



Food Value Chain Report

Q3 2024 Market Valuation and Capital Markets Commentary

NOVEMBER 2024

About Us

Capital Alliance Corporation (herein referred to as Oaklins Capital Alliance) is a 47-year-old private investment banking firm that specializes in mergers and acquisitions advisory services for middle-market businesses with enterprise values between \$10-\$300 million.

We combine our market knowledge with professional discipline and time-tested processes. Our team of experienced industry specialists grasp the value of an enterprise from an operations perspective. Although we serve several industries, we have a Food Value Chain focus on agriculture, food and technology industries linked together by the sustainability trends and initiatives which are the basis for this report.

Oaklins Capital Alliance is a member of Oaklins, the world's most experienced mid-market M&A advisor, with over 800 professionals and dedicated industry teams in 40 countries, having closed over 1,880 transactions in the past five years. We leverage specialists with deep local connections to provide the best results for our clients stateside and abroad.



The Report

We initially delayed this report to incorporate our thoughts on agriculture and food industry implications resulting from the outcome of the United States general elections. That task now seems enormous when we reflect upon the Trump-led Republican sweep of the Presidency and control of both the Senate and the House of Representatives.

We anticipate sweeping changes stemming from the policy-based campaign rhetoric and post election agency head nominations. The perceived “clear mandate for change within the federal government” will impact agriculture and food industry segments through policy and personnel changes across various agencies including the USDA, DOE, EPA, FDA, HHS, FTC and the Treasury.

Given the objectives assigned to “DOGE” – the proposed Department of Government Efficiency – to be led by Elon Musk and Vivek Ramaswamy, we expect substantial budget overhauls across most existing agencies and programs.

Given President-elect Donald Trump’s stated dislike for the Inflation Reduction Act we are particularly curious how the “mandate for change” will impact 45Z and SAF tax credits, just as those were set to be clarified in upcoming months.

At this time, we are postponing our post-election expectation commentary in favor of waiting for direct guidance from newly elected officials and to gather more information from our network of industry participants.

In place of that political commentary, we substitute an update on select 2024 YTD M&A deal activity for branded consumer food and beverage companies.

Finally, we update our readers on the ongoing unsolicited buyout offers for publicly traded Lifeway Foods, Inc. (LWAY) by Danone S.A. In previous Food Value Chain Reports we have profiled Lifeway Foods for its profitable growth as a probiotic dairy product company focused on consumer health and wellness markets.



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Branded Consumer Food & Beverage M&A Emerges Healthier in 2024

Deal Counts YTD Have Exceeded Total Annual Deal Counts from 2022 and 2023

Branded food and beverage company M&A transaction volumes are on the rise in 2024 exceeding full year 2022 and 2023 levels. Seller expectations have relaxed modestly in the post-pandemic periods which have motivated strategic buyers. We expect favorable volume activity to continue in the year ahead, especially in a potentially lower interest rate and tax rate environment (post election). See the following selected sample of 2024 deals which we present in order of size from largest to smallest.

- **August 2024: Mars Inc.** announced it would acquire publicly traded snacks company **Kellanova (NYSE:K)** for \$35.8 billion, representing 2.8X EV/Revenue and 17.6X EV/EBITDA valuation metrics.
- **March 2024: Campbell Soup Company (NASDAQ:CPB)** closed on its \$23 per share buyout of previously publicly traded **Sovos Brands** (producer of branded food items including Rao's Homemade). The \$2.88 billion enterprise value deal implied EV/Revenue and EV/EBITDA multiples of 3.0X and 15.7X, respectively.
- **September 2024: General Mills (NYSE:GIS)** announced it would divest its North American yogurt products business (including its Yoplait brand) to France-based Groupe Sodial (to acquire the Canadian operations) and to Canada-based Lactalis (to acquire the U.S. operations). The combined transaction is set to raise \$2.1 billion for GIS, representing an implied EV/Revenue multiple of 1.4X combined 2024 revenues of approximately \$1.5 billion.
- **October 2024: PepsiCo (NASDAQ:PEP)** announced it would acquire Austin, Texas-based, healthier-for-you Mexican-American food products company, **Siete Family Foods** for \$1.2 billion. The target company is believed to be on pace for \$500 million in revenues in 2024, implying an estimated EV/Revenue multiple of 2.5X for the rapid growth company.
- **June 2024: Lassonde Industries (TSX:LAS.A)** announced it would acquire U.S. based **Garden Food Manufacturing** at an enterprise value of \$280 million reflecting deal metrics of 1.9x EV/Revenue and 10.0X EV/EBITDA.
- In the pages to follow, we update and characterize the ongoing potential buyout case study of **Lifeway Foods, Inc. (NASDAQ:LWAY)** which has attracted the attention of **Danone S.A.** for Lifeway's probiotic drinkable kefir product lines to augment Danone's Renew strategy, which is focused on gut health benefits to consumers.
- **November 2024: Danone's** sweetened \$27 per share bid for Lifeway Foods, Inc. implied valuation parameters of 2.15 EV/Revenue and 17.6X EV/EBITDA (T-12 month basis).

Probiotic Dairy Product Company Lifeway Foods, Inc. Attracts Unsolicited Buyout Offer

Danone North America PBC, division of Danone S.A. (“Danone”) Seeks to Acquire Lifeway Foods, Inc.

In our Q1 2024 Food Value Chain Report (click [here](#) to access), we profiled publicly traded Lifeway Foods, Inc. (LWAY) as a profitable and growing health and wellness focused branded dairy products company that was capitalizing on consumer interest in probiotic health benefits from its drinkable kefir product lines. Since that report, the company has encountered multiple shareholder actions which we summarize below.

- **July 18, 2024: Demands from Family Shareholders** – A shareholder group consisting of members of Lifeway Foods’ founding family (who beneficially own 29% of the company) called for the resignation of the company’s board of directors and CEO. This action resumed a campaign for management change and a review of strategic alternatives that had been initiated in February 2022. For more on this shareholder group, go to www.lifebacktolifeway.com.
- **September 23, 2024: Unsolicited Bid from Strategic Shareholder** – Danone North America PBC (“Danone”), a 23.4% shareholder of Lifeway Foods, sent a letter to the company proposing to acquire all of the outstanding shares of Lifeway it did not already own for a price of \$25 per share. Danone articulated the fit of the Lifeway Foods brand into its family of products as part of its overall strategic plan to focus on probiotic dairy product offerings in North America.
- **November 5, 2024: Lifeway Board Rejects \$25 Bid from Danone** – The company stated that its board had determined the offer substantially undervalued the company and was not in the best interests of its shareholders. In addition, the company adopted a “poison pill” shareholder provision to deter additional accumulation of shares by its largest shareholders.
- **November 7, 2024: Family Shareholder Group Declares its Support for the Danone Bid.** – In a public announcement, the founding family shareholder group of Edward and Ludmilla Smolyansky announced their support for Danone’s \$25 per share buyout offer and urged Lifeway’s board to “carefully and in good faith reconsider the Danone offer.” The combined positions of this shareholder group and the Danone position represent 52.4% of the total company shares outstanding.
- **November 15, 2024: Danone Increases its Bid to \$27 per Share** – Following Lifeway Foods’ Q3 2024 quarterly earnings release (November 14th), Danone increased its unsolicited bid to \$27 per share and indicated it could proceed to a definitive agreement within three weeks, conditional upon subsequent information requests and due diligence.
- **November 20, 2024: Lifeway Board Rejects \$27 per share Offer from Danone** – In a more rapid turnaround period (five days), the Lifeway board rejected Danone’s sweetened bid.

Probiotic Dairy Product Company Lifeway Foods, Inc. Attracts Unsolicited Buyout Offer

Lifeway Foods, Inc. Announced Q3 2024 Results on November 14, 2024

Lifeway Foods, Inc. advanced its impressive string of 20 consecutive quarters posting quarterly sales growth above the prior year quarterly level. However, revenue growth from its dominant drinkable kefir product line (> 80% of total revenues) decelerated relative to the three prior quarters and gross, operating, and adjusted EBITDA margins were lower than year ago levels resulting in reduced profitability vs. both prior year and sequential quarterly levels. See company Q3 2024 press release ([here](#)) and company 10-Q filing ([here](#)).

