

Good things  
come from  
**Sysco**<sup>®</sup>

A Bulldog Investment Company Presentation

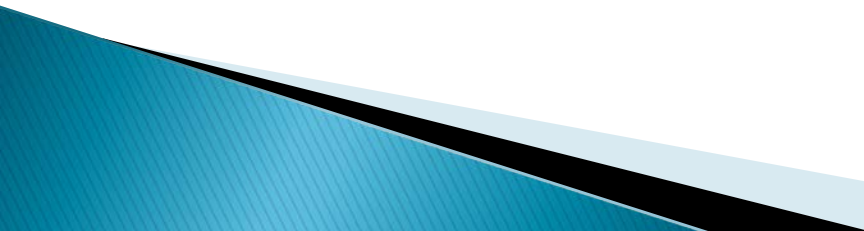
# What is Sysco?

- ▶ Sysco is one of the largest food distribution companies on North America
- ▶ Over 400,000 customers in the following industries
  - Restaurants
  - Healthcare
  - Educational facilities
  - Lodging establishments

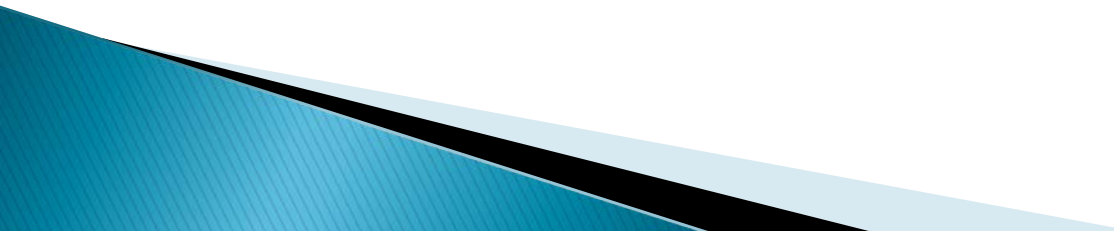
# Mission & Vision

- ▶ **Mission:**
  - To market and deliver great products to our customers with exceptional service.
- ▶ **Vision:**
  - To be our customers' most valued and trusted business partner.

