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M&A Activity Overview: Overall Transaction Activity

Declining Deal Size/Activity So Far in 2016

After a record setting 2015, in which 296 food and beverage transactions closed with a median enterprise value (“EV”) of $40.6 million (relative to 282 / $27.5 million in 2014), 2016 is on pace for a slight pullback. Through the first three quarters of 2016, 191 deals have closed (relative to 213 and 209 transactions over the same period in 2014 and 2015, respectively), with a median enterprise value of $30.8 million.

It is too early to tell whether 2016 will experience a fourth quarter push similar to 2015, or whether deal frequency will slow further in Q4 as was the case in 2014. Regardless, the slight pullback in food and beverage transactions during 2016 is consistent with a general slowdown in transaction activity across most industries in the U.S.

While activity is slowing, a wide range of acquisitions are taking place in the industry, with buyers targeting everything from small, single-product companies to large corporations with a breadth of product categories and brand names. On one end of the spectrum, there are the mega-deal, headline grabbers (e.g., Acorn Holdings’ $13.9 billion acquisition of Keurig Green Mountain in March 2016) – while on the other end, there remains a healthy flow of small-to-midsize deals taking place in the middle market, as well as bigger corporations adding new products and brands on a much smaller scale to capture the ever-evolving consumer tastes (e.g., Monster’s $0.7 billion acquisition of American Fruits & Flavors, a fruit and vegetable juice supplier).
M&A Activity Overview: Valuation Levels

Mixed Signals from Valuation Multiples

As depicted in the chart to the right, after softening somewhat in 2015, median enterprise value to earnings before interest, taxes, depreciation, and amortization ("EV/EBITDA") multiples in the food and beverage industry (on a trailing four-quarter basis) have rebounded nicely since bottoming in the third quarter of 2015, but are still below the levels reached in 2014. While median EV/EBITDA multiples continued their upward trend through September 2016, EV/Revenue multiples told a different story – falling from a median multiple of 2.0x revenue for the latest twelve-month ("LTM") period ended September 30, 2015 to 1.1x for the LTM period ended September 30, 2016. Given that value is generally more closely tied to profitability, we would tend to discount the downward trend in revenue multiples to some extent and place more weight on the upward trend in EV/EBITDA multiples over the last year.

It is unclear what led to lower EV/EBITDA multiples during much of 2015, but it was likely due to a combination of factors including less demand from buyers (i.e., buyer fatigue) and/or a lower investor risk appetite (which would translate to less competitive bids and thus lower valuation multiples). The lower multiples in 2015 coincided with a relatively flat year for the S&P 500, while the higher multiples in 2016 have coincided with an S&P 500 return of approximately 8.0% through September – amidst flat earnings growth. It would appear that the higher multiples thus far in 2016 are the result of investors’ increasing risk appetite and/or a low supply of quality companies for sale (with many of the quality companies in the space having already been sold within the last several years).

Source: S&P Capital IQ
Reflects all closed Food & Beverage transactions, regardless of size.
Valuation multiples are based on transactions where this information was available, regardless of size.
M&A Activity Overview: Buyer Landscape

Strategic Buyers Dominate the Industry

As shown in the chart to the right, strategic buyers continued to dominate the majority of the acquisitions, accounting for approximately 83.8% of all transactions during the twelve months ended September 30, 2016.

Consolidation within the food and beverage industry will continue to drive strategic acquisitions, especially as favorable market conditions (i.e., low interest rates) and idle cash stockpiles promote deal activity. While many industries experience growth via product or technology innovation, growth in the food and beverage industry comes almost exclusively from adding new offerings. The quickest, and often most efficient, way for industry participants to grow revenue and thus market share is through mergers and acquisitions. Acquisitions of all sizes allow buyers to increase their respective market share and grow through added benefits based on the size of the target. Buyers turn towards larger targets generally to capitalize on economies of scale and strong brand recognition, and smaller targets to diversify their product line by adding often specialized or niche products.

The following pages highlight some of the more notable transactions over the last twelve months.

Source: S&P Capital IQ
Reflects all closed Food & Beverage transactions, regardless of size.
M&A Activity Overview: 2015-2016 Deal Spotlight - Food

TreeHouse Foods, Inc. / Ralcorp Holdings, Inc.

On November 23, 2015, TreeHouse Foods, one of the country’s largest private label food makers, announced that it was buying most of ConAgra Foods’ private label business, Ralcorp, for $2.7 billion in cash. Ralcorp was recently purchased by ConAgra Foods in January 2013 for $5 billion. TreeHouse plans to invest in product innovation in the private label business it is buying. While TreeHouse plans to stay in Oak Brook, IL, management intends to make St. Louis a key administrative center for the company. The transaction was completed in the first quarter of 2016.