- **Revenues Grew at Reduced Rates:** Total revenues for the quarter grew 12.7% from the prior year quarter. Drinkable kefir revenue grew at 14.2% from the prior year reflecting a deceleration from 22.1%, 22.6%, and 30.9% growth rates achieved in Q4 2023, Q1 2024 and Q2 2024, respectively (see attached Exhibit 1 on page 8).
- **Gross Margin (GM) % Decreased:** Gross profit margin decreased by 1.5% of revenues from 27.25% in Q3 2023 to 25.4% in Q3 2024 (see attached Exhibit 2 on page 8). This decrease reflects a rebound in commodity milk prices (a primary raw material cost for Lifeway). Milk costs had moderated in late 2022 and early 2023 enabling increased profitability in those periods (see attached Exhibit 3 on page 9).
- **Adjusted EBITDA Margin % Decreased:** Adjusted EBITDA margin decreased by 3.4% of revenues from 14.3% in Q3 2023 to 10.9% in Q3 2024 (see attached Exhibit 2 on page 8). This decrease was due to the decrease in GM% and an increase in S,G&A expenses from 14.9 % of revenue in Q3 2023 to 16.6% of revenue in Q3 2024. Two-thirds of the increase in S,G&A expenses were due to an increase in sales expenses.
- **Trailing 12 Month Adjusted EBITDA Decreased:** Trailing 12 month adjusted EBITDA declined sequentially from \$23.0 million as of Q2 2024 to \$22.2 million at Q3 2024. This was the first decline in quarterly T-12 adjusted EBITDA in nine successive quarters dating back to Q2 2022.
- **Quarterly Profitability Decreased:** Profitability, measured by earnings per fully diluted share, decreased from \$0.23 in Q3 2023 to \$0.19 in Q3 2024, a decrease of 21% YoY in the third quarter.
- **Liquidity and Balance Sheet Improved:** Liquidity continued to improve and the balance sheet remained strong. Cash and equivalents increased to \$20.6 million (+63% YoY), working capital increased to \$28.1 million (+36.5% YoY) and debt remained at zero at the end of Q3 2024 (see attached Exhibit 4 on page 9).
- **Margin Outlook Issued:** Management included the following margin outlook in its formal press release, “As we continue to ship higher volumes of our Lifeway branded products, we will continue to realize manufacturing efficiencies and favorable fixed cost absorption, driving operating leverage across the business.”

Probiotic Dairy Product Company Lifeway Foods, Inc. Attracts Unsolicited Buyout Offer

Takeaways on Lifeway Foods, Inc. Shareholder Actions Relative to Q3 2024 Results

Lifeway Foods, Inc. delivered a “mixed bag” of short-term financial results in its Q3 2024 earnings report to shareholders. Revenue growth decelerated to +12.6%, gross margin decreased, operating and adjusted EBITDA margins decreased (as sales expenses increased), diluted EPS decreased by 21% and liquidity improved with cash and equivalents over \$20 million and zero debt on the balance sheet at September 30, 2024. What does this mean for shareholder actions and board of director responses going forward?

We do not offer an opinion on whether or not the Lifeway board should accept or decline Danone’s unsolicited interest, but we can point out the following considerations.

- **Danone S.A.** is a massive global F&B participant with 2023 global revenues exceeding \$29 billion. Approximately 25% of its revenues come from North America and over 52% of its revenues come from essential dairy and plant-based products.
- In its initial letter to Lifeway, Danone stated “In June 2024, we opened the next chapter of our Renew strategy, focusing on the 2025-28 period and projecting our company into the future of Health and Nutrition, with notably a strong focus on Gut Health, which is driving our interest in considering the benefits of a potential combination with Lifeway.”
- It appears that Danone’s initial effort is to “buy vs. build” in the drinkable kefir products category through its proposed combination with Lifeway. Given its enormous size and resources relative to Lifeway, Danone represents either a substantial partner (upon buyout) or a formidable potential competitor if ignored.
- Relative value comparisons for Lifeway Foods from our Q1 2024 Food Value Chain Report (see Exhibit 2 [here](#)) identified historic four-year average (2020-2023) EV/Revenue and EV/EBITDA multiples for comparable groups as follows:

Group 1: Four Year Average (2020-2023) Comparable Company Value Multiples for Seven Global Cheese and Dairy Companies:

– Adj. EBITDA Margin %	8.68%
– EV / Revenue Multiple	0.96X
– EV / EBITDA Multiple	10.31X

Group 2: Four Year Average (2020-2023) Oaklins Capital Alliance Universe of 30 CPG Companies:

– Adj. EBITDA Margin %	14.52%
– EV / Revenue Multiple	2.15X
– EV / EBITDA Multiple	12.10X

Danone’s sweetened \$27 per share bid for Lifeway placed an enterprise value of \$391.6 million on the company at implied valuation multiples of 17.6X T-12 month adjusted EBITDA and 2.15 X T-12 month revenues.

As such, Danone’s offer represented a 71% premium to the four-year average of Group 1 Dairy Companies EV/Adj. EBITDA multiple and a 45% premium to the four-year avg. of the Group 2 Universe of 30 CPG Companies.

Danone’s \$27 per share offer matched the maximum historic EV/Revenue multiple of 2.15X for the two groups which we examined last spring.

Lifeway Foods, Inc. Attracts Unsolicited Buyout Offer (continued)

Exhibit 1: Lifeway Foods, Inc. Drinkable Kefir Product Growth Rate (% Growth vs. Year Ago Quarter)

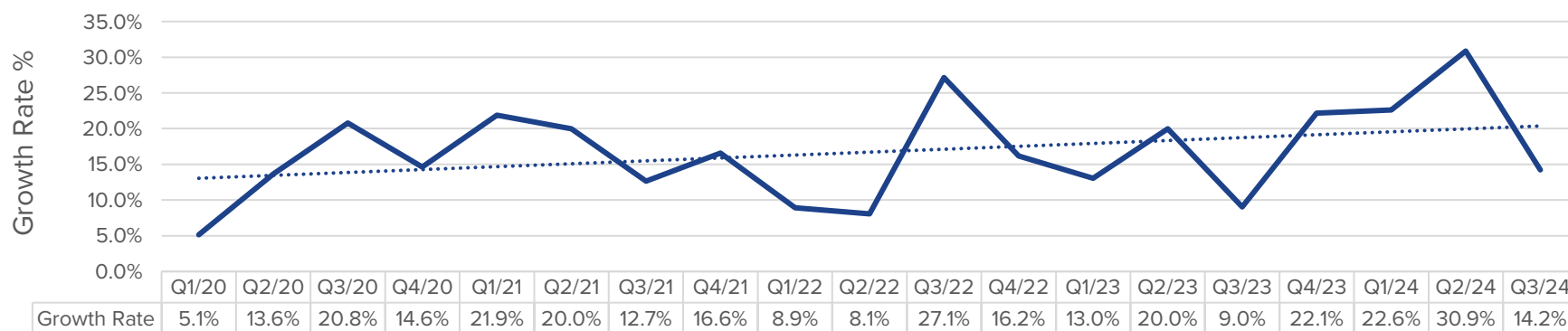
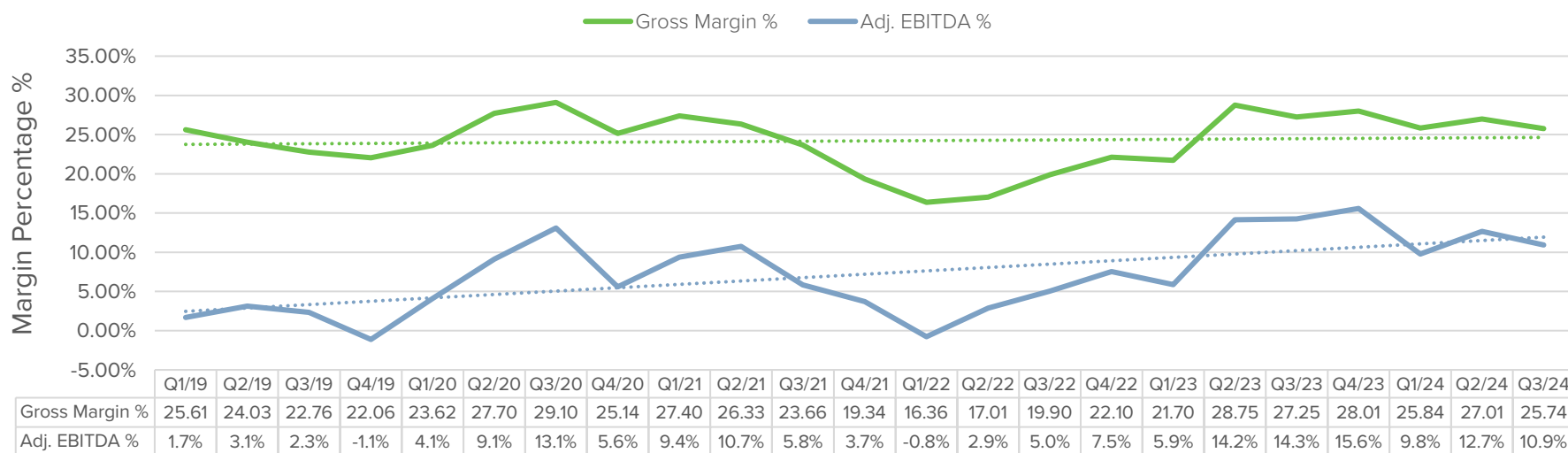


Exhibit 2: Lifeway Foods, Inc. Gross and Adjusted EBITDA Margins (%)



Lifeway Foods, Inc. Attracts Unsolicited Buyout Offer (continued)

Exhibit 3: USDA – Prices Received for Milk – United States Quarterly Average (\$/cwt)

