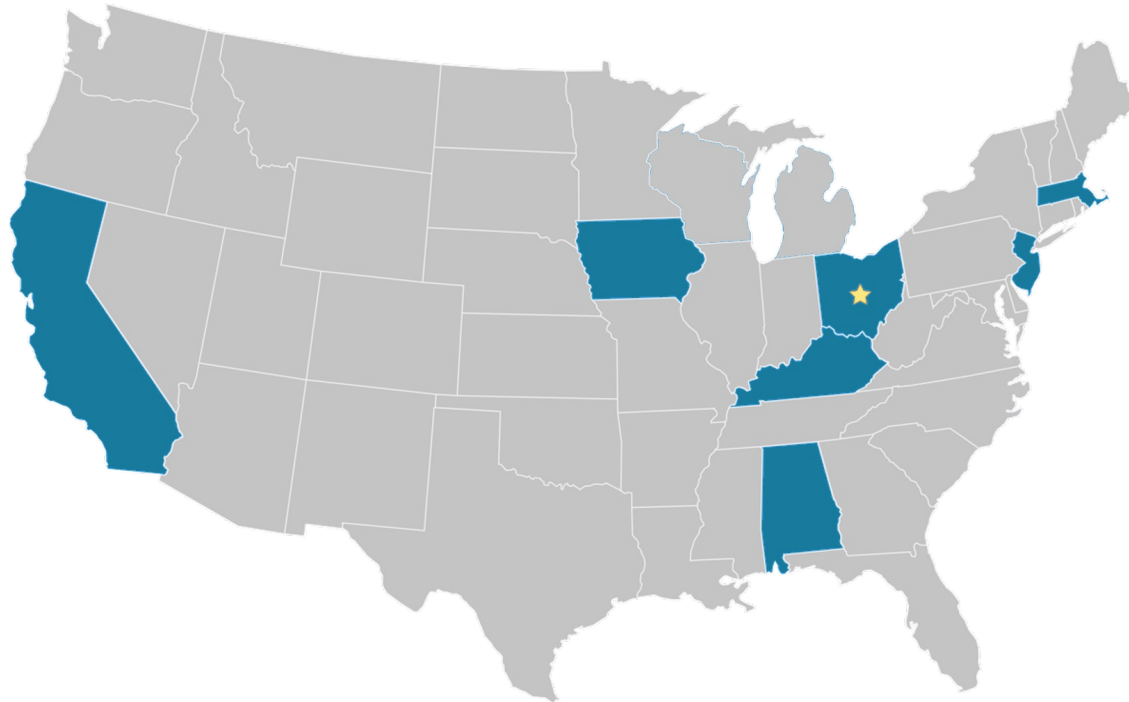


# Lancaster Colony



September 2024

This presentation was prepared by Lancaster Colony Corporation for information purposes only and is not an offer or solicitation with respect to the purchase or sale of Company securities. We desire to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). Any statements concerning the Company’s future performance included in this presentation or made orally to the recipients of this presentation are “forward-looking statements” within the meaning of the PSLRA and other applicable securities laws. Such statements can be identified by the use of the forward-looking words “anticipate,” “estimate,” “project,” “believe,” “intend,” “plan,” “expect,” “hope” or similar words. These statements discuss future expectations; contain projections regarding future developments, operations or financial conditions; or state other forward-looking information. Such statements are based upon assumptions and assessments made by us in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe to be appropriate. These forward-looking statements involve various important risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed in the forward-looking statements. Actual results may differ as a result of factors over which we have no, or limited, control. Management believes these forward-looking statements to be reasonable; however, you should not place undue reliance on such statements that are based on current expectations. For example, fluctuations in the market price of material or freight costs or general economic conditions for domestic consumers, over which we have no control, may significantly influence our financial results. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update such forward-looking statements. More detailed statements regarding significant events that could affect our financial results are included in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission and available at [www.lancastercolony.com](http://www.lancastercolony.com).



