

**CHICAGO**  
200 WEST MADISON STREET  
SUITE 2260  
CHICAGO, IL 60606

**MEMPHIS**  
1000 RIDGEWAY LOOP  
SUITE 320  
MEMPHIS, TN 38120



EXCELLENCE ON A CONSISTENT BASIS

QUARTERLY UPDATE

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MERGERS & ACQUISITIONS

CAPITAL RAISING

STRATEGIC ADVISORY

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### JEFF ROSENKRANZ

Managing Partner  
jrosenkranz@metronomepartners.com  
312.239.1650

### RANDY KARCHMER

Managing Partner  
rkarchmer@metronomepartners.com  
901.682.0160

### DAN MALINA

Senior Advisor  
dmalina@metronomepartners.com  
612.963.6748

### MICHAEL ISAKSON

Senior Advisor  
misakson@metronomepartners.com  
901.482.7730

### ANDREW NORTH

Vice President  
anorth@metronomepartners.com  
312.239.1609

### DAVID EDELSON

Associate  
dedelson@metronomepartners.com  
901.259.1107

### ADAM KISTLER

Associate  
akistler@metronomepartners.com  
312.239.1611

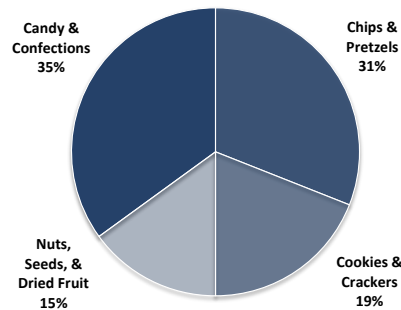
*THE NAME METRONOME IS SYMBOLIC OF THE IMPORTANCE OF TIMING AND OF ACHIEVING EXCELLENCE ON A CONSISTENT BASIS. FROM MARATHONERS TO SYMPHONY CONDUCTORS, A SEASONED PERFORMER'S RHYTHM, HARD WORK, DEDICATION, AND EXPERIENCE DICTATE THE OUTCOME.*

### SPOTLIGHT: HEALTHY SNACK FOODS

"BETTER-FOR-YOU" IS BETTER FOR BUSINESS

U.S. snack food shipments totaled an estimated \$67.5B in 2012 and are projected to grow 2.4% annually over the next four years, reaching \$74.1B in 2016. The snack food industry comprises more than 500 companies with the 50 largest firms generating approximately 90% of total industry sales, across four main categories.

#### SNACK FOODS SEGMENTATION (BASED ON 2011 SHIPMENTS)



Source: Freedonia Group, 2012

The healthy snack foods market, a sub-segment of the snack foods industry, continues to attract industry leaders and startups alike that are seeking new high-growth product opportunities. Trade research suggests that healthy snack food shipments equal up to 25% of total snack food shipments, or approximately \$16.9B, and they will grow at a rapid rate for the foreseeable future. Healthy snack food choices are increasingly available across traditional snack food categories, including chips, crackers, cookies, pretzels, candy and sweets, and dried meats.

Changes in consumer behavior and preference are key drivers of growth within the healthy snack foods market. Consumers' rising health consciousness and busy, on-the-go lifestyles contribute to strong demand for nutritious snack alternatives. It is estimated that nearly two-thirds of Americans snack be-

tween meals, and The Snack Food Association reports that 64% of consumers actively seek out healthy snack options. Moreover, a recent Mintel report suggests that consumers eat 2.6 snacks per day on average, of which 1.8 are considered healthy.

In order to adapt to consumer demands, product innovation continues to be a primary competitive differentiator. In 2012, the snack food market experienced 745 new product launches, the highest volume since 2007. Recent product innovations and additions include individual 100-calorie portions, low-fat, low-sodium, baked, fiber-enriched, gluten-free, air-popped, organic or all-natural alternatives as well as functional packaging solutions. Chips prepared with fruits and vegetables represent some of the fastest growing healthy snack food products. With the goal of converting the most popular snack food into a healthy snacking option, traditional potato chips are being supplanted by chips made with sweet potatoes, plantains, beans, peas, carrots, apples, bananas, coconuts, or pineapples.

