taking notice of falling holiday demand and are planning to add the fewest number of seasonal jobs since 2008 at just 410,000. As seen below, seasonal hiring continues to trend downwards: 2022's 519,400 jobs added marked a 26% decline in hiring from 2021.



Source: Challenger, Gray, & Christmas, Inc. Seasonal Hiring Report

**Darden Beats Earnings Expectations Despite Consumer Pullback in Restaurant Spending.** Darden Restaurants, Inc. (NYSE: DRI) topped analyst expectations with its earnings report on Thursday, its first quarterly earnings report since acquiring Ruth's Chris Steak House in May. Darden is seen as one of the most reliable gauges of the restaurant industry, thanks to its huge portfolio of chains that cover the full spectrum of dining categories.

Darden saw a five percent rise in same-restaurant sales for its first fiscal quarter, with revenue and profit growth in every business segment. Middle-class options LongHorn Steakhouse and Olive Garden led the way, while the fine dining segment saw the slowest growth of Darden's segments.

While the Darden results were positive news for the industry and indicative of improving consumer health, other restaurant stocks have lagged. Darden stock is up nearly 54% in the last three years, while competitors Dine Brands Global and Brinker International are down 2.1% and 28.3%, respectively, over the same period. Darden's success could mean improvement for the rest of the industry is on the way; however, as we wrote earlier in Food For Thought, consumer spending at restaurants may not provide its usual holiday bump.

**Update on Union Disputes Across the Country.** The United Auto Workers (UAW) union strike has grabbed the headlines this week as the strike expanded to 38 GM and Stellantis parts-distribution centers Friday. The UAW spared Ford from further strikes, with President Shawn Fain saying the automaker has met some demands and made significant progress. In addition to the UAW strike, the Writers Guild of America (WGA) strike approaches its fifth month as the union's lawyers review an offer the studios say is their "best and final offer." Attorneys are said to be ironing out final language for a three-year deal.

Meanwhile, the United Food and Commercial Workers (UFCW) union expressed concerns with Kroger and Albertsons' spinoff of 413 stores to C&S Wholesale Grocers. UFCW Local 7 President Kim Cordova called the deal "Haggen 2.0," referencing Haggen Grocery's bankruptcy in 2015 that came shortly after the company acquired 146 Safeway and Albertsons locations. The Haggen deal was another spinoff to placate antitrust regulators concerned with a larger grocery merger.

Union frustration was expected to arise from the Kroger-Albertsons merger with so many stores changing hands. The progress in other high-profile union disputes across the country is a welcome sign for Kroger, Albertsons, and employers.

\*Note: The WGA agreed to end its strike Sunday evening

## Heard on the Street...

**Costa Group Agrees to Private Equity Takeover.** Australia's number one fruit and vegetable grower, packer, and marketer, Costa Group (ASX: CGC), announced Friday that it agreed to sell 80% of all outstanding stock to American private equity firm Paine Schwartz. Costa grows produce across 7,200 hectares of Australian farmland and operates another 40 hectares of greenhouses.

The agreed-upon price of 3.20 Australian dollars per share (\$2.05 American) implies an enterprise value of A\$2.46 billion. The stock was down prior to the agreement as Paine Schwartz lowered its offer from its initial bid of A\$3.50 per share following Costa's poor earnings report in August. The two entities remained committed during an eight-week diligence period after Paine's initial bid and were able to come to an agreement.

Costa's board unanimously approved the proposal pending approval from a third-party expert, sending the company's stock skyward, finishing the week up over 6.5% at A\$3.09. Paine Schwartz initially acquired a 14% stake in Costa Group back in October of 2022 at a price of A\$2.60. The private equity firm will now take complete control once the deal closes, which is expected to occur in Q1 2024.

**General Mills Reports Earnings, Executives Comment on M&A Strategy.** General Mills's (NYSE: GIS) first-quarter results met expectations, according to chairman and CEO Jeffrey L. Harmening. The company left its guidance for 2024 unchanged, predicting modest sales and earnings growth. Looking ahead, Harmening said the company has "strong growth plans supported by healthy levels of investment, increased (holistic margin management) productivity, and efficient capital deployment."

Harmening's comments echo his sentiments made in a September 16<sup>th</sup> analyst call in response to a question referencing General Mills' reported interest in Hostess Brands, Inc. Harmening explained the company is not going to overpay for volume but will continue to look for opportunities "at pricing that makes sense for investors."

