



CreditRiskMonitor's warning of Dean Foods Company's ("Dean Foods") bankruptcy risk was determined by a combination of factors:

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## MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Dean Foods Company (OTC: DFODQ) for more than a year.

We issued a special High Risk Report, dated August 13, 2019, as conditions continued to deteriorate and become more troubling.

The company ultimately filed for bankruptcy on November 12, 2019.

Business Name	2018		2019										
	N	D	J	F	M	A	M	J	J	A	S	O	N
Dean Foods Company	2	1	2	2	1	1	1	1	1	1	1	1	1

**BANKRUPT!**

The FRISK® score is 96% accurate\* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

\* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

## THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS

## Crowdsourced CreditRiskMonitor Usage Data

**Crowdsourcing** has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

**The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:**

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

# COMPANY REPORT DETAIL

## Dean Foods Company

2711 N Haskell Ave Ste 3400  
DALLAS, TX 75204-2928 United States

HIGH RISK REPORT!

Phone: (214) 303-3400

Ticker: **DFODQ**

Filed for Bankruptcy on 11/12/2019

Case #19-36314, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)

This case is being Jointly Administered under the lead case for Southern Foods Group, LLC, Case #19-36313.

Latest Financial Statements as of 9/30/2019

**Business Summary**

Dean Foods Company is a food and beverage company. The Company is engaged in manufacturing, marketing and distributing a variety of branded and private label dairy and dairy case products. Its offerings include fluid milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products. The Company distributes to retailers, distributors, foodservice outlets, educational institutions and governmental entities across the United States. It also offers juices, teas and bottled water. The Company has approximately 50 national, regional and local dairy brands, as well as private labels. Its brand portfolio includes DairyPure, a national white milk brand, and TruMoo, the flavored milk brand. Its regional dairy brands include Alta Dena, Berkeley Farms, Country Fresh, Dean's, Friendly's, Garelick Farms, Mayfield, McArthur, Meadow Gold, Oak Farms, PET and Tuscan.

Employees: 15,000 (as of 12/31/2018)

Incorporated: 9/19/1994

Federal Tax Id: 752559681

**Credit Score History** Why are these scores different? **FRISK® Score Analysis**

Score/ Index	2018		2019												
	N	D	N	D	J	F	M	A	M	J	J	A	S	O	N
<b>FRISK® Score*</b>	2	1	2	2	1	1	1	1	1	1	1	1	1	1	1
<b>DBT Index</b>	9	9	8	9	9	9	9	9	9	9	9	9	9	9	9
<b>Z"-Score</b>	1.09	-0.6	-0.92	-1.27	-1.38										

\*FRISK® Scores are month-end

- Probability of bankruptcy within 12 months is 10% to 50%.
- Trade payments are prompt, "cloaking" the risk.
- Market Capitalization has declined by 87% over the last 12 months.
- Total Liabilities
- Market
- Fi