Pinnacle Foods, Inc. / Boulder Brands, Inc.

On November 24, 2015, Pinnacle Foods entered into a definitive agreement to acquire Boulder Brands for approximately $682 million. Under the terms of the agreement, Pinnacle Foods intends to launch a tender offer to acquire all of the outstanding shares of Boulder Brands for $11 per share. The acquisition is intended to expand Pinnacle Foods’ health and wellness portfolio.

Land O’Lakes, Inc. / Ceres, Inc.

On June 17, 2016, Land O’Lakes, Inc. announced that it signed a definitive merger agreement with Ceres, Inc. valued at $17.2 million. Under the agreement, subject to regulatory approval, Land O’Lakes will commence a tender offer for all outstanding shares of Ceres common stock for $0.40 per share, in cash. The price per share of common stock represents an 81% premium to the closing price of Ceres shares on June 16, 2016. Once the transaction is complete, Ceres will become a wholly owned subsidiary of Land O’Lakes and will bring new advanced plant breeding and biotechnology to the company.

On October 14, 2015, Treasury Wine Estates Ltd., the world’s biggest standalone winemaker, announced it had agreed to buy the majority of Diageo’s U.S. and U.K. Wine Operations for $552 million. Treasury Wine Estates also announced a fully underwritten rights issue to raise around $350 million to fund the acquisition, and said it expects to grow pre-tax earnings by up to 29% in the first year following the transaction. The acquisition will also allow Treasury Wine Estates to focus more aggressively on the top end of the U.S. market.

Constellation Brands, Inc. / Home Brew Mart, Inc.

On November 16, 2015, Constellation Brands, the maker of Robert Mondavi wines and Svedka vodka, agreed to acquire Home Brew Mart (Ballast Point Brewing & Spirits) for $1 billion to add a line of craft beers to its beer portfolio. The deal will be financed with cash and debt. The takeover will be neutral to Constellation’s profit in its current fiscal year and add about 6 cents to per-share earnings the next year. Home Brew Mart is on pace to sell nearly 4 million cases this year, which would represent growth of more than 100% versus last year. This is just one of the latest acquisitions by a big beverage company to capitalize on the shift in consumer preferences toward craft beers.

Acorn Holdings B.V. / Keurig Green Mountain, Inc.

On December 7, 2015, Keurig Green Mountain, Inc., a personal beverage system company that has revolutionized the way consumers create and enjoy beverages, and Acorn Holdings entered into a definitive merger agreement under which an Acorn Holdings investor group will acquire Keurig Green Mountain for $92 per share in cash, or a total equity value of approximately $13.9 billion. The agreement was unanimously approved by Keurig’s Board of Directors. The agreement also represents a premium of approximately 77.9% over Keurig’s share price prior to the announcement. The agreement was completed March 3, 2016.
M&A Activity Overview:
Most Acquisitive in 2015 and through September 2016

Alcoholic beverage companies were some of the most acquisitive food and beverage companies during 2015 and 2016 – representing 7 of the Top 20 most acquisitive companies over the period (despite accounting for less than 20% of total food and beverage transactions).

Farmland Partners Inc., a publicly-traded real estate company that owns farmland, completed two more transactions thus far in 2016, acquiring 128 farms across 7 U.S. states.

Following 3 transactions in 2015, E. & J. Gallo Winery, Inc. completed another transaction in the second quarter of 2016, acquiring a wine cellar company.

Archer-Daniels-Midland Company continues to be one of the busiest buyers so far in 2016, after purchasing an organic grain company and a pasta manufacturer that specializes in making healthier pasta.

Tenth and Blake Beer Company (a MillerCoors subsidiary) set the tone for brewery transactions, acquiring Saint Archer Brewing Company, Hop Valley Brewing Co., and Terrapin Beer Company – all within the last 12 months.

Source: S&P Capital IQ
Reflects all closed Food & Beverage transactions, regardless of size.
M&A Activity Overview: Middle Market Deals

Slow Start for the Middle Market\(^1\)

While the larger deals have dominated much of the industry press of late, the relative familiarity of the food industry is also attractive to many smaller buyers looking to put capital to work. Given the industry’s stability and relatively constant demand, food and beverage assets provide financial buyers (i.e., private equity firms) with less volatile investment opportunities to nurture, grow, and eventually exit. In addition, the industry is still fragmented enough to offer ample acquisition opportunities. Further, the smaller price tags of small-to-middle market food and beverage companies tend to attract a more diverse group of buyers and present a wider array of acquisition options – which also includes larger corporations pursuing new products and brands.

