

Food & Snack Industry Update



Industry Valuation Multiples Remain Historically High; M&A Activity Strong

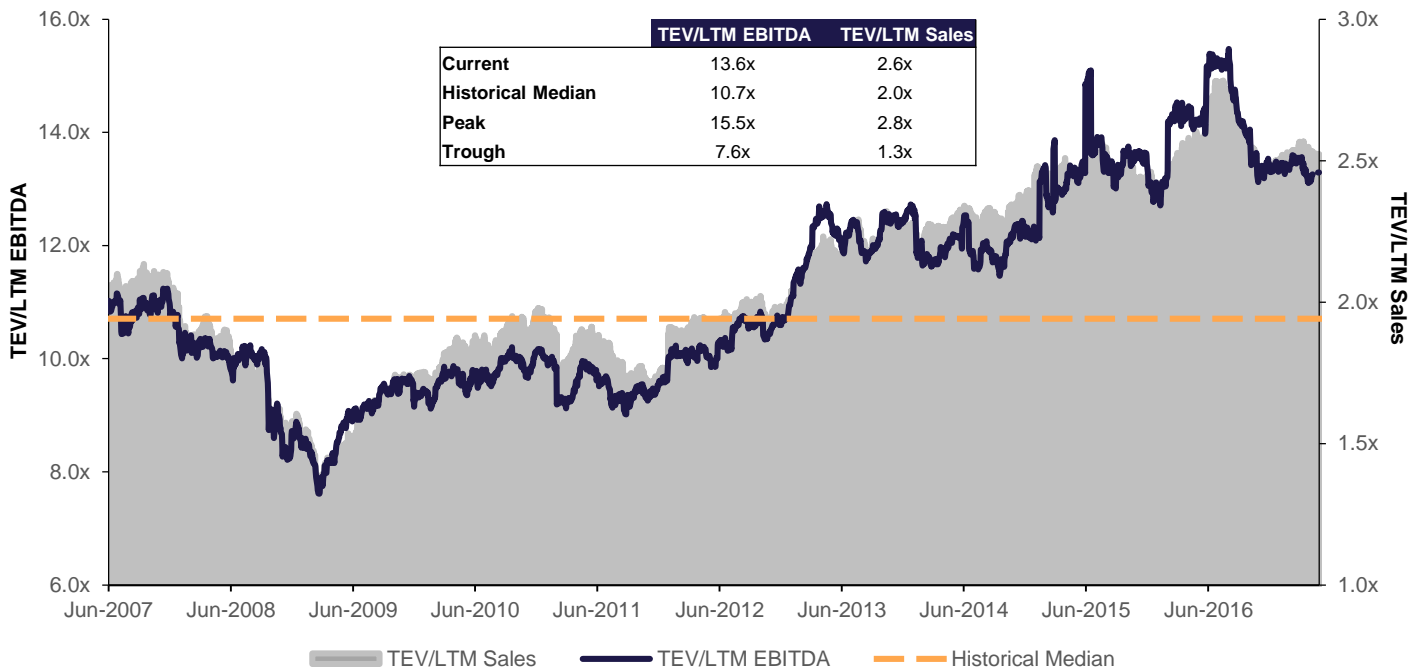
Key Takeaways

- Branded food & snack company valuation multiples remain elevated – 27.1% above historical median
- Companies effectively penetrating niche markets are ripe for acquisition as strategic acquirors will attempt to gain market share in new, higher growth segments of the food & beverage industry
- Healthy, “better-for-you” food & snack companies are trading at elevated TEV/EBITDA multiples compared to broader food & snack companies
- Valuations are at near peak levels, representing an opportunistic market for company owners in the industry seeking near-term monetization and other strategic options; deep in the cycle for sellers

Industry Highlights

- Evolving consumer tastes will play an increasingly important role in the industry going forward
- Companies offering healthy, organic or natural products are well positioned to capture macroeconomic trends and boost growth
- There is strong potential for growth in the food delivery and meal kit delivery sectors
- Increasing demand for healthy / natural foods, particularly from millennials, presents both a challenge and an opportunity for conventional food companies struggling with 20th century brands and seeking to acquire brands trusted by millennials

Food & Snack Valuation Cycle



Note: Composite composed of both “Healthy Food & Snacks” companies and “Conventional Food & Snacks” companies as listed on page 2.