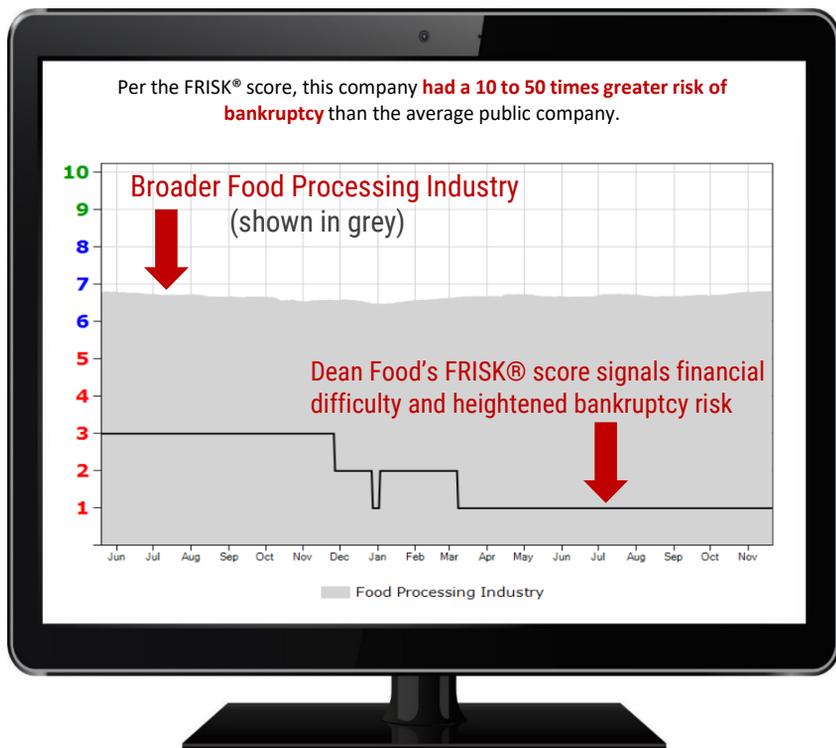
**Agency Credit Ratings**

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Wa
<b>Moody's</b>	WR	Withdrawn	WR	C
<b>Fitch</b>	NR		NR	

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

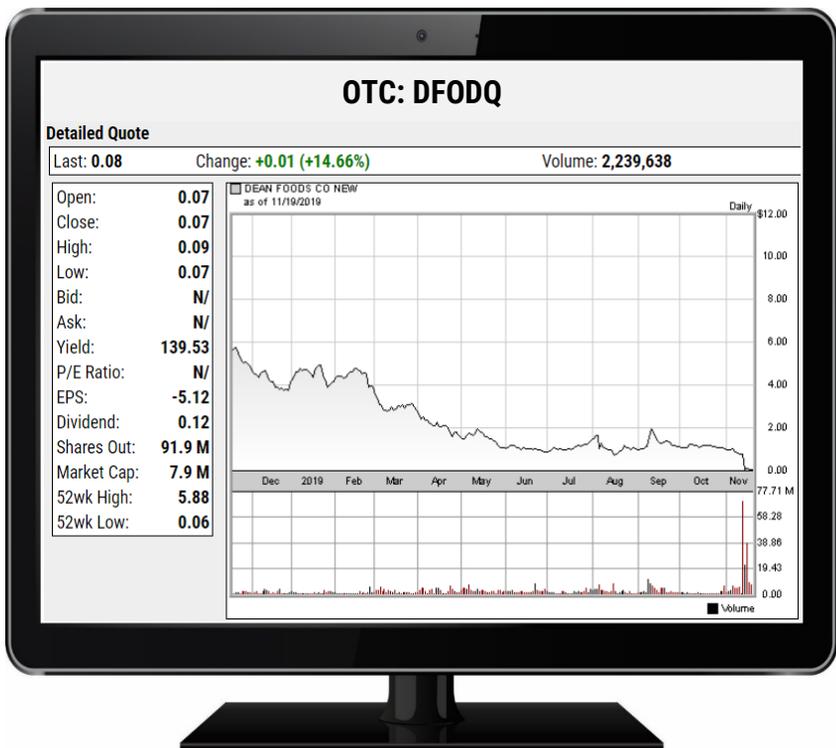
## FRISK® DEEP DIVE



The FRISK® score relative to the broader Food Processing industry raised an additional red flag signaling heightened risk relative to peers, as well...

**MAKING IMMEDIATE ATTENTION REQUIRED.**

## ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

# FRISK® STRESS INDEX

#	Business Name	Country	FRISK® score
1	Dean Foods Company	United States	1
2	Fauji Foods Ltd	Pakistan	1
3	Kwality Ltd	India	1
4	Kwality Ltd (Parent)	India	1
5	Anik Industries Ltd	India	2
6	Milkiland NV	Netherlands	2
7	Ste Elbene Industrie SA	Tunisia	2
8	Beston Global Food Company Ltd	Australia	3
9	Centrale Danone SA	Morocco	3
10	Unikai Foods PJSC	United Arab Emirates	3