Another transaction in the sector has attracted General Mills' attention: the separation of the Kellogg Co. breakfast cereal and snacking businesses. President of North American Retail, Jonathon J. Nudi, said the prospect of a major competitor becoming more focused is "actually a good thing." Going on to explain, "if you go back through history when two major competitors ... are supporting the category with marketing as well as innovation in the category does better. So (General Mills)

hope(s) the that everyone comes to play, and we can continue to grow those categories as we move forward."

While many often view focused competition as a negative sign for their business, Nudi's comments make it clear a rising tide lifts all boats.

**Following up on the Instacart IPO and Another Grocery Delivery Startup.** As Lakeshore Food Advisors reported in Heard on the Street last week, Instacart (NASDAQ: CART) officially went public Monday at an IPO price of \$30 per share. The stock jumped nearly 13 percent on its first day of trading but gave back all of its gains over the course of the week, finishing back at \$30.00. The company's falling share price shows investors' caution surrounding tech companies in competitive industries. Instacart faces competition from some of the largest companies in the world, namely Amazon.com, Inc. (NASDAQ: AMZN) and Walmart Inc (NYSE: WMT).

While investors may be wary of Instacart moving forward, entities with capital to deploy continue to see promise in the space. Convivialité Ventures, the VC arm of alcohol conglomerate Pernod Ricard, led a \$50 million funding round for Latin American online grocery delivery company JOKR. The Series D financing round valued the startup at \$800 million, down from its \$1.3 billion Series C valuation. Pernod Ricard joins existing investors: G Squared, GGV, Balderton Capital, Monashees, Greycroft, Tiger Global Management, and JOKR's founders. JOKR was not pursuing additional funding, but CEO Ralf Wenzel said strategic interest from retailers and CPG companies "makes us believe that we are now in a framework and bandwidth that most likely represents the strength of our financial performance, relative to an obviously adjusted overall market environment which has come down for the whole sector."

**Plant-Based Startups Calling it Quits.** Two San Francisco-based meat-free protein startups have announced they will cease operations in separate announcements in the last month. Hooray Foods, a plant-based bacon alternative company with products sold in over 1,000 grocery stores, halted business operations on September 7<sup>th</sup>, saying, "the economics of running a company of this size simply do not match our revenue."

Nowadays, a plant-based chicken nugget alternative company with nearly \$10 million in venture capital funding to date, announced its own demise on September 13<sup>th</sup> in a LinkedIn post by co-founder Max Elder.



# Capital

US bank stocks faced a downturn in response to the Federal Reserve's decision to maintain the federal funds rate within the range of 5.25% to 5.5%. This announcement on September 20 led to the KBW Nasdaq Bank Index closing down 0.84%. Notably, this marked the second time this year that the Federal Reserve decided not to make any adjustments to interest rates after having raised benchmark rates by 525 basis points since March 2022. Federal Reserve Chair Jerome Powell emphasized the central bank's cautious approach, indicating that further policy actions would hinge upon ongoing assessments of incoming economic data and the evolving economic outlook and risks.

Federal Reserve officials' decision to maintain the benchmark federal funds rate at its current 22-year high underlines their confidence in the soundness and resilience of the US banking system. Powell's remarks during the closely watched press conference that followed the central bank's release highlighted the Fed's commitment to achieving its goal of sustainably lowering inflation to 2%, which he indicated would be a long-term process. Powell pointed to the Fed's economic projections, which suggest that the central bank could attain this objective by the fourth quarter of 2026. To reach this target, Powell mentioned that the Fed stands ready to raise rates further if deemed appropriate, implying that additional rate hikes might be on the horizon. While 12 Fed officials at the latest meeting expressed support for one more rate hike before the end of 2023, seven preferred to maintain the current policy stance, reflecting ongoing uncertainty in the economic landscape.

The Federal Reserve's Summary of Economic Projections, released simultaneously with the rate decision, revealed that Fed officials anticipate a federal funds rate of 5.6% for this year, consistent with the June estimate. These projections also indicated the Federal Open Market Committee's median expectation of a 3.3% increase in personal consumption expenditure inflation in 2023, up from the June projection of 3.2%. Additionally, the central bank expects the personal consumption expenditures index, its preferred inflation gauge, to stand at 2.5% in 2024, mirroring the predictions made in June and March. Furthermore, the Fed forecasted that unemployment would average 3.8% in 2023, down from the June projection of 4.1%.