#### SELECT PRODUCT INNOVATIONS



Source: Packaged Facts, Company Websites

These trends have resulted in strong M&A activity within the healthy snack foods sector, which is expected to endure due to the abovementioned shifts in consumer preferences and inherent market growth dynamics. A summary of transaction multiples and volume is provided on the following page.

*Please contact us if you would like to better understand how these trends will impact M&A activity. Dan Malina, a Metronome Senior Advisor, has over 25 years of deal experience, including 12 years at General Mills, where he headed both strategy and M&A.*

**M&A MARKET UPDATE: U.S. FOOD & BEVERAGE**

In the first half of 2013, the U.S. Food & Beverage M&A market experienced a decrease in transaction volume as compared to the first half of 2012, falling 10.7% from 131 deals to 117 deals. Large, strategic buyers led acquisition activity as many searched for blossoming brands where their distribution expertise and economies of scale will allow them to take these companies to the next level. Financial buyers also demonstrated a strong appetite for deals, as they completed a number of investments across growing Food & Beverage sub-sectors including nutritional and “better-for-you” products, proteins, pet foods, and condiments and sauces, among others. Despite a decrease in deal activity, aggregate transaction value increased substantially to \$39.9 billion; however, much of this increase is related to 3G Capital and Berkshire Hathaway’s \$28.7 billion acquisition of H.J. Heinz Company and Henan Shineway Industry Group’s \$7.0 billion bid to acquire Smithfield Foods (NYSE:SFD).

**SELECT RECENT TRANSACTIONS**

Announced	Target	Acquirer	EV (\$mm)	EV/EBITDA
06/24/2013	Cains Foods	Treehouse Foods (NYSE:THS)	\$35.0	-
06/17/2013	Kelson Group	Campbell Soup Company (NYSE:CPB)	-	-
06/10/2013	Robert’s American Gourmet Food	B&G Foods (NYSE:BGS)	\$195.0	-
06/03/2013	Circle Foods	Tyson Foods (NYSE:TSN)	-	-
05/29/2013	Smithfield Foods (NYSE:SFD)	Henan Shineway Industry Group	\$6,965.6	9.2x
05/23/2013	Plum Organics	Campbell Soup Company (NYSE:CPB)	-	-
05/15/2013	Overhill Farms	Bellisio Foods	\$84.6	-
05/14/2013	Golden Guernsey Dairy <sup>(1)</sup>	Lifeway Foods Inc. (NasdaqGM:LWAY)	\$7.4	-
05/09/2013	Hearthside Food Solutions <sup>(2)</sup>	Attune Foods (Post Holdings (NYSE:POST))	\$158.0	-
05/07/2013	DeMet’s Candy Company, TrueNorth	B&G Foods (NYSE:BGS)	-	-
05/02/2013	Ella’s Kitchen Group	The Hain Celestial Group (NasdaqGS:HAIN)	\$44.4	-
05/01/2013	Nestlé, Bit-O-Honey Confectionery Brand	Pearson’s Candy Company	-	-
04/25/2013	Willamette Valley Fruit Company <sup>(3)</sup>	Inventure Foods, Inc. (NasdaqGM:SNAK)	\$12.5	-
04/04/2013	International Blends Coffee Co.	Ronnoco Coffee Co. (Huron Capital Partners)	-	-

<sup>(1)</sup> Dean Foods Company, Dairy-Processing Business in Waukesha comprises dairy processing plant and Golden Guernsey and La Vaca Bonita brands