## FRISK® Stress Index - SIC classification: Fluid milk

Primary industry codes only  Primary and secondary industry codes

Businesses From:  CLEAR

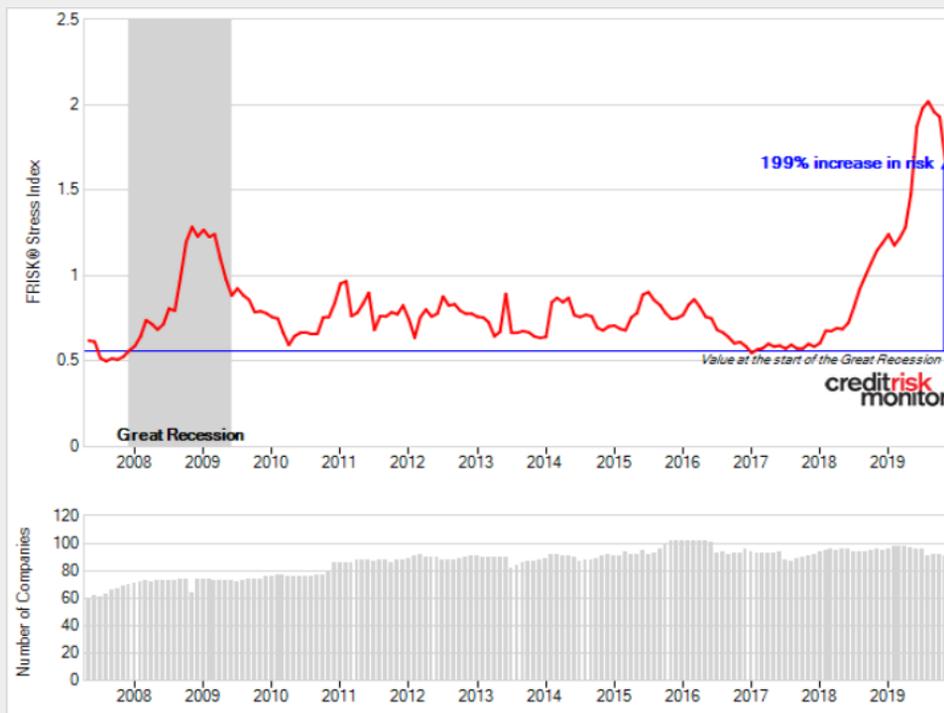
In Industry:

Country:

UPDATE RESULTS

Scale:

Total Companies in all months: **133**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

**The average probability of failure for SIC code 2026 (Fluid milk) has increased 199% since 2007.** Dean Foods was among the weakest names in the industry as evidenced by its FRISK® score of 1.

# PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

## Businesses Analysis: SIC classification: Fluid milk

Calendar Year/Quarter: 2019.3

Businesses in Peer Group: 434	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
<b>Credit Ratings</b>						
Z-Score	86	90	-1.38	-7.44	2.93	173.04
<b>Performance ratios:</b>						
Net Sales (Thousands of U.S. Dollars)	4	7	1,849,710	22,729	1,849,710	9,507,000
Gross Margin % Of Sales	75	92	18.94	-10.48	31.15	60.43
Gross Margin % Of Sales -- TTM	75	92	20.05	-10.26	30.71	60.93
SGA % Of Sales	54	89				
SGA % Of Sales -- TTM	55	90				
Operating Margin % Of Sales	85	94				
Operating Margin % Of Sales -- TTM	83	94				
EBITDA Margin Of Sales	45	50				
EBITDA Margin Of Sales -- TTM	50	54				
Net Profit Margin % Of Sales	84	94				
Net Profit Margin % Of Sales -- TTM	83	94				
Pre-tax Income % Of Sales	84	94				
Effective Tax Rate	16	90				
Depreciation % Of Prop/Plant/Equipment	39	72	10.39	2.84	10.25	44.81
Capital Expense % Of Prop/Plant/Equipment	13	67	6.55	0.17	11.16	170.82
Interest Coverage	43	45	-1.52	-6.44	8.33	723.08
Interest Coverage -- TTM	48	49	-4.18	-7.93	6.50	3,877.54
<b>Liquidity ratios:</b>						
Cash Ratio	74	90	0.05	0.01	0.23	1.98
Quick Ratio	26	87	0.79	0.03	0.65	2.72
Current Ratio	47	90	1.25	0.29	1.27	4.13
<b>Efficiency ratios:</b>						
Accounts Receivable Turnover	32	90	14.53	0.76	10.24	1,771.14
Days Sales Outstanding	36	94	25.12	0.00	32.22	480.39
% of Inventory Financed by Vendors		72		0.52	83.58	802.22
% of Inventory Financed by Vendors -- TTM		75		-1.42	91.37	813.00
Inventory Turnover	4	93				
Inventory Turnover -- TTM	4	93				
Days Sales in Inventory	4	92				
Inventory to Working Capital	42	89				
Accounts Payable Turnover		76				
Accounts Payable Turnover -- TTM		78				
<b>Leverage &amp; debt coverage:</b>						
Total Debt to Equity Ratio	85	86				
Debt to Tangible Equity Ratio		81				
Total Debt to Assets Ratio	82	89				
Short-Term Debt % of Total Debt	1	88	0.17	0.17	58.29	100.00
Short-Term Debt % of Working Capital	3	87	1.10	-1,562.25	27.24	5,443.31
Liabilities to Net Worth Ratio		83		0.01	1.12	24.85
Total Liabilities to Equity Ratio	87	88	18.48	0.01	1.04	24.76
TTM EBITDA to Total Debt	50	51	-0.25	-1.58	0.36	3,074.39
Net Debt to TTM EBITDA		44		-8.44	2.04	60.27