- **Manufacturer and Marketer of Specialty Food Products**
- **Established in 1961**
- **Headquartered in Westerville, Ohio**
- **Fiscal 2024 Net Sales of \$1.9 Billion (primarily U.S.)**
- **13 Production Facilities in Seven States**
- **Approximately 3,600 Employees**



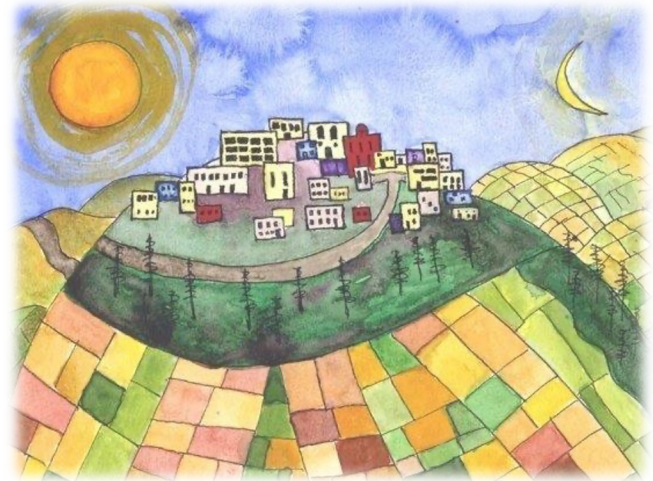
- Leading Market Share Positions in Retail Food Categories
- Supplier to 18 of the Top 30 National Restaurant Chains
- Growing and Consumer-Relevant Retail Licensing Program
- Long History of Sustained Organic Sales Growth
- Strong Cash Flows
- One of 13 U.S. Companies to have Increased Regular Cash Dividend for 61 Consecutive Years

## 1. Defined Winning - Pursue Top Quartile Financial Performance

- Grow Organic Sales Volumes Low- to Mid-Single Digit (pounds shipped basis)
- Grow Operating Margins