<sup>(2)</sup> Organic and Natural Cereal, Granola, and Snacks Business

<sup>(3)</sup> Berry Processing Business

Note: Transactions listed are for Q2 2013

Source: Capital IQ

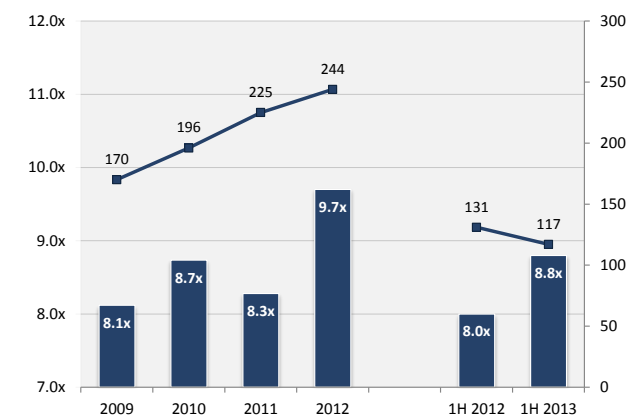

**ACQUIRER PROFILE: THE HAIN CELESTIAL GROUP, INC. (NASDAQ: HAIN)**

The Hain Celestial Group, Inc. (“Hain” or the “Company”) manufactures, markets, and distributes natural and organic products. It offers a variety of products across most natural food categories, including beverages, protein, snacks, soups, cereals, vegetarian offerings, gluten-free products, and baby and toddler food. It also offers natural personal care products.

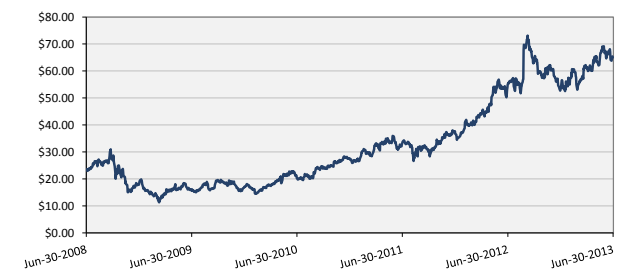
The Company’s natural snack food offering includes products such as veggie straws, tortilla style chips, whole grain chips, baked cheddar puffs, and popcorn, as well as potato, root vegetable, and other vegetable chips, and specialty teas. It comprises brands such as Boston’s® kettle popped popcorn, Garden of Eatin’® tortilla chips, Bearitos® chilis, sauce mixes, and snacks, Little Bear® organic kid’s snacks, Sensible Portions® snacks, and Terra Chips® potato and vegetable chips.

In March 2013, Hain unveiled 100 new product varieties at the Natural Products Expo West to satisfy the diverse and growing natural, organic, and healthy living sector. These products reflect the Company’s commitment to health and wellness by improving nutrition profiles and using non-GMO ingredients.

Hain is headquartered in Melville, New York.

**MEDIAN EV/EBITDA & TRANSACTION VOLUME—U.S. FOOD & BEVERAGE**


Source: Capital IQ

**KEY STATISTICS AND SELECT ACQUISITION HISTORY—HAIN**
**5-year Share Pricing**

**Financial Statistics**

As of 06/30/2013	(\$mm)	
Total Revenue (LTM)	\$1,734.7	Total Revenue - 3-year CAGR 24.9%
EBITDA (LTM)	\$229.1	EBITDA - 3-year CAGR 30.2%
Cash & Equivalents	\$41.3	Market Cap (as of 6/30/2013) \$3,071.9

**Select Acquisition History**

Date	Target	Description
May 2013	Ella’s Kitchen Group	Baby foods
Dec. 2012	BluePrint	Organic fruit and vegetable juices
Oct. 2012	Histon Sweet Spreads	Spreads and jellies

Source: Capital IQ

Metronome Partners, LLC is an independent, Chicago and Memphis based M&A advisory firm that specializes in managing, structuring, and negotiating transactions of varying sizes and complexities in a broad range of industries. With over 200 transactions completed by Metronome’s principals, the firm guides its clients through critical, value-based corporate finance alternatives, including strategic sales, recapitalizations, divestitures, and debt and equity placements. The firm focuses on middle-market businesses nationwide, valued from \$30 million to over \$500 million.