Source: Bridgepoint Merchant Banking, Capital IQ, PitchBook

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Healthy Food & Snacks

(\$ in millions, except per share data)

| Company Name | Country | 6/16/2017 Share Price | Equity Value | Enterprise Value | P / E | TEV / Revenue | | | TEV / EBITDA | | | TEV / EBIT |
|----------------------------------|---------------|--------------------------|-----------------|---------------------|-------|---------------|-------|-------|--------------|-------|-------|------------|
| | | | | | 2017E | LTM | 2017E | 2018E | LTM | 2017E | 2018E | 2017E |
| Amplify Snack Brands, Inc. | United States | \$8.61 | \$637.4 | \$1,226.1 | 20.1x | 4.0x | 3.0x | 2.7x | 15.6x | 11.8x | 10.1x | 12.7x |
| Inventure Foods, Inc. | United States | 4.29 | 87.6 | 182.1 | NM | 0.7x | 0.9x | 0.8x | 45.7x | 15.2x | 10.2x | 30.9x |
| SunOpta Inc. | Canada | 9.39 | 924.0 | 1,430.5 | 79.5x | 1.1x | 1.1x | 1.0x | 19.5x | 17.8x | 13.2x | 39.1x |
| The Hain Celestial Group, Inc. | United States | 33.76 | 3,644.5 | 4,436.5 | 17.9x | 1.5x | 1.5x | 1.5x | 12.0x | 11.5x | 11.2x | 13.6x |
| Healthy Food & Snacks | | | | | | | | | | | | |
| High | | | | | 79.5x | 4.0x | 3.0x | 2.7x | 45.7x | 17.8x | 13.2x | 39.1x |
| Mean | | | | | 39.2x | 1.8x | 1.6x | 1.5x | 23.2x | 14.1x | 11.2x | 24.1x |
| Median | | | | | 20.1x | 1.3x | 1.3x | 1.2x | 17.5x | 13.5x | 10.7x | 22.2x |
| Low | | | | | 17.9x | 0.7x | 0.9x | 0.8x | 12.0x | 11.5x | 10.1x | 12.7x |

Conventional Food & Snacks

(\$ in millions, except per share data)