Similar to the overall food and beverage transaction activity discussed previously, middle market deal volume during the first three quarters of 2016 (26 transactions with transaction value disclosed) came in much lower than the pace set for the same period in 2015 (45). However, the median enterprise value for the first three quarters of 2016 is up 12.0% to $85.5 million, compared to the 2015 median value of $76.3 million for the entire year.

\(^1\) Middle market is defined as companies with implied enterprise values between $10.0 million and $1.0 billion.

Source: S&P Capital IQ
Reflects all closed Food & Beverage transactions with implied enterprise values between $10.0 million and $1.0 billion.
Beer Production Adapts to Evolving Consumer Tastes

U.S. beer production peaked in 2008, with nearly 200 million gallons produced during the year. Production quickly fell off in 2009 due to a combination of factors, including a global recession, increased ingredient costs, and a continued shift in consumption towards craft beer (which is generally consumed in smaller volumes given its higher alcohol content). As depicted in the chart below, beer production generally trended with consumer preference toward beer (vs. other alcoholic beverages) through 2013, before correlation between the two metrics began to break down in 2014. After peaking at around 42% in 2008, consumer preference toward beer generally declined, to roughly 36% in 2013, before rebounding sharply since. While it is not clear what led to the decline in beer’s popularity during the 2008 to 2013 stretch, the rebound over the last several years coincides with a steady increase in the number of craft breweries and brewpubs in the U.S., as discussed on the following page.

Over the last decade, the two main ingredients in beer, barley and hops, both saw significant price increases, with barley prices nearly doubling to $5.52/BU in 2015, from 2006’s average price of $2.85/BU, while the average price of hops more than doubled, from $2.05/BU in 2006 to $4.38/BU in 2015. The dramatic increase in prices over the last decade is due to numerous factors, including poor weather conditions disrupting production during several years and the overall increased popularity of craft beers across the globe (many of which use nearly six times more hops than some of the mass-consumed beers like Miller Lite or Budweiser).
U.S. Brewery Focus: Brewery Composition in the U.S.

Explosive Growth Continues for Microbreweries and Brewpubs

This increase in craft beer sales coincides with the increase in the number of craft breweries in the U.S. over the past decade. Since 2006, the total number of breweries in the U.S. nearly tripled, thanks in large part to the growth of microbreweries (648% increase) and brewpubs (167% increase). Microbreweries and brewpubs differ from regional breweries in that they both produce less than 15,000 barrels a year, however microbreweries sell at most 25% on-site, while brewpubs sell a minimum of 25% on-site. Regional craft breweries produce larger quantities, reaching upwards of 6 million barrels a year.

Of the Top 50 breweries in the U.S. in 2015 (based on sales), four craft brewers were included in the Top 10, with the top two craft brewers, D.G. Yuengling and Son & Boston Beer Co., rounding out the Top 5 at number 4 and 5, respectively. As shown in the chart below, across the Top 50 U.S. breweries, craft brewers accounted for 43 spots in 2015, a 26.5% increase over just 34 in 2006. The rise in the popularity of craft beer has not gone unnoticed by some of the largest brewers. According to the Wall Street Journal, Anheuser-Busch InBev has alone purchased eight U.S. craft breweries since 2011, including names like Goose Island, Breckenridge Brewing, Elysian, and Four Peaks Brewing Company, among others. Not to be outdone, MillerCoors has acquired numerous craft breweries over the years itself – capped by three (Saint Archer Brewing Company, Hop Valley Brewing Co., and Terrapin Beer Company) since September 2015 alone (acquired through its subsidiary Tenth and Blake Beer Company).
**Alcohol Transactions Bucking the Trend**

As depicted in the chart to the right, while overall food and beverage transaction activity was down through the first three quarters of 2016, alcoholic beverage producers bucked the trend. For the LTM period ended September 30, 2016, 19 brewer and 38 vintner/distiller transactions closed, relative to 12 brewer and 31 vintner/distiller transactions during the LTM period ended September 30, 2015.