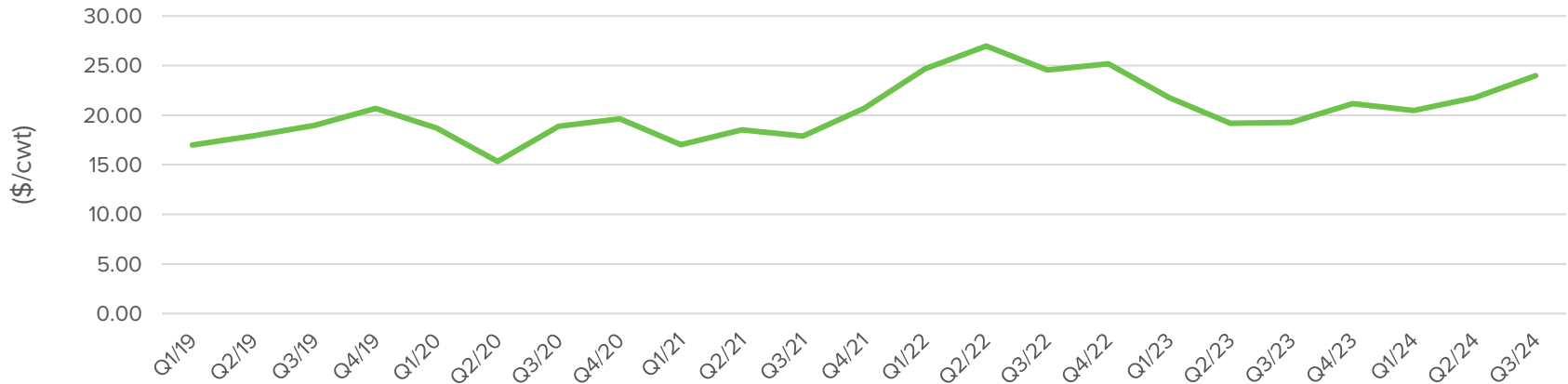
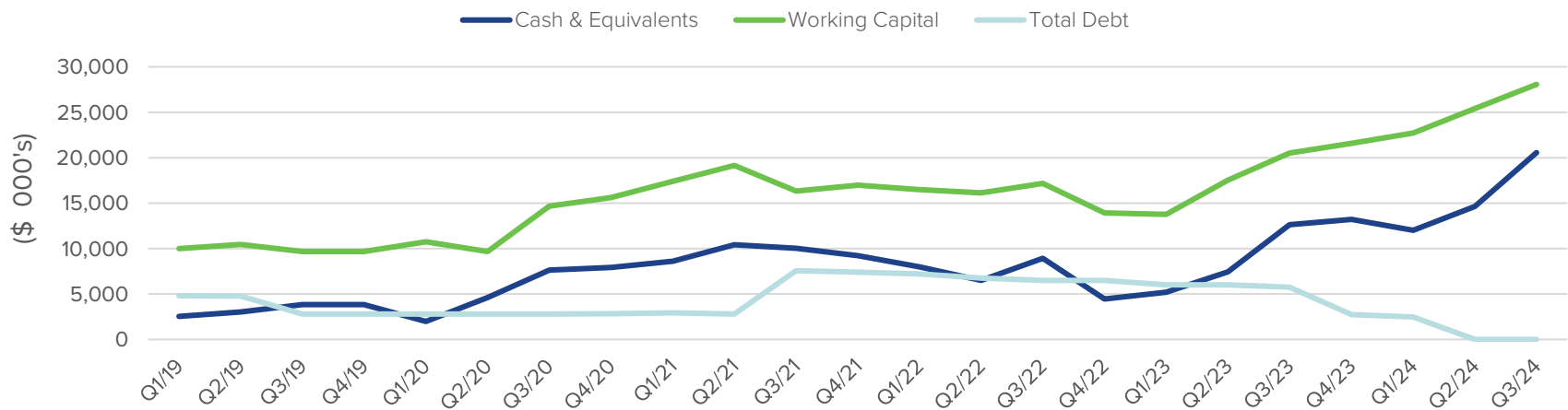


Exhibit 4: Lifeway Foods, Inc. Liquidity Profile (\$ 000's)



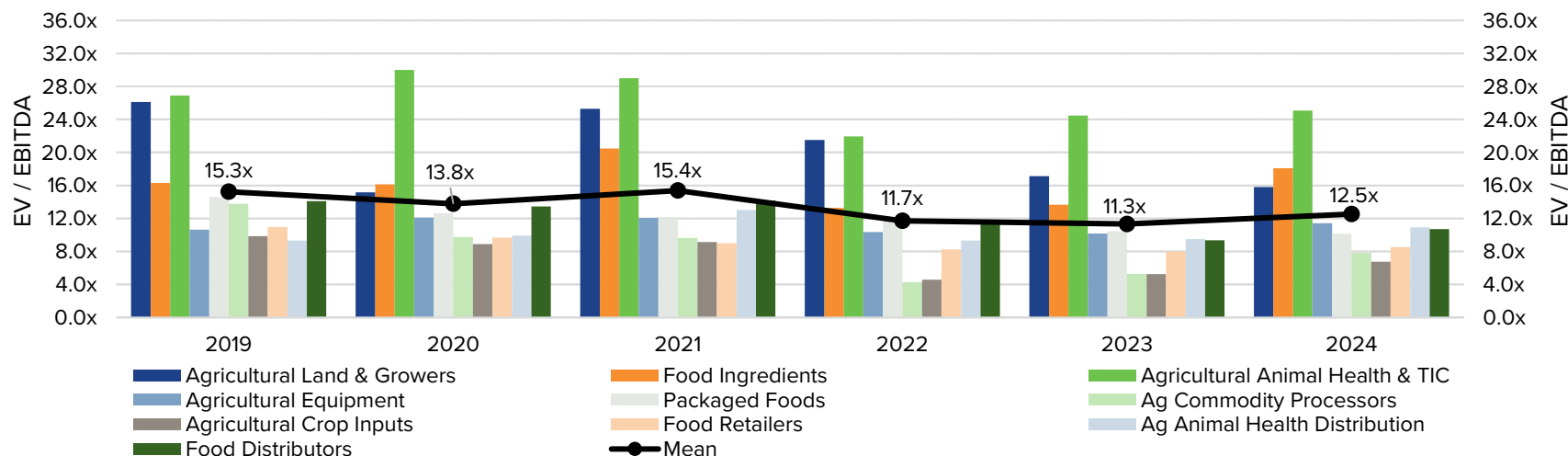
Oaklins Capital Alliance Food Value Chain Companies

Public Trading Valuation Data Summary

(US dollars in Billions)

Segment	Aggregate Market Cap	Aggregate Enterprise Value	Aggregate LTM Revenue	Aggregate LTM EBITDA	Median EV/LTM EBITDA
Food Ingredients	139.6	164.0	43.3	7.6	18.1x
Packaged Foods	380.3	494.5	215.3	36.3	10.1x
Food Distributors	72.5	101.9	220.7	8.5	10.7x
Food Retailers	1,201.8	1,315.1	1,309.9	76.9	8.5x
Ag Commodity Processors	62.7	103.3	224.8	11.2	7.8x
Agricultural Land & Growers	5.0	9.5	4.5	0.7	15.8x
Agricultural Crop Inputs	131.6	173.5	129.9	19.2	6.8x
Agricultural Equipment	436.7	591.4	242.1	46.1	11.4x
Agricultural Animal Health & TIC	151.1	163.4	20.7	6.4	25.1x
Ag Animal Health Distribution	64.5	73.6	313.8	6.0	10.9x
Mean				21.9	12.5x
Min				0.7	6.8x
Max				76.9	25.1x

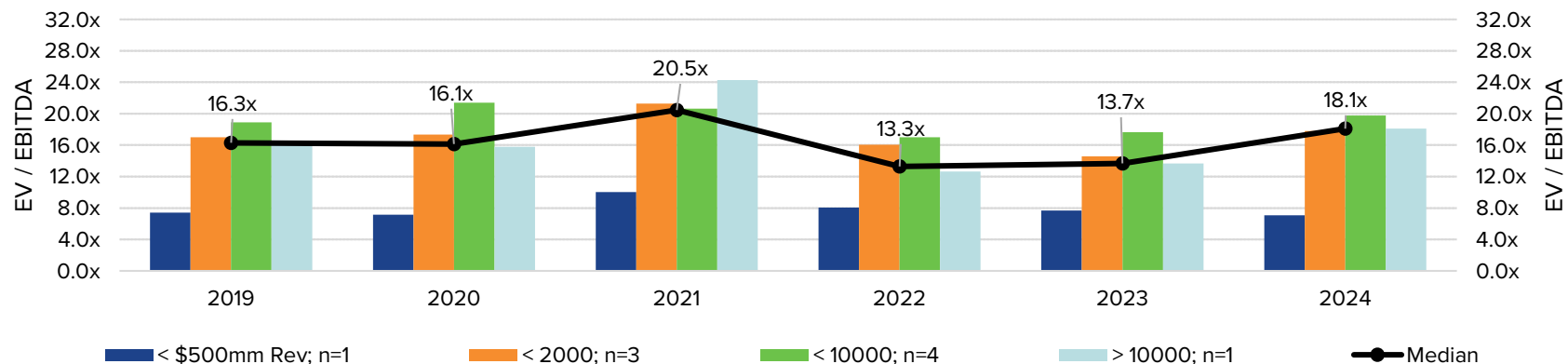
Historical Valuations (as of September 30 of respective year)