Rank	Company Name
1	HORAI Co., Ltd.
2	Agthia Group PJSC
3	Dukat dd
4	Vietnam Dairy Products JSC
5	Suntory Beverage & Food Ltd

Rank	Company Name
1	Arab International Fod Fctres&Inv Co PSC
2	Lanka Milk Foods (CWE) PLC
3	Ultrajaya Milk Industry Tbk PT
4	At-Tahur Ltd
5	Fortune Ng Fung Food (Hebei) Co., Ltd

Green - Ranked in Upper Quartile of Peer Group  
 White - Ranked in the Middle Two Quartiles of Peer Group  
 Red - Ranked in Lower Quartile of Peer Group  
 Orange - Confidential  
 Grey - Data is Not Available

TTM = trailing 12 months  
 N/A = Not Available

Dean Foods demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

# QUARTERLY PERFORMANCE RATIOS

Operating and net losses in each of the last five fiscal quarters

Insufficient profits to cover interest charges; cumulative negative free cash flow

## Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018
<b>Net Sales \$</b>	<b>\$1,849,710</b>	<b>\$1,843,498</b>	<b>\$1,795,434</b>	<b>\$1,929,480</b>	<b>\$1,894,066</b>
% change	0.34%	2.68%	-6.95%	1.87%	-2.93%
<b>Gross Margin \$</b>	<b>\$350,341</b>	<b>\$379,480</b>	<b>\$373,753</b>	<b>\$383,394</b>	<b>\$390,597</b>
% change	-7.68%	1.53%	-2.51%	-1.84%	-9.75%
% of sales	18.94%	20.58%	20.82%	19.87%	20.62%
change as % of incremental sales	-469.08%	11.92%	n/m	-20.34%	n/m
<b>SG&amp;A \$</b>	<b>\$411,779</b>	<b>\$407,398</b>	<b>\$410,797</b>	<b>\$440,800</b>	<b>\$415,826</b>
% change	1.08%	-0.83%	-6.81%	6.01%	3.26%
% of sales	22.26%	22.10%	22.88%	22.85%	21.95%
change as % of incremental sales	70.52%	-7.07%	n/m	70.52%	n/m
<b>Operating margin \$</b>	<b>(\$69,700)</b>	<b>(\$51,640)</b>	<b>(\$44,571)</b>	<b>(\$263,863)</b>	<b>(\$25,783)</b>
% change	-34.97%	-15.86%	83.11%	-923.40%	36.95%
% of sales	-3.77%	-2.80%	-2.48%	-13.68%	-1.36%
change as % of incremental sales	-290.73%	-14.71%	n/m	-672.28%	n/m
<b>EBITDA \$</b>	<b>(\$26,373)</b>	<b>(\$15,553)</b>	<b>(\$8,965)</b>	<b>(\$229,662)</b>	<b>\$9,976</b>
% change	-69.57%	-73.49%	96.10%	-2,402.15%	397.97%
% of sales	-1.43%	-0.84%	-0.50%	-11.90%	0.53%
change as % of incremental sales	-174.18%	-13.71%	n/m	-676.68%	n/m