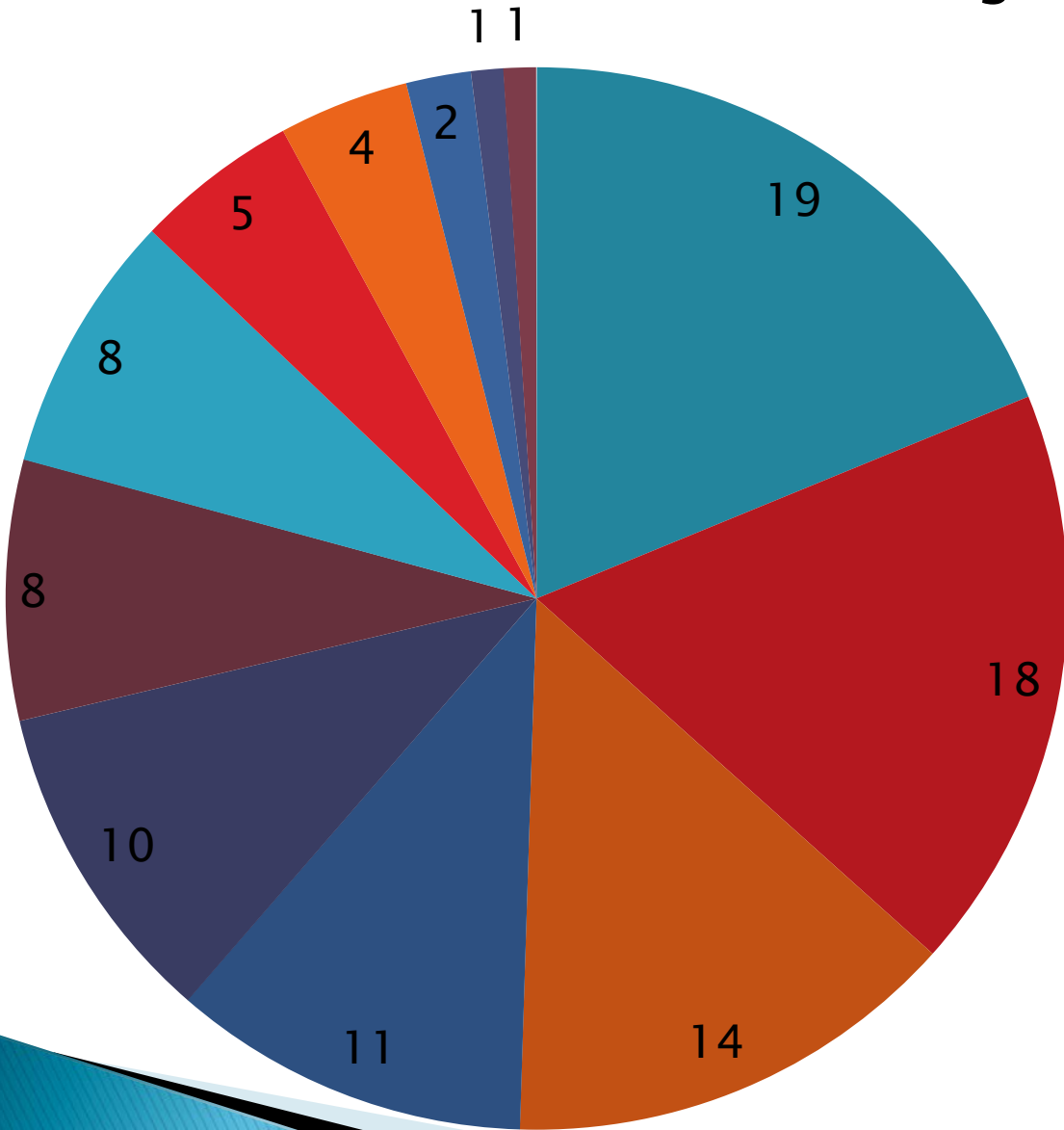
# Quick Facts about Sysco

- ▶ Founded in 1969
  - ▶ Headquarters located in Houston, TX
  - ▶ Current CEO: William J. DeLaney III
  - ▶ Fiscal Year End in June
  - ▶ Approximately 46,000 workers
  - ▶ Thousands of suppliers
  - ▶ \$39.3 billion total sales in 2010
  - ▶ S&P Rating: A+
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# The Sysco Family

- ▶ Broadline
  - ▶ SYGMA
  - ▶ Specialty Companies
    - Produce
    - Meat
  - ▶ Guest Services
  - ▶ International
  - ▶ Sysco iCare
  - ▶ Recent partnership with EcoLab
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# Sales Percentage by Product Type