Notable transactions over the LTM period ended September 30, 2016, include numerous major brewers acquiring smaller, craft brewers in an effort to capitalize on the rising popularity of craft beers amongst U.S. consumers. More specifically, Heineken acquired Lagunitas Brewing Company in October 2015, followed by Anhueser-Busch InBev’s acquisitions of Golden Road Brewing (December 2015), Breckenridge Brewery (March 2016), and Boathouse Beverage (September 2016), while MillerCoors’ (through its Tenth and Blake Beer Company subsidiary) acquired Saint Archer Brewing Company (December 2015), Hop Valley Brewing Co. (August 2016) and Terrapin Beer Company (August 2016) – all for undisclosed amounts. On the flip side, Constellation Brands (a well-diversified producer of beer, wine, and spirits) made three acquisitions of its own across a variety of alcohol types, acquiring Home Brew Mart, Inc. for $1.0 billion in December 2015, Nelson’s Green Brier Distillery in January 2016 (for an undisclosed amount), and The Prisoner Wine Company Brands (of Huneeus Vintners) in April 2016 for $0.3 billion.

*Source: S&P Capital IQ. Reflects all closed Food & Beverage transactions, regardless of size.*

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**U.S. Brewery Focus: Alcoholic Beverage Transaction Activity**
The U.S. economy still continues to show signs of improvement following the Great Recession, with consumer-based indices and statistics supporting the overall growth seen over the last few years.

Food and Beverage prices have both continued the upward trend, after Food manufacturers had a two-year period of decline, and Beverage manufacturers had a slight decline at the end of 2015.

Increasing disposable income since late 2012 has undoubtedly contributed to increased consumer confidence over that time, while personal consumption expenditures per capita on food have remained relatively rangebound ($2,500-$2,600) since the Great Recession.
On a month-to-month basis, the Consumer Confidence Index continued to be volatile, but is still well above recessionary lows as shown previously, driven by higher expectations that more jobs will be created in the near future, and salaries will continue to increase, according to The Conference Board report published in July 2016.

PPI for food manufacturers declined during the year, following the high beef prices in 2014 and early 2015. Also contributing to the downward move in food manufacturing prices are lower prices for pork, eggs, and farm-level vegetables, among other commodities.

Disposable Personal Income continued its steady rise since late 2012.
As mentioned previously (and illustrated in the charts to the left), composite producer prices for food manufacturers appear to have generally bottomed for the time being and have generally begun increasing across most food manufacturing types.

As depicted in the charts, the decline in overall input prices for food manufacturers from mid-2014 through most of 2015 was largely driven by declining input prices for meat and dairy processors – with prices for fruit / vegetable processors, beverage manufacturers, and bakeries exhibiting much less volatility.

The underlying commodity prices impacting many of these producers are examined more closely on the following pages.
Disease and Drought Played a Big Role in Price Swings

As shown in the chart to the right, from July 2010 through August 2016, the price of a dozen eggs fluctuated dramatically -- soaring to an October 2015 high of $2.39/dozen following the most recent outbreak of the Avian Flu, before declining 78% to a new low of $0.54/dozen in mid-2016.

After peaking in September 2015, the price for cattle declined into early 2016, where prices dropped to $0.74/lb., and have since increased 9% to $0.81/LB through August 2016. The drought that took place in 2010 and continued into 2014 was one of the main factors contributing to elevated cattle prices as farmers struggled to grow crops to feed the cattle, leaving them with the only option of reducing their cattle inventory. However, over the past couple of years, cattlemen have began to increase their cattle inventory, resulting in lower prices since peaking in September 2015.

The price of pork is slowly starting to rise, after prices began to fall in mid-to-late 2014. With the price of pork reaching its peak of $0.93/LB in July of 2014, caused by the PED virus outbreak, prices have generally stabilized around the current price of $0.53/LB (as of August 2016). Similar to cattle prices, the recent decline in prices was caused by the increased herd sizes to reestablish a healthy supply for consumers following the PED virus outbreak.

Source: USDA National Agricultural Statistics Service
Overproduction and Excess Inventory Played a Key Role in Crop Pricing

Corn prices rose in the U.S., the world’s largest producer of corn, from June 2010 to July 2013, before tapering off in late 2013. The decline in corn pricing since mid-2013 can be attributed to several factors including decreased exports for a slowing global economy, decreasing amounts of corn used in ethanol, and better weather conditions across much of the corn-producing region in the U.S. over the last couple of years — leading to greater supply.

Recent dips in the price of soybeans in 2014 and 2015 were in large part due to excess inventory stemming from reduced exports of U.S. soybeans. However, producers are optimistic that as diets start to shift towards more protein based meals, the demand and thus price of soybeans will return to the higher levels seen over much of 2012 and 2013. This change in consumer eating preferences is expected to drive the soybean market, as soybeans are a major component in animal feed.