Despite trading positively for most of the day, stock markets saw a decline in response to the announcement, with the Dow dropping 76 points, the Nasdaq falling 1.5%, and the S&P 500 slipping 0.9%. Some experts believe the US is moving closer to a "soft landing" rather than a recession, while factors such as oil prices could influence the Fed's future rate decisions. The central bank remains vigilant in assessing the impact of its previous rate hike in July, especially given the unexpected 3.7% increase in inflation observed in August. Surveys indicate that many Americans, across income levels, are still feeling the economic squeeze, leading to planned cutbacks in spending and more budgeting in the coming months. Additionally, concerns about consumer spending shrinking in early 2024 have surfaced, potentially impacting the US economy.

The inflationary pressures in the US have been a persistent concern, despite the Fed's efforts to gradually bring down the elevated inflation rates from their peak of 9.1% in June. Currently standing at 3.7%, inflation remains considerably above the central bank's target of 2%, adding uncertainty to the economic outlook. High inflation has been accompanied by other economic challenges, including a cooling housing market with sky-high mortgage rates reminiscent of levels not seen since 2001. These rates have put pressure on homeowners, particularly in major US cities, who are sometimes forced to sell their homes at a loss. Furthermore, credit card delinquencies have surged to their highest levels since the financial crisis, reaching 3.8% this year. There are 70 million more credit card accounts open now than before the pandemic and credit card debt surpassed \$1 trillion for the first time ever. Notably, 3.6% of Americans grappling with inflation have defaulted on their car loans, according to Equifax. With federal student loan repayments being reinstated on October 1<sup>st</sup>, the consumer is likely feeling further pressure. These data points underscore the complexity of the economic landscape that the Federal Reserve must navigate as it strives to achieve its dual mandate of stable prices and maximum employment.

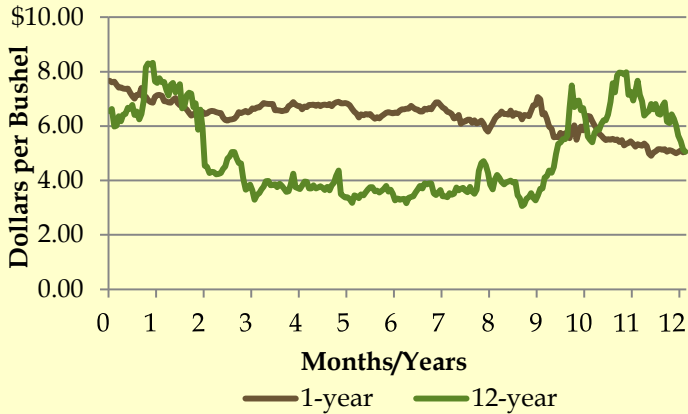
**Total Return for Top 20 US Banks by Market Capitalization**

Company (ticker)	Market cap (\$B)	Total Return (%)		
		QTD	YTD	1-year
JPMorgan Chase & Co.(JPM)	432.80	3.1	13.5	30.0
Bank of America Corp.(BAC)	227.66	0.7	-11.5	-15.0
Wells Fargo & Co.(WFC)	158.13	2.1	7.0	0.4
Citigroup Inc.(C)	82.19	-6.2	-2.5	-7.6
U.S. Bancorp (USB)	53.86	4.7	-18.4	-21.2
PNC Financial Services Group Inc.(PNC)	49.46	-0.2	-18.7	-21.6
Truist Financial Corp.(TFC)	38.09	-4.2	-30.4	-36.8
M&T Bank Corp.(MTB)	20.98	3.2	-10.2	-30.0
First Citizens Bancshares Inc.(FCNC.A)	19.47	5.5	78.8	59.3
Fifth Third Bancorp (FITB)	18.32	2.7	-15.9	-20.6
Regions Financial Corp. (RF)	16.83	2.0	-13.9	-15.8
Huntington Bancshares Inc. (HBAN)	15.30	-0.5	-21.7	-20.4
Citizens Financial Group Inc.(CFG)	12.97	6.7	-27.5	-22.6
KeyCorp (KEY)	10.51	23.8	-32.2	-33.0
New York Community Bancorp (NYCB)	8.37	4.4	41.1	29.6
East West Bancorp Inc.(EWBC)	7.64	3.0	-16.2	-25.1
Webster Financial Corp.(WBS)	7.02	8.2	-12.1	-11.8
First Horizon Corp. (FHN)	6.29	1.1	-52.4	-50.2
Cullen/Frost Bankers Inc.(CFR)	6.02	-11.8	-28.0	-31.4
Commerce Bancshares Inc. (CBSH)	6.00	-0.6	-28.2	-26.9
<b>Top 20 median</b>		<b>2.4</b>	<b>-16.1</b>	<b>-20.9</b>