**PUBLICLY TRADED FOOD & BEVERAGE COMPANIES**

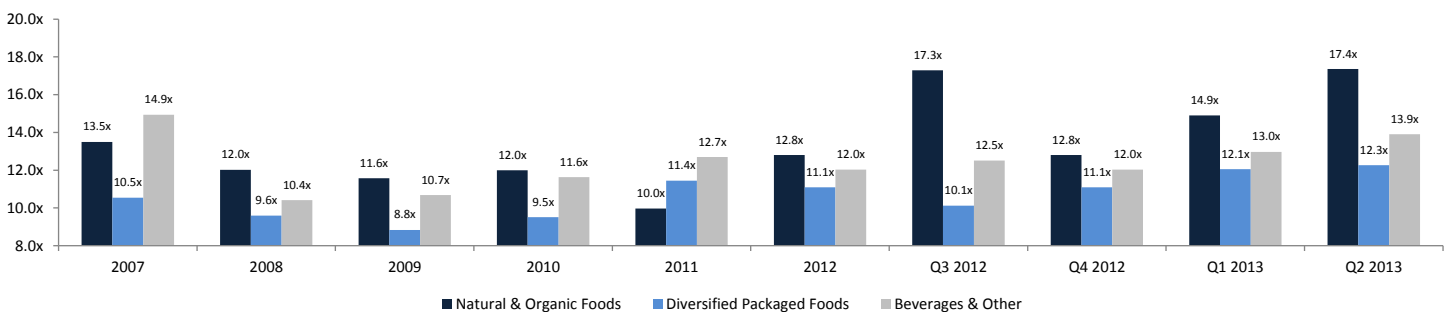
Natural & Organic Foods	Closing Price 06/28/13	Stock Price			Enterprise Value (MM)	Enterprise Value/Revenue		Enterprise Value/EBITDA		Price/Earnings Ratio		Margins	
		52 Wk High	52 Wk Low	% of High		LTM	Cal 2013E	LTM	Cal 2013E	LTM	Cal 2013E	Gross	EBITDA
Annie's, Inc. (NYSE:BNNY)	\$42.74	\$48.87	\$32.06	87.5%	\$724	4.3 x	3.7 x	34.4 x	25.0 x	65.8 x	49.0 x	38.0%	12.0%
Boulder Brands, Inc. (NasdaqGS:BDDB)	12.05	13.99	7.74	86.1%	948	2.4 x	2.1 x	18.6 x	12.9 x	NM	42.6 x	42.5%	13.5%
Inventure Foods, Inc. (NasdaqGM:SNAK)	8.36	8.45	5.50	98.9%	173	0.9 x	0.9 x	11.5 x	10.5 x	24.6 x	24.6 x	18.9%	7.7%
Lifeway Foods Inc. (NasdaqGM:LWAY)	17.36	18.38	7.90	94.5%	284	3.3 x	2.7 x	21.7 x	18.4 x	41.6 x	36.5 x	35.3%	14.0%
SunOpta Inc. (TSX:SOY)	7.57	8.09	4.67	93.6%	712	0.6 x	0.6 x	11.1 x	9.4 x	22.9 x	18.1 x	11.7%	5.6%
The Hain Celestial Group, Inc. (NasdaqGS:HAIN)	65.01	73.72	51.38	88.2%	3,679	2.3 x	1.9 x	17.4 x	14.3 x	23.6 x	23.9 x	27.6%	13.4%
The WhiteWave Foods Company (NYSE:WWAV)	16.25	19.59	14.22	83.0%	3,561	1.5 x	1.4 x	13.2 x	12.5 x	28.1 x	23.0 x	35.7%	12.2%
Minimum				83.0%	\$173	0.6 x	0.6 x	11.1 x	9.4 x	22.9 x	18.1 x	11.7%	5.6%
Mean				90.2%	1,440	2.2 x	1.9 x	18.3 x	14.7 x	34.4 x	31.1 x	30.0%	11.2%
Median				88.2%	724	2.3 x	1.9 x	17.4 x	12.9 x	26.3 x	24.6 x	35.3%	12.2%
Maximum				98.9%	3,679	4.3 x	3.7 x	34.4 x	25.0 x	65.8 x	49.0 x	42.5%	14.0%