Wheat prices are continuing to drop, following a trend that has been occurring since late 2012. The cause of the lower prices in recent years has been the increase in production of wheat in the U.S., resulting from mild winters in the Midwest, which has increased the amount of wheat that can be produced from the winter harvest.

Source: USDA National Agricultural Statistics Service
Public Equity Markets: Food & Beverage Returns

Food & Beverage Sector Outperforms the S&P 500 Index, Subsectors Have Mixed Results

The S&P 500 continued its rough 2015 finish into early 2016, with the index dropping by 12.7% through mid-February. The S&P 500 has since recovered tremendously increasing by 20.0% (from its low point in February) through the end of September 2016. While the Food & Beverage (F&B) Index has generally followed similar trends with the S&P 500 over the past few years, the F&B Index continues to outperform the S&P 500. Since October 1, 2013, the F&B Index returned 39.0%, outpacing the S&P 500 significantly, which had a return of 27.9%.

When further stratifying the food and beverage universe into subsectors consisting of companies with LTM revenue less than $1.0 billion (refer to pages 20-22 for the subsector constituents), the S&P 500 managed to outperform the beverage and ingredient companies, but failed to keep pace with the food producers. The food producers managed to outperform the other sub-industries and the S&P 500, while the beverage sub-industry lagged behind all but the ingredient sub-industry. Over the three-year period ended September 30, 2016, the ingredient sub-industry continued to struggle, with a -43.0% return, driven largely by the aforementioned lower commodity prices, which adversely impacted revenue and the overall profitability of companies in the industry.
Middle Market Exhibiting Large Swings in Valuation Multiples

Valuation multiples (i.e., EV/EBITDA) for the S&P Food & Beverage (F&B) Index expanded approximately 3.6% over the last three years, from 10.8x LTM EBITDA on October 1, 2013 to 11.2x by September 30, 2016, and ranged from 10.1x to 12.2x over the period. While multiples for the F&B Index were generally higher than the S&P 500 until late 2015, the S&P 500 finished the period ended September 30, 2016, with a slightly higher LTM multiple – of 11.6x, relative to 11.2x for the F&B Index. The Consumer Staples Index over the same period maintained a higher valuation multiple than both the S&P 500 and F&B indices.

Looking at the industry’s middle market companies, the valuation multiples varied widely by sub-industry. The ingredients companies, for example, exhibited a continuous decline in valuation multiples during late 2013 until a dramatic spike beginning in early 2015 (caused by equity valuations falling slower than LTM earnings). The beverage producers saw a continued contraction of multiples, from 19.5x in 2014 to 14.0x in 2016, while the food producers saw EV/EBITDA multiples rise gradually from 12.9x to 15.0x over the same period.
## Public Company Subsector Constituents:
### Food Production Companies