<b>EBIT \$</b>	<b>(\$64,205)</b>	<b>(\$53,828)</b>	<b>(\$46,738)</b>	<b>(\$267,479)</b>	<b>(\$28,132)</b>
% change	-19.28%	-15.17%	82.53%	-850.80%	35.14%
% of sales	-3.47%	-2.92%	-2.60%	-13.86%	-1.49%
change as % of incremental sales	-167.05%	-14.75%	n/m	-675.85%	n/m
<b>Pre-tax income \$</b>	<b>(\$80,841)</b>	<b>(\$69,340)</b>	<b>(\$63,783)</b>	<b>(\$279,587)</b>	<b>(\$40,025)</b>
% change	-16.59%	-8.71%	77.19%	-598.53%	28.20%
% of sales	-4.37%	-3.76%	-3.55%	-14.49%	-2.11%
change as % of incremental sales	-185.14%	-11.56%	n/m	-676.46%	n/m
<b>Net income (loss) \$</b>	<b>(\$79,254)</b>	<b>(\$64,471)</b>	<b>(\$61,574)</b>	<b>(\$260,117)</b>	<b>(\$26,424)</b>
% change	-22.93%	-4.70%	76.33%	-884.40%	34.09%
% of sales	-4.28%	-3.50%	-3.43%	-13.48%	-1.40%
change as % of incremental sales	-237.97%	-6.03%	n/m	-659.89%	n/m
<b>Tax expense \$</b>	<b>(\$1,448)</b>	<b>(\$4,477)</b>	<b>(\$1,956)</b>	<b>(\$16,286)</b>	<b>(\$13,377)</b>
Effective tax rate	1.79%	6.46%	3.07%	5.83%	33.42%
<b>Depreciation expense \$</b>	<b>\$32,682</b>	<b>\$33,125</b>	<b>\$32,623</b>	<b>\$32,667</b>	<b>\$32,958</b>
% of sales	1.77%	1.80%	1.82%	1.69%	1.74%
% of capital expenses	158.64%	179.39%	123.02%	69.97%	105.00%
% of PP&E, net (annualized)	10.39%	10.28%	11.27%	13.03%	13.18%
<b>Capital expenditures \$</b>	<b>\$20,602</b>	<b>\$18,465</b>	<b>\$26,518</b>	<b>\$46,687</b>	<b>\$31,388</b>
% change	11.57%	-30.37%	-43.20%	48.74%	51.02%
% of PP&E, net (annualized)	6.55%	5.73%	9.16%	18.62%	12.55%
% of working capital (annualized)	58.01%	52.48%	55.84%	74.03%	42.37%
<b>Interest coverage ratio</b>	<b>(1.52)</b>	<b>(0.96)</b>	<b>(0.47)</b>	<b>(15.81)</b>	<b>0.72</b>
% change	-58.50%	-103.50%	97.01%	-2,287.85%	403.53%
<b>Free cash flow \$</b>	<b>(\$106,652)</b>	<b>\$24,375</b>	<b>(\$98,564)</b>	<b>(\$13,523)</b>	<b>(\$32,350)</b>
% change	-537.55%	124.73%	-628.86%	58.20%	-153.01%
Source:	10-Q 11/12/2019	10-Q 8/8/2019	10-Q 5/8/2019	10-K 2/28/2019	10-Q 11/8/2018

# QUARTERLY LEVERAGE RATIOS

Increasing total debt to equity & total debt to assets ratios indicated heightened risk