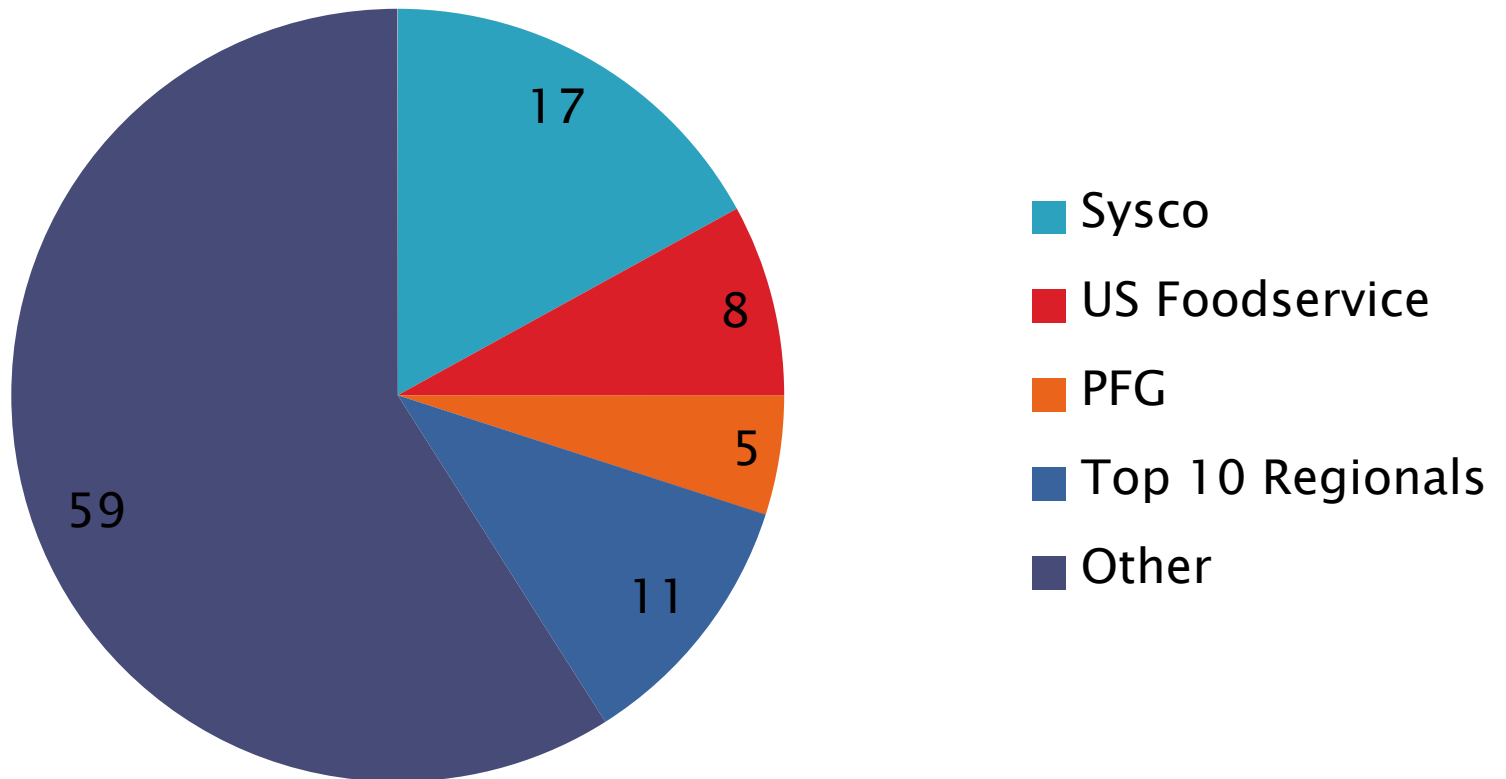


- Canned & dry products
- Fresh and frozen meats
- Frozen fruits, veggies
- Dairy Products
- Poultry
- Fresh Produce
- Paper and disposables
- Seafood
- Beverage products
- Janitorial products
- Equipment
- Medical supplies

# Geographic Coverage

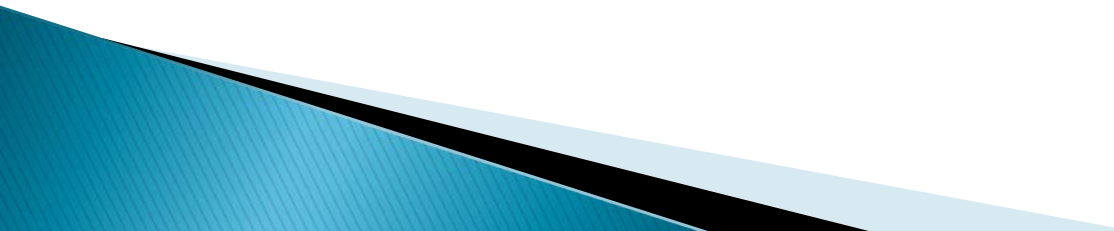


# Competitive Landscape





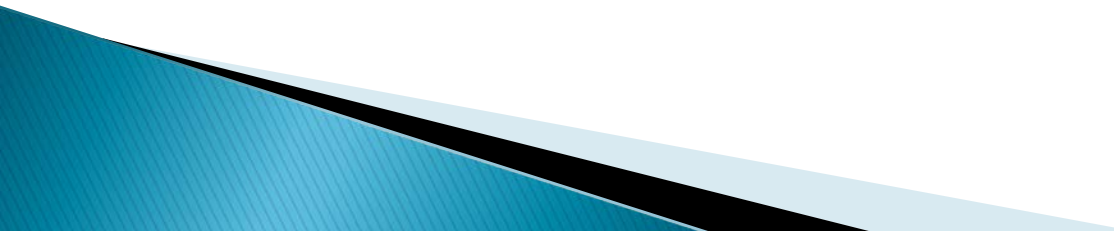
# Sustained Competitive Landscape

- ▶ 17% market share in a highly fragmented industry
  - ▶ More than 8,000 marketing associates
  - ▶ Premier Customer Service
  - ▶ Approximately 58,000 business reviews in fiscal 2011
  - ▶ Differentiated brand
  - ▶ Continuous investment in the business
  - ▶ Supply chain initiatives
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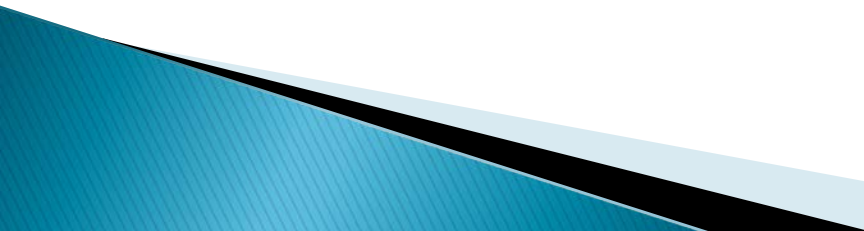
# Sources