| Company Name | Country | 6/16/2017 Share Price | Equity Value | Enterprise Value | P / E | TEV / Revenue | | | TEV / EBITDA | | | TEV / EBIT |
|---------------------------------------|----------------|--------------------------|-----------------|---------------------|-------|---------------|-------|-------|--------------|-------|-------|------------|
| | | | | | 2017E | LTM | 2017E | 2018E | LTM | 2017E | 2018E | 2017E |
| Associated British Foods plc | United Kingdom | \$37.88 | \$29,855.9 | \$29,719.0 | 24.0x | 1.6x | 1.5x | 1.4x | 12.6x | 12.9x | 12.1x | 17.5x |
| B&G Foods, Inc. | United States | 36.80 | 2,635.7 | 4,373.5 | 18.3x | 3.0x | 2.6x | 2.6x | 13.4x | 11.9x | 11.5x | 13.9x |
| Campbell Soup Company | United States | 55.05 | 17,262.6 | 20,370.6 | 18.7x | 2.6x | 2.6x | 2.6x | 12.6x | 11.4x | 11.2x | 13.7x |
| Conagra Brands, Inc. | United States | 38.01 | 16,705.2 | 19,078.7 | 22.9x | 1.7x | 2.5x | 2.5x | 9.5x | 12.8x | 12.8x | 15.6x |
| General Mills, Inc. | United States | 57.10 | 33,894.0 | 43,927.3 | 19.3x | 2.8x | 2.8x | 2.8x | 12.6x | 12.9x | 12.6x | 15.6x |
| Hormel Foods Corporation | United States | 33.95 | 18,287.8 | 17,992.3 | 20.9x | 1.9x | 2.0x | 1.9x | 12.5x | 12.3x | 11.8x | 13.6x |
| J&J Snack Foods Corp. | United States | 133.57 | 2,563.3 | 2,441.2 | 31.6x | 2.4x | 2.3x | 2.2x | 15.7x | 14.8x | 14.0x | 19.9x |
| John B. Sanfilippo & Son, Inc. | United States | 61.73 | 716.9 | 808.9 | 18.9x | 0.9x | 1.0x | 1.0x | 10.9x | - | - | 12.9x |
| Kellogg Company | United States | 71.88 | 25,605.3 | 33,367.3 | 18.7x | 2.6x | 2.6x | 2.6x | 14.8x | 13.0x | 12.4x | 16.0x |
| McCormick & Company, Incorporated | United States | 101.83 | 13,151.0 | 14,732.9 | 25.9x | 3.3x | 3.2x | 3.1x | 18.5x | 17.6x | 16.6x | 20.5x |
| Nestlé S.A. | Switzerland | 85.74 | 265,621.9 | 282,147.2 | 23.8x | 3.1x | 3.0x | 2.9x | 15.2x | 15.8x | 14.9x | 19.5x |
| Pepsico, Inc. | United States | 116.85 | 167,434.6 | 190,064.6 | 22.8x | 3.0x | 3.0x | 2.9x | 15.3x | 14.5x | 13.6x | 17.7x |
| Post Holdings, Inc. | United States | 79.21 | 5,492.2 | 9,446.4 | 32.6x | 1.9x | 1.9x | 1.7x | 11.1x | 10.0x | 9.0x | 15.2x |
| Snyder's-Lance, Inc. | United States | 35.64 | 3,543.5 | 4,696.1 | 33.0x | 2.1x | 2.1x | 2.1x | 17.4x | 15.8x | 14.3x | 23.2x |
| The Hershey Company | United States | 111.83 | 24,445.3 | 27,064.2 | 23.9x | 3.6x | 3.6x | 3.5x | 15.7x | 14.6x | 13.8x | 17.2x |
| The J. M. Smucker Company | United States | 124.72 | 14,444.2 | 19,675.9 | 16.0x | 2.7x | 2.6x | 2.6x | 11.8x | 11.5x | 11.1x | 13.1x |
| Treehouse Foods, Inc. | United States | 81.01 | 4,502.8 | 7,169.6 | 22.4x | 1.1x | 1.1x | 1.1x | 11.1x | 9.7x | 8.7x | 16.6x |
| Conventional Food & Snacks | | | | | | | | | | | | |
| High | | | | | 33.0x | 3.6x | 3.6x | 3.5x | 18.5x | 17.6x | 16.6x | 23.2x |
| Mean | | | | | 23.2x | 2.4x | 2.4x | 2.3x | 13.6x | 13.2x | 12.5x | 16.6x |
| Median | | | | | 22.8x | 2.6x | 2.6x | 2.6x | 12.6x | 12.9x | 12.5x | 16.0x |
| Low | | | | | 16.0x | 0.9x | 1.0x | 1.0x | 9.5x | 9.7x | 8.7x | 12.9x |

Selected Industry Transactions

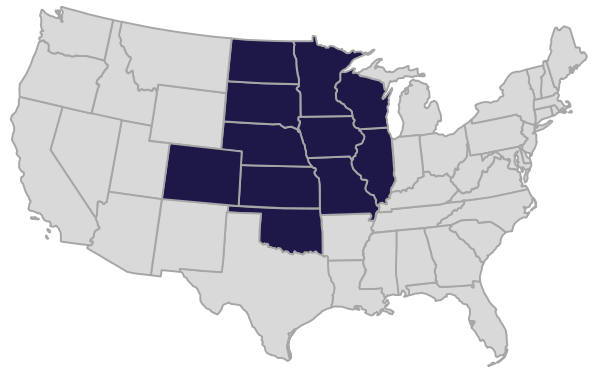
(\$ in millions)