$ in Millions

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Enterprise Value</th>
<th>Market Cap.</th>
<th>Revenue (LTM)</th>
<th>EBITDA (LTM)</th>
<th>Revenue (NTM)</th>
<th>EBITDA (NTM)</th>
<th>Proj. Revenue Growth (LTM)</th>
<th>EBITDA Margin (LTM)</th>
<th>EBITDA Margin (NTM)</th>
<th>EV/Revenue (LTM)</th>
<th>EV/Revenue (NTM)</th>
<th>EV/EBITDA (LTM)</th>
<th>EV/EBITDA (NTM)</th>
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<td>Tootsie Roll Industries Inc.</td>
<td>$ 2,257.5</td>
<td>$ 2,374.0</td>
<td>$ 534.9</td>
<td>$ 114.2</td>
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<td>n/a</td>
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<td>2,222.5</td>
<td>990.3</td>
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<td>2.5%</td>
<td>15.6%</td>
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<td>2.1x</td>
<td>13.6x</td>
<td>2.1x</td>
<td>13.0x</td>
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<td>Amplify Snack Brands, Inc.</td>
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<td>1,147.6</td>
<td>206.5</td>
<td>64.6</td>
<td>356.4</td>
<td>118.3</td>
<td>72.6%</td>
<td>31.3%</td>
<td>33.2%</td>
<td>6.5x</td>
<td>20.9x</td>
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<td>Calavo Growers Inc.</td>
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<td>896.0</td>
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<td>1,006.9</td>
<td>70.9</td>
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<td>7.0%</td>
<td>1.3x</td>
<td>18.1x</td>
<td>1.1x</td>
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<td>John B Sanfillippo &amp; Son Inc.</td>
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<td>575.2</td>
<td>921.0</td>
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<td>903.8</td>
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<td>0.6x</td>
<td>9.3x</td>
<td>0.7x</td>
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<td>1.0x</td>
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<td>1.3x</td>
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<td>365.3</td>
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<td>4.7%</td>
<td>7.1%</td>
<td>0.8x</td>
<td>16.4x</td>
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<td>297.1</td>
<td>290.8</td>
<td>125.2</td>
<td>5.5</td>
<td>146.7</td>
<td>23.0</td>
<td>17.1%</td>
<td>4.4%</td>
<td>15.7%</td>
<td>2.4x</td>
<td>54.3x</td>
<td>2.0x</td>
<td>12.9x</td>
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<td>Inventure Foods, Inc.</td>
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<td>184.9</td>
<td>277.6</td>
<td>9.3</td>
<td>321.7</td>
<td>25.4</td>
<td>15.9%</td>
<td>3.3%</td>
<td>7.9%</td>
<td>1.1x</td>
<td>31.5x</td>
<td>0.9x</td>
<td>11.5x</td>
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<td>Lifeway Foods Inc.</td>
<td>273.1</td>
<td>273.4</td>
<td>122.8</td>
<td>10.8</td>
<td>134.1</td>
<td>14.9</td>
<td>9.2%</td>
<td>8.8%</td>
<td>11.1%</td>
<td>2.2x</td>
<td>25.3x</td>
<td>2.0x</td>
<td>18.3x</td>
</tr>
<tr>
<td>Bridgford Foods Corp.</td>
<td>105.0</td>
<td>117.3</td>
<td>139.7</td>
<td>14.2</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>10.2%</td>
<td>n/a</td>
<td>0.8x</td>
<td>7.4x</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Rocky Mountain Chocolate Factory Inc.</td>
<td>60.4</td>
<td>60.8</td>
<td>38.8</td>
<td>7.1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>18.2%</td>
<td>n/a</td>
<td>1.6x</td>
<td>8.5x</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Coffee Holding Company, Inc.</td>
<td>39.2</td>
<td>33.5</td>
<td>84.0</td>
<td>5.0</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>5.9%</td>
<td>n/a</td>
<td>0.5x</td>
<td>7.9x</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>RiceBran Technologies</td>
<td>26.9</td>
<td>14.3</td>
<td>39.4</td>
<td>(2.5)</td>
<td>47.0</td>
<td>n/a</td>
<td>19.2%</td>
<td>-6.4%</td>
<td>n/a</td>
<td>0.7x</td>
<td>n/a</td>
<td>0.6x</td>
<td>n/a</td>
</tr>
<tr>
<td>Tofutti Brands Inc.</td>
<td>13.8</td>
<td>13.5</td>
<td>14.3</td>
<td>0.0</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>0.2%</td>
<td>n/a</td>
<td>1.0x</td>
<td>626.6x</td>
<td>n/a</td>
<td>n/a</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Count</th>
<th>Minimum</th>
<th>16</th>
<th>16</th>
<th>16</th>
<th>16</th>
<th>11</th>
<th>9</th>
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<th>16</th>
<th>9</th>
<th>16</th>
<th>15</th>
<th>11</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13.8</td>
<td>13.5</td>
<td>14.3</td>
<td>(2.5)</td>
<td>47.0</td>
<td>14.9</td>
<td>-5.1%</td>
<td>-6.4%</td>
<td>7.0%</td>
<td>0.5x</td>
<td>5.4x</td>
<td>0.6x</td>
<td>5.4x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,257.5</td>
<td>2,374.0</td>
<td>970.3</td>
<td>154.9</td>
<td>1,015.4</td>
<td>162.4</td>
<td>72.6%</td>
<td>31.3%</td>
<td>33.2%</td>
<td>6.5x</td>
<td>626.6x</td>
<td>3.8x</td>
<td>18.3x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>629.3</td>
<td>620.3</td>
<td>368.5</td>
<td>42.0</td>
<td>497.2</td>
<td>67.4</td>
<td>14.2%</td>
<td>10.2%</td>
<td>14.6%</td>
<td>1.7x</td>
<td>58.6x</td>
<td>1.5x</td>
<td>12.1x</td>
<td></td>
</tr>
<tr>
<td></td>
<td>355.6</td>
<td>328.0</td>
<td>242.1</td>
<td>19.7</td>
<td>400.8</td>
<td>55.1</td>
<td>9.2%</td>
<td>7.0%</td>
<td>11.1%</td>
<td>1.2x</td>
<td>16.4x</td>
<td>1.1x</td>
<td>11.5x</td>
<td></td>
</tr>
</tbody>
</table>

Source: S&P Capital IQ

*Includes Food Production Companies with LTM Revenue less than $1.0 billion.*
## Public Company Subsector Constituents: Beverage Companies

$$ in Millions

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Enterprise Value</th>
<th>Market Cap.</th>
<th>Revenue (LTM)</th>
<th>EBITDA (LTM)</th>
<th>Revenue (NTM)</th>
<th>EBITDA (NTM)</th>
<th>Proj. Revenue Growth (NTM)</th>
<th>EBITDA Margin (LTM)</th>
<th>EBITDA Margin (NTM)</th>
<th>EV/Revenue (LTM)</th>
<th>EV/EBITDA (LTM)</th>
<th>EV/Revenue (NTM)</th>
<th>EV/EBITDA (NTM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Beverage Corp.</td>
<td>1,913.4</td>
<td>2,050.9</td>
<td>736.5</td>
<td>123.1</td>
<td>797.4</td>
<td>133.2</td>
<td>8.3%</td>
<td>16.7%</td>
<td>16.7%</td>
<td>2.6x</td>
<td>15.5x</td>
<td>2.4x</td>
<td>14.4x</td>
</tr>
<tr>
<td>The Boston Beer Company, Inc.</td>
<td>1,882.1</td>
<td>1,909.2</td>
<td>941.9</td>
<td>187.4</td>
<td>957.7</td>
<td>182.1</td>
<td>1.7%</td>
<td>19.9%</td>
<td>19.0%</td>
<td>2.0x</td>
<td>10.0x</td>
<td>2.0x</td>
<td>10.3x</td>
</tr>
<tr>
<td>MGP Ingredients Inc.</td>
<td>716.4</td>
<td>676.6</td>
<td>319.1</td>
<td>49.0</td>
<td>344.3</td>
<td>55.3</td>
<td>7.9%</td>
<td>15.3%</td>
<td>16.1%</td>
<td>2.2x</td>
<td>14.6x</td>
<td>2.1x</td>
<td>13.0x</td>
</tr>
<tr>
<td>Craft Brew Alliance, Inc.</td>
<td>394.0</td>
<td>362.2</td>
<td>205.4</td>
<td>12.7</td>
<td>226.3</td>
<td>24.9</td>
<td>10.2%</td>
<td>6.2%</td>
<td>11.0%</td>
<td>1.9x</td>
<td>31.0x</td>
<td>1.7x</td>
<td>15.8x</td>
</tr>
<tr>
<td>Primo Water Corporation</td>
<td>334.5</td>
<td>315.8</td>
<td>132.0</td>
<td>18.5</td>
<td>139.8</td>
<td>24.8</td>
<td>5.9%</td>
<td>14.0%</td>
<td>17.7%</td>
<td>2.5x</td>
<td>18.1x</td>
<td>2.4x</td>
<td>13.5x</td>
</tr>
<tr>
<td>Castle Brands Inc.</td>
<td>157.0</td>
<td>140.1</td>
<td>65.1</td>
<td>1.8</td>
<td>79.2</td>
<td>4.6</td>
<td>21.7%</td>
<td>2.8%</td>
<td>5.8%</td>
<td>2.4x</td>
<td>85.8x</td>
<td>2.0x</td>
<td>34.1x</td>
</tr>
<tr>
<td>REEDS, Inc.</td>
<td>63.2</td>
<td>52.0</td>
<td>45.7</td>
<td>(0.6)</td>
<td>50.2</td>
<td>1.5</td>
<td>9.9%</td>
<td>-1.3%</td>
<td>3.0%</td>
<td>1.4x</td>
<td>n/a</td>
<td>1.3x</td>
<td>42.0x</td>
</tr>
<tr>
<td>Williamette Valley Vineyards Inc.</td>
<td>46.6</td>
<td>40.0</td>
<td>18.1</td>
<td>4.7</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>26.0%</td>
<td>n/a</td>
<td>2.6x</td>
<td>9.9x</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Crystal Rock Holdings, Inc.</td>
<td>34.1</td>
<td>19.2</td>
<td>67.4</td>
<td>7.3</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>10.8%</td>
<td>n/a</td>
<td>0.5x</td>
<td>4.7x</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Long Island Iced Tea Corp.</td>
<td>33.8</td>
<td>32.1</td>
<td>3.1</td>
<td>(5.0)</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>-163.0%</td>
<td>n/a</td>
<td>11.0x</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Trueff-Hurst, Inc.</td>
<td>23.0</td>
<td>6.9</td>
<td>25.8</td>
<td>0.6</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>2.5%</td>
<td>n/a</td>
<td>0.9x</td>
<td>35.6x</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Count: 11
Minimum: $23.0
Maximum: 1,913.4
Mean: 508.9
Median: 157.0