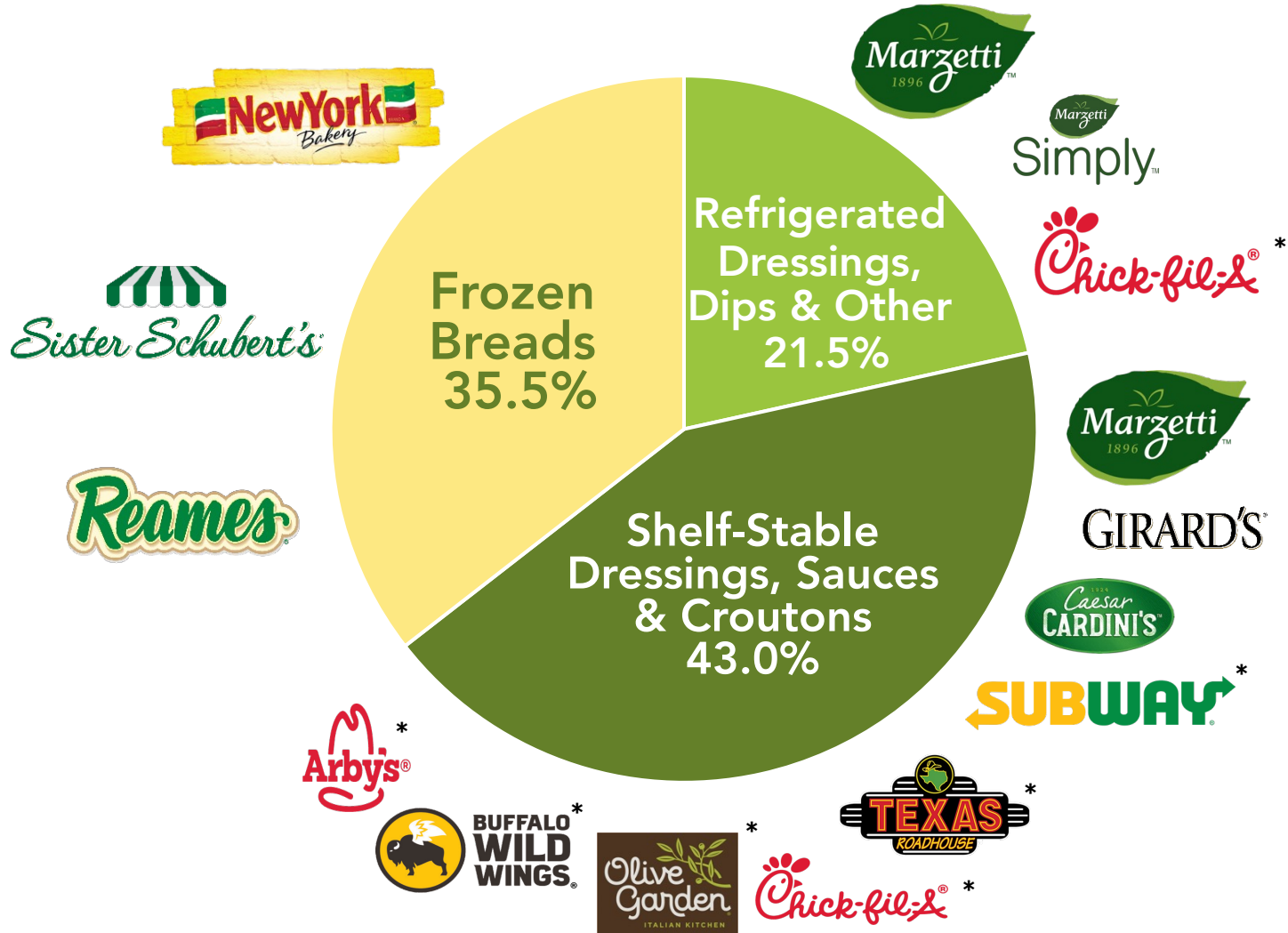
## 2. Developed Strategy

- Strategic Growth Initiatives
  - Accelerate Base Business Growth
  - Simplify Supply Chain
  - Expand Core with Retail Licensing Program and Focused M&A