Oaklins Capital Alliance Food Value Chain Segments

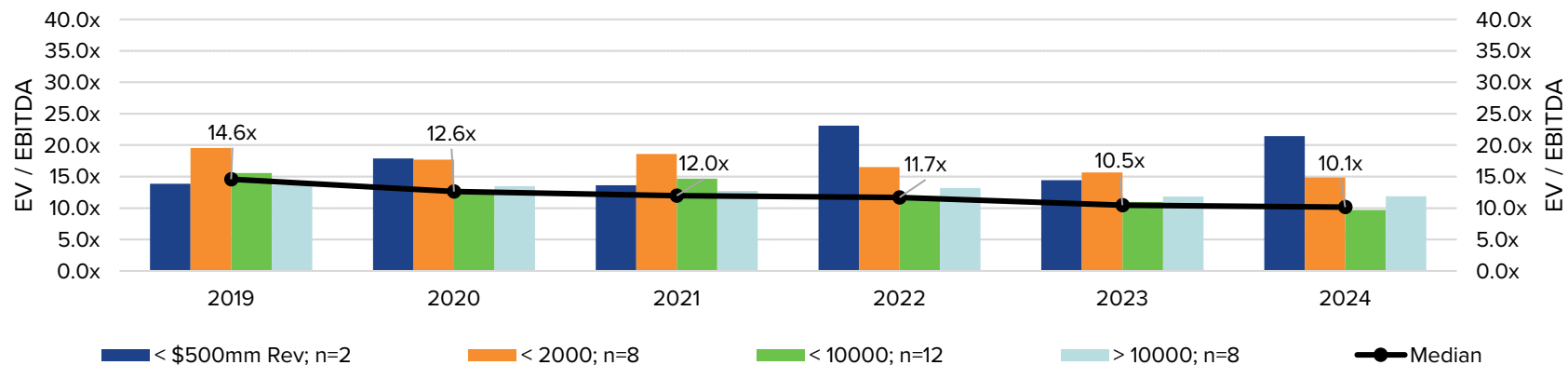
Food Ingredients

Historical Valuations (as of September 30 of respective year)



Packaged Foods

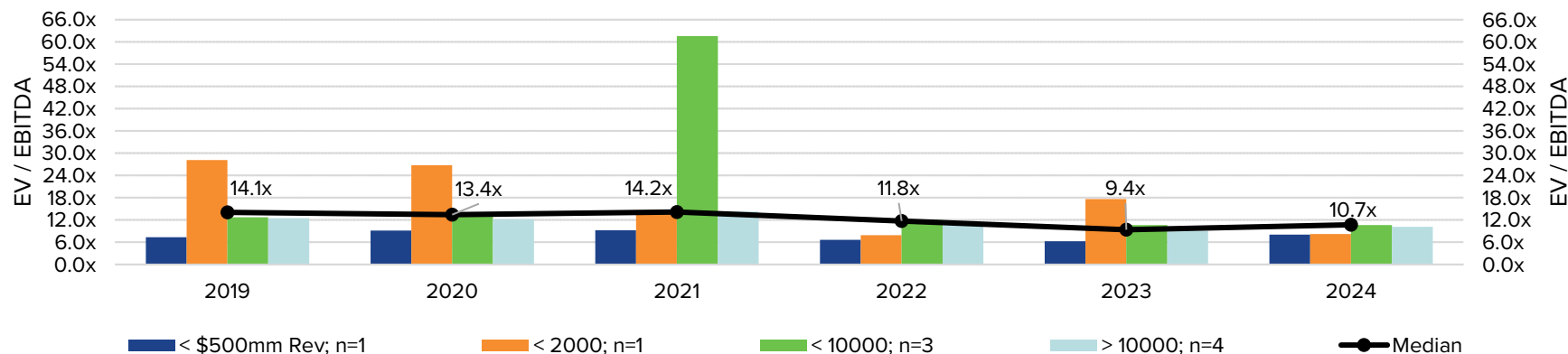
Historical Valuations (as of September 30 of respective year)



Oaklins Capital Alliance Food Value Chain Segments

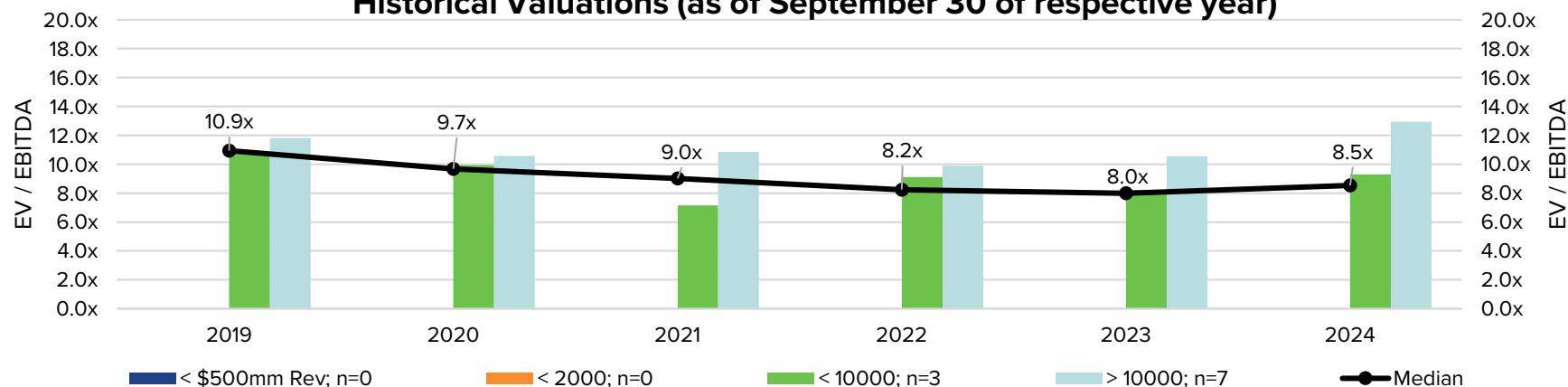
Food Distributors

Historical Valuations (as of September 30 of respective year)



Food Retailers

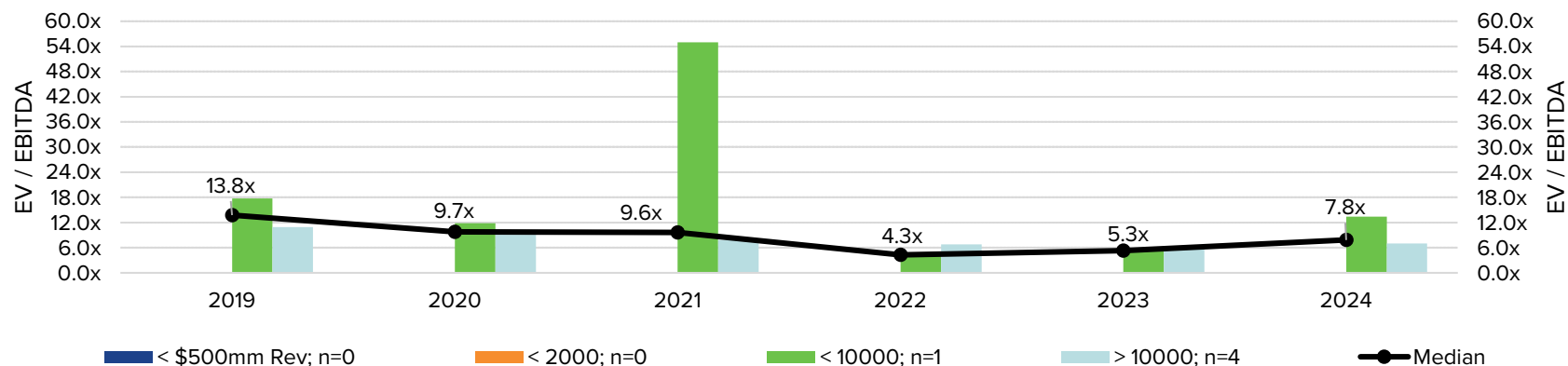
Historical Valuations (as of September 30 of respective year)



Oaklins Capital Alliance Food Value Chain Segments

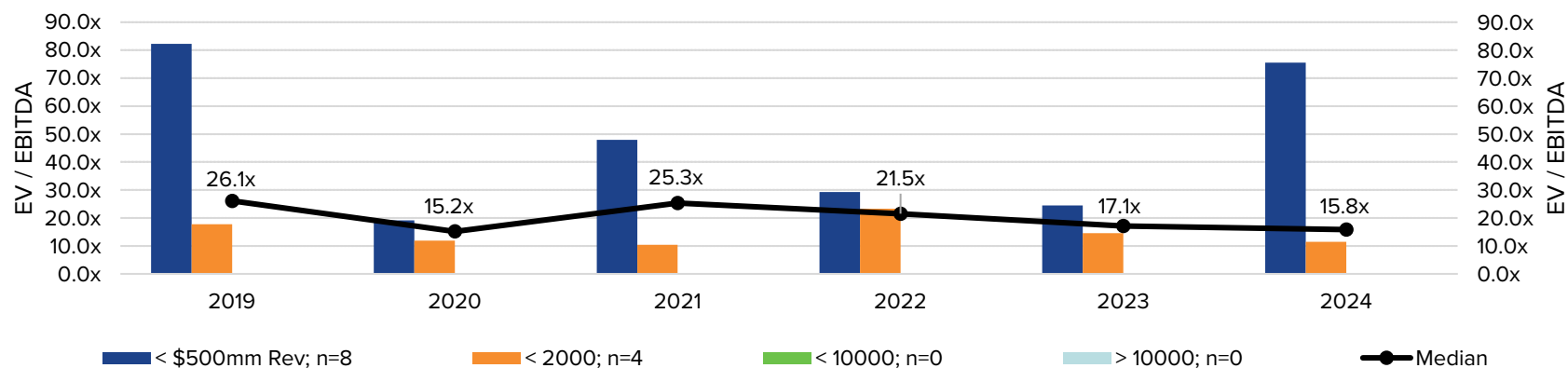
Agricultural Commodity Processors

Historical Valuations (as of September 30 of respective year)