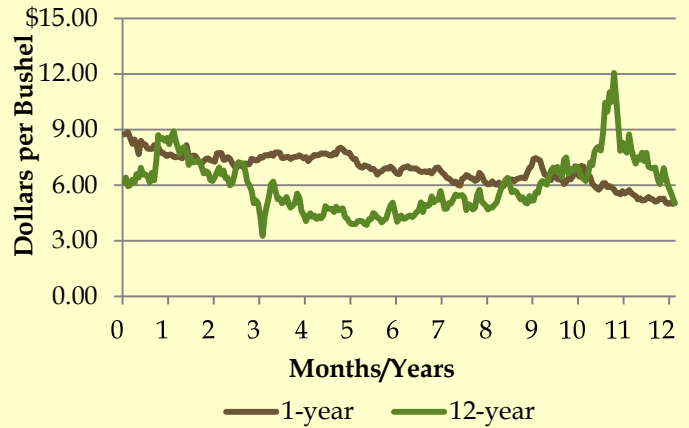
Source: S&P Capital IQ  
As of September 20, 2023

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

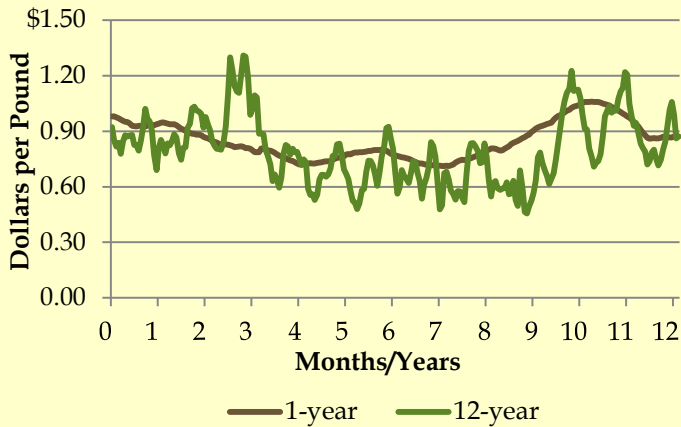
## Corn



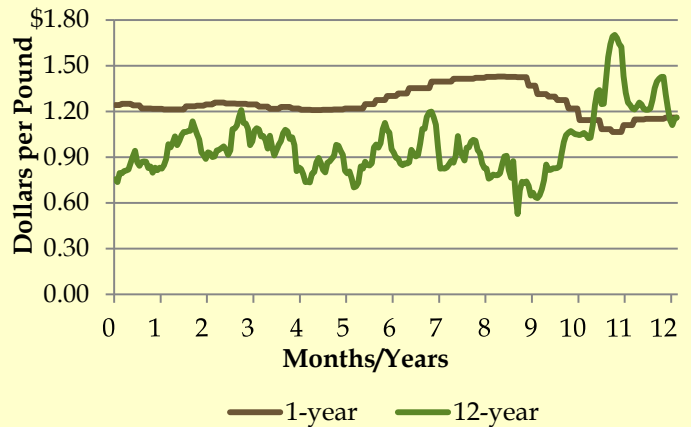
## Wheat



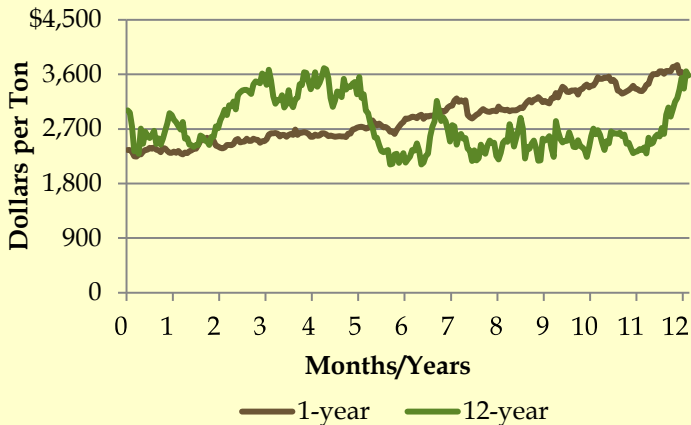
## Hogs



## 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: 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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