| Date Announced | Target | Country | Acquiror | Country | TEV (\$mm) |
|----------------|--|---------------|--|----------------|------------|
| 05/30/2017 | Conagra Brands, Inc., Wesson Oil | United States | The J.M. Smucker Company (NYSE:SJM) | United States | \$285.0 |
| 05/24/2017 | Kicking Horse Coffee Co. Ltd. | Canada | Luigi Lavazza S.p.A. | Italy | 159.8 |
| 05/02/2017 | Karoun Dairies, Inc. | United States | LAG Holding Inc. | United States | 130.0 |
| 04/25/2017 | AdvancePierre Foods Holdings, Inc. (NYSE:APFH) | United States | Tyson Foods, Inc. (NYSE:TSN) | United States | 4,338.7 |
| 04/18/2017 | Input Capital Corp. (TSXV:INP) | Canada | Emsley & Associates (2002) Inc.; Dalhousie Capital Corp. | Canada | 89.2 |
| 04/11/2017 | Atkins Nutritionals Holdings, Inc. | United States | Conyers Park Acquisition Corp. (Nasdaq:CMCPAA) | United States | 730.1 |
| 03/15/2017 | Fannie May Confections Brands, Inc. | United States | Ferrero International S.A. | Italy | 115.0 |
| 03/13/2017 | Plumrose USA, Inc. | United States | JBS USA Food Company, LLC | United States | 230.0 |
| 02/23/2017 | ReadyPac Produce, Inc. | United States | Bonduelle SA (ENXTPA:BON) | French | 409.0 |
| 02/21/2017 | LightLife Foods, Inc. | United States | Maple Leaf Foods Inc. (TSX:MFI) | Canada | 140.0 |
| 02/10/2017 | Mead Johnson Nutrition Company (NYSE:MJN) | United States | Reckitt Benckiser Group plc (LSE:RB.) | United Kingdom | 17,872.2 |
| 02/01/2017 | Calbee North America LLC | United States | R.D. Offutt Company, Inc. | United States | 170.0 |
| 01/24/2017 | Pineland Farms Potato Company, Inc. | United States | BEF Foods, Inc. | United States | 140.0 |
| 01/10/2017 | Crosswind Industries, Inc. | United States | Archer-Daniels-Midland Company (NYSE:ADM) | United States | 81.0 |
| 12/20/2016 | TIC Gums, Inc. | United States | Ingredion Incorporated (NYSE:INGR) | United States | 400.0 |
| 12/16/2016 | Swiss Valley Farms Cooperative | United States | Prairie Farms Dairy, Inc. | United States | 325.0 |
| 11/29/2016 | GNP Company | United States | Pilgrim's Pride Corporation (NasdaqGS:PPC) | United States | 350.0 |
| 11/23/2016 | Multiple Parcels of Irrigated Farmland Located Within U.S.A. | United States | Gladstone Land Limited Partnership | United States | 54.0 |
| 11/21/2016 | Clougherty Packing, LLC And PFFJ, LLC And Champ, LLC | United States | Smithfield Foods, Inc. | United States | 145.0 |
| 11/17/2016 | Bellisio Foods, Inc. | United States | Charoen Pokphand Foods Public Company Limited (SET:CPF) | Thailand | 1,075.0 |
| 11/14/2016 | Peacock Foods LLC | United States | Greencore Group plc (LSE:GNC) | Ireland | 747.5 |

About Us

- \$158+ billion of M&A, capital raising, corporate finance and transaction advisory services experience
- 43 completed M&A assignments spanning more than \$36 billion
- 75 completed corporate finance transactions, raising more than \$74 billion in capital
- 51 completed advisory assignments spanning more than \$48 billion
- 117+ years cumulative investment banking & private equity experience
- Principals currently sit on 11 Boards

Geographic Focus Area



About Bridgepoint Merchant Banking

Bridgepoint Merchant Banking, a Division of Bridgepoint Holdings, LLC, is a middle market investment banking firm that serves clients throughout the corporate lifecycle by providing merger and acquisition and corporate finance advisory services.

With more than 117 years of cumulative experience, Bridgepoint Merchant Banking professionals have completed over \$158 billion of merger and acquisition and capital raising transactions across a wide range of industries.

When considering a sale of your business, the acquisition of a business, and/or raising capital for a business or transaction, the Principals of Bridgepoint Merchant Banking, through our broker dealer relationship, can help you to achieve your personal and business goals. Our specialized expertise helps our clients achieve better value, identify better transaction partners, reach smarter decisions and negotiate more favorable outcomes. Please reach out to us at the contact information above to discuss how we can help you.

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