



# Mufson Howe Hunter

## Food Production, Distribution & E-Commerce Newsletter Q1 2022

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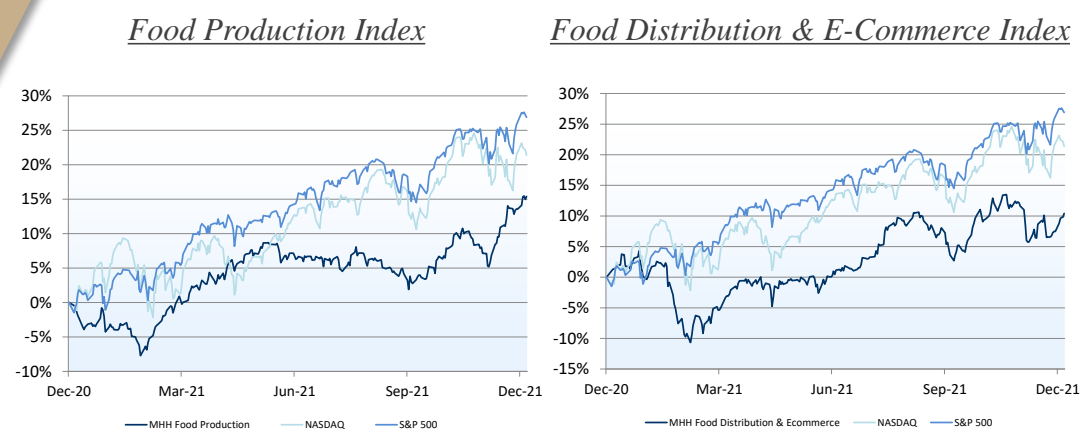
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*The Mufson Howe Hunter Food Production, Distribution & E-Commerce Newsletter is designed to provide industry professionals and private equity sponsors with current market trends and important developments within the Food Production, Food Distribution & Food E-Commerce sectors. This quarterly report contains recent news, analysis, and M&A activity on selected companies and in-depth coverage of the primary sectors.*

**Last Twelve Months Performance**  
Price as Percent of Base (Dec 31, 2020 = 0%)



# Table of Contents

*Food Production, Distribution & E-Commerce Newsletter*

Section 1	Food Production.....	3
Section 2	Food Distribution & E-Commerce.....	14
Section 3	Significant Industry M&A.....	22

The Mufson Howe Hunter Food Production Index is currently comprised of ARYZTA AG, Associated British Foods plc, B&G Foods, Inc. Cal-Maine Foods, Inc., Campbell Soup Company, Conagra Brands, Inc., Flowers Foods, Inc., General Mills, Inc., George Weston Limited, Grupo Bimbo, S.A.B. de C.V., Hostess Brands, Inc., J & J Snack Foods Corp., JBS S.A., John B. Sanfilippo & Son, Inc., Kellogg Company, Lamb Weston Holdings, Inc., Lancaster Colony Corporation, McCormick & Company, Incorporated, Mondelez International, Inc., Nestlé S.A., Nomad Foods Limited, Post Holdings, Inc., Premium Brands Holdings Corporation, Sanderson Farms, Inc., Seaboard Corporation, Seneca Foods Corporation, The Hershey Company, The J.M. Smucker Company, TreeHouse Foods, Inc. and Tyson Foods, Inc.

The Mufson Howe Hunter Food Distribution & E-Commerce Index is currently comprised of Albertsons Companies, Inc., Blue Apron Holdings, Inc., Carrefour SA, Core-Mark Holding Company, Inc., Costco Wholesale Corporation, Delivery Hero SE, DoorDash, Inc., Grubhub Inc., HelloFresh SE, Ingles Markets, Incorporated, Just Eat Takeaway.com N.V., Koninklijke Ahold Delhaize N.V., Ocado Group plc, Performance Food Group Company, SpartanNash Company, Sprouts Farmers Market, Inc., Sysco Corporation, Tesco PLC, The Chefs' Warehouse, Inc. The Kroger Co., United Natural Foods, Inc., US Foods Holding Corp., Village Super Market, Inc., Walmart Inc., and Weis Markets, Inc.

The companies that comprise each Index periodically change as a result of mergers, acquisitions, initial public offerings and other transactions; therefore, comparisons to historical time periods and historical performance for each Index do not entirely correspond and correlate to the Index's current performance. Historical performance is not a guarantee or prediction of future results.

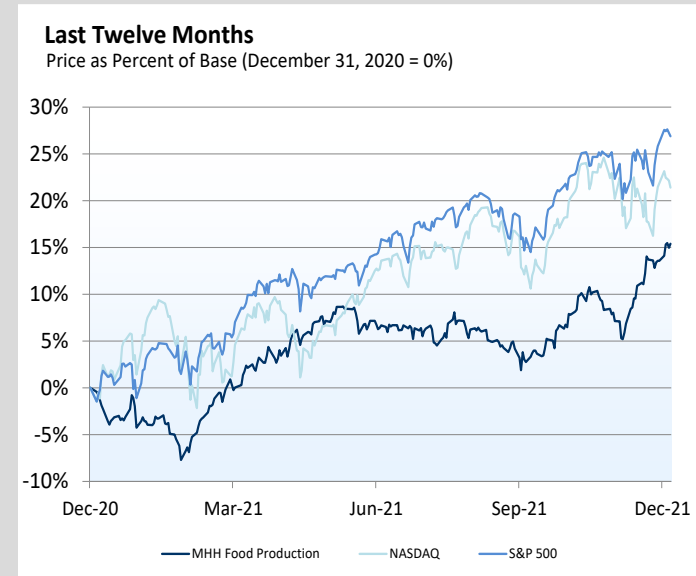
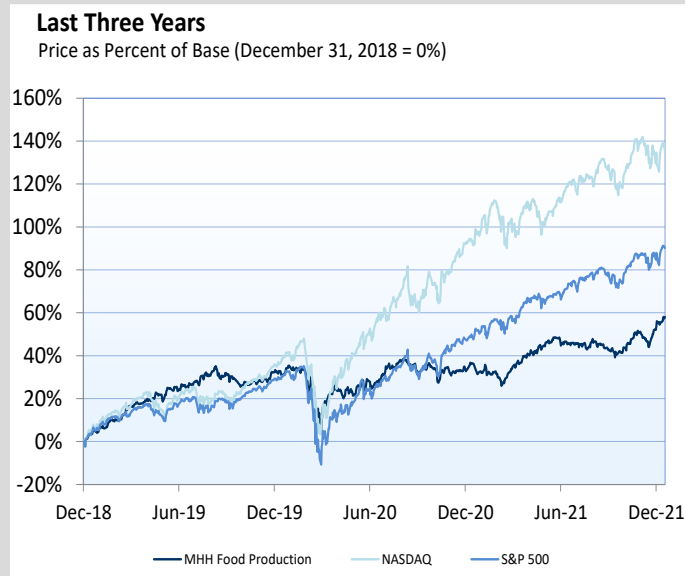
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# Food Production

Baked Goods, Branded Foods, Private Label Foods, Snacks and Protein Processing for a variety of end-user markets.

## Comparative Index Performance

The MHH Food Production Index<sup>(a)</sup> increased by 9.6% in December of 2021.



### Price Appreciation

	3-Year	LTM	1-Month
MHH Food Production Index <sup>(a)</sup>	57.9%	15.4%	9.6%
NASDAQ	135.8%	21.4%	0.7%
S&P 500	90.1%	26.9%	4.4%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Food Production Index is comprised of all companies listed on the following pages.