- ▶ All information found from the Sysco website
  - URL: [sysco.com](http://sysco.com)

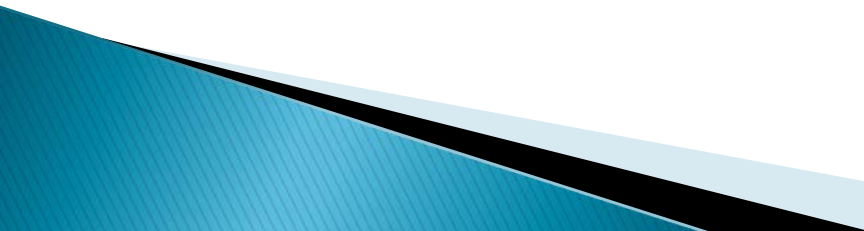
# Quantitative Review

- Current Price per Share slightly above 52 week low (25.69) – at a good price?
  - P/E Ratio is currently at 13.8 – Earnings per share at 1.97
  - Dividend Yield of 3.8%
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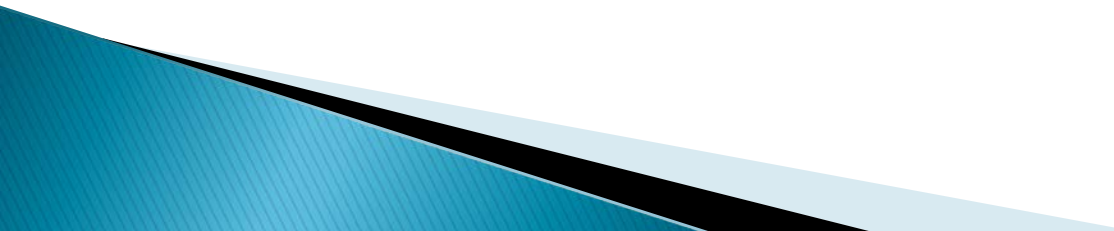
# Statistical Array Analysis

- Sales per Share have increased over the last ten years, with revenue almost doubling in that same time span
  - Cash Flows per Share have dropped in total value over last ten years
  - Book Value per Share has increased every year
  - Net Profit Margin has remained constant over the last decade
  - Working Capital has increased steadily
  - Shareholder's Equity has doubled over the last decade
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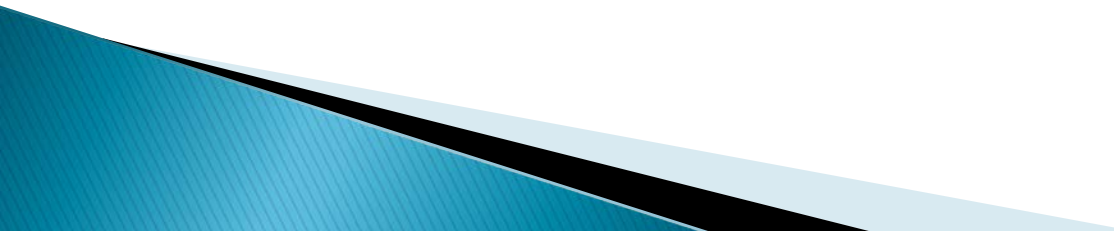
# Statistical Array Analysis

- Return on Shareholder's Equity is at its lowest point in 10 years (28%), but still meets Buffett's threshold of 15%
  - Common Shares Outstanding have decreased by 159.46 Mil over the last decade, which is a good sign
  - Long-Term Debt has increased over the last decade, but can still be paid off in 2 years
  - Dividends to Net Profit have increased to 50%, still under the threshold of 60%
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# Annual Growth Rate Analysis

- Sales Predicted to grow 7%
  - Cash Flow Predicted to grow 7%
  - Earnings Predicted to grow 7.5%
  - Dividends Predicted to drop by 13%
  - Book Value Predicted to grow 10.5%
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# Ratios

- Current Ratio of 1.7 (nearly 2:1)
  - Debt to Equity Ratio of 0.56, so a little over half of equity is funded with debt
  - Return on Assets of 11%
  - Return on Total Capital of 18% (down from a peak of 26.6%)
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# Other Data

- ▶ ValueLine, GuruFocus
  - ▶ Warren Buffet and the Interpretation of Financial Statements
  - ▶ Conscious Investor Report
  - ▶ Sysco 2010 10-K and Annual Report
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