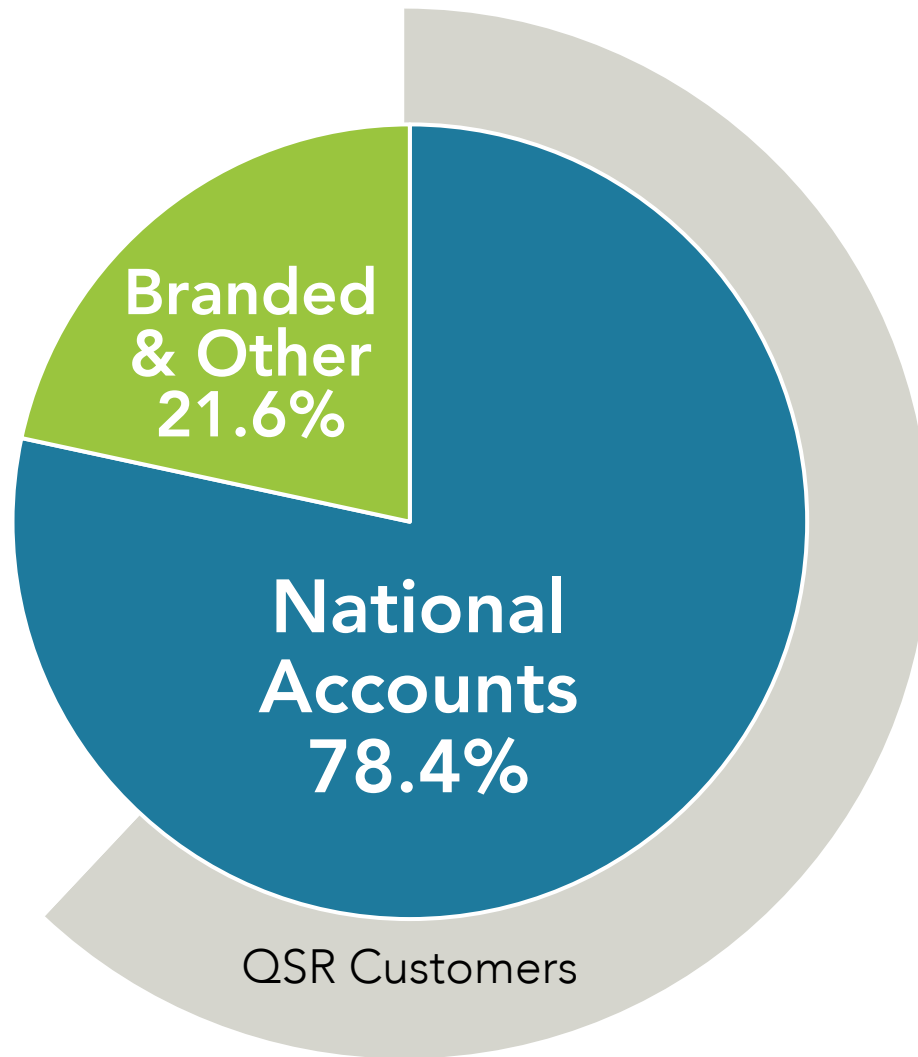
## 3. Strengthened Organization

- Top-Graded Talent
- Investing in Plants to Drive Efficiency and Support Growth
- Investing in IT Infrastructure to Improve Efficiency and Effectiveness
- All Supported by a Transcendent Vision to be a Purpose-Driven Organization










Based on reported net sales for the fiscal year ended June 30, 2024.

\* Products for these brands are produced and sold under exclusive licensing agreements.



# Retail Segment Growth Initiatives

Initiative	Brand	Products	Initial Ship Date
Licensing			<p>Larger 24 oz. Chick-fil-A Sauce and new BBQ and Sriracha Flavors</p> <p>National Launch <b>March 2023</b></p>
			<p>Chick-fil-A Refrigerated Dressings</p> <p>National Launch <b>May 2023</b></p>
			<p>Southwestern Ranch Flavor, Larger 20oz. Medium and Parmesan Garlic</p> <p>National Launch <b>March 2024</b></p>
		<p>Subway Signature Sauces</p> <p>National Launch <b>March 2024</b></p>	

\* Products for these brands are produced and sold under exclusive licensing agreements.

# Retail Segment Growth Initiatives

Initiative	Brand	Products	Initial Ship Date
Licensing	 *		Texas Roadhouse Steak Sauces National Launch <b>March 2024</b>
			Texas Roadhouse Dinner Rolls Pilot Launch <b>June 2024</b>
Innovation & Renovation			Gluten Free Texas Toast <b>Fall 2024</b>
			Large size Honey Mustard and Hot Honey Vinaigrette <b>April 2024</b>  Creamy Stuffed Jalapeno, Garlic, Herb & Cheese, and Spinach Parmesan <b>March 2024</b>

\* Products for these brands are produced and sold under exclusive licensing agreements.

## Consumer-Relevant Retail Licensing Program



- Successfully developed exclusive licensing agreements through our proven culinary expertise and demonstrated sales execution in the retail channel combined with our strong reputation and longstanding relationships in the foodservice channel.
- Per Circana scanner data\*, retail channel sales of our licensed sauces and dressings totaled \$473 Million for the 52-week period ended June 30, 2024, an increase of over 14%.
- Opportunities for continued growth through established and potential future agreements supported by our recent capacity expansion investments.
- Recently added Subway® sandwich sauces and Texas Roadhouse® steak sauces to licensing program with initial ship dates in February 2024 for both brands. Also added Texas Roadhouse Dinner Rolls with June 2024 pilot launch.
- Total addressable opportunity in shelf-stable dressings, sauces and condiments, per Circana scanner data\*, is nearly \$13 billion.

*Dressings and Sauces for the brands noted above are produced and sold to the retail channel under exclusive licensing agreements with Lancaster Colony.*

*\* Circana Total U.S. Multi-Outlet data for the 52 weeks ended 6/30/2024.*

## FY25 Supply Chain Path Forward ...

- Maintain continuous supply across the entire supply chain
- With successful implementation of new ERP system complete, shift to leveraging the system's capabilities
- With strategic manufacturing asset (Horse Cave dressing plant expansion) up and running, prioritize utilizing the asset to enable growth, improve service and reduce costs
- With supply chain stabilized, increase emphasis on value creation and growth initiatives
- Continue to assess manufacturing and distribution models to cost-effectively serve our business partners