Source: S&P Capital IQ
Includes Beverage Companies with LTM Revenue less than $1.0 billion.
Public Company Subsector Constituents:
Ingredients Companies

$ in Millions

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Enterprise Value</th>
<th>Market Cap</th>
<th>Revenue (LTM)</th>
<th>EBITDA (LTM)</th>
<th>Revenue (NTM)</th>
<th>EBITDA (NTM)</th>
<th>Proj. Revenue Growth (NTM)</th>
<th>EBITDA Margin (LTM)</th>
<th>EBITDA Margin (NTM)</th>
<th>EV/Revenue (NTM)</th>
<th>EV/EBITDA (LTM)</th>
<th>EV/Revenue (NTM)</th>
<th>EV/EBITDA (NTM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alico Inc.</td>
<td>$ 415.9</td>
<td>$ 223.4</td>
<td>$ 141.7</td>
<td>$ 46.1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>32.5%</td>
<td>n/a</td>
<td>2.9x</td>
<td>9.0x</td>
<td>n/a</td>
</tr>
<tr>
<td>Limoneira Company</td>
<td>371.1</td>
<td>268.0</td>
<td>106.5</td>
<td>10.3</td>
<td>108.3</td>
<td>19.4</td>
<td>1.7%</td>
<td>9.6%</td>
<td>17.9%</td>
<td>3.5x</td>
<td>36.2x</td>
<td>3.4x</td>
<td>19.1x</td>
</tr>
<tr>
<td>S&amp;W Seed Company</td>
<td>115.6</td>
<td>87.6</td>
<td>96.0</td>
<td>5.4</td>
<td>101.1</td>
<td>8.6</td>
<td>5.3%</td>
<td>5.6%</td>
<td>8.5%</td>
<td>1.2x</td>
<td>21.5x</td>
<td>1.1x</td>
<td>13.5x</td>
</tr>
<tr>
<td>Arcadia Biosciences, Inc.</td>
<td>57.4</td>
<td>86.6</td>
<td>4.7</td>
<td>[17.2]</td>
<td>8.8</td>
<td>[8.0]</td>
<td>85.6%</td>
<td>-363.3%</td>
<td>-90.9%</td>
<td>12.1x</td>
<td>6.5x</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Count: 4
Minimum: $ 57.4 | $ 86.6 | $ 4.7 | [17.2] | $ 8.8 | [8.0] | 1.7% | -363.3% | -90.9% | 1.2x | 9.0x | 1.1x | 13.5x
Maximum: $ 415.9 | 268.0 | 141.7 | 46.1 | 108.3 | 19.4 | 85.6% | 32.5% | 17.9% | 12.1x | 36.2x | 6.5x | 19.1x
Mean: $ 240.0 | 166.4 | 87.2 | 11.1 | 72.7 | 6.7 | 30.8% | -78.9% | -21.5% | 4.9x | 22.2x | 3.7x | 16.3x
Median: $ 243.3 | 155.5 | 101.3 | 7.8 | 101.1 | 8.6 | 5.3% | 7.6% | 8.5% | 3.2x | 21.5x | 3.4x | 16.3x

Source: S&P Capital IQ
Includes Agricultural Products Companies with LTM Revenue less than $1.0 billion.

S&P Capital IQ Screen Criteria

M&A Transactions
- Industries: Food Products and Beverages
- Geographic Location: United States of America
- M&A Closed Date: 1/1/2013 – 9/30/2016

Public Companies
- Industries: Food Products and Beverages
- Geographic Location: United States of America
- Exchanges: Major US Exchanges
- Total Revenue (LTM): Less than $1.0 billion

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We would love to hear from you

As this publication continues to evolve (currently in its 4th edition), we are always looking for ways to improve our content and more importantly, enhance the value for our readers. As such, if there is anything you’d like to see (e.g., more food & beverage sub-industries, or expanded coverage on certain trends) in our future publications, please let us know.

Please email your suggestions to ryan.meesey@rubinbrown.com.