Declining tangible net worth turned negative

## Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
<b>Total debt \$</b>	\$1,119,742	\$984,935	\$1,009,681	\$906,344	\$887,164
% change	13.69%	-2.45%	11.40%	2.16%	3.52%
<b>Stockholders' equity \$</b>	\$117,825	\$195,759	\$256,146	\$314,732	\$584,334
% change	-39.81%	-23.58%	-18.61%	-46.14%	-5.37%
<b>Total debt to equity ratio</b>	<b>9.50</b>	<b>5.03</b>	<b>3.94</b>	<b>2.88</b>	<b>1.52</b>
% change	88.88%	27.64%	36.88%	89.68%	9.39%
<b>Tangible net worth \$</b>	<b>(\$20,340)</b>	<b>\$52,444</b>	<b>\$107,681</b>	<b>\$161,117</b>	<b>\$234,855</b>
% change	-138.78%	-51.30%	-33.17%	-31.40%	-10.65%
<b>Total debt to tangible net worth</b>	n/a	<b>18.78</b>	<b>9.38</b>	<b>5.63</b>	<b>3.78</b>
% change	n/a	100.29%	66.68%	48.92%	15.86%
<b>Total assets \$</b>	\$2,294,832	\$2,322,297	\$2,442,300	\$2,118,492	\$2,354,462
% change	-1.18%	-4.91%	15.28%	-10.02%	-0.13%
<b>Total debt to assets ratio</b>	<b>0.49</b>	<b>0.42</b>	<b>0.41</b>	<b>0.43</b>	<b>0.38</b>
% change	15.04%	2.59%	-3.37%	13.54%	3.66%
<b>Tangible assets \$</b>	\$2,156,667	\$2,178,982	\$2,293,835	\$1,964,877	\$2,004,983
% change	-1.02%	-5.01%	16.74%	-2.00%	0.10%
<b>Short-term debt \$</b>	\$1,888	\$1,060	\$1,053	\$1,174	\$1,162
% change	78.11%	0.66%	-10.31%	1.03%	1.04%
<b>Short-term debt % of total debt</b>	<b>0.17%</b>	<b>0.11%</b>	<b>0.10%</b>	<b>0.13%</b>	<b>0.13%</b>
% change	56.69%	3.16%	-19.46%	-1.15%	-2.38%
<b>Short-term debt % of working capital</b>	<b>1.10%</b>	<b>0.94%</b>	<b>0.63%</b>	<b>0.56%</b>	<b>0.40%</b>
% change	17.64%	50.06%	12.57%	40.03%	3.31%
<b>Total liabilities \$</b>	\$2,177,007	\$2,126,538	\$2,186,154	\$1,803,760	\$1,770,128
% change	2.37%	-2.73%	21.20%	1.90%	1.73%
<b>Total liabilities to equity ratio</b>	<b>18.48</b>	<b>10.86</b>	<b>8.53</b>	<b>5.73</b>	<b>3.03</b>
% change	70.09%	27.28%	48.92%	89.19%	7.49%
<b>Total liabilities to tangible net worth ratio</b>		<b>40.55</b>	<b>20.30</b>	<b>11.20</b>	<b>7.54</b>
% change		93.2%	81.34%	48.54%	13.85%
<b>Total debt to EBITDA ratio (annualized)</b>			n/a	n/a	<b>22.23</b>
Source:			10-Q 5/8/2019	10-K 2/28/2019	10-Q 11/8/2018

Total liabilities to equity ratio significantly worsened signaling rising risk

# QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Meager cash ratio signaled potential short-term liquidity issues

## Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
<b>Current assets \$</b>	<b>\$857,467</b>	<b>\$861,202</b>	<b>\$935,262</b>	<b>\$912,280</b>	<b>\$938,641</b>
% change	-0.43%	-7.92%	2.52%	-2.81%	-0.49%
% of short-term debt	45,416.68%	81,245.47%	88,818.80%	77,706.98%	80,778.06%
<b>Current liabilities \$</b>	<b>\$686,349</b>	<b>\$748,185</b>	<b>\$766,789</b>	<b>\$700,835</b>	<b>\$645,545</b>
% change	-8.26%	-2.43%	9.41%	8.56%	0.29%
<b>Working capital \$</b>	<b>\$171,118</b>	<b>\$113,017</b>	<b>\$168,473</b>	<b>\$211,445</b>	<b>\$293,096</b>
% change	51.41%	-32.92%	-20.32%	-27.86%	-2.18%
% of sales (annualized)	2.31%	1.53%	2.35%	2.74%	3.87%
<b>Cash \$</b>	<b>\$36,756</b>	<b>\$20,947</b>	<b>\$22,573</b>	<b>\$24,176</b>	<b>\$21,785</b>
% change	75.47%	-7.20%	-6.63%	10.98%	-14.35%
% of short-term debt	1,946.82%	1,976.13%	2,143.68%	2,059.28%	1,874.78%
<b>Cash ratio</b>	<b>0.05</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>
% change	91.43%	-4.76%	-14.78%	2.37%	-14.68%
<b>Quick assets \$</b>	<b>\$545,342</b>	<b>\$530,758</b>	<b>\$599,812</b>	<b>\$613,439</b>	<b>\$634,039</b>
% change	2.75%	-11.51%	-2.22%	-3.25%	2.49%
% of short-term debt	28,884.64%	50,071.51%	56,962.20%	52,252.04%	54,564.46%
<b>Quick ratio</b>	<b>0.79</b>	<b>0.71</b>	<b>0.78</b>	<b>0.88</b>	<b>0.98</b>
% change	12.01%	-9.31%	-10.64%	-10.88%	2.20%
<b>Current ratio</b>	<b>1.25</b>	<b>1.15</b>	<b>1.22</b>	<b>1.30</b>	<b>1.45</b>
% change	8.53%	-5.62%	-6.30%	-10.47%	-0.78%
Source:	10-Q 11/12/2019	10-Q 8/8/2019	10-Q 5/8/2019	10-K 2/28/2019	10-Q 11/8/2018