## Simplify Supply Chain and Reduce Costs

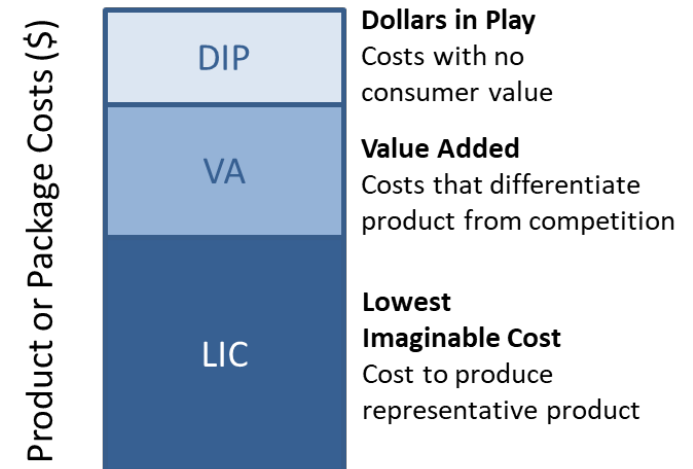
### Value Engineering (VE) to Help Offset Cost Inflation and Improve Profitability

*Identify opportunities to reduce product and packaging costs that consumer doesn't value*

- Lower-cost packaging materials
- Alternative/substitute ingredients
- Coordinated/cross-functional initiative among R&D, Marketing, Procurement, Manufacturing/Engineering and Finance



### VE Approach



## Simplify Supply Chain and Reduce Costs

### Strategic Procurement

- Strategic Category Sourcing
- Extensive Competitive Bidding
- Optimize Contract Duration and Execution Timing
- Extend Payment Terms



## Simplify Supply Chain and Reduce Costs

### Transportation and Warehousing Initiatives

- Continue to Leverage Transportation Management System
- Utilize Carrier Segmentation and Lane Analysis to Ensure the Highest Level of Service at the Most Competitive Rate
- Improve Carrier Management Through Data Analytics and Collaborative Engagement
- Partner With Strategic 3PL Warehouse Providers to Support Growth and Reduce Cost to Serve

### Project T<sup>2</sup>



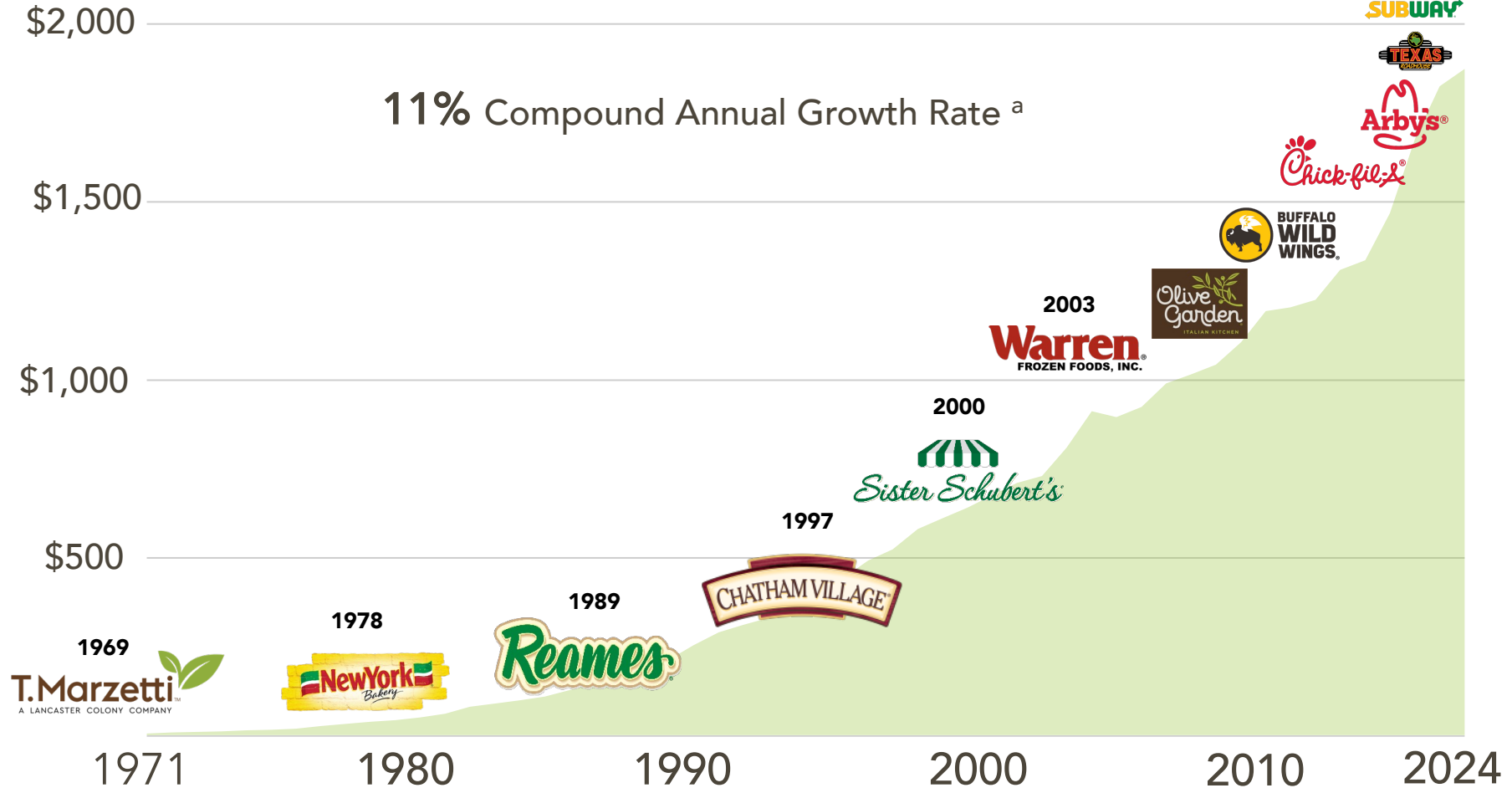
## Our R&D Team is a Core Strength of Our Business ...