Agricultural Land & Growers

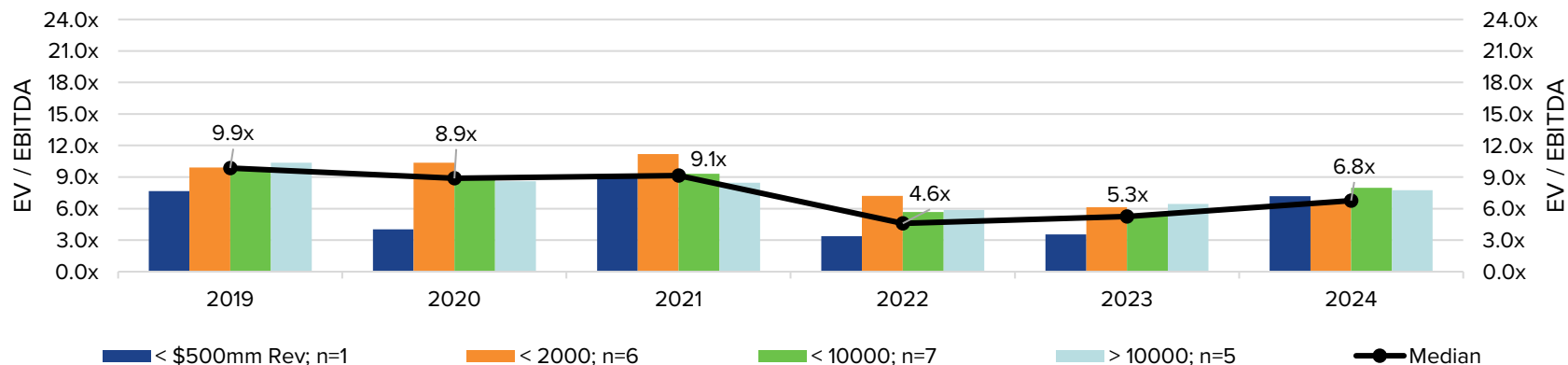
Historical Valuations (as of September 30 of respective year)



Oaklins Capital Alliance Food Value Chain Segments

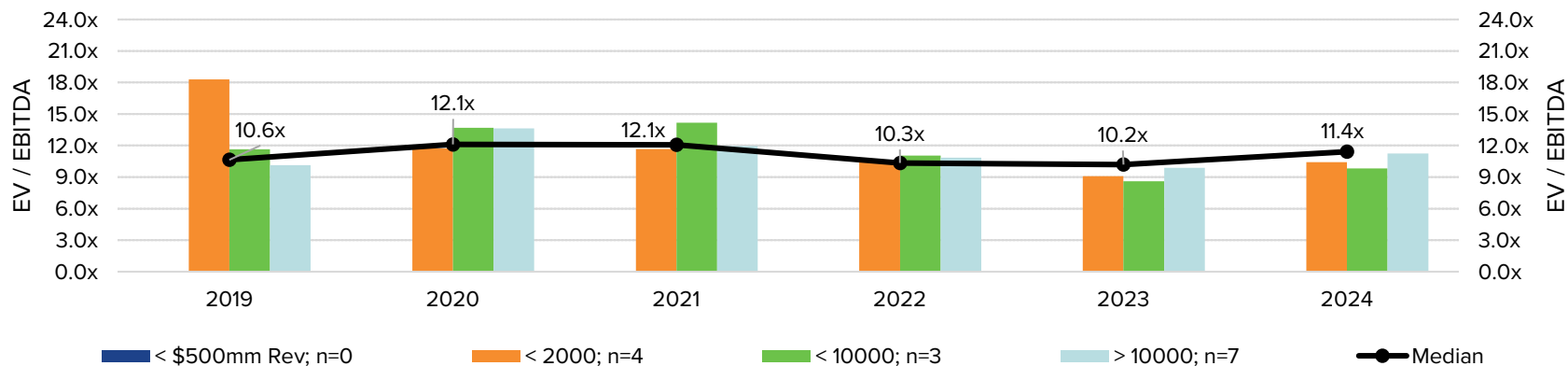
Agricultural Crop Inputs

Historical Valuations (as of September 30 of respective year)



Agricultural Equipment

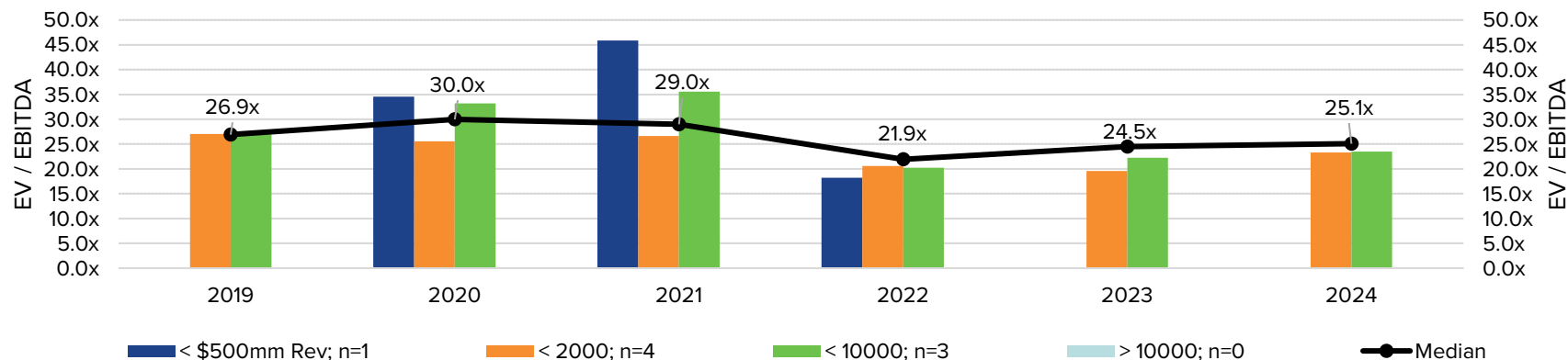
Historical Valuations (as of September 30 of respective year)



Oaklins Capital Alliance Food Value Chain Segments

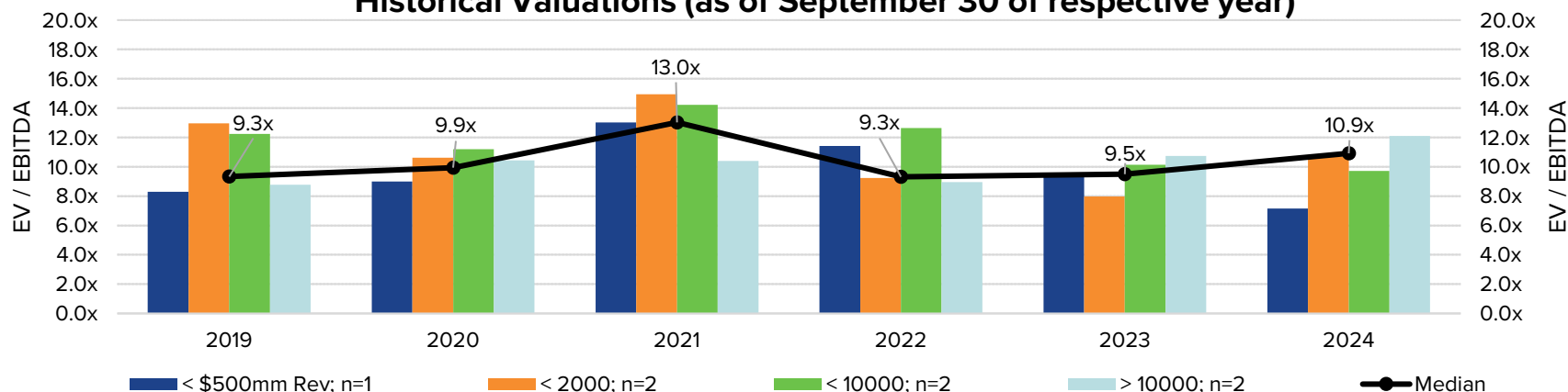
Agricultural Animal Health & Diagnostics

Historical Valuations (as of September 30 of respective year)



Agricultural Animal Health Distribution

Historical Valuations (as of September 30 of respective year)



Oaklins Capital Alliance Food Value Chain Segments

Capital Alliance Food Chain Companies Public Trading Valuation Data

(USD in millions except stock price)

Company	Ticker	Price as of 09/30/2024	YTD %	Market Cap	Enterprise Value	LTM Revenues	LTM EBITDA Margin	LTM Net Income Margin	EV/LTM Revenue	EV/LTM EBITDA	P/LTM Diluted EPS	P/Tangible BV
Food Ingredients												
McCormick & Company, Incorporated	NYSE:MKC	82.30	20.29%	22,112.2	26,442.5	6,678.5	19.0%	11.9%	4.0x	19.2x	30.0x	NM
International Flavors & Fragrances Inc.	NYSE:IFF	104.93	29.59%	26,826.3	36,278.3	11,311.0	16.1%	-20.8%	3.2x	18.1x	NM	NM
Ingredion Incorporated	NYSE:INGR	137.43	26.63%	8,941.4	10,305.4	7,714.0	14.5%	8.5%	1.3x	8.5x	14.0x	3.7x
Sensient Technologies Corporation	NYSE:SXT	80.22	21.55%	3,399.3	4,030.6	1,501.3	16.0%	5.8%	2.7x	16.8x	38.7x	5.4x
Symrise AG	XTRA:SY1	138.41	25.67%	19,346.1	21,910.2	5,230.7	18.4%	8.0%	4.2x	21.0x	44.2x	17.0x
Givaudan SA	SWX:GIVN	5,493.01	32.76%	50,685.4	56,204.4	7,920.1	21.2%	14.5%	7.1x	30.3x	41.6x	NM
T. Hasegawa Co., Ltd.	TSE:4958	22.86	3.78%	940.6	688.6	431.5	20.1%	10.0%	1.6x	7.1x	19.5x	1.3x
Balchem Corporation	NasdaqGS:BCPC	176.00	18.32%	5,710.1	5,932.3	932.4	23.0%	12.5%	6.4x	27.0x	49.0x	34.3x
Corbion N.V.	ENXTAM:CRBN	28.57	33.39%	1,662.2	2,167.1	1,542.1	13.0%	14.8%	1.4x	9.6x	19.1x	2.3x
Mean			23.55%		16,217.7		17.9%	7.2%	3.5x	17.5x	32.0x	10.7x
Median			25.67%		10,305.4		18.4%	10.0%	3.2x	18.1x	34.4x	4.5x
Packaged Foods												
Saputo Inc.	TSX:SAP	21.61	6.35%	9,169.1	11,732.5	12,962.4	7.9%	1.5%	0.9x	10.8x	46.5x	4.2x
Premium Brands Holdings Corporation	TSX:PBH	70.89	-0.44%	3,148.4	5,228.7	4,649.9	6.5%	1.8%	1.1x	15.7x	37.7x	38.3x
Maple Leaf Foods Inc.	TSX:MFI	16.40	-14.21%	2,018.8	3,440.9	3,540.1	8.8%	0.2%	1.0x	10.1x	245.7x	3.6x
Hormel Foods Corporation	NYSE:HRL	31.70	-1.28%	17,383.1	19,691.2	11,980.8	11.3%	6.5%	1.6x	10.2x	22.2x	14.5x
Mondelez International, Inc.	NasdaqGS:MDLZ	73.67	1.71%	98,408.2	117,283.2	35,976.0	21.9%	11.0%	3.3x	13.0x	25.3x	NM
Conagra Brands, Inc.	NYSE:CAG	32.52	13.47%	15,578.7	24,224.8	11,941.8	18.8%	4.1%	2.0x	9.4x	45.2x	NM
Campbell Soup Company	NasdaqGS:CPB	48.92	13.16%	14,583.3	22,019.3	9,636.0	18.5%	5.9%	2.3x	10.2x	25.9x	NM
The J. M. Smucker Company	NYSE:SJM	121.10	-4.18%	12,885.8	21,504.5	8,498.6	23.3%	8.8%	2.5x	10.3x	17.1x	NM
The Kraft Heinz Company	NasdaqGS:KHC	35.11	-5.06%	42,450.8	61,620.8	26,317.0	24.7%	7.3%	2.3x	8.4x	22.5x	NM
General Mills, Inc.	NYSE:GIS	73.85	13.37%	40,998.5	54,101.8	19,800.6	21.3%	12.1%	2.7x	12.1x	17.6x	NM
Post Holdings, Inc.	NYSE:POST	115.75	31.44%	6,763.0	12,835.3	7,858.0	16.5%	4.5%	1.6x	9.5x	21.6x	NM
The Hershey Company	NYSE:HSY	191.78	2.86%	38,794.8	44,089.7	11,014.3	27.4%	16.8%	4.0x	14.4x	21.2x	NM
Lancaster Colony Corporation	NasdaqGS:LANC	176.57	6.12%	4,860.4	4,754.7	1,871.8	14.6%	8.5%	2.5x	16.5x	30.7x	6.8x
Cal-Maine Foods, Inc.	NasdaqGS:CALM	74.84	30.41%	3,669.9	2,854.4	2,653.0	22.2%	16.1%	1.1x	7.2x	13.2x	2.1x
Flowers Foods, Inc.	NYSE:FLO	23.07	2.49%	4,858.5	6,240.2	5,130.1	9.9%	2.5%	1.2x	10.1x	38.0x	76.2x
Nomad Foods Limited	NYSE:NOMD	19.06	12.45%	3,091.4	5,033.0	3,279.9	15.2%	6.8%	1.5x	9.6x	14.1x	NM
TreeHouse Foods, Inc.	NYSE:THS	41.98	1.28%	2,178.8	3,602.8	3,383.3	8.6%	-0.4%	1.1x	10.1x	NM	NM
Lamb Weston Holdings, Inc.	NYSE:LW	64.74	-40.11%	9,301.3	13,198.0	6,456.4	20.0%	9.6%	2.0x	8.9x	13.0x	23.5x
The Hain Celestial Group, Inc.	NasdaqGS:HAIN	8.63	-21.19%	775.4	1,549.3	1,736.3	7.8%	-4.3%	0.9x	10.1x	NM	NM
J&J Snack Foods Corp.	NasdaqGS:JJSF	172.12	2.98%	3,343.2	3,451.7	1,591.9	11.9%	5.5%	2.2x	16.0x	38.3x	5.9x
B&G Foods, Inc.	NYSE:BGS	8.88	-15.43%	703.0	2,772.7	2,000.7	14.9%	-5.8%	1.4x	8.7x	NM	NM
Fresh Del Monte Produce Inc.	NYSE:FDP	29.54	12.53%	1,416.1	1,858.3	4,259.2	5.1%	-0.4%	0.4x	6.0x	NM	0.9x
John B. Sanfilippo & Son, Inc.	NasdaqGS:JBSS	94.31	-8.47%	1,094.3	1,149.4	1,066.8	9.9%	5.6%	1.1x	10.6x	18.3x	3.6x
Tootsie Roll Industries, Inc.	NYSE:TR	30.97	-4.03%	2,258.2	2,142.1	751.0	18.0%	12.7%	2.9x	15.7x	23.3x	3.7x
The Simply Good Foods Company	NasdaqCM:SMPL	34.77	-12.20%	3,481.7	3,550.0	1,276.1	18.9%	11.5%	2.8x	14.0x	24.0x	64.9x
SunOpta Inc.	TSX:SOY	6.42	17.23%	762.1	1,212.4	688.0	9.9%	-23.2%	1.8x	14.6x		
BellRing Brands, Inc.	NYSE:BRBR	60.72	9.54%	7,847.6	8,614.0	1,913.0	20.8%	11.5%	4.5x	21.4x	36.6x	NM
Lifeway Foods, Inc.	NasdaqGM:LWAY	25.92	93.29%	383.4	368.9	176.8	13.0%	7.7%	2.1x	16.0x	28.8x	7.7x
Mama's Creations, Inc.	NasdaqCM:MAMA	7.30	48.68%	274.3	277.8	113.6	8.6%	4.5%	2.4x	26.9x	55.9x	28.9x
Kellanova	NYSE:K	80.71	44.36%	27,819.5	34,111.5	12,821.0	14.8%	7.1%	2.7x	16.7x	32.2x	NM
Mean			7.90%		16,483.8		15.0%	5.2%	2.0x	12.4x	36.6x	19.0x
Median			2.92%		5,130.9		14.9%	6.2%	2.0x	10.4x	25.3x	6.8x

Oaklins Capital Alliance Food Value Chain Segments

Capital Alliance Food Chain Companies Public Trading Valuation Data

(USD in millions except stock price)

Company	Ticker	Price as of 09/30/2024	YTD %	Market Cap	Enterprise Value	LTM Revenues	LTM EBITDA Margin	LTM Net Income Margin	EV/LTM Revenue	EV/LTM EBITDA	P/LTM Diluted EPS	P/Tangible BV
Food Distributors												
Sysco Corporation	NYSE:SY	78.06	6.74%	38,368.1	50,649.1	78,844.0	5.5%	2.5%	0.6x	10.8x	20.1x	NM
United Natural Foods, Inc.	NYSE:UNFI	16.82	3.64%	1,000.3	4,576.3	30,980.0	1.5%	-0.4%	0.1x	6.5x	NM	1.0x
The Chefs' Warehouse, Inc.	NasdaqGS:CHEF	42.01	42.75%	1,673.1	2,548.7	3,661.5	4.7%	1.1%	0.7x	10.7x	42.5x	NM
Performance Food Group Company	NYSE:PFGC	78.37	13.33%	12,212.8	17,161.0	54,681.2	2.5%	0.8%	0.3x	10.7x	28.1x	16.2x
US Foods Holding Corp.	NYSE:USFD	61.50	35.43%	15,040.3	19,534.3	36,700.0	4.0%	1.4%	0.5x	12.6x	29.3x	NM
HF Foods Group Inc.	NasdaqCM:HFFG	3.57	-33.15%	188.2	391.3	1,160.3	3.6%	0.3%	0.3x	8.2x	48.2x	6.0x
SpartanNash Company	NasdaqGS:SPTN	22.41	-2.35%	756.2	1,621.0	9,546.5	2.5%	0.5%	0.2x	5.5x	16.9x	1.6x
Premium Brands Holdings Corporation	TSX:PBH	70.89	-0.44%	3,148.4	5,228.7	4,649.9	6.5%	1.8%	1.1x	15.7x	37.7x	38.3x
Colabor Group Inc.	TSX:GCL	0.93	0.16%	94.4	218.4	475.4	3.6%	0.5%	0.5x	8.0x	33.6x	8.0x
Mean			7.35%		11,325.4		3.8%	1.0%	0.5x	9.9x	32.0x	11.8x
Median			3.64%		4,576.3		3.6%	0.8%	0.5x	10.7x	31.4x	7.0x
Food Retailers												
Costco Wholesale Corporation	NasdaqGS:COST	886.52	34.30%	392,840.1	389,968.1	254,453.0	4.5%	2.9%	1.5x	32.5x	53.5x	16.6x
Walmart Inc.	NYSE:WMT	80.75	53.66%	649,088.8	709,772.8	665,035.0	6.1%	2.3%	1.1x	16.1x	42.1x	11.5x
Target Corporation	NYSE:TGT	155.86	9.44%	71,800.8	87,465.8	107,300.0	8.6%	4.2%	0.8x	8.9x	16.1x	5.0x
The Kroger Co.	NYSE:KR	57.30	25.36%	41,455.8	58,044.8	150,202.0	5.4%	1.9%	0.4x	6.5x	15.0x	4.6x
Grocery Outlet Holding Corp.	NasdaqGS:GO	17.55	-34.90%	1,719.7	3,178.8	4,159.2	4.3%	1.3%	0.8x	8.1x	32.5x	4.7x
Sprouts Farmers Market, Inc.	NasdaqGS:SFM	110.41	129.49%	11,055.4	12,496.5	7,189.2	7.9%	4.5%	1.7x	14.1x	34.8x	16.3x
Weis Markets, Inc.	NYSE:WMK	68.93	7.77%	1,854.1	1,638.7	4,733.7	4.8%	2.0%	0.3x	5.7x	19.9x	1.4x
Casey's General Stores, Inc.	NasdaqGS:CASY	375.71	36.75%	13,944.8	15,246.8	15,091.4	7.2%	3.4%	1.0x	13.9x	27.4x	5.6x
Albertsons Companies, Inc.	NYSE:ACI	18.48	-19.65%	10,701.6	24,531.2	79,452.9	5.0%	1.4%	0.3x	5.0x	9.6x	NM
Mean			26.91%		144,704.8		6.0%	2.7%	0.9x	12.3x	27.9x	8.2x
Median			25.36%		24,531.2		5.4%	2.3%	0.8x	8.9x	27.4x	5.3x

Oaklins Capital Alliance Food Value Chain Segments

Capital Alliance Food Chain Companies Public Trading Valuation Data

(USD in millions except stock price)

Company	Ticker	Price as of 09/30/2024	YTD %	Market Cap	Enterprise Value	LTM Revenues	LTM EBITDA Margin	LTM Net Income Margin	EV/LTM Revenue	EV/LTM EBITDA	P/LTM Diluted EPS	P/Tangible BV
Agricultural Commodity Processors												
Archer-Daniels-Midland Company	NYSE:ADM	59.74	-17.28%	28,564.2	39,989.2	88,768.0	4.5%	2.9%	0.5x	7.8x	11.9x	1.9x
Bunge Global SA	NYSE:BG	96.64	-4.27%	13,689.2	19,262.2	55,821.0	4.9%	2.3%	0.3x	5.2x	10.9x	1.5x
Golden Agri-Resources Ltd	SGX:E5H	0.22	10.83%	2,768.6	5,351.8	10,021.6	8.4%	1.2%	0.5x	5.8x	22.3x	0.5x
GrainCorp Limited	ASX:GNC	6.38	28.36%	1,410.3	2,103.6	4,611.8	3.0%	1.4%	0.5x	13.4x	21.0x	1.4x
Wilmar International Limited	SGX:F34	2.61	-3.43%	16,305.8	36,566.6	65,551.8	5.3%	2.4%	0.6x	9.1x	9.9x	1.1x
Mean			2.84%		20,654.7		5.2%	2.0%	0.5x	8.3x	15.2x	1.3x
Median			-3.43%		19,262.2		4.9%	2.3%	0.5x	7.8x	11.9x	1.4x
Agricultural Land & Growers												
Farmland Partners Inc.	NYSE:FPI	10.45	-16.27%	499.5	996.6	57.4	57.8%	36.4%	17.4x	29.8x	28.5x	1.0x
Gladstone Land Corporation	NasdaqGM:LAND	13.90	-3.81%	498.2	1,049.7	89.4	79.2%	19.8%	11.7x	14.8x	NM	0.7x
Calavo Growers, Inc.	NasdaqGS:CVGW	28.53	-2.99%	507.9	568.8	1,011.6	2.8%	-0.9%	0.6x	14.9x	NM	2.6x
Limoneira Company	NasdaqGS:LMNR	26.50	28.45%	478.4	542.9	189.1	-3.0%	3.2%	2.9x	29.3x	90.7x	2.7x
Tejon Ranch Co.	NYSE:TRC	17.55	2.03%	470.6	488.3	39.5	-14.4%	3.2%	12.4x	241.9x	NM	1.1x
Alico, Inc.	NasdaqGS:ALCO	27.97	-3.82%	213.4	293.6	46.4	-63.5%	56.1%	6.3x	NM	8.2x	0.8x
Adecoagro S.A.	NYSE:AGRO	11.07	-0.27%	1,134.2	2,209.6	1,322.9	31.0%	16.3%	1.7x	4.5x	5.4x	0.9x
T&G Global Limited	NZSE:TGG	0.99	-20.92%	120.9	403.1	846.1	0.6%	-3.9%	0.5x	15.8x	NM	0.5x
Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria	BASE:CRES	1.11	-2.66%	658.4	2,214.7	780.0	23.3%	11.9%	2.8x	10.7x	8.9x	1.0x
Select Harvests Limited	ASX:SHV	2.55	29.07%	350.3	680.9	133.6	-11.3%	-10.1%	5.1x	NM	NM	1.2x
Duxton Farms Limited	ASX:DBF	0.96	-8.23%	39.9	50.0	16.1	1.5%	21.6%	3.1x	62.1x	11.1x	0.5x
Australian Dairy Nutritionals Limited	ASX:AHF	0.01	40.86%	9.3	6.5	4.2	-94.7%	-117.5%	1.6x	NM	NM	0.4x
Mean			3.45%		792.1		0.8%	3.0%	5.5x	47.1x	25.5x	1.1x
Median			-2.83%		555.8		1.1%	7.6%	3.0x	15.8x	10.0x	0.9x

Oaklins Capital Alliance Food Value Chain Segments

Capital Alliance Food Chain Companies Public Trading Valuation Data

(USD in millions except stock price)

Company	Ticker	Price as of 09/30/2024	YTD %	Market Cap	Enterprise Value	LTM Revenues	LTM EBITDA Margin	LTM Net Income Margin	EV/LTM Revenue	EV/LTM EBITDA	P/LTM Diluted EPS	P/Tangible BV
Agricultural Crop Inputs												
Corteva, Inc.	NYSE:CTVA	58.79	22.68%	40,697.2	43,602.2	16,901.0	19.0%	5.3%	2.6x	12.7x	47.7x	7.5x
KWS SAAT SE & Co. KGaA	XTRA:KWS	70.93	19.51%	2,340.8	2,786.6	1,798.0	23.1%	7.8%	1.5x	6.6x	11.4x	2.1x
The Mosaic Company	NYSE:MOS	26.78	-25.05%	8,533.1	12,787.1	12,193.8	15.9%	2.0%	1.0x	5.6x	35.6x	0.8x
CF Industries Holdings, Inc.	NYSE:CF	85.80	7.92%	15,479.4	19,521.4	5,886.0	43.7%	17.9%	3.3x	7.3x	15.4x	6.3x
FMC Corporation	NYSE:FMC	65.94	4.58%	8,230.9	12,102.7	4,084.4	16.6%	34.0%	3.0x	16.7x	5.6x	12.9x
American Vanguard Corporation	NYSE:AVD	5.30	-51.69%	152.8	369.5	585.0	7.5%	-0.6%	0.6x	7.1x	NM	1.1x
Nutrien Ltd.	TSX:NTR	48.11	-14.89%	23,806.6	36,367.0	25,839.0	18.1%	3.1%	1.4x	6.9x	29.8x	2.1x
The Andersons, Inc.	NasdaqGS:ANDE	50.14	-12.86%	1,695.8	1,946.1	12,362.1	2.5%	0.8%	0.2x	6.3x	16.9x	1.3x
Yara International ASA	OB:YAR	31.73	-10.93%	8,082.0	11,727.2	14,154.0	10.3%	1.9%	0.8x	7.1x	30.4x	1.3x
ICL Group Ltd	TASE:ICL	4.27	-15.38%	5,511.7	7,809.8	7,039.0	17.7%	6.1%	1.1x	5.8x	12.8x	1.1x
K+S Aktiengesellschaft	XTRA:SDF	12.84	-18.84%	2,299.2	2,485.3	3,982.2	12.8%	0.1%	0.6x	4.3x	NM	0.3x
CVR Partners, LP	NYSE:UAN	67.13	2.49%	709.5	1,224.6	532.8	30.8%	9.3%	2.3x	7.1x	14.3x	2.3x
OCI N.V.	ENXTAM:OCI	28.53	-1.63%	6,011.7	9,433.7	1,951.1	-3.7%	-11.3%	4.8x	NM	NM	6.7x
Intrepid Potash, Inc.	NYSE:IPI	24.00	0.46%	295.2	242.8	203.7	15.9%	-23.8%	1.2x	7.2x	NM	0.4x
Compass Minerals International, Inc.	NYSE:CMP	12.02	-52.53%	496.8	1,359.1	1,142.2	15.4%	-14.8%	1.2x	6.4x	NM	5.4x
Arab Potash Company	ASE:APOT	37.02	0.61%	3,084.5	2,460.6	996.2	42.0%	29.8%	2.5x	5.2x	10.4x	1.3x
Nufarm Limited	ASX:NUF	2.75	-22.64%	1,052.3	2,064.9	2,141.6	6.4%	0.3%	1.0x	12.8x	NM	1.8x
CVR Energy, Inc.	NYSE:CVI	23.03	-23.99%	2,315.2	3,559.2	8,553.0	12.0%	6.4%	0.4x	3.4x	4.2x	2.7x
SpartanNash Company	NasdaqGS:SPTN	22.41	-2.35%	756.2	1,621.0	9,546.5	2.5%	0.5%	0.2x	5.5x	16.9x	1.6x
Mean			-10.24%		9,130.1		16.2%	3.9%	1.6x	7.4x	19.3x	3.1x
Median			-10.93%		2,786.6		15.9%	2.0%	1.2x	6.8x	15.4x	1.8x

Oaklins Capital Alliance Food Value Chain Segments

Capital Alliance Food Chain Companies Public Trading Valuation Data

(USD in millions except stock price)

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Agricultural Equipment												
Deere & Company	NYSE:DE	417.33	4.37%	114,181.4	175,145.4	55,955.0	25.7%	14.7%	3.1x	12.0x	14.2x	6.3x
AGCO Corporation	NYSE:AGCO	97.86	-19.40%	7,304.5	11,261.1	13,431.5	12.7%	3.1%	0.8x	6.1x	17.4x	7.6x
Caterpillar Inc.	NYSE:CAT	391.12	32.28%	189,653.4	223,489.4	66,368.0	24.4%	16.6%	3.4x	13.6x	17.8x	16.7x
The Toro Company	NYSE:TTC	86.73	-9.65%	8,899.8	9,789.4	4,491.0	14.8%	8.9%	2.2x	13.5x	22.8x	13.3x
Lindsay Corporation	NYSE:LNN	124.64	-3.50%	1,356.8	1,339.2	619.2	17.2%	11.7%	2.2x	12.1x	18.9x	3.7x
Valmont Industries, Inc.	NYSE:VMI	289.95	24.17%	5,847.1	6,904.4	4,083.4	14.6%	4.3%	1.7x	11.0x	35.8x	8.4x
CNH Industrial N.V.	NYSE:CNH	11.10	-8.87%	13,916.9	39,547.9	23,084.0	12.5%	8.7%	1.7x	11.9x	7.2x	5.2x
Cummins Inc.	NYSE:CM	323.79	35.15%	44,374.7	51,303.7	34,173.0	13.0%	5.7%	1.5x	10.0x	23.6x	9.5x
Kubota Corporation	TSE:6326	14.18	-5.85%	16,373.4	32,009.7	19,148.0	13.9%	8.5%	1.7x	10.6x	9.2x	1.1x
Iseki & Co., Ltd.	TSE:6310	6.95	-9.43%	157.1	654.2	1,048.4	4.3%	-1.5%	0.6x	13.9x	NM	0.3x
EXEL Industries SA	ENXTPA:EXE	55.43	-7.13%	376.1	615.3	1,191.0	7.6%	3.9%	0.5x	5.9x	7.7x	1.0x
Alamo Group Inc.	NYSE:ALG	180.13	-14.30%	2,172.4	2,365.4	1,679.1	14.0%	7.6%	1.4x	9.7x	17.1x	3.5x
DEUTZ Aktiengesellschaft	XTRA:DEZ	5.02	-5.45%	696.1	881.5	2,076.0	7.4%	3.8%	0.4x	5.0x	7.3x	0.9x
Tractor Supply Company	NasdaqGS:TSCO	290.93	35.30%	31,382.3	36,114.1	14,713.3	13.0%	7.7%	2.5x	14.5x	28.1x	15.4x
Mean			3.41%		42,244.3		13.9%	7.4%	1.7x	10.7x	17.5x	6.6x
Median			-5.65%		10,525.2		13.5%	7.6%	1.7x	11.4x	17.4x	5.7x
Agricultural Animal Health & Diagnostics												
Zoetis Inc.	NYSE:ZTS	195.38	-1.01%	88,517.1	93,711.1	8,915.0	40.9%	26.3%	10.5x	25.1x	38.3x	88.6x
Phibro Animal Health Corporation	NasdaqGM:PAHC	22.52	94.47%	912.1	1,315.0	1,017.7	9.2%	0.2%	1.3x	12.5x	NM	5.8x
Elanco Animal Health Incorporated	NYSE:ELAN	14.69	-1.41%	7,261.6	12,521.6	4,492.0	20.6%	-27.9%	2.8x	12.9x	NM	NM
IDEXX Laboratories, Inc.	NasdaqGS:IDXX	505.22	-8.98%	41,582.6	42,248.9	3,784.8	33.4%	22.3%	11.2x	32.5x	50.1x	39.3x
Neogen Corporation	NasdaqGS:NEOG	16.81	-16.41%	3,642.7	4,375.8	924.2	20.7%	-1.0%	4.7x	22.3x	NM	NM
Balchem Corporation	NasdaqGS:BCPC	176.00	18.32%	5,710.1	5,932.3	932.4	23.0%	12.5%	6.4x	27.0x	49.0x	34.3x
ImmuCell Corporation	NasdaqCM:ICCC	3.63	-28.68%	28.4	42.9	23.2	-2.7%	-17.4%	1.8x	NM	NM	1.2x
Bayer CropScience Limited	BSE:506285	76.48	15.06%	3,437.4	3,298.5	599.2	16.8%	13.3%	5.5x	31.6x	43.2x	10.6x
Mean			8.92%		20,430.8		20.2%	3.5%	5.5x	23.4x	45.2x	30.0x
Median			-1.21%		5,154.0		20.7%	6.4%	5.1x	25.1x	46.1x	22.5x
Agricultural Animal Health Distributors												
Cencora, Inc.	NYSE:COR	225.08	9.59%	44,117.4	47,077.4	283,830.8	1.4%	0.7%	0.2x	10.9x	24.4x	NM
Patterson Companies, Inc.	NasdaqGS:PDCO	21.84	-23.23%	1,925.1	2,686.7	6,533.3	5.3%	2.6%	0.4x	6.9x	11.9x	3.1x
Henry Schein, Inc.	NasdaqGS:HSIC	72.90	-3.71%	9,237.0	13,429.0	12,487.0	7.1%	2.8%	1.1x	13.3x	27.0x	NM
Apiam Animal Health Limited	ASX:AHX	0.29	47.31%	52.8	122.2	136.5	9.6%	2.4%	0.9x	7.1x	15.5x	NM
EBOS Group Limited	NZSE:EBO	23.00	2.31%	4,477.4	5,444.5	8,799.7	4.2%	2.1%	0.6x	12.5x	23.3x	NM
Virbac SA	ENXTPA:VIRP	427.17	7.50%	3,577.4	3,854.4	1,435.1	19.7%	10.5%	2.7x	12.5x	22.8x	6.5x
Vetoquinol SA	ENXTPA:VETO	93.24	-17.62%	1,103.3	945.1	575.9	16.5%	8.8%	1.6x	8.9x	21.0x	3.1x
Mean			3.16%		10,508.5		9.1%	4.3%	1.1x	10.3x	20.9x	4.2x
Median			2.31%		3,854.4		7.1%	2.6%	0.9x	10.9x	22.8x	3.1x

Proven Record of Global Reach



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- Russell Tolander is a Managing Director for Oaklins Capital Alliance working on mergers & acquisitions engagements across the food value chain.
- He is a former managing director of Institutional Sales and Research at Roth Capital Partners. He has over 20 years of institutional sales, research and investment management experience specific to the small capitalization public equity marketplace. Much of his experience focused on public micro-cap equities under \$100M in capitalization. His generalist experience spans a variety of industries including technology-enabled manufacturing, distribution & logistics; electronics & communications equipment and services; clean technology and alternative energy; business services; and consumer products, restaurant & retail, e-commerce, and internet-enabled businesses.
- Within the branded consumer products and the retail, restaurant and food & beverage industries, he has legacy experience which includes selling the Amerco/U-HAUL (UHAL) IPO and multi-year merchant investments in companies including BJ's Restaurant & Brewhouse (BJRI), Neogen Corporation (NEOG) and Cost-U-Less (acquired).
- More recently he has sales or direct investment exposure in health & wellness/millennial consumer companies including The Joint (JYNT), Lovesac (LOVE), and Castle Brands (acquired).
- Prior to capital markets, he was a research associate for R.J. Rudden Associates providing management consulting services to public utilities. Also, he was an engineer in training at Arizona Public Service Company where he had early exposure to the alternative energy field.
- He holds an MBA from the University of Iowa and a Bachelor of Science in Energy Engineering from the University of Arizona.
- Pertinent to agriculture, he was born and raised on a grain and swine farm in Southeast Iowa.



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