Unable to generate any positive returns

## Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018
<b>Return on equity</b>	<b>-40.49%</b>	<b>-25.17%</b>	<b>-19.56%</b>	<b>-44.52%</b>	<b>-4.28%</b>
% change	-60.85%	-28.65%	56.05%	-940.19%	30.58%
<b>Return on net tangible equity</b>	<b>-151.12%</b>	<b>-59.87%</b>	<b>-38.22%</b>	<b>-110.76%</b>	<b>-10.05%</b>
% change	-152.41%	-56.66%	65.49%	-1,001.69%	17.87%
<b>Return on total assets</b>	<b>-3.43%</b>	<b>-2.71%</b>	<b>-2.70%</b>	<b>-11.63%</b>	<b>-1.12%</b>
% change	-26.85%	-0.23%	76.78%	-936.97%	32.83%
<b>Return on tangible assets</b>	<b>-3.66%</b>	<b>-2.88%</b>	<b>-2.89%</b>	<b>-13.10%</b>	<b>-1.32%</b>
% change	-26.82%	0.31%	77.93%	-893.83%	32.17%
Source:	10-Q 11/12/2019	10-Q 8/8/2019	10-Q 5/8/2019	10-K 2/28/2019	10-Q 11/8/2018

# YEAR-OVER-YEAR STATEMENT OF CASH FLOWS

Negative cash from operating activities

## Statement of Cash Flows - Year-over-Year - Standardized - Year to Date

(Thousands of U.S. Dollars)

Period Ended	9 mos 9/30/2019	9 mos 9/30/2018	9 mos 9/30/2017	9 mos 9/30/2016	9 mos 9/30/2015
<b>Cash Flows from Operating Activities:</b>					
Net income	(\$206,083)	(\$67,007)	\$9,270	\$87,098	(\$26,988)
Depreciation/depletion	113,880	118,210	129,667	132,737	131,975
Deferred taxes	(5,553)	(26,727)	3,227	12,532	(42,066)
Non-cash Items	107,133	36,396	31,192	3,312	147,065
Changes in working capital	(124,633)	58,926	(106,631)	(51,061)	112,042
<b>Total cash from operating activities</b>	<b>(115,256)</b>	<b>119,798</b>	<b>66,725</b>	<b>184,618</b>	<b>322,028</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(65,585)	(68,680)	(61,384)	(81,305)	(80,629)
Other investing cash flow items, total	5,300	5,759	(29,484)	(143,579)	15,822
<b>Total cash from investing activities</b>	<b>(60,285)</b>	<b>(62,921)</b>	<b>(90,868)</b>	<b>(224,884)</b>	<b>(64,807)</b>
<b>Cash Flows from Financing Activities:</b>					
Financing cash flow items	(17,543)	0	(1,767)	678	(16,650)
Total cash dividends paid	0	(24,663)	(24,540)	(24,681)	(19,784)
Issuance/retirement of stock, net	(440)	(82)	(764)	(25,775)	(52,119)
Issuance/retirement of debt, net	206,104	(26,859)	57,582	58,822	(119,826)
<b>Total cash from financing activities</b>	<b>188,121</b>	<b>(51,604)</b>	<b>30,511</b>	<b>9,044</b>	<b>(208,379)</b>
Foreign exchange effects	n/a	n/a	0	(1,354)	(1,437)
<b>Net change in cash</b>	<b>12,580</b>	<b>5,273</b>	<b>6,368</b>	<b>(32,576)</b>	<b>47,405</b>
<b>Net cash-beginning balance</b>	<b>24,176</b>	<b>16,512</b>	<b>17,980</b>	<b>60,734</b>	<b>16,362</b>
<b>Net cash-ending balance</b>	<b>\$36,756</b>	<b>\$21,785</b>	<b>\$24,348</b>	<b>\$28,158</b>	<b>\$63,767</b>
Source:	10-Q 11/12/2019	10-Q 11/8/2018	10-Q 11/8/2017	10-Q 11/7/2016	10-Q 11/9/2015

## NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

**Dean Foods Company had negative free cash flow used in operations of \$99 million for the three months ended 3/31/19. This indicated an inability to generate enough cash to support the business.**

5/10/19	CRMZ News Service	Dean Foods Co -- updated financials available
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**Moody's downgraded Dean Foods CFR to Caa1. Obligations rated Caa1 are judged to be of poor standing and are subject to very high credit risk.**

5/17/19	CRMZ News Service	Dean Foods Co -- updated Moody's rating available
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**Dean Foods announced the appointment of Eric Beringause as President, CEO, and Board member. Beringause succeeded Ralph Scozzafava, who stepped down as CEO and resigned from the Board. Such management changes are oftentimes a red flag warning sign of financial distress and bankruptcy potential.**

7/26/19	PR Newswire	Dean Foods Appoints Eric Beringause as President and CEO
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**For the Q2 period end 6/30/19, Dean Foods reported a declining sales trend, coupled with recurring losses.**

8/8/19	CRMZ News Service	Dean Foods Co -- updated financials available
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**Dean Foods' Board, in consultation with its financial and legal advisors, engaged in a comprehensive review of strategic alternatives, including a possible sale of the Company.**

9/6/19	PR Newswire	Dean Foods Concludes Strategic Alternatives Review; Focuses on Go-Forward Strategy Under New Leadership to Enhance Long-Term Shareholder Value
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**Dean Foods announced the resignation of its Executive VP/Chief Financial Officer. Multiple senior management changes in times of corporate financial duress require your immediate attention and review.**

9/24/19	CRMZ News Service	DEAN FOODS CO FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits
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**Dean Foods Company filed for bankruptcy**

11/12/19	CRMZ News Service	Dean Foods Co: Chapter 11 Petition filed on 11/12/2019
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# MANAGEMENT DISCUSSION AND ANALYSIS

One key feature of the CreditRiskMonitor service is the ability to quickly access a Company's Management Discussion and Analysis (MD&A) history.

The MD&A represents the thoughts and opinions of management, and provides a forecast of future operations, and therefore these statements can't typically be falsified. According to the Financial Accounting Standards Board (FASB), "MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed."

Sarbanes-Oxley subjects CEOs and CFOs to jail and monetary penalties for certifying misleading or fraudulent reports

**Report**

**Dean Foods Company**  
2711 N Haskell Ave Ste 3400  
DALLAS, TX 75204-2928 United States  
Phone: (214) 303-3400

Filed for Bankruptcy on 11/12/2019  
Case #19-36314, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)  
This case is being Jointly Administered under the lead case for Southern Foods Group, LLC, Case #19-36313.

**Management Discussion and Analysis**

For the period ended 9/30/2019

[Jump to Liquidity section](#)

**Liquidity (MD&A)**  
As a result of extremely challenging current market conditions, continuing losses from operations, our current financial condition and the resulting risks and uncertainties surrounding our Chapter 11 proceedings, there is substantial doubt about our ability to continue as a going concern within one year after the date of issuance of these financial statements. Our ability to continue as a going concern is dependent upon, among other things, our ability to become profitable, maintain profitability and successfully implement our Chapter 11 plan of reorganization. As a result of the Bankruptcy Petitions, the realization of the Debtors' assets and the satisfaction of liabilities are subject to significant uncertainty. While operating as a debtor-in-possession pursuant to the Bankruptcy Code, we may sell or otherwise dispose of or liquidate assets or settle liabilities, subject to the approval of the Court or as otherwise permitted in the ordinary course of business for amounts other than those reflected under "Part I - Item 1 - Unaudited Condensed Consolidated Financial Statements" in this Form 10-Q. Further, a Chapter 11 plan is likely to materially change the amounts and classifications of assets and liabilities reported under "Part I - Item 1 - Unaudited Condensed Consolidated Financial Statements" in this Form 10-Q. As the progress of these plans is subject to approval of the Court and therefore not within our control, successful reorganization and emergence from bankruptcy cannot be considered probable and such plans do not alleviate substantial doubt about our ability to continue as a going concern.

## ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 58,000 global public companies.

**CreditRiskMonitor Bankruptcy Case Studies** provide post-filing analyses of public company bankruptcies. Our case studies educate subscribers about methods they can apply to assess bankruptcy risk using CreditRiskMonitor's proprietary FRISK® score, robust financial database and timely news alerts.

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