- Based at Our Innovation Center in Central Ohio, our R&D Team Brings Together the Best in Culinary Arts, Food Science and Technology
- Supports Collaboration and Innovation Among our Foodservice and Retail Segments to Develop Relevant, Consumer-Centric, On-Trend Products that Serve to Strengthen Existing Customer Relationships and Build New Ones
- Recognized as Food Processing Magazine's 2024 Research & Development Team of the Year – A Testament to Our Commitment to Deliver Craveable Products and Superior Value Through a Unique Blend of Creative Inspiration and Product Innovation



# Long History of Sustained Growth

\$ in Millions



Net sales information is presented as originally reported in Lancaster Colony's Annual Report for the fiscal years ending June 30. Therefore, certain years may not reflect adjustments for subsequent accounting changes. Note that the net sales information presented above does not include any sales attributed to non-food businesses historically owned by Lancaster Colony.

Sauces and/or dressings for Olive Garden, Buffalo Wild Wings, Chick-fil-A, Arby's, Texas Roadhouse and Subway are produced and sold to the retail channel under exclusive licensing agreements with Lancaster Colony.

<sup>a</sup> Compound Annual Growth Rate calculated from Fiscal 1972 through Fiscal 2024.



## Investing to Drive Efficiency and Support Growth

### *Significant Capacity Expansion Project for Sauces and Dressings*



- Added 192,000 square feet to existing facility in Horse Cave, KY
- Fully operational beginning in March 2023
- Provides increased processing, warehousing and utilities to expand production capacity and support continued growth of our dressing and sauce products in both the Retail and Foodservice segments
- Total capital expenditure of ~\$140 Million

\* Products for these brands are produced and sold under exclusive licensing agreements.