# Selected Valuation Metrics – Q4 2021

## Food Production

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA	EPS	Enterprise Value/Revenue	Price/EBITDA	Price/EPS	Gross Profit	EBITDA
<b>Baked Goods</b>											
George Weston Limited (TSX:WN)	\$115.89	\$17,148.2	\$36,327.5	\$44,675.3	\$4,377.6	\$2.94	0.81 x	8.3 x	NM	32.0%	9.8%
Grupo Bimbo, S.A.B. de C.V. (BMV:BIMBO A)	3.07	13,004.3	18,528.8	16,393.9	2,231.2	0.16	1.13 x	8.3 x	19.8 x	53.8%	13.6%
Flowers Foods, Inc. (FLO)	27.47	5,807.0	6,755.4	4,370.3	486.9	1.05	1.55 x	13.9 x	26.2 x	50.0%	11.1%
Lancaster Colony Corporation (LANC)	165.60	4,559.0	4,447.2	1,509.9	222.8	4.92	2.95 x	20.0 x	33.7 x	25.6%	14.8%
Hostess Brands, Inc. (TWNK)	20.42	2,825.7	3,720.3	1,100.9	270.2	0.63	3.38 x	13.8 x	32.6 x	36.5%	24.5%
ARYZTA AG (SWX:ARYN)	1.25	1,237.9	1,478.0	1,809.5	192.9	(0.12)	0.82 x	7.7 x	NM	17.5%	10.7%
<b>Mean</b>		<b>\$7,430.3</b>	<b>\$11,876.2</b>	<b>\$11,643.3</b>	<b>\$1,296.9</b>	<b>\$1.60</b>	<b>1.77 x</b>	<b>12.0 x</b>	<b>28.1 x</b>	<b>35.9%</b>	<b>14.1%</b>
<b>Median</b>		<b>5,183.0</b>	<b>5,601.3</b>	<b>3,089.9</b>	<b>378.6</b>	<b>0.84</b>	<b>1.34 x</b>	<b>11.04 x</b>	<b>29.4 x</b>	<b>34.3%</b>	<b>12.4%</b>
<b>Branded Foods &amp; Snacks</b>											
Nestlé S.A. (SWX:NESN)	\$139.41	\$383,431.9	\$425,884.3	\$92,266.4	\$18,189.6	\$4.72	4.62 x	23.4 x	29.5 x	49.4%	19.7%
Mondelez International, Inc. (MDLZ)	66.31	92,500.6	109,647.6	28,360.0	6,192.0	3.14	3.87 x	17.7 x	21.1 x	39.8%	21.8%
General Mills, Inc. (GIS)	67.38	40,644.1	53,137.2	18,607.5	3,974.8	3.63	2.86 x	13.4 x	18.6 x	34.2%	21.4%
The Hershey Company (HSY)	193.47	39,855.5	43,889.2	8,830.5	2,327.2	6.89	4.97 x	18.9 x	28.1 x	45.4%	26.4%
McCormick & Company, Incorporated (MKC)	96.61	25,825.6	31,050.5	6,145.5	1,258.4	2.82	5.05 x	24.7 x	34.3 x	40.0%	20.5%
Kellogg Company (K)	64.42	21,975.1	30,192.1	14,225.0	2,371.0	3.67	2.12 x	12.7 x	17.6 x	33.5%	16.7%
Hormel Foods Corporation (HRL)	48.81	26,482.8	29,252.6	11,386.2	1,367.4	1.66	2.57 x	21.4 x	29.4 x	17.2%	12.0%
Conagra Brands, Inc. (CAG)	34.15	16,381.4	25,914.2	11,159.1	2,246.5	2.48	2.32 x	11.5 x	13.8 x	27.7%	20.1%
Associated British Foods plc (LSE: ABF)	27.19	21,488.6	23,500.8	19,095.8	2,041.1	0.83	1.23 x	11.5 x	32.7 x	22.6%	10.7%
The J. M. Smucker Company (SJM)	135.82	14,717.9	19,330.5	7,904.9	1,670.8	7.01	2.45 x	11.6 x	19.4 x	36.8%	21.1%
Campbell Soup Company (CPB)	43.46	13,113.5	18,323.5	8,372.0	1,847.0	3.14	2.19 x	9.9 x	13.8 x	32.5%	22.1%
Post Holdings, Inc. (POST)	112.73	7,052.8	14,109.8	6,226.7	1,077.8	2.38	2.27 x	13.1 x	NM	29.1%	17.3%
Nomad Foods Limited (NOMD)	25.39	4,485.1	7,054.2	2,967.4	532.7	1.33	2.38 x	13.2 x	19.0 x	30.1%	18.0%
Premium Brands Holdings Corporation (TSX: PBH)	99.91	4,398.5	5,763.5	3,657.0	289.2	2.16	1.58 x	19.9 x	NM	18.7%	7.9%
B&G Foods, Inc. (BGS)	30.73	1,994.3	4,431.6	1,994.7	327.0	1.28	2.22 x	13.6 x	23.9 x	22.5%	16.4%
J & J Snack Foods Corp. (JJSF)	157.96	3,015.3	2,784.6	1,144.6	121.9	2.91	2.43 x	22.8 x	NM	26.1%	10.6%
John B. Sanfilippo & Son, Inc. (JBSS)	90.16	1,034.1	1,096.0	874.5	103.7	5.72	1.25 x	10.6 x	15.8 x	22.6%	NM
<b>Mean</b>		<b>\$42,258.7</b>	<b>\$49,727.2</b>	<b>\$14,306.9</b>	<b>\$2,702.2</b>	<b>\$3.28</b>	<b>2.73 x</b>	<b>15.88 x</b>	<b>22.64 x</b>	<b>32.6%</b>	<b>18.3%</b>
<b>Median</b>		<b>16,381.4</b>	<b>23,500.8</b>	<b>8,372.0</b>	<b>1,670.8</b>	<b>2.91</b>	<b>2.38 x</b>	<b>13.37 x</b>	<b>20.25 x</b>	<b>30.1%</b>	<b>18.8%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close on December 31, 2021.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) Excludes non-recurring and discontinued operations.

# Selected Valuation Metrics – Q4 2021

## Food Production

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA	EPS	Enterprise Value/Revenue	Price/EBITDA	Price/EPS	Gross Profit	EBITDA
<b>Private Label Food</b>											
Lamb Weston Holdings, Inc. (LW)	\$63.38	\$9,257.8	\$11,226.8	\$3,783.6	\$589.1	\$1.75	2.97 x	19.1 x	NM	20.3%	15.6%
TreeHouse Foods, Inc. (THS)	40.53	2,260.9	4,303.6	4,338.9	445.7	1.32	0.99 x	9.7 x	30.7 x	18.1%	10.3%
Seneca Foods Corporation (SENE.A)	47.95	416.0	626.8	1,396.5	167.7	12.43	0.45 x	3.7 x	3.9 x	15.1%	12.0%
<b>Mean</b>		<b>\$3,978.2</b>	<b>\$5,385.7</b>	<b>\$3,173.0</b>	<b>\$400.8</b>	<b>\$5.17</b>	<b>1.47 x</b>	<b>10.82 x</b>	<b>17.3 x</b>	<b>17.9%</b>	<b>12.6%</b>
<b>Median</b>		<b>2,260.9</b>	<b>4,303.6</b>	<b>3,783.6</b>	<b>445.7</b>	<b>1.75</b>	<b>0.99 x</b>	<b>9.66 x</b>	<b>17.3 x</b>	<b>18.1%</b>	<b>12.0%</b>
<b>Protein Processing</b>											
Tyson Foods, Inc. (TSN)	\$87.16	\$31,646.2	\$39,141.2	\$47,049.0	\$5,950.0	\$8.34	0.83 x	6.6 x	10.5 x	14.6%	12.6%
JBS S.A. (BOVESPA:JBSS3)	6.80	15,846.8	29,658.3	60,775.8	6,768.3	1.32	0.49 x	4.4 x	5.1 x	17.7%	11.1%
Pilgrim's Pride Corporation (PPC)	28.20	6,871.6	9,888.2	13,856.5	1,049.7	(0.02)	0.71 x	9.4 x	NM	9.0%	7.6%
Sanderson Farms, Inc. (SAFM)	191.08	4,264.6	3,853.6	4,799.7	807.5	20.38	0.80 x	4.8 x	9.4 x	18.9%	16.8%
Cal-Maine Foods, Inc. (CALM)	36.99	1,807.2	1,723.9	1,431.5	9.8	(0.16)	1.20 x	NM	NM	9.5%	0.7%
<b>Mean</b>		<b>\$12,087.3</b>	<b>\$16,853.0</b>	<b>\$25,582.5</b>	<b>\$2,917.1</b>	<b>\$5.97</b>	<b>0.81 x</b>	<b>6.3 x</b>	<b>8.3 x</b>	<b>13.9%</b>	<b>9.8%</b>
<b>Median</b>		<b>6,871.6</b>	<b>9,888.2</b>	<b>13,856.5</b>	<b>1,049.7</b>	<b>1.32</b>	<b>0.80 x</b>	<b>5.68 x</b>	<b>9.4 x</b>	<b>14.6%</b>	<b>11.1%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months  
 ‡ = excluded from Mean and Median calculations  
 Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close on December 31, 2021.