Diversified Packaged Foods	Closing Price 06/28/13	Stock Price			Enterprise Value (MM)	Enterprise Value/Revenue		Enterprise Value/EBITDA		Price/Earnings Ratio		Margins	
		52 Wk High	52 Wk Low	% of High		LTM	Cal 2013E	LTM	Cal 2013E	LTM	Cal 2013E	Gross	EBITDA
B&G Foods Inc. (NYSE:BGS)	\$34.05	\$34.49	\$24.69	98.7%	\$2,415	3.7 x	3.3 x	14.0 x	12.7 x	27.8 x	21.9 x	34.7%	26.5%
Campbell Soup Company (NYSE:CPB)	44.79	48.83	32.14	91.7%	17,890	2.1 x	2.0 x	10.3 x	10.4 x	19.2 x	16.5 x	37.3%	20.8%
ConAgra Foods, Inc. (NYSE:CAG)	34.93	36.31	23.64	96.2%	23,965	1.5 x	1.4 x	11.7 x	10.3 x	18.9 x	15.5 x	23.2%	13.3%
Diamond Foods, Inc. (NasdaqGS:DMND)	20.75	21.19	12.85	97.9%	1,040	1.2 x	1.2 x	19.0 x	9.8 x	NM	46.8 x	21.9%	6.1%
Flowers Foods, Inc. (NYSE:FLO)	22.05	24.17	12.31	91.2%	5,196	1.6 x	1.4 x	14.0 x	11.2 x	21.8 x	22.8 x	47.6%	11.6%
General Mills, Inc. (NYSE:GIS)	48.53	50.97	37.72	95.2%	39,937	2.2 x	2.2 x	11.5 x	11.2 x	17.4 x	17.5 x	36.2%	19.6%
The Hillshire Brands Company (NYSE:HSB)	33.08	37.28	24.31	88.7%	4,604	1.1 x	1.2 x	10.2 x	9.0 x	48.0 x	19.7 x	29.9%	13.4%
J&J Snack Foods Corp. (NasdaqGS:JJSF)	77.80	80.85	51.91	96.2%	1,357	1.6 x	1.5 x	10.7 x	9.9 x	24.1 x	22.6 x	30.4%	14.9%
The J. M. Smucker Company (NYSE:SJM)	103.15	105.18	74.12	98.1%	12,693	2.2 x	2.2 x	10.5 x	10.3 x	20.6 x	18.2 x	35.0%	20.7%
Kellogg Company (NYSE:K)	64.23	66.84	46.33	96.1%	30,987	2.1 x	2.0 x	14.5 x	11.5 x	25.2 x	16.7 x	37.4%	14.9%
Kraft Foods Group, Inc. (NasdaqGS:KRFT)	55.87	57.84	42.00	96.6%	42,001	2.3 x	2.2 x	12.3 x	11.9 x	20.8 x	19.6 x	33.9%	21.5%
Mondelez International, Inc. (NasdaqGS:MDLZ)	28.53	42.54	24.50	67.1%	66,721	1.9 x	1.8 x	13.0 x	11.9 x	28.8 x	18.3 x	37.4%	14.0%
Nestlé S.A. (SWX:NESN)	65.46	73.96	59.17	88.5%	229,478	2.3 x	2.3 x	12.4 x	12.0 x	18.6 x	17.7 x	48.1%	18.9%
Post Holdings, Inc. (NYSE:POST)	43.66	47.80	28.35	91.3%	2,101	2.2 x	2.1 x	10.0 x	9.8 x	38.3 x	36.1 x	43.2%	20.7%
Saputo, Inc. (TSX:SAP)	45.87	51.83	37.73	88.5%	10,637	1.5 x	1.3 x	12.6 x	11.1 x	19.4 x	16.5 x	11.6%	11.6%
Snyder's-Lance, Inc. (NasdaqGS:LNCE)	28.41	28.62	22.24	99.3%	2,498	1.5 x	1.4 x	14.0 x	11.9 x	30.9 x	23.1 x	34.0%	10.6%
Treehouse Foods, Inc. (NYSE:THS)	65.54	67.53	46.15	97.1%	3,140	1.4 x	1.4 x	10.5 x	9.8 x	27.3 x	21.2 x	21.9%	13.9%
Minimum				67.1%	\$1,040	1.1 x	1.2 x	10.0 x	9.0 x	17.4 x	15.5 x	11.6%	6.1%
Mean				92.9%	29,215	1.9 x	1.8 x	12.4 x	10.9 x	25.4 x	21.8 x	33.2%	16.0%
Median				96.1%	10,637	1.9 x	1.8 x	12.3 x	11.1 x	23.0 x	19.6 x	34.7%	14.9%
Maximum				99.3%	229,478	3.7 x	3.3 x	19.0 x	12.7 x	48.0 x	46.8 x	48.1%	26.5%