**\$ in Millions**

(Except Per Share Values)

**Fiscal 2024 Results vs. Prior Year**

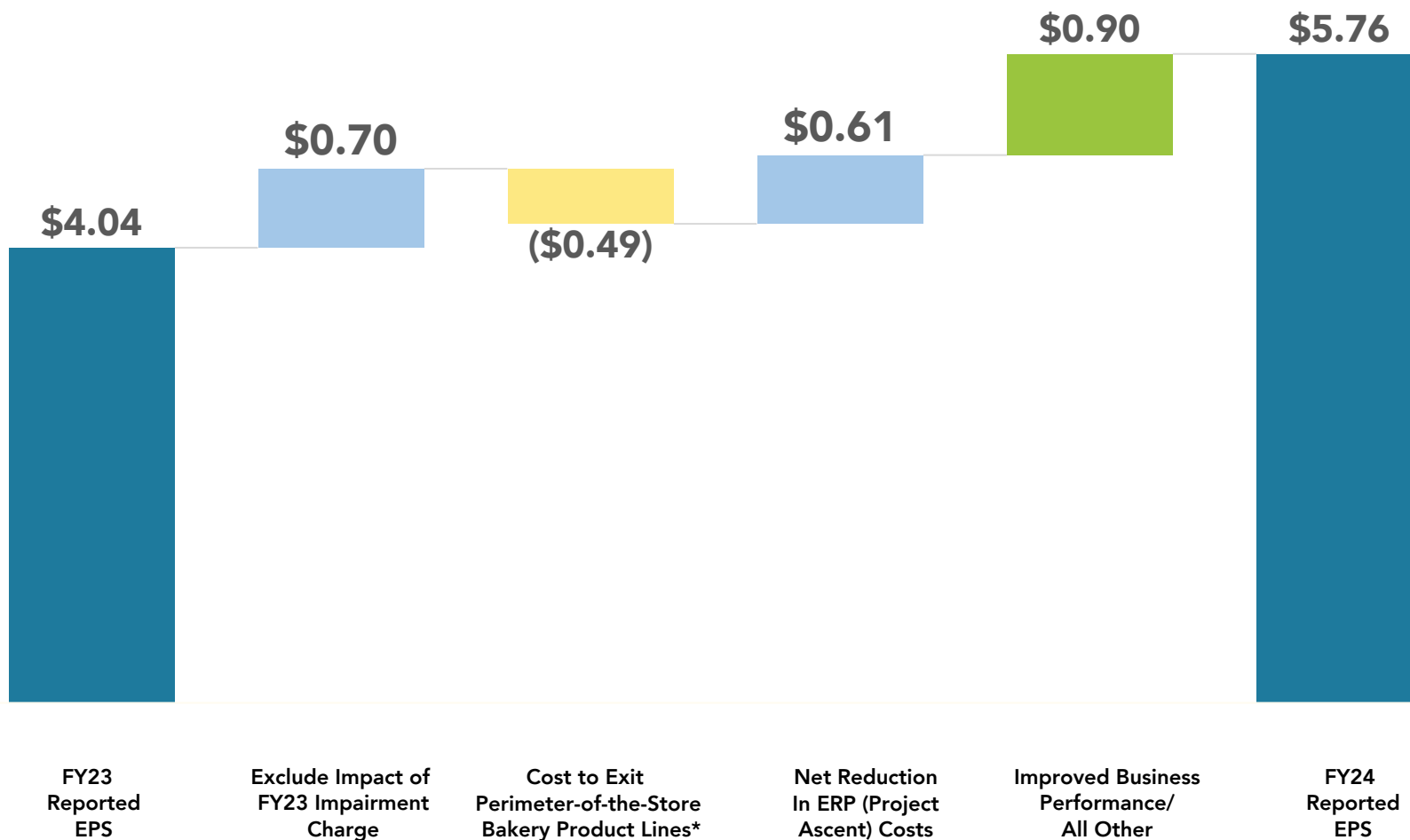
(Twelve Months Ended June 30, 2024)

	<b>Value</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Consolidated Net Sales</b>	\$1,871.8	\$49.2	2.7%
<b>Gross Profit</b>	\$432.3	\$43.7	11.3%
<b>SG&amp;A</b>	\$218.1	(\$4.0)	(1.8)%
<b>Restructuring and Impairment Charges *</b>	\$14.9	(\$10.1)	Not Calculated
<b>Operating Income</b>	\$199.4	\$57.9	40.9%
<b>Earnings Per Share (Diluted)</b>	\$5.76	\$1.72	42.6%

\* Restructuring and Impairment Charges Reduced FY24 Earnings Per Share (Diluted) by \$0.42 and Reduced FY23 Earnings Per Share (Diