



# LAKESHORE

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



## Weekly Update

Monday, February 26<sup>th</sup>, 2024

**S&P 500 Sets New Record Thanks to Bullish Corporate Earnings.** The S&P 500 surged past the 5,000-point mark Thursday, propelled by better-than-expected corporate earnings and a quiet week of economic data announcements. Markets seem to have accepted the Fed's signals that rate hikes will not start until later this year without investors losing confidence. Hence, the markets' ability to see the larger picture is good news, signaling favorable conditions for 2024.

The **Dow Jones Industrial Average** rose 1.3% this week, ending at 39,132.

The **S&P 500** was up 1.7% on the week, finishing at 5,089.

The **NASDAQ Composite** increased 1.4% on the week, finishing at 15,997.

Yield on the **10-year Treasury** fell four basis points this week, ending at 4.26%.

**Crude oil** was down 2.5% on the week, ending at \$76.49 per barrel.

**Corn** declined 3.7% on the week, ending at \$4.14 per bushel.

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**NASDAQ Highs:** Balchem Corporation, Costco Wholesale Corporation, Freshpet, Inc., Pilgrim's Pride Corporation, Potbelly Corporation, Sprouts Farmers Market, Inc., Vital Farms, Inc., Wingstop Inc. **Lows:** Gladstone Land Corporation, The Wendy's Company

**NYSE Highs:** Brinker International, Inc., Ingredion Incorporated, Performance Food Group Company, Post Holdings, Inc., Shake Shack Inc., US Foods Holding Corp., Walmart Inc. **Lows:** AGCO Corporation, Seaboard Corporation, TreeHouse Foods, Inc.

### Featured Stocks of the Week:

Walmart Inc. (NYSE: WMT) 10-Year History



AGCO Corporation (NYSE: AGCO) 10-Year History



# The Lakeshore Food Chain

Company Name	Price 2/23/24	Price Compared to 2/16/24	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2023	2022		Revenue	EBITDA	
			Dow Jones Industrial Average	39,132	1.3%	39,132		31,819	3.8%	
S&P 500	5,089	1.7%	5,089	3,856	6.7%	32.5%	21.2			
NASDAQ Composite Index	15,997	1.4%	16,042	11,139	6.6%	52.8%	NA			
Russell 3000 Index	2,913	1.4%	2,913	2,225	6.0%	31.4%	NA			
Sector Average:					5.8%	33.7%				
<b>AGRICULTURAL LAND HOLDINGS</b>										
Farmland Partners Inc.	\$11.08	(3.9%)	\$13.27	\$9.44	(11.2%)	(11.1%)	295.5x	18.31x	33.4x	13.3x
Gladstone Land Corporation	13.02	(3.5%)	18.19	12.77	(9.9%)	(29.0%)	NM	11.90x	15.1	8.9
Limoneira Company	17.58	(4.1%)	21.62	13.88	(14.8%)	44.0%	88.8	2.11x	NM	NM
Sector Average:					(12.0%)	1.3%	192.1	10.77x	24.2	11.1
<b>INPUTS</b>										
American Vanguard Corporation	\$10.93	(2.1%)	\$22.58	\$8.41	(0.4%)	(49.7%)	16.6x	0.96x	11.8x	5.3x
* BASF SE	46.60	0.0%	50.95	40.25	(4.5%)	0.5%	12.9x	0.86x	8.4x	2.8x
* Bayer Aktiengesellschaft	28.82	0.7%	61.91	27.40	(14.3%)	(40.4%)	4.9x	1.39x	6.6x	4.6x
CF Industries Holdings, Inc.	80.41	3.5%	87.90	60.08	1.1%	(5.6%)	12.7x	2.87x	5.7x	1.0x
Corteva, Inc.	54.90	0.2%	64.04	43.22	14.6%	(6.6%)	19.3x	2.26x	11.4x	0.9x
FMC Corporation	52.38	0.1%	130.41	49.49	(16.9%)	(58.0%)	13.8x	2.27x	10.7x	4.2x
Intrepid Potash, Inc.	20.56	1.5%	34.44	17.23	(13.9%)	(28.8%)	NM	1.03x	4.4x	0.1x
The Mosaic Company	31.48	3.0%	57.46	29.25	(11.9%)	(28.2%)	10.3x	1.02x	5.3x	1.5x
* Nutrien Ltd.	71.91	4.3%	113.27	64.89	(3.7%)	(27.3%)	13.0x	1.37x	6.7x	2.2x
S&W Seed Company	0.70	11.1%	1.90	0.45	(0.1%)	(53.1%)	NM	1.33x	NM	NM
Zoetis Inc.	197.21	4.7%	201.92	151.03	(0.1%)	34.6%	34.1x	11.13x	26.6x	1.9x
Sector Average:					(4.6%)	(23.9%)	15.3x	1.54x	9.8x	2.4x
<b>AGRICULTURAL EQUIPMENT</b>										
* Ag Growth International Inc.	\$56.55	(1.5%)	\$63.40	\$47.07	11.9%	30.4%	10.3x	1.28x	9.3x	4.6x
AGCO Corporation	108.23	(1.0%)	145.53	105.77	(10.9%)	(22.0%)	8.3x	0.63x	4.2x	0.7x
Art's-Way Manufacturing Co., Inc.	2.08	(1.4%)	3.11	1.90	0.5%	7.8%	NA	0.57x	8.3x	3.7x
* Buhler Industries Inc.	2.17	0.0%	2.79	1.97	(11.1%)	12.4%	NA	0.47x	46.2x	35.7x
CNH Industrial N.V.	12.22	0.6%	17.06	9.77	0.3%	(23.9%)	7.9x	1.60x	11.2x	8.4x
Deere & Company	364.66	1.1%	450.00	345.55	(8.8%)	(15.0%)	13.6x	2.65x	9.9x	3.9x
Lindsay Corporation	121.82	(1.3%)	158.32	106.46	(5.7%)	(25.2%)	19.1x	1.98x	10.7x	1.1x
Titan Machinery Inc.	25.95	(2.9%)	47.87	21.44	(10.1%)	(34.7%)	5.9x	0.55x	6.9x	4.3x
Sector Average:					(4.2%)	(8.8%)	10.8x	1.22x	8.6x	3.8x
<b>AGRIBUSINESS</b>										
The Andersons, Inc.	\$52.75	(2.7%)	\$58.84	\$35.69	(8.3%)	50.8%	19.1x	0.14x	5.0x	1.7x
Archer-Daniels-Midland Company	53.45	(0.4%)	87.30	50.72	(26.0%)	(42.4%)	9.2x	0.38x	5.9x	1.7x
Bunge Global SA	93.65	2.1%	116.59	86.10	(7.2%)	(6.1%)	9.9x	0.28x	3.1x	1.1x
Ingredion Incorporated	114.97	0.7%	116.32	89.54	5.9%	17.4%	11.9x	1.17x	7.5x	1.9x
MGP Ingredients, Inc.	79.75	(12.3%)	124.96	75.78	(19.1%)	(25.0%)	13.0x	2.44x	10.0x	1.5x
* Olam Group Limited	0.94	6.3%	1.71	0.80	(10.1%)	(36.0%)	NA	0.33x	8.7x	8.5x
Sector Average:					(10.8%)	(6.9%)	12.6x	0.79x	6.7x	2.7x
<b>DIVERSIFIED FOODS</b>										
B&G Foods, Inc.	\$9.43	(4.3%)	\$16.68	\$7.20	(10.2%)	(15.4%)	10.4x	1.39x	8.7x	7.6x
Campbell Soup Company	42.45	2.4%	56.04	37.94	(1.8%)	(25.2%)	13.7x	1.89x	8.3x	2.4x
Conagra Brands, Inc.	28.30	4.0%	38.94	25.16	(1.3%)	(26.9%)	10.7x	1.86x	9.1x	4.0x
General Mills, Inc.	65.32	1.9%	90.89	60.33	0.3%	(22.1%)	14.4x	2.45x	11.4x	3.0x
The Hain Celestial Group, Inc.	9.63	(0.7%)	18.33	9.01	(12.1%)	(40.5%)	23.0x	0.96x	11.3x	5.9x
The J. M. Smucker Company	125.92	1.5%	159.92	107.33	(0.4%)	(20.5%)	13.2x	2.11x	9.4x	4.3x
Kellanova	56.43	1.7%	72.30	47.63	0.9%	(20.8%)	15.8x	1.96x	13.1x	3.4x
The Kraft Heinz Company	36.05	3.6%	41.47	30.68	(2.5%)	(11.4%)	11.9x	2.37x	8.8x	2.9x
Lancaster Colony Corporation	199.81	3.6%	220.65	158.88	20.1%	1.3%	29.8x	2.88x	20.8x	0.1x
Mondelez International, Inc.	73.98	2.8%	78.59	60.75	2.1%	11.0%	21.0x	3.27x	14.1x	2.5x
* Nestlé S.A.	95.35	(1.9%)	116.84	93.84	(2.2%)	(11.0%)	18.7x	3.21x	15.1x	2.9x
* Nomad Foods Limited	18.59	3.6%	19.76	13.56	9.7%	7.8%	9.8x	1.59x	9.7x	4.4x
Post Holdings, Inc.	105.88	0.5%	107.00	78.85	20.2%	17.3%	18.8x	1.70x	10.4x	5.2x
The Simply Good Foods Company	35.59	(0.2%)	43.00	31.06	(10.1%)	(6.4%)	19.0x	3.00x	15.5x	1.3x
Sovos Brands, Inc.	22.56	0.1%	22.73	12.82	2.4%	57.0%	28.5x	2.61x	13.3x	2.6x
SunOpta Inc.	7.74	(4.1%)	11.94	3.82	7.1%	(32.0%)	NA	1.20x	11.8x	4.7x
TreeHouse Foods, Inc.	36.71	1.6%	55.30	35.01	(11.4%)	(25.7%)	16.3x	0.95x	8.0x	3.9x
Unilever PLC	46.86	(0.5%)	50.93	42.97	6.9%	(0.0%)	NA	2.38x	11.9x	2.5x
Utz Brands, Inc.	19.15	0.6%	19.21	11.17	17.9%	20.7%	29.8x	2.24x	24.3x	7.6x
WK Kellogg Co	14.56	(3.7%)	21.00	9.66	10.8%	NA	9.6x	0.61x	10.7x	3.2x
Sector Average:					1.9%	(7.5%)	17.9x	2.11x	12.4x	3.7x

Company Name	Price 2/23/24	Price Compared to 2/16/24	52-Week Range		Price as Compared to YE:		Forward P/E	Enterprise Revenue	Value to LTM:		Total Debt to LTM EBITDA
			High	Low	2023	2022			EBITDA	EBITDA	
<b>ETHANOL</b>											
Alto Ingredients, Inc.	\$2.19	(0.5%)	\$4.98	\$1.20	(17.7%)	(24.0%)	NM	0.19x	NM	NM	
Green Plains Inc.	22.06	(4.3%)	36.02	19.44	(12.5%)	(27.7%)	25.6x	0.57x	30.2x	10.9x	
REX American Resources Corporation	43.33	(1.7%)	51.19	27.42	(8.4%)	36.0%	18.1x	0.61x	5.7x	0.2x	
Sector Average:					(12.9%)	(5.2%)	21.8x	0.46x	18.0x	5.5x	
<b>FRUIT &amp; VEGETABLE</b>											
Calavo Growers, Inc.	\$28.32	(2.3%)	\$38.97	\$21.42	(3.7%)	(3.7%)	22.3x	0.62x	18.0x	2.9x	
Dole plc	11.11	1.3%	14.01	10.55	(9.6%)	15.1%	8.8x	0.26x	5.1x	3.1x	
Fresh Del Monte Produce Inc.	23.92	0.6%	32.49	21.41	(8.9%)	(8.7%)	10.4x	0.39x	5.0x	1.8x	
Lamb Weston Holdings, Inc.	102.67	1.4%	117.38	81.26	(5.0%)	14.9%	16.3x	2.90x	10.0x	2.5x	
Mission Produce, Inc.	10.56	0.8%	13.99	8.19	4.7%	(9.1%)	38.4x	1.03x	13.4x	3.6x	
Seneca Foods Corporation	46.78	(2.3%)	59.99	32.50	(10.8%)	(23.2%)	NA	0.67x	8.2x	5.5x	
Sector Average:					(5.6%)	(2.4%)	19.3x	0.98x	10.0x	3.2x	
<b>PROTEIN</b>											
Beyond Meat, Inc.	\$7.81	10.5%	\$22.87	\$5.58	(12.2%)	(36.6%)	NM	4.30x	NM	NM	
Cal-Maine Foods, Inc.	57.42	0.2%	61.91	42.25	0.1%	5.5%	19.0x	0.84x	3.4x	NA	
Darling Ingredients Inc.	42.32	(0.7%)	71.60	38.97	(15.1%)	(32.4%)	11.3x	1.63x	6.9x	4.0x	
Hormel Foods Corporation	30.51	5.2%	45.27	28.51	(5.0%)	(33.0%)	19.7x	1.60x	10.2x	1.9x	
* JBS S.A.	21.25	(5.3%)	25.33	15.12	(14.7%)	(3.4%)	11.5x	0.40x	8.7x	7.3x	
Nathan's Famous, Inc.	69.21	1.7%	83.00	61.35	(11.3%)	3.0%	NA	2.43x	9.1x	1.8x	
Pilgrim's Pride Corporation	28.87	1.1%	29.24	19.96	4.4%	21.7%	11.4x	0.58x	10.4x	4.2x	
Seaboard Corporation	3371.86	(2.5%)	4080.11	3254.88	(5.6%)	(10.7%)	NA	0.43x	8.0x	4.5x	
Tyson Foods, Inc.	53.81	1.3%	63.28	44.94	0.1%	(13.6%)	20.5x	0.52x	9.6x	3.4x	
Vital Farms, Inc.	16.84	7.8%	18.01	10.00	7.3%	12.9%	31.3x	1.39x	2.7x	0.1x	
Sector Average:					(5.2%)	(8.7%)	15.6x	1.09x	7.7x	3.4x	
<b>BAKING &amp; INGREDIENTS</b>											
Balchem Corporation	\$156.88	5.1%	\$157.47	\$110.74	5.5%	28.5%	37.9x	5.78x	24.6x	1.5x	
Flowers Foods, Inc.	23.02	2.7%	29.10	19.64	2.3%	(19.9%)	18.5x	1.21x	10.5x	2.3x	
* Gruma, S.A.B. de C.V.	299.87	(4.8%)	337.70	249.47	(3.6%)	15.0%	14.5x	0.99x	6.5x	1.5x	
* Grupo Bimbo, S.A.B. de C.V.	73.63	(5.3%)	103.41	69.39	(14.3%)	(10.6%)	18.2x	1.14x	7.9x	2.4x	
J&J Snack Foods Corp.	143.89	(2.7%)	177.71	138.17	(13.9%)	(3.9%)	27.7x	1.85x	14.8x	0.8x	
* Kerry Group plc	81.76	6.7%	100.00	71.08	3.9%	(2.9%)	17.7x	1.98x	14.0x	2.2x	
Krispy Kreme, Inc.	13.37	3.1%	16.22	11.52	(11.4%)	29.6%	46.2x	2.20x	13.8x	5.2x	
McCormick & Company, Incorporated	68.08	2.9%	94.39	59.13	(0.5%)	(17.9%)	24.0x	3.42x	16.9x	3.6x	
* Tate & Lyle plc	6.14	0.1%	8.38	6.00	(6.9%)	(13.7%)	10.9x	1.53x	8.1x	2.1x	
Sector Average:					(4.3%)	0.5%	24.0x	2.23x	13.0x	2.4x	
<b>CANDY, NUTS, &amp; SNACKS</b>											
Bridgford Foods Corporation	\$10.56	(0.4%)	\$14.51	\$10.03	(4.0%)	(11.4%)	NA	0.35x	6.3x	0.5x	
The Hershey Company	193.83	1.4%	276.88	178.82	4.0%	(16.3%)	20.1x	3.96x	14.7x	1.7x	
John B. Sanfilippo & Son, Inc.	99.22	(1.7%)	127.26	87.38	(3.7%)	22.0%	NA	1.20x	10.4x	0.4x	
Laird Superfood, Inc.	0.73	(8.7%)	1.44	0.65	(19.8%)	(13.1%)	NM	NM	NM	NM	
Rocky Mountain Chocolate Factory, Inc.	4.20	1.2%	5.99	3.72	(8.7%)	(26.3%)	NA	0.95x	NM	NM	
Tootsie Roll Industries, Inc.	31.56	(3.5%)	45.98	29.07	(5.1%)	(23.6%)	NA	2.66x	15.4x	0.1x	
Sector Average:					(6.2%)	(11.5%)	20.1x	1.82x	11.7x	0.7x	
<b>PET FOOD AND PRODUCTS</b>											
Central Garden & Pet Company	\$43.13	0.3%	\$51.71	\$35.60	(13.9%)	15.2%	17.3x	1.05x	8.5x	3.3x	
Freshpet, Inc.	92.01	2.7%	93.13	45.13	6.1%	74.4%	NM	6.31x	NM	42.1x	
Sector Average:					(3.9%)	44.8%	17.3x	3.68x	8.5x	22.7x	
<b>WINE &amp; BEVERAGE</b>											
The Boston Beer Company, Inc.	\$354.43	0.7%	\$395.52	\$296.27	2.6%	7.6%	32.3x	1.95x	17.6x	0.2x	
Brown-Forman Corporation	57.49	(0.7%)	71.27	52.59	0.7%	(12.5%)	27.4x	7.09x	22.2x	2.3x	
The Coca-Cola Company	61.20	3.0%	64.99	51.55	3.9%	(3.8%)	21.7x	6.48x	17.9x	3.0x	
Constellation Brands, Inc.	247.23	1.4%	273.65	210.15	2.3%	6.7%	19.0x	5.82x	17.5x	3.1x	
Crimson Wine Group, Ltd.	5.83	(0.4%)	6.96	5.38	(1.1%)	3.9%	NA	1.53x	22.3x	3.6x	
* Diageo plc	29.86	2.0%	37.80	26.76	4.6%	(18.2%)	19.6x	4.97x	14.1x	3.2x	
Monster Beverage Corporation	55.29	0.5%	60.47	47.13	(4.0%)	8.9%	31.3x	7.88x	27.1x	0.0x	
National Beverage Corp.	51.09	2.7%	55.12	43.74	2.8%	9.8%	26.6x	3.87x	18.6x	0.2x	
PepsiCo, Inc.	169.60	2.0%	196.88	155.83	(0.1%)	(6.1%)	20.8x	2.95x	15.3x	2.7x	
Starbucks Corporation	95.62	2.6%	115.48	89.21	(0.4%)	(3.6%)	22.6x	3.53x	12.3x	2.4x	
Willamette Valley Vineyards, Inc.	5.19	(0.2%)	6.59	5.00	(3.1%)	(13.0%)	NA	2.16x	24.6x	5.6x	
Sector Average:					0.7%	(1.8%)	24.6x	4.38x	19.1x	2.4x	

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			High	Low	2023	2022			EBITDA	EBITDA	
<b>DAIRY</b>											
* Danone S.A.	\$60.71	(1.0%)	\$63.80	\$50.59	3.5%	23.3%	17.1x	14.43x	11.4x	NA	
Lifeway Foods, Inc.	10.51	(8.0%)	17.33	5.61	(21.6%)	89.4%	12.6x	0.96x	9.0x	0.4x	
* Saputo Inc.	28.08	(0.5%)	37.14	25.75	4.7%	(16.2%)	15.8x	0.90x	10.6x	2.7x	
Sector Average:					(4.5%)	32.2%	15.2x	5.43x	10.3x	1.5x	
<b>WHOLESALE, FOOD SERVICE, &amp; DISTRIBUTION</b>											
The Chefs' Warehouse, Inc.	\$36.51	(1.4%)	\$38.57	\$17.29	24.1%	9.7%	28.2x	0.68x	13.7x	5.5x	
Performance Food Group Company	75.61	1.3%	75.88	52.32	9.3%	29.5%	16.3x	0.31x	10.7x	3.2x	
SpartanNash Company	20.93	1.1%	28.09	19.04	(8.8%)	(30.8%)	10.5x	0.16x	5.6x	3.1x	
Sysco Corporation	80.82	1.7%	82.89	62.24	10.5%	5.7%	17.8x	0.67x	13.3x	3.3x	
United Natural Foods, Inc.	15.80	(3.4%)	42.69	12.88	(2.6%)	(59.2%)	60.3x	0.15x	6.1x	4.9x	
US Foods Holding Corp.	51.06	3.0%	51.19	33.96	12.4%	50.1%	16.4x	0.49x	11.5x	3.4x	
Sector Average:					7.5%	0.8%	24.9x	0.41x	10.2x	3.9x	
<b>MASS MERCHANDISE, CLUB STORES, &amp; DOLLAR STORES</b>											
BJ's Wholesale Club	\$71.63	4.2%	\$78.88	\$60.33	7.5%	8.3%	17.8x	0.65x	9.3x	2.3x	
Costco Wholesale Corporation	737.93	1.9%	742.51	465.33	11.8%	61.6%	45.9x	1.30x	28.1x	0.8x	
Dollar General Corporation	140.40	(0.8%)	222.99	101.09	3.3%	(43.0%)	19.7x	1.24x	8.6x	3.2x	
Dollar Tree, Inc.	145.88	1.8%	161.10	102.77	2.7%	3.1%	21.0x	1.42x	9.0x	2.3x	
Grocery Outlet Holding Corp.	25.99	0.4%	36.54	23.41	(3.6%)	(11.0%)	24.7x	0.97x	11.0x	4.0x	
Walmart Inc.	175.56	3.1%	181.35	136.09	11.4%	23.8%	24.8x	0.82x	12.6x	1.5x	
Sector Average:					5.5%	7.2%	25.7x	1.07x	13.1x	2.3x	
<b>TRADITIONAL &amp; SPECIALTY RETAIL</b>											
Albertsons	\$21.44	(0.6%)	\$23.88	\$19.14	(6.8%)	3.4%	8.2x	0.34x	5.3x	2.9x	
* Ahold Delhaize	27.66	1.2%	32.51	25.40	6.3%	3.0%	10.9x	0.46x	5.9x	2.6x	
Amazon.com, Inc.	174.99	3.2%	175.75	88.12	15.2%	108.3%	41.7x	3.29x	19.3x	1.6x	
Ingles Markets, Incorporated	77.13	1.1%	95.21	73.38	(10.7%)	(20.0%)	NA	0.30x	4.7x	1.6x	
The Kroger Co.	48.21	1.2%	50.36	42.10	5.5%	8.1%	10.8x	0.36x	6.1x	2.3x	
Natural Grocers by Vitamin Cottage, Inc.	15.31	3.0%	17.75	9.95	(4.3%)	67.5%	NA	0.62x	5.5x	2.9x	
Sprouts Farmers Market, Inc.	59.63	12.8%	60.00	30.20	23.9%	84.2%	21.1x	1.10x	9.4x	2.1x	
* Tesco PLC	2.80	0.0%	3.07	2.18	(3.7%)	24.8%	11.3x	0.46x	7.1x	3.6x	
Village Super Market, Inc.	25.84	(0.3%)	26.99	20.25	(1.5%)	10.9%	NA	0.29x	4.1x	2.5x	
Weis Markets, Inc.	61.43	(0.9%)	86.67	58.75	(4.0%)	(25.3%)	NA	0.32x	5.0x	0.6x	
Sector Average:					2.0%	26.5%	17.3x	0.75x	7.2x	2.3x	
<b>TRADITIONAL RESTAURANTS</b>											
Brinker International, Inc.	\$46.30	3.2%	\$46.63	\$28.23	7.2%	45.1%	11.7x	0.97x	6.3x	3.2x	
The Cheesecake Factory Incorporated	35.85	2.6%	39.34	28.58	2.4%	13.1%	11.7x	1.05x	15.0x	7.7x	
Cracker Barrel Old Country Store, Inc.	70.44	(1.5%)	121.17	62.69	(8.6%)	(25.6%)	14.1x	0.81x	8.0x	3.6x	
Darden Restaurants, Inc.	169.51	4.3%	173.06	133.36	3.2%	22.5%	18.4x	2.46x	12.8x	3.3x	
Dine Brands Global, Inc.	45.70	2.0%	79.57	42.00	(8.0%)	(29.3%)	7.5x	2.63x	10.4x	7.5x	
Jack in the Box Inc.	70.87	(6.7%)	99.56	60.43	(13.2%)	3.9%	10.6x	2.73x	8.0x	5.6x	
McDonald's Corporation	297.75	2.0%	302.39	245.73	0.4%	13.0%	24.0x	10.34x	17.1x	3.5x	
Papa John's International, Inc.	71.81	(1.7%)	89.04	60.66	(5.8%)	(12.8%)	26.0x	1.59x	13.4x	4.0x	
Texas Roadhouse, Inc.	148.90	0.8%	152.55	91.06	21.8%	63.7%	26.6x	2.29x	18.2x	1.3x	
The Wendy's Company	18.29	(0.8%)	23.90	17.64	(6.1%)	(19.2%)	18.2x	3.38x	12.2x	6.8x	
Yum! Brands, Inc.	138.32	2.8%	143.25	115.53	5.9%	8.0%	23.9x	7.12x	19.3x	4.6x	
Sector Average:					(0.1%)	7.5%	17.5x	3.22x	12.8x	4.7x	
<b>HIGH-GROWTH RESTAURANTS</b>											
Chipotle Mexican Grill, Inc.	\$2,646.72	1.9%	\$2,725.83	\$1,470.05	15.7%	90.8%	49.6x	7.63x	30.6x	1.6x	
El Pollo Loco Holdings, Inc.	9.06	(2.4%)	12.29	8.11	2.7%	(9.0%)	13.5x	1.17x	7.2x	3.5x	
Noodles & Company	2.51	0.4%	6.14	1.96	(20.3%)	(54.3%)	NM	0.77x	5.7x	4.2x	
Potbelly Corporation	13.41	7.1%	13.41	7.09	28.7%	140.8%	67.9x	1.15x	7.1x	2.5x	
Shake Shack Inc.	98.04	(0.3%)	100.71	52.01	32.3%	136.1%	145.8x	4.01x	24.2x	4.2x	
Wingstop Inc.	338.83	6.1%	343.29	150.08	32.1%	146.2%	114.0x	23.00x	78.2x	5.4x	
Sector Average:					15.2%	75.1%	78.2x	6.29x	25.5x	3.6x	
<b>CANNABIS &amp; CBD</b>											
Canopy Growth Corporation	\$4.56	(11.5%)	\$32.10	\$4.33	(32.5%)	(85.5%)	NM	2.54x	NM	NM	
Cronos Group Inc.	3.03	(0.7%)	3.57	2.15	9.4%	(11.9%)	78.3x	0.16x	NM	NM	
Jones Soda Co.	0.28	7.7%	0.29	0.12	92.8%	5.7%	NA	1.37x	NM	NA	
The Scotts Miracle-Gro Company	58.84	1.8%	86.77	43.67	(7.7%)	21.1%	20.6x	1.94x	18.5x	7.1x	
Tilray Brands, Inc.	1.76	(8.3%)	3.40	1.50	(23.5%)	(34.6%)	NM	2.29x	NM	NM	
Village Farms International, Inc.	0.80	(6.5%)	1.17	0.55	5.1%	(40.3%)	NM	0.48x	NM	NM	
Sector Average:					7.2%	(24.3%)	49.4x	1.46x	18.5x	7.1x	

**Notes:**

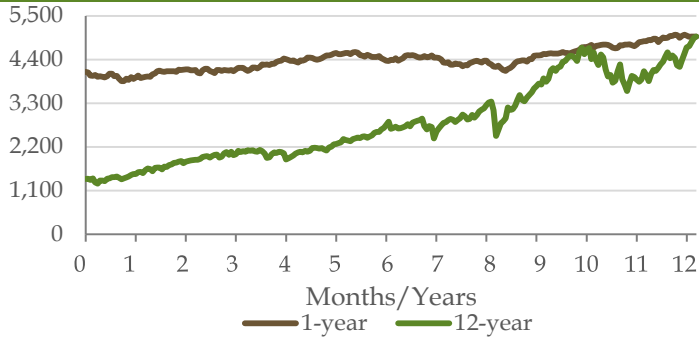
\* Denotes local currency.

Source: Capital IQ.

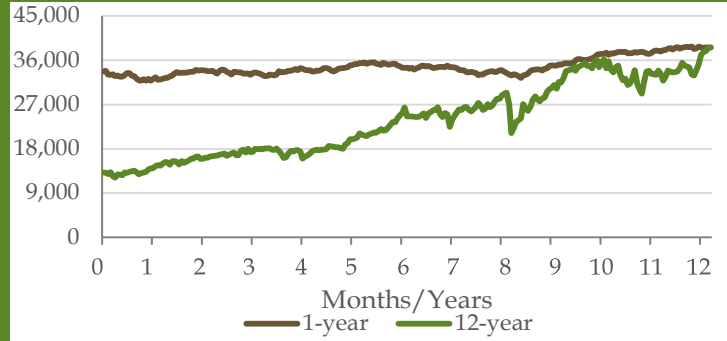
Summary multiples adjusted for extraordinary and non-recurring items; outliers excluded from mean calculation.

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

## S&P 500



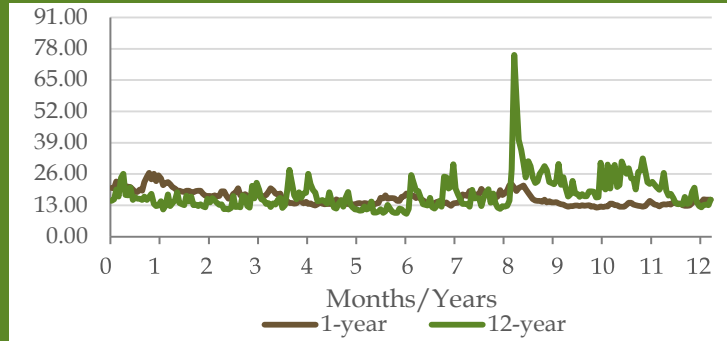
## Dow Jones Industrial Average



## 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

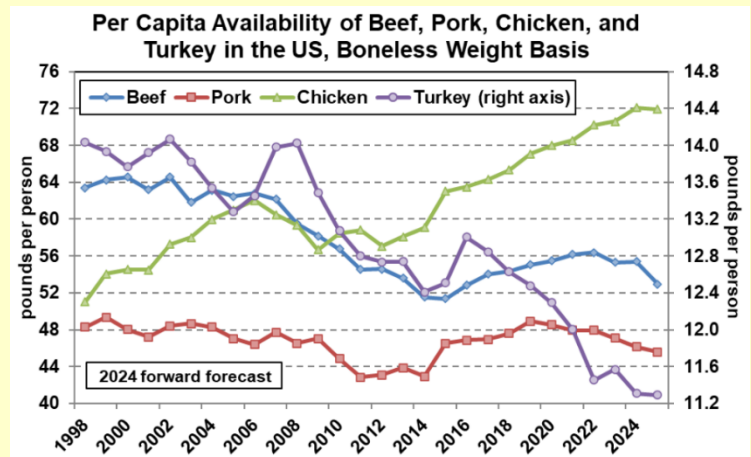
Given the number of states trying to stop it, the continued doubt that enough stores have been divested to C&S, questions that C&S can “appropriately” operate the stores, and the departure of Kroger’s CFO, the likelihood that the Albertson’s and Kroger (A&K) merger is going to happen has declined in the past three weeks. C&S will purchase between 600 and 750 units, while A&K will have a significantly larger 4,600 units. The concentration that manufacturers will have in the combined world is significant. Yes, there will be fights over the value of the store shelves. While the bankers like to earn fees, eventually, the legal and advisor fees, along with the legal outlook, will overcome the possible upside from the merger, and it will die.

So now what happens? Albertson’s will need to find another partner or partners. Additionally, all of the large and small independents who have held off doing a deal, waiting for the A&K transaction to finish up and see what was spun off, will be able to do something. A flood of M&A will occur.

PepsiCo raised prices by double-digit percentages for seven straight quarters, and while that streak ended in the fourth quarter of 2023, it still raised prices by 9% in that quarter. Then, guess what happened? Pepsi reported a drop in sales! Volume was down significantly to overcome the price increases they had experienced. PepsiCo now says it will increase prices in the normal range of 2-3% for the year ahead. Walmart and Pepsi both reported that consumers are looking for value. This increased sales for Walmart as more people shopped there for the last quarter of the year.

As we have written about, overall inflation, as measured by the CPI, peaked at 9.1% in the summer of 2022 but slowed to just 3.1% at the start of this year. Prices for some commodity foods, including beef, grains, and some kinds of dairy, have been easing. With wage increases slowing and technology continuing to improve, companies are not under the same pressure to raise prices to keep their margins in line.

Speaking of margin, JP Morgan, in a recent report, is estimating that Tyson Foods will have a 2% EBIT margin in the second quarter of 2024. The first quarter’s was 3.1%. It is hard to make money at that level. Their diversification strategy has hurt them in a number of areas, and this level of availability of product shown below does not help them.



Source: LEAP Market Analytics

The Agribusiness and Food chart on page 5 tells an interesting story, especially given what I wrote about in the first paragraph. Of all the sectors we follow, only the grocery sector has performed almost close to the S&P over the past year. All other sectors have lost value in the same time frame. The forward P/E is 17.3x, and it has an EBITDA multiple of 7.2x. The sector has the lowest average EBITDA multiple, and only three sectors (of the nineteen we track) have a lower forward P/E multiple. Grocery has never been a sexy sector to invest in – the razor-thin margins and strong competition make it very difficult. It is usually a safe haven during tougher economic times, as everyone needs to eat! With inflation for food at home over 300 bps less than food away, I expect consumers to continue to cook more at home. The A&K deal issues will impact this over time.

*Have a Good Week!*

## Food For Thought...

**Food Spending Reaches a Three-Decade High.** Food spending in the U.S. has surged to levels not seen since the early 1990s, with consumers allocating approximately 11.3% of their disposable income towards food purchases, according to data from the U.S. Agriculture Department. This reflects a significant increase from previous years and the highest spending since 1991. Inflationary pressures, particularly in the food sector, have been notable, with restaurant prices skyrocketing by 5.1% compared to January 2023. Meanwhile, according to Labor Department data, grocery costs increased by 1.2% during the same period.

These trends are expected to persist due to various factors, including rising labor costs and increasing prices of certain ingredients. For instance, cocoa prices recently surged past a 46-year record, prompting companies like Mondelez International to continue raising prices on some of their products. Similarly, Hershey expects more expensive cocoa to impact profits in the current fiscal year. Many individuals are adapting their purchasing behaviors, such as dining out less frequently and opting for cheaper store brands. Restaurant chains like Denny's and Wendy's have reported decreased guest counts, particularly among lower-income consumers. Overall, food companies are experiencing a mixed financial outlook, with some projecting higher earnings while others adjust forecasts in response to changing consumer behaviors.

Despite attempts by some companies to alleviate cost pressures through efficiency measures and strategic pricing, the overall trend suggests that food prices will likely remain elevated in the near term. However, analysts anticipate some relief as consumer and retailer pressure prompts food makers to adjust their pricing strategies. Nevertheless, consumers may need to adjust to a new normal of higher food prices.

**IFF Cuts Dividend, Shares Slides.** International Flavors & Fragrances (IFF), a provider of flavor and fragrance solutions across various industries, experienced a significant 7% drop in its stock price during after-hours trading on Tuesday following a substantial dividend cut. IFF experienced a nearly 5% decline in fourth-quarter revenue to \$2.7 billion and announced a 50.6% reduction in its quarterly dividend to \$0.40 per share. While the Scent and Health & Biosciences segments saw increased sales, the Nourish and Pharma Solutions segments witnessed declines. The company attributed its decision to slash its dividend to higher interest rates, cost inflation, and lower business projections. For the full fiscal year 2023, IFF's revenue contracted by 8% to \$11.48 billion.

Looking forward to fiscal 2024, IFF anticipates revenue between

\$10.8 billion and \$11.1 billion, falling short of previous estimates. Adjusted operating EBITDA for the year is expected to range from \$1.9 billion to \$2.1 billion. The company's CEO, Erik Fyrwald, expressed optimism despite the challenging operating environment, citing sequential volume improvement and double-digit adjusted operating EBITDA growth. The company expects a pricing decline of about 2.5% and volume growth between 0% and 3% in 2024.

**Heifer Herd Under Threat.** The dairy industry faces challenges in herd expansion due to the beef industry's high demand for young stock, leading to a shortage of dairy heifers. Analysts suggest that 1,000 dairy-producing crossbred bull calves could earn approximately \$100,000 more in 2024 than Holstein bull calves, signaling a clear incentive for dairy producers to focus on beef calf production.

According to the USDA's biannual Cattle report, the decline in dairy heifer inventories has been consistent for six consecutive years. The report revealed that the industry started 2023 with 8.3% fewer heifers than the previous year, amounting to 4.059 million dairy heifers on January 1, 2023, the smallest inventory in 20 years. This trend is expected to continue, with mature heifer inventories projected to decline by 1% in 2024, resulting in the lowest inventory of heifers entering the dairy herd in USDA's 22 years of projections. The dwindling supply of heifers poses challenges for dairy herd growth, particularly as waning inventories lead to slow and costly expansion.

**The Andersons, Inc. Reports Earnings.** Andersons, Inc. reported an adjusted EBITDA of \$70 million for the third quarter, with expectations set to meet the previously estimated full-year adjusted EBITDA range of \$350 million to \$375 million. Notably, the Renewables segment reported record income, driven by strong operational performance in ethanol plants and favorable industry conditions. President and CEO Pat Bowe highlighted the solid core operating performance in the Trade segment, offset by a currency loss in the international business, and improvements in the Nutrient & Industrial segment despite its typically slow seasonal period.

The company's growth strategy progressed positively during the quarter, marked by the acquisition of ACJ International, a pet food ingredient supplier. The company remains focused on expanding its renewables business, with plans for the renewable diesel feedstock merchandising business and investments to reduce the carbon intensity of ethanol plants. The Andersons continue to pursue growth opportunities across its core grain, fertilizer, and renewable energy verticals.

## Heard on the Street...

**Benson Hill Divests Iowa Soy Processing Plant.** White River Soy Processing, LLC has acquired Benson Hill, Inc.'s soy processing plant in Creston, Iowa, for \$72 million, adding to their previous acquisition of Benson Hill's Seymour, Indiana, facility just four months prior. With 55 employees, the Creston plant is equipped to produce soy meal, oil, white flake, flour, and grits, expanding White River's product offerings into the food-grade market. Gordon Glade, co-founder of White River, emphasized the acquisition as a step towards supplying better nutritional outcomes to customers and meeting the growing demand for high-quality soy protein products.

Benson Hill's CEO, Deanie Elsner, highlighted the divestiture as part of the company's strategic plan to transition to an asset-light business model focusing on animal feed markets. Exiting ownership and operation of soy processing assets will reduce capital and operating expenditures, allowing the company to allocate resources to its core business.

**Sucro Building Sugar Refinery in Chicago.** Sucro Ltd. is expanding its footprint with plans to construct a new cane sugar refinery in the greater Chicago area in response to the underserved US sugar market. The Chicago refinery marks the company's third new plant announced in the past five years, alongside a recent confirmation of a refinery in Hamilton, Ont., and an existing facility in Lackawanna, NY. The new Chicago refinery, slated for operation in 2026, will focus on producing specialty sugar products such as large grain crystals, brown sugar, specialty liquid sugar, and organic sugar, catering to the high demand from US food processors and manufacturers.

Jonathan Taylor, Sucro's CEO, emphasizes the chronic supply shortage in the US sugar market, particularly in specialty segments like large-grain crystals, driving the need for domestic refinery capacity. Sucro aims to position itself as a major contributor to North American sugar market capacity with its new refineries, focusing on innovation and flexibility in sugar processing. The Chicago refinery and the company's existing production assets in New York and Ontario are designed to efficiently supply competitively priced refined cane sugar to multinational food manufacturers in the Midwest.

**Trinitas Farming Files for Chapter 11.** Trinitas Farming LLC, a Central Valley almond grower, has filed for Chapter 11 bankruptcy protection with approximately \$188 million in debt. The company, organized by Trinitas Partners in 2015 to operate almond ranches in the Central Valley, operates 17 almond ranches covering 7,856 acres across several California counties. Trinitas Farming intends to sell its almond ranches as part of its reorganization plan. Other debtor corporations under Trinitas,

such as Dinuba Ranch, LLC and Porterville, LLC, have also filed for bankruptcy protection.

Debts include a \$130 million term loan from Rabo Ag and additional loans totaling \$31 million. The largest unsecured creditor is The Almond Co., which is owed \$9.2 million, followed by The Harvesting Group with \$4.8 million. Trinitas Farming has requested a \$30 million loan to maintain operations during reorganization, citing critical cash shortages during the almond-growing season. The bankruptcy filing comes amidst a challenging agricultural landscape following the collapse of Prima Wawona and expectations of falling land values in the San Joaquin Valley due to surplus properties and capital constraints. Agricultural professionals anticipate continued distress in the market, with hopes pinned on commodity price increases and favorable weather conditions.

**Ozark Holdings Acquires Whole Earth Brands.** Ozark Holdings, LLC, an affiliate of Sababa Holdings Free, LLC, has announced its intention to acquire all outstanding shares of Whole Earth Brands, Inc., in an all-cash transaction. Whole Earth Brands is known for its plant-based sweeteners and flavor enhancers, featuring brands such as Whole Earth, Pure Via, Wholesome, Swerve, Canderel, and Equal. The acquisition will result in Ozark Holdings, LLC being rebranded as Sweet Oak Parent.

Irwin Simon, executive chairman of Whole Earth Brands, expressed satisfaction with the transaction, stating it maximizes shareholder value while offering immediate liquidity at a significant premium. The move comes after a thorough review of strategic alternatives. The transaction is expected to be finalized in the second quarter of 2024, pending regulatory approvals.

**PE Acquires Crest Foods.** Harwood Private Equity acquired Crest Foods, a provider of dairy stabilizers, contract packaging, and branded and private-label dry food manufacturing. The terms of the acquisition were not disclosed.

Founded in 1946, Crest Foods specializes in developing stabilizer formulations and recipes for dairy products, including cottage cheese, cream cheese, yogurt, dairy protein, and plant-based beverages. Additionally, the company offers contract packaging services to branded and private-label dry food companies, alongside consumer product development and turn-key manufacturing services for branded food companies. The acquisition aligns with Harwood's growth strategy, aiming to capitalize on Crest Foods' diversified product offerings and market presence.