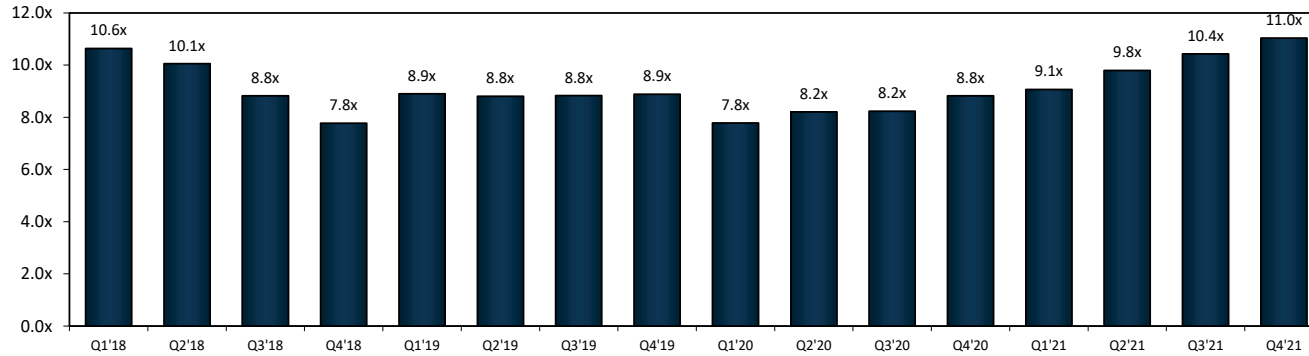
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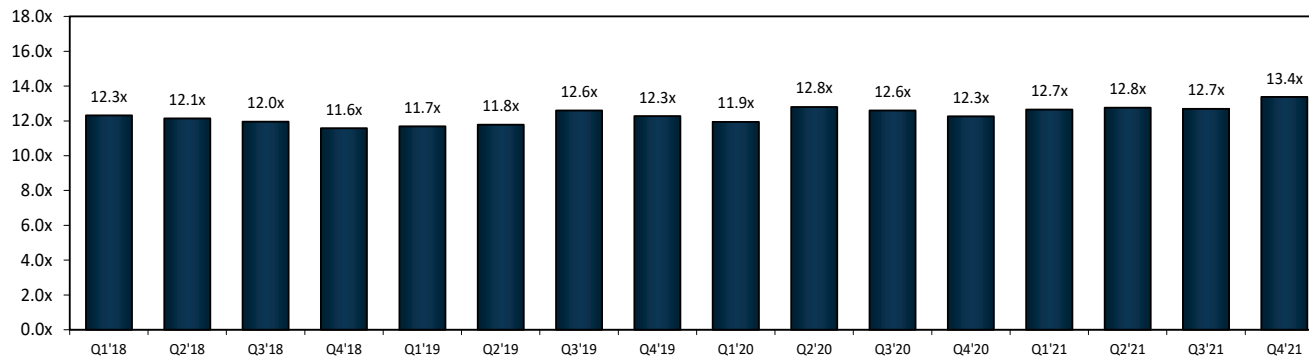
# Historical Enterprise Value-to-LTM EBITDA Multiples

Food Production

## Baked Goods



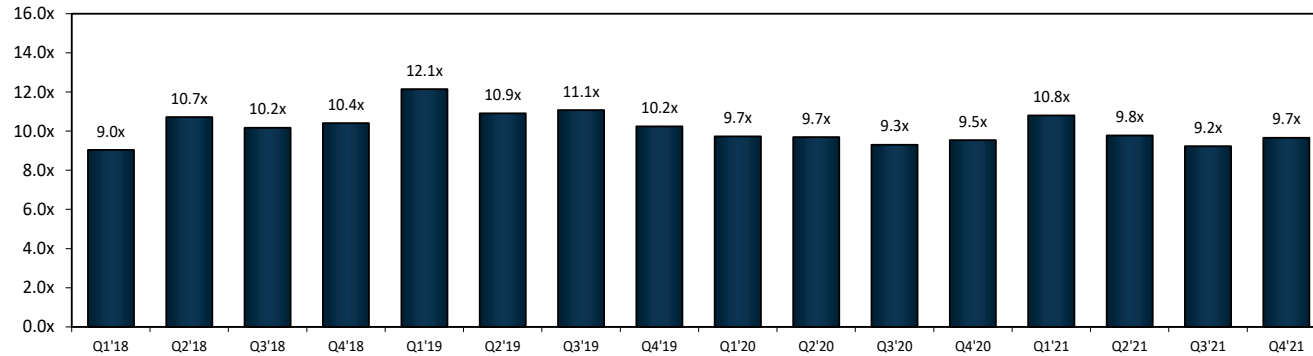
## Branded Foods and Snacks



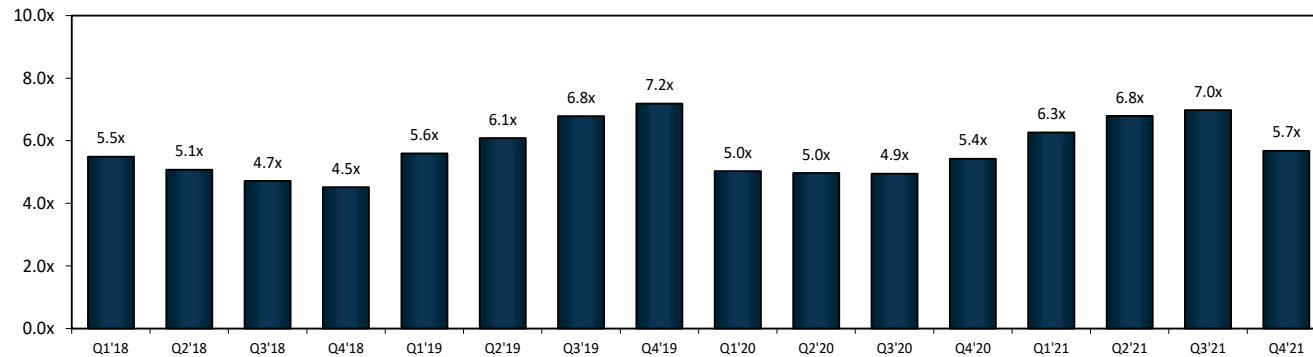
# Historical Enterprise Value-to-LTM EBITDA Multiples