Beverages & Other	Closing Price 06/28/13	Stock Price			Enterprise Value (MM)	Enterprise Value/Revenue		Enterprise Value/EBITDA		Price/Earnings Ratio		Margins	
		52 Wk High	52 Wk Low	% of High		LTM	Cal 2013E	LTM	Cal 2013E	LTM	Cal 2013E	Gross	EBITDA
The Coca-Cola Company (NYSE:KO)	\$40.11	\$43.43	\$35.58	92.4%	\$195,741	4.1 x	4.0 x	14.9 x	14.1 x	21.1 x	18.8 x	60.5%	27.6%
Dr Pepper Snapple Group, Inc. (NYSE:DPS)	45.93	50.37	42.10	91.2%	11,949	2.0 x	1.9 x	9.1 x	9.0 x	15.3 x	14.8 x	58.4%	21.5%
Green Mountain Coffee Roasters, Inc. (NasdaqGS:GMCR)	75.22	82.95	17.11	90.7%	11,375	2.7 x	2.5 x	12.9 x	11.2 x	28.9 x	22.7 x	36.6%	22.6%
Monster Beverage Corporation (NasdaqGS:MNST)	60.83	75.00	39.99	81.1%	9,751	4.7 x	4.3 x	17.8 x	16.1 x	33.3 x	28.9 x	51.9%	26.2%
PepsiCo, Inc. (NYSE:PEP)	81.79	84.78	67.39	96.5%	148,858	2.3 x	2.2 x	12.0 x	11.5 x	19.3 x	18.6 x	52.7%	18.8%
Starbucks Corporation (NasdaqGS:SBUX)	65.51	67.48	43.04	97.1%	47,905	3.4 x	3.1 x	18.5 x	15.3 x	33.3 x	28.8 x	57.1%	18.8%
Minimum				81.1%	\$9,751	2.0 x	1.9 x	9.1 x	9.0 x	15.3 x	14.8 x	36.6%	18.8%
Mean				91.5%	70,930	3.2 x	3.0 x	14.2 x	12.8 x	25.2 x	22.1 x	52.9%	22.6%
Median				91.8%	29,927	3.1 x	2.8 x	13.9 x	12.8 x	25.0 x	20.8 x	54.9%	22.0%
Maximum				97.1%	195,741	4.7 x	4.3 x	18.5 x	16.1 x	33.3 x	28.9 x	60.5%	27.6%

Source: Capital IQ

**MEDIAN HISTORICAL EV/EBITDA**



Source: Capital IQ