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

(\$ in millions)

Date	Target	Acquirer	Enterprise Value (\$mm)	EV/ Revenue	EV/ EBITDA	Target Description
02/20/2024	Crest Foods, Inc.	Harwood Private Equity LLP	-	-	-	Crest Foods, Inc. is a contract manufacturer, packager, and developer of dairy stabilizers and ingredients to the food manufacturing space. The company is located in IL.
02/16/2024	Thinking Tree Spirits, Inc.	Heritage Distilling Company, Inc.	-	-	-	Thinking Tree Spirits is a manufacturer, marketer, and retailer of assorted spirits. The company is based in OR.
02/16/2024	Heart State	Homestead Beer Company LLC	-	-	-	Heart State is an Ohio based brewer of beers and other alcoholic beverages
02/13/2024	Small Batch Organics, LLC	RIND Snacks, Inc.	-	-	-	Small Batch Organics is a producer and marketer of flavored granola products. The company is based in VT.
02/13/2024	Hofmann Sausage Co., Inc.	Miami Beef Company, Inc.	-	-	-	Hofmann Sausage is a producer and distributor of meat products to the retail and foodservice markets. It is located in NY.
02/13/2024	Benson Hill Ingredients, LLC	White River Soy Processing, LLC	\$72.0	-	-	Benson Hill Ingredients is a soy processing facility with for-human consumption capability located in IA.
02/07/2024	Two Meat Processing Facilities of Ahold Delhaize USA	Cargill, Incorporated	-	-	-	Two case ready meat plants located in RI and PA that Tyson already operated as part of a long-term partnership with Ahold.
02/07/2024	Assets of Summit Naturals Inc	Creations Foods US Inc.	-	-	-	Summit makes no sugar and low sugar confectionary goods and chocolates based in FL. This marks Creations' second better-for-you acquisition in the last two years.
02/05/2024	Five Star Food Services, Inc.	InReach	-	-	-	Five Star Food Services operates vending machines in industrial, office, healthcare, and educational facilities. The company operates in TX.
02/01/2024	Assets of G.O. Corporation I	Wholesale Produce Supply, LLC	-	-	-	G.O. is a manufacturer of fresh cut and packaged fruit and vegetable products. The company operates a processing facility in MN.
02/01/2024	No Man's Land Foods, LLC	Bansk Group LLC	-	-	-	No Man's Land Foods manufactures beef jerky snacks with two locations in OK. This marks Bansk's second recent acquisition in the snack category (Red's All Natural).
02/01/2024	California distribution business of Obvious Wines LLC	Serendipity Wines, LLC	-	-	-	The sales includes the CA based wine manufacturing and distribution business of Obvious Wines.
01/30/2024	Portfolio of Italian Food Products of Ajinomoto Foods North America, Inc.	Seviroli Foods, LLC.	-	-	-	Branded and private label manufacturer of frozen pasta products for the retail and foodservice market.
01/26/2024	Ingomar Packing Company LLC	Kagome Co., Ltd.	486.7	1.6x	-	Ingomar Packing produces and packages tomato based products such as paste and diced tomatoes. The company operates a facility in CA.
01/26/2024	B & B Food Distributors, Inc.	Raydia Food Group	-	-	-	Wholesale food distribution business located in IL.
01/25/2024	Assets of Sterling Food Flavorings, LLC	Brookside Flavors & Ingredients LLC	-	-	-	Sterling develops food flavoring systems that are used in the production of baked goods. The company operates facilities in CA and TX.
01/25/2024	Advanced Refreshment Solutions, LLC	Five Star Food Service, Inc.	-	-	-	Advanced Refreshment provides vending, micro markets, and office coffee services in OH.
01/25/2024	Star Seed, Inc.	S&S Seeds Management Company LLC	-	-	-	Star Seed, Inc. produces and distributes corn, wheat, legume, oat, and alfalfa seeds for the farming industry. The company operates in KS.
01/24/2024	Delivery Business of Chowbus, Inc.	Just Order Enterprises Corp.	-	-	-	The sale includes the Asian food orientated delivery business of Chowbus, which is located in IL.
01/24/2024	Dirty Dough LLC	Craveworthy Brands	-	-	-	Dirty Dough is a manufacturer and marketer of cookies based in AZ.
01/19/2024	Monticello Farm Service, Inc.	Ceres Solutions LLP	-	-	-	Monticello Farm Service sells fertilizer, crop protection, custom application, seed treatment, soil sampling, and GPS mapping services to farmers in IN.

Source: Capital IQ.

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

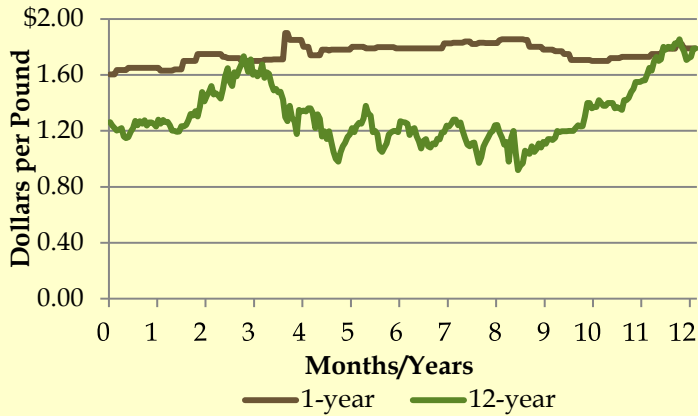
### Soybeans



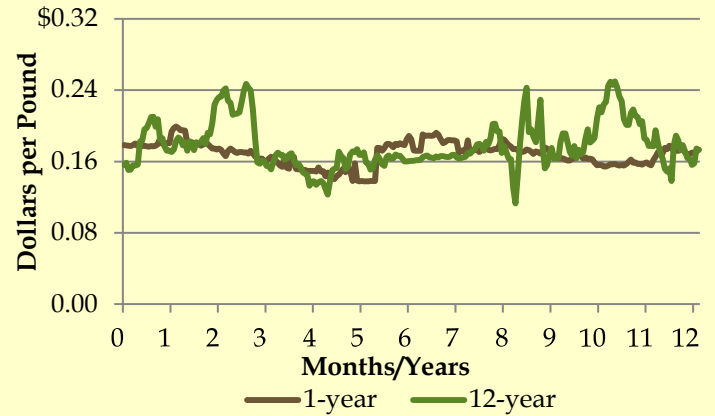
### Sugar



### Cattle



### Milk



### Cotton



### Oil



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 (312) 348-7081 or [lakeshorefoodadvisors@lakeshorefoodadvisors.com](mailto:lakeshorefoodadvisors@lakeshorefoodadvisors.com).