Food Production

## Private Label Food



## Protein Processing



# Selected M&A Transactions

## Food Production

Announced	Target	Target Description	Acquirer	Value
Dec 21	Rustic Bakery, Inc.	Manufactures artisanal products, such as crackers, crisps, cookies, and biscuits	San Francisco Equity Partners	ND
Dec 15	OFD, LLC.	Produces freeze-dried ingredients for food companies, such as breakfast, lunch, and dinner entrees, as well as desserts and snacks to create meals	Arbor Investments	ND
Dec 13	Coolhaus, Inc.	Produces and sells ice creams through retailers, shops, food trucks, and on-demand delivery	Perfect Day, Inc.	ND
Dec 10	Shining Ocean, Inc.	Produces surimi-based products, including crab, crab salad, and lobster products, serving restaurants and supermarkets.	Aquamar, Inc.	ND
Dec 01	Clover Stornetta Farms, Inc.	Processes, produces, and distributes a range of dairy products, including natural butter, cheeses, eggs, creams, ice creams, and yogurt.	Alpina Productos Alimenticios S.A.	\$200
Nov 16	Pancho's Mexican Foods Inc.	Manufactures queso dip in Memphis Tennessee	Sabrosura Foods, LLC	ND
Nov 12	Drink Eat Well, LLC (dba Hilary's Eat Well)	Produces dressings, root veggie burgers, bean burgers, hemp and greens burgers, and veggie bites.	PlantPlus Foods, LLC	ND
Nov 10	Dot's Pretzels, LLC	Produces and manufactures gourmet seasoned pretzels and snacks	The Hershey Company	ND
Nov 10	Pretzels, Inc.	Produces and distributes corn-extruded products and pretzels in the United States and Canada	The Hershey Company	ND
Nov 09	Anita's Organic Mill	Manufactures and retails organic flours, sprouted flours, cereals, grain mixes, and whole grain.	Nature's Path Foods Inc.	ND
Nov 09	Stone Ground Bakery, Inc.	Produces and supplies fresh and frozen artisanal bread to restaurants, delis, resorts, and other foodservice locations.	Wheat Parent, Inc.	ND

ND – Not disclosed. Transaction values in millions.



# Selected M&A Transactions (cont'd)

## Food Production

Announced	Target	Target Description	Acquirer	Value
Nov 04	Simply Sweet Gummy Ltd	Engages in manufacturing cannabis infused plant-based gummies.	Halo Collective Inc. (OTCPK:HCAN.F)	\$8.5
Nov 02	R.W. Garcia Co. Inc.	Produces snack food items, including gluten free crackers, tortilla chips, veggie chips, flaxseed and corn tortilla chips, and seed crackers	Utz Brands, Inc. (NYSE:UTZ)	\$56.0
Nov 02	LinkOne Marine Solutions, LLC	Manufactures dried, fresh, and frozen marine proteins, including salmon, sardine, and herring.	3D Corporate Solutions, LLC	ND
Oct 29	Popcornopolis, LLC	Manufactures and retails popcorn	Barcel USA, LLC	ND
Oct 28	PataFoods, Inc. (dba AMARA Organic Foods)	Produces organic baby foods	Eat Well Investment Group Inc. (CNSX:EWG)	\$12.7
Oct 25	Calabro Cheese Corporation	Processes and sells milk and dairy products	Granarolo S.p.A.	ND
Oct 15	Sunnyvalley Smoked Meats, Inc.	Produces smoked bacon, ham, and pork loin products.	Swift Prepared Foods	\$90.0
Oct 12	Alexandra Foods Company	Produces, distributes, and sells pierogi and related frozen food products.	Salt Creek Capital II, LLC	ND
Oct 11	Whitehall Specialties, Inc.	Produces and distributes cheese products for industrial, food service, and retail channels.	Mason Wells, Inc.	ND
Oct 08	Costanzo's Bakery, Inc.	Manufactures and sells bread and sandwiches	PNC RiverArch Capital	ND
Oct 07	Hope Foods, LLC	Produces hummus, organic food dips, and spreads, including gluten free hummus, cashew and almond dips, and chocolate spreads.	Savencia SA (ENXTPA:SAVE)	ND
Oct 06	Phillips Syrups & Sauces	Produces gourmet syrups, sauces, and topping	Lyons Magnus, Inc.	ND

ND – Not disclosed. Transaction values in millions.

## Selected News

### Food Production

**ARYZTA AG (SWX:ARYN)** reported net income of (\$279.7) million for fiscal year 2021 as compared to (\$1,291.3) million for the prior year. Earnings per share were (\$0.34) versus (\$1.36) for the prior year. Revenues for the year decreased to \$1,809.5 million from \$1,974.4 million for fiscal year 2020.

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**Associated British Foods plc (LSE: ABF)** reported net income of \$657.4 million for fiscal year 2021 as compared to \$581.6 million for the prior year. Earnings per share were \$0.83 versus \$0.74 for the prior year. Revenues for the year increased to \$19,095.8 million from \$17,815.0 million for fiscal year 2020.

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**B&G Foods, Inc. (BGS)** reported third quarter net income of \$20.7 million for fiscal year 2022 as compared to \$46.8 million for the prior year period. Earnings per share were \$0.32 versus \$0.72 for the prior year period. Revenues for the quarter increased to \$515.0 million from \$495.8 million for the same period in fiscal year 2021.

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**Cal-Maine Foods, Inc. (CALM)** reported second quarter net income of \$1.2 million for fiscal year 2022 as compared to \$12.2 million for the prior year period. Earnings per share were \$0.02 versus \$0.25 for the prior year period. Revenues for the quarter increased to \$390.9 million from \$347.3 million for the same period in fiscal year 2021.

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**Campbell Soup Company (CPB)** reported first quarter net income of \$261.0 million for fiscal year 2022 as compared to \$309.0 million for the prior year period. Earnings per share were \$0.86 versus \$1.02 for the prior year period. Revenues for the quarter decreased to \$2,236.0 million from \$2,340.0 million for the same period in fiscal year 2021.

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**Conagra Brands, Inc. (CAG)** reported first quarter net income of \$235.4 million for fiscal year 2022 as compared to \$329.0 million for the prior year period. Earnings per share were \$0.49 versus \$0.67 for the prior year period. Revenues for the quarter decreased to \$2,653.3 million from \$2,678.9 million for the same period in fiscal year 2021.

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**Flowers Foods, Inc. (FLO)** reported third quarter net income of \$38.9 million for fiscal year 2022 as compared to \$44.3 million for the prior year period. Earnings per share were \$0.18 versus \$0.21 for the prior year period. Revenues for the quarter increased to \$1,027.8 million from \$989.7 million for the same period in fiscal year 2021.

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**General Mills, Inc. (GIS)** reported second quarter net income of \$597.2 million for fiscal year 2022 as compared to \$688.4 million for the prior year period. Earnings per share were \$0.97 versus \$1.11 for the prior year period. Revenues for the quarter increased to \$5,024.0 million from \$4,719.4 million for the same period in fiscal year 2021.

Note: All per share results are reported on a fully-diluted basis.

# Selected News

## Food Production

**George Weston Limited (TSX:WN)** reported third quarter net income of \$110.7 million for fiscal year 2021 as compared to \$238.2 million for the prior year period. Earnings per share were \$0.66 versus \$1.47 for the prior year period. Revenues for the quarter increased to \$12,984.6 million from \$11,878.9 million for the same period in fiscal year 2020.

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**Grupo Bimbo, S.A.B. de C.V. (BMV:BIMBO A)** reported third quarter net income of \$196.6 million for fiscal year 2021 as compared to \$163.1 million for the prior year period. Earnings per share were \$0.05 versus \$0.04 for the prior year period. Revenues for the quarter increased to \$4,302.3 million from \$3,882.6 million for the same period in fiscal year 2020.

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**Hormel Foods Corporation (HRL)** reported net income of \$908.8 million for fiscal year 2021 as compared to \$908.1 million for the prior year. Earnings per share were \$1.66 versus \$1.66 for the prior year. Revenues for the year increased to \$11,386.2 million from \$9,608.5 million for fiscal year 2020.

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**Hostess Brands, Inc. (TWNK)** reported third quarter net income of \$26.2 million for fiscal year 2021 as compared to \$24.9 million for the prior year period. Earnings per share were \$0.19 versus \$0.18 for the prior year period. Revenues for the quarter increased to \$288.0 million from \$260.9 million for the same period in fiscal year 2020.

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**J & J Snack Foods Corp. (JJSF)** reported net income of \$55.6 million for fiscal year 2021 as compared to \$18.3 million for the prior year. Earnings per share were \$2.91 versus \$0.96 for the prior year. Revenues for the year increased to \$1,144.6 million from \$1,022.0 million for fiscal year 2020.

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**JBS S.A. (BOVESPA:JBSS3)** reported third quarter net income of \$1,398.9 million for fiscal year 2021 as compared to \$557.6 million for the prior year period. Earnings per share were \$0.55 versus \$0.21 for the prior year period. Revenues for the quarter increased to \$17,081.3 million from \$12,474.2 million for the same period in fiscal year 2020.

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**John B. Sanfilippo & Son, Inc. (JBSS)** reported first quarter net income of \$19.2 million for fiscal year 2022 as compared to \$12.8 million for the prior year period. Earnings per share were \$1.66 versus \$1.11 for the prior year period. Revenues for the quarter increased to \$226.3 million from \$210.3 million for the same period in fiscal year 2021.

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**Kellogg Company (K)** reported third quarter net income of \$307.0 million for fiscal year 2022 as compared to \$348.0 million for the prior year period. Earnings per share were \$0.89 versus \$1.01 for the prior year period. Revenues for the quarter increased to \$3,622.0 million from \$3,429.0 million for the same period in fiscal year 2021.

Note: All per share results are reported on a fully-diluted basis.

# Selected News

## Food Production

**Lamb Weston Holdings, Inc. (LW)** reported first quarter net income of \$29.8 million for fiscal year 2022 as compared to \$89.3 million for the prior year period. Earnings per share were \$0.20 versus \$0.61 for the prior year period. Revenues for the quarter increased to \$984.2 million from \$871.5 million for the same period in fiscal year 2021.

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**Lancaster Colony Corporation (LANC)** reported first quarter net income of \$30.7 million for fiscal year 2022 as compared to \$37.1 million for the prior year period. Earnings per share were \$1.11 versus \$1.35 for the prior year period. Revenues for the quarter increased to \$392.1 million from \$349.2 million for the same period in fiscal year 2021.

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**Mondelez International, Inc. (MDLZ)** reported third quarter net income of \$1,258.0 million for fiscal year 2021 as compared to \$1,119.0 million for the prior year period. Earnings per share were \$0.89 versus \$0.78 for the prior year period. Revenues for the quarter increased to \$7,182.0 million from \$6,665.0 million for the same period in fiscal year 2020.

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**Nestlé S.A. (SWX:NESN)** reported second quarter net income of \$3,215.1 million for fiscal year 2021 as compared to \$3,105.9 million for the prior year period. Earnings per share were \$1.15 versus \$1.08 for the prior year period. Revenues for the quarter increased to \$22,674.0 million from \$21,805.9 million for the same period in fiscal year 2020.

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**Nomad Foods Limited (NOMD)** reported third quarter net income of \$59.9 million for fiscal year 2021 as compared to \$66.2 million for the prior year period. Earnings per share were \$0.34 versus \$0.34 for the prior year period. Revenues for the quarter increased to \$694.7 million from \$676.7 million for the same period in fiscal year 2020.

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**Pilgrim's Pride Corporation (PPC)** reported third quarter net income of \$60.7 million for fiscal year 2021 as compared to \$33.4 million for the prior year period. Earnings per share were \$0.25 versus \$0.14 for the prior year period. Revenues for the quarter increased to \$3,827.6 million from \$3,075.1 million for the same period in fiscal year 2020.

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**Post Holdings, Inc. (POST)** reported net income of \$166.7 million for fiscal year 2021 as compared to \$0.8 million for the prior year. Earnings per share were \$2.38 versus \$0.01 for the prior year. Revenues for the year increased to \$6,226.7 million from \$5,698.7 million for fiscal year 2020.

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**Premium Brands Holdings Corporation (TSX: PBH)** reported third quarter net income of \$36.9 million for fiscal year 2021 as compared to \$25.9 million for the prior year period. Earnings per share were \$0.84 versus \$0.66 for the prior year period. Revenues for the quarter increased to \$1,057.0 million from \$821.1 million for the same period in fiscal year 2020.

Note: All per share results are reported on a fully-diluted basis.

## Selected News

### Food Production

**Sanderson Farms, Inc. (SAFM)** reported net income of \$455.1 million for fiscal year 2021 as compared to \$28.3 million for the prior year. Earnings per share were \$20.38 versus \$1.27 for the prior year. Revenues for the year increased to \$4,799.7 million from \$3,564.3 million for fiscal year 2020.

**The Hershey Company (HSY)** reported third quarter net income of \$444.9 million for fiscal year 2021 as compared to \$447.3 million for the prior year period. Earnings per share were \$2.14 versus \$2.14 for the prior year period. Revenues for the quarter increased to \$2,359.8 million from \$2,219.8 million for the same period in fiscal year 2020.

**The J. M. Smucker Company (SJM)** reported second quarter net income of \$206.0 million for fiscal year 2022 as compared to \$230.8 million for the prior year period. Earnings per share were \$1.90 versus \$2.02 for the prior year period. Revenues for the quarter increased to \$2,050.0 million from \$2,034.0 million for the same period in fiscal year 2021.

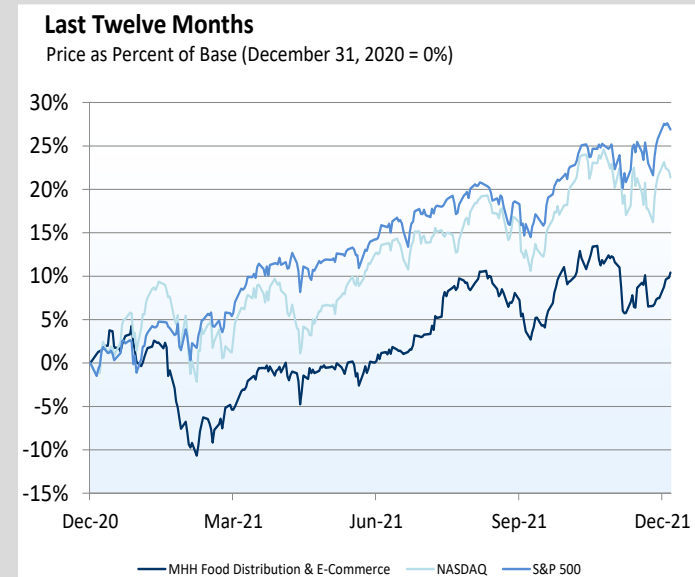
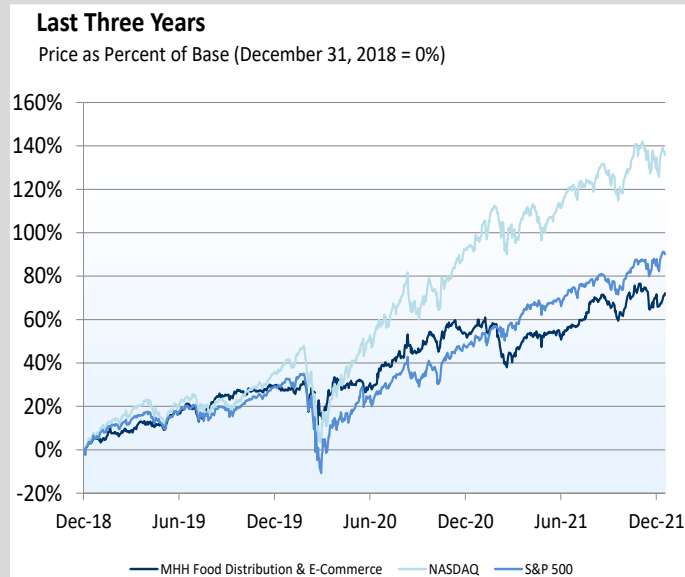
**TreeHouse Foods, Inc. (THS)** reported third quarter net income of \$6.7 million for fiscal year 2021 as compared to \$12.1 million for the prior year period. Earnings per share were \$0.12 versus \$0.21 for the prior year period. Revenues for the quarter increased to \$1,101.2 million from \$1,045.7 million for the same period in fiscal year 2020.

**Tyson Foods, Inc. (TSN)** reported net income of \$3,047.0 million for fiscal year 2021 as compared to \$2,061.0 million for the prior year. Earnings per share were \$8.34 versus \$5.64 for the prior year. Revenues for the year increased to \$47,049.0 million from \$43,185.0 million for fiscal year 2020.

Note: All per share results are reported on a fully-diluted basis.

## Comparative Index Performance

The MHH Food Distribution & E-Commerce Index<sup>(a)</sup> increased by 1.4% in December of 2021.



### Price Appreciation

	3-Year	LTM	1-Month
MHH Food Distribution & E-Commerce Index <sup>(a)</sup>	72.0%	10.4%	1.4%
NASDAQ	135.8%	21.4%	0.7%
S&P 500	90.1%	26.9%	4.4%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Food Production Index is comprised of all companies listed on the following pages.

# Selected Valuation Metrics – Q4 2021

## Food Distribution & E-Commerce

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA	EPS	Enterprise Value/Revenue	Price/EBITDA	Price/EPS	Gross Profit	EBITDA
<b>Food Retail</b>											
Walmart Inc. (WMT)	\$144.69	\$401,352.5	\$452,202.5	\$571,962.0	\$40,313.0	\$2.84	0.79 x	11.2 x	50.9 x	25.0%	7.0%
Costco Wholesale Corporation (COST)	567.70	251,736.6	248,912.6	203,084.0	9,413.0	11.63	1.23 x	26.4 x	48.8 x	12.8%	4.6%
The Kroger Co. (KR)	45.26	33,277.7	51,667.7	135,577.0	5,549.0	1.32	0.38 x	9.3 x	34.2 x	22.8%	4.1%
Koninklijke Ahold Delhaize N.V. (ENXTAM:AD)	34.27	34,772.5	51,002.5	87,009.0	6,348.2	1.78	0.59 x	8.0 x	19.3 x	27.5%	7.3%
Tesco PLC (LSE:TSCO)	3.93	29,856.3	44,989.4	81,906.0	4,884.0	0.21	0.55 x	9.2 x	18.9 x	6.1%	6.0%
Carrefour SA (ENXTPA:CA)	18.32	14,037.9	34,133.9	85,347.4	4,168.8	1.42	0.40 x	8.2 x	12.9 x	20.0%	4.9%
Albertsons Companies, Inc. (ACI)	30.19	14,486.6	27,673.9	68,956.3	3,559.3	1.10	0.40 x	7.8 x	27.5 x	29.7%	5.2%
Sprouts Farmers Market, Inc. (SFM)	29.68	3,331.8	4,570.8	6,208.9	501.8	2.35	0.74 x	9.1 x	12.6 x	36.6%	8.1%
Weis Markets, Inc. (WMK)	65.88	1,772.1	1,686.9	4,142.8	245.9	3.93	0.41 x	6.9 x	16.8 x	27.2%	5.9%
Village Super Market, Inc. (VLGE.A)	23.39	340.3	626.5	2,034.4	73.1	1.64	0.31 x	8.6 x	14.3 x	27.9%	3.6%
<b>Mean</b>		<b>\$78,496.4</b>	<b>\$91,746.7</b>	<b>\$124,622.8</b>	<b>\$7,505.6</b>	<b>\$2.82</b>	<b>0.58x</b>	<b>10.5x</b>	<b>25.6x</b>	<b>23.6%</b>	<b>5.7%</b>
<b>Median</b>		<b>22,171.5</b>	<b>39,561.7</b>	<b>83,626.7</b>	<b>4,526.4</b>	<b>1.71</b>	<b>0.48x</b>	<b>8.84x</b>	<b>19.1x</b>	<b>26.1%</b>	<b>5.5%</b>
<b>Food Distribution</b>											
Sysco Corporation (SY)Y	\$78.55	\$40,269.2	\$50,160.4	\$55,977.0	\$2,561.7	\$1.33	0.90 x	19.6 x	59.0 x	18.1%	4.6%
Performance Food Group Company (PFGC)	45.89	7,081.5	11,808.9	33,457.7	614.3	0.34	0.35 x	19.2 x	NM	11.6%	1.8%
US Foods Holding Corp. (USFD)	34.83	7,759.8	13,099.8	27,986.0	794.0	0.18	0.47 x	16.5 x	NM	16.0%	2.8%
United Natural Foods, Inc. (UNFI)	49.08	2,850.8	6,517.8	27,263.0	808.0	3.59	0.24 x	8.1 x	13.7 x	14.7%	3.0%
The Chefs' Warehouse, Inc. (CHEF)	33.30	1,261.5	1,654.7	1,469.2	4.1	(1.38)	1.13 x	NM	NM	22.4%	0.3%
SpartanNash Company (SPTN)	25.76	925.9	1,624.4	9,084.7	195.5	1.78	0.18 x	8.3 x	14.5 x	15.6%	2.2%
Coreo AG (CORE)	1.34	23.4	83.2	6.2	(1.2)	(0.17)	NM	NM	NM	26.6%	-19.9%
<b>Mean</b>		<b>\$8,596.0</b>	<b>\$12,135.6</b>	<b>\$22,177.7</b>	<b>\$710.9</b>	<b>\$0.8</b>	<b>0.54x</b>	<b>14.3x</b>	<b>29.0x</b>	<b>17.9%</b>	<b>-0.8%</b>
<b>Median</b>		<b>2,850.8</b>	<b>6,517.8</b>	<b>27,263.0</b>	<b>614.3</b>	<b>0.3</b>	<b>0.41x</b>	<b>16.50x</b>	<b>14.5x</b>	<b>16.0%</b>	<b>2.2%</b>
<b>Food E-Commerce</b>											
DoorDash, Inc. (DASH)	\$148.90	\$51,081.2	\$47,287.2	\$4,558.0	(\$499.0)	(\$2.23)	NM	NM	NM	53.4%	-10.9%
Delivery Hero SE (XTRA:DHGR)	110.96	27,840.4	29,052.7	4,709.2	(1,171.4)	(10.10)	6.17 x	NM	NM	22.0%	-24.9%
Ocado Group plc (LSE:OCDO)	22.72	16,838.0	16,702.7	3,637.7	17.2	(0.28)	4.59 x	NM	NM	36.7%	0.5%
Just Eat Takeaway.com N.V. (ENXTAM:TKWY)	54.68	11,626.5	12,423.3	3,717.1	(305.3)	(4.50)	3.34 x	NM	NM	19.6%	-8.2%
HelloFresh SE (XTRA:HFG)	0.00	0.0	(602.0)	6,400.0	580.3	2.15	NM	NM	NM	66.1%	9.1%
Blue Apron Holdings, Inc. (APRN)	6.73	212.4	243.0	478.8	(32.8)	(3.77)	0.51 x	NM	NM	36.8%	-6.8%
<b>Mean</b>		<b>\$17,933.1</b>	<b>\$17,517.8</b>	<b>\$3,916.8</b>	<b>(\$235.2)</b>	<b>(\$3.12)</b>	<b>3.65 x</b>	<b>NA</b>	<b>NA</b>	<b>39.1%</b>	<b>-6.9%</b>
<b>Median</b>		<b>14,232.3</b>	<b>14,563.0</b>	<b>4,137.5</b>	<b>(169.0)</b>	<b>(3.00)</b>	<b>4.0 x</b>	<b>NA</b>	<b>NA</b>	<b>36.8%</b>	<b>-7.5%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months  
 ‡ = excluded from Mean and Median calculations  
 Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close December 31, 2021.

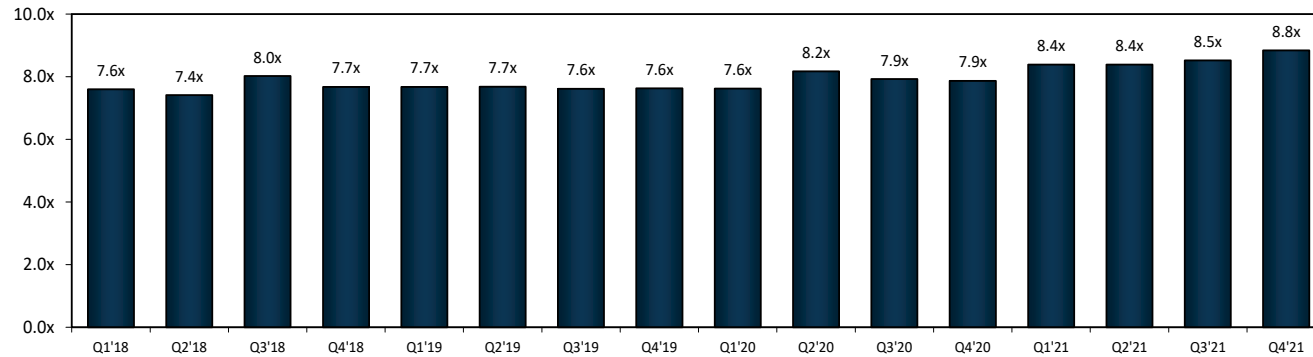
(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) Excludes non-recurring and discontinued operations.

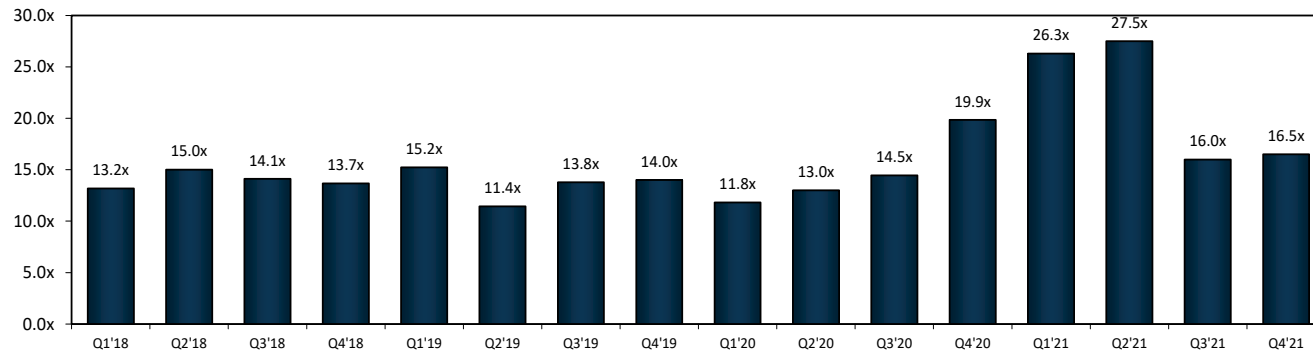
# Historical Enterprise Value-to-LTM EBITDA Multiples

Food Distribution & E-Commerce

## Food Retail



## Food Distribution

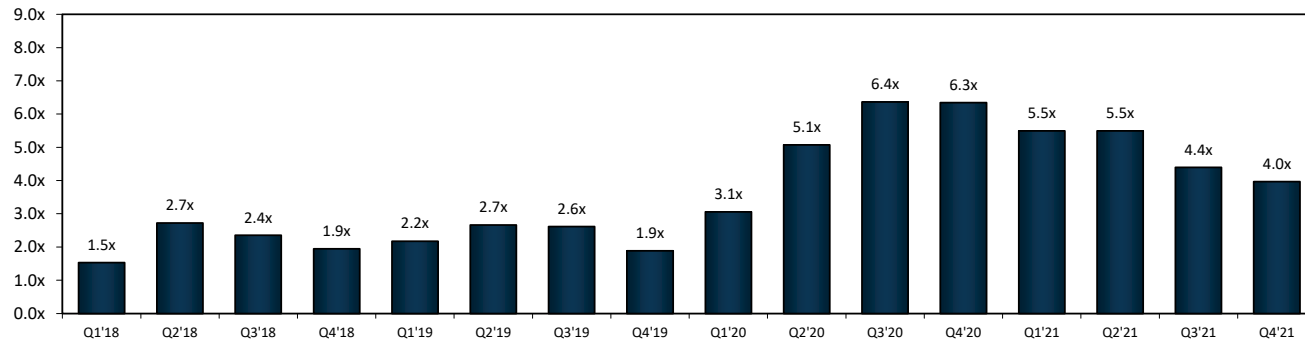




# Historical Enterprise Value-to-LTM Revenue Multiple

Food Distribution & E-Commerce

Food E-Commerce (EV/REV) <sup>(1)</sup>



<sup>(1)</sup> EV/EBITDA not applicable for E-Commerce

# Selected M&A Transactions

## Food Distribution & E-Commerce

Announced	Target	Target Description	Acquirer	Value
Dec 13	Simco Logistics, Inc.	Distributes ice creams, frozen foods, beverages, and other products in the Mid-Atlantic region.	GlacierPoint Enterprises, Inc.	ND
Dec 03	Monteverdes Inc.	Distributes fruits, vegetables, specialty products, meats, seafoods, dairy products, and other products.	FreshEdge, LLC	ND
Nov 15	Mutzabaughs Market Inc.	Grocery store based in Ducannon, Pennsylvania	Kanrs Prime & Fancy Food Ltd.	ND
Nov 15	Hoop Tea	Produces and retails alcoholic beverages	Anheuser-Busch Companies, LLC	ND
Nov 02	Reasor's LLC	Owens and operates a chain of retail grocery stores in Northern Oklahoma	Brookshire Grocery Company	ND
Nov 01	Thurston Foods, Inc.	Operates a broadline distributor and bakery supplier in CT, MA, RI,	GS Foods Group, Inc.	ND
Oct 29	Wholesale Produce Supply, LLC	Engages in the wholesale distribution of fresh produce for retail and food service customers in the Midwest	Cross Rapids Capital LP & The Baupost Group, LLC	ND
Oct 26	Brother's Food Mart	Owens and operates a chain of convenience stores in Louisiana	Mountain Express Oil Company	ND
Oct 21	Sorrento Lighthouse Market	Owens and operates a grocery and liquor store	Lynx Equity Limited	ND
Oct 19	Paragon Wholesale Foods Corp.	Distributes farmer table, fresh dairy, and seafood products	FreshPoint, Inc.	\$59.0
Oct 13	Roth's IGA Foodliner, Inc. (dba Roth's Fresh Markets)	Owens and operates supermarkets in Oregon	Pattison Food Group	ND
Oct 07	Alcanna Inc. (TSX:CLIQ)	Retails wines, beers, spirits, and cannabis products across in North America	Sundial Growers Inc. (NasdaqCM:SNDL)	\$435.9
Oct 06	Shapiro-Gilman-Shandler Co., Inc.	Distributes food products to retailers, distributors, and wholesalers	GrubMarket, Inc.	ND
Oct 01	Bashas' Inc.	Operates grocery stores in Arizona	Raley's Family of Fine Stores, Inc.	ND

ND – Not disclosed. Transaction values in millions.

Source: S&P Capital IQ

## Selected News

### Food Distribution & E-Commerce

**Albertsons Companies, Inc. (ACI)** reported second quarter net income of \$295.2 million for fiscal year 2022 as compared to \$284.5 million for the prior year period. Earnings per share were \$0.52 versus \$0.49 for the prior year period. Revenues for the quarter increased to \$16,505.7 million from \$15,757.6 million for the same period in fiscal year 2021.

**Blue Apron Holdings, Inc. (APRN)** reported third quarter net income of (\$27.6) million for fiscal year 2021 as compared to (\$15.3) million for the prior year period. Earnings per share were (\$1.17) versus (\$0.96) for the prior year period. Revenues for the quarter decreased to \$109.7 million from \$112.3 million for the same period in fiscal year 2020.

**Carrefour SA (ENXTPA:CA)** reported second quarter net income of \$176.7 million for fiscal year 2021 as compared to (\$14.1) million for the prior year period. Earnings per share were \$0.22 versus (\$0.02) for the prior year period. Revenues for the quarter increased to \$20,754.7 million from \$19,683.2 million for the same period in fiscal year 2020.

**Costco Wholesale Corporation (COST)** reported first quarter net income of \$1,324.0 million for fiscal year 2022 as compared to \$1,166.0 million for the prior year period. Earnings per share were \$2.98 versus \$2.62 for the prior year period. Revenues for the quarter increased to \$50,363.0 million from \$43,208.0 million for the same period in fiscal year 2021.

**DoorDash, Inc. (DASH)** reported third quarter net income of (\$101.0) million for fiscal year 2021 as compared to (\$43.0) million for the prior year period. Earnings per share were (\$0.30) versus (\$0.96) for the prior year period. Revenues for the quarter increased to \$1,275.0 million from \$879.0 million for the same period in fiscal year 2020.

**HelloFresh SE (XTRA:HFG)** reported third quarter net income of \$26.8 million for fiscal year 2021 as compared to \$87.4 million for the prior year period. Earnings per share were \$0.15 versus \$0.51 for the prior year period. Revenues for the quarter increased to \$1,640.6 million from \$1,139.3 million for the same period in fiscal year 2020.

**Koninklijke Ahold Delhaize N.V. (ENXTAM:AD)** reported third quarter net income of \$605.1 million for fiscal year 2022 as compared to \$79.0 million for the prior year period. Earnings per share were \$0.59 versus \$0.07 for the prior year period. Revenues for the quarter increased to \$21,499.0 million from \$20,711.0 million for the same period in fiscal year 2021.

Note: All per share results are reported on a fully-diluted basis.

# Selected News

*Food Distribution & E-Commerce*

**Performance Food Group Company (PFGC)** reported first quarter net income of \$4.7 million for fiscal year 2022 as compared to (\$0.7) million for the prior year period. Earnings per share were \$0.03 versus (\$0.01) for the prior year period. Revenues for the quarter increased to \$9,800.3 million from \$6,741.5 million for the same period in fiscal year 2021.

**SpartanNash Company (SPTN)** reported third quarter net income of \$15.2 million for fiscal year 2022 as compared to \$20.0 million for the prior year period. Earnings per share were \$0.42 versus \$0.56 for the prior year period. Revenues for the quarter increased to \$2,073.3 million from \$2,060.8 million for the same period in fiscal year 2021.

**Sprouts Farmers Market, Inc. (SFM)** reported third quarter net income of \$63.9 million for fiscal year 2022 as compared to \$60.2 million for the prior year period. Earnings per share were \$0.56 versus \$0.51 for the prior year period. Revenues for the quarter decreased to \$1,509.6 million from \$1,577.6 million for the same period in fiscal year 2021.

**Sysco Corporation (SYY)** reported first quarter net income of \$378.0 million for fiscal year 2022 as compared to \$216.9 million for the prior year period. Earnings per share were \$0.73 versus \$0.42 for the prior year period. Revenues for the quarter increased to \$16,456.5 million from \$11,777.4 million for the same period in fiscal year 2021.

**Tesco PLC (LSE:TSCO)** reported second quarter net income of \$536.8 million for fiscal year 2022 as compared to \$306.9 million for the prior year period. Earnings per share were \$0.07 versus \$0.04 for the prior year period. Revenues for the quarter increased to \$20,905.0 million from \$19,163.0 million for the same period in fiscal year 2021.

**The Chefs' Warehouse, Inc. (CHEF)** reported third quarter net income of \$3.5 million for fiscal year 2021 as compared to (\$11.4) million for the prior year period. Earnings per share were \$0.09 versus (\$0.31) for the prior year period. Revenues for the quarter increased to \$484.3 million from \$254.0 million for the same period in fiscal year 2020.

**The Kroger Co. (KR)** reported third quarter net income of \$483.0 million for fiscal year 2022 as compared to \$631.0 million for the prior year period. Earnings per share were \$0.64 versus \$0.80 for the prior year period. Revenues for the quarter increased to \$31,860.0 million from \$29,723.0 million for the same period in fiscal year 2021.

Note: All per share results are reported on a fully-diluted basis.

## Selected News

*Food Distribution & E-Commerce*

**United Natural Foods, Inc. (UNFI)** reported first quarter net income of \$76.0 million for fiscal year 2022 as compared to (\$1.0) million for the prior year period. Earnings per share were \$1.25 versus (\$0.03) for the prior year period. Revenues for the quarter increased to \$6,997.0 million from \$6,684.0 million for the same period in fiscal year 2021.

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**US Foods Holding Corp. (USFD)** reported third quarter net income of \$64.0 million for fiscal year 2022 as compared to \$8.0 million for the prior year period. Earnings per share were \$0.24 versus (\$0.01) for the prior year period. Revenues for the quarter increased to \$7,890.0 million from \$5,848.0 million for the same period in fiscal year 2021.

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**Walmart Inc. (WMT)** reported third quarter net income of \$3,105.0 million for fiscal year 2022 as compared to \$5,135.0 million for the prior year period. Earnings per share were \$1.11 versus \$1.80 for the prior year period. Revenues for the quarter increased to \$140,525.0 million from \$134,708.0 million for the same period in fiscal year 2021.



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**Waste Connections, Inc. (NYSE:WCN)** reported third quarter net income of \$114.4 million for fiscal year 2021 as compared to \$158.0 million for the prior year period. Earnings per share were \$0.44 versus \$0.60 for the prior year period. Revenues for the quarter increased to \$1,597.2 million from \$1,389.6 million for the same period in fiscal year 2020.

Note: All per share results are reported on a fully-diluted basis.

# Q4 2021 Highlighted Industry M&A

Food Production, Distribution & E-Commerce Newsletter

Ann. Date	Target	Target Business Description	Acquiror	Enterprise Value	EV / LTM EBITDA
Dec 13		Manufactures and markets chips cookies, and other snack products		\$ 259.0	ND
Nov 10		Produces and manufactures gourmet seasoned pretzels and snacks		ND	ND
Nov 10		Produces and distributes corn-extruded products and pretzels in the United States and Canada		ND	ND
Nov 03		Hatches, farms, processes, markets, and sells Atlantic salmon and ocean trout in Australia		\$ 535.3	ND
Nov 02		Produces snack food items, including gluten free crackers, tortilla chips, veggie chips, flaxseed and corn tortilla chips, and seed crackers		\$ 56.0	9.7x
Oct 26	 Bakery Business	Fresh and frozen bakery businesses of George Weston Limited		\$ 865.1	ND
Oct 07		Retails wines, beers, spirits, and cannabis products across in North America		\$ 435.8	17.1x

**Mufson Howe Hunter & Co.** is an independent investment bank for middle-market companies. We focus on mergers and acquisitions, recapitalizations and raising capital.

### **Mergers & Acquisitions**

- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, management buy-outs and industry build-ups

### **Raise Capital**

- Equity (control and non-control)
- Mezzanine financing
- Senior and junior debt
- Typically raise capital from banks, finance companies, private investment funds and private equity groups

### **Financial Advisory Services**

- Analysis of business strategies and options
- Fairness opinions
- Valuations

Broker dealer services provided by our wholly-owned subsidiary

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Member SIPC | FINRA

c o n t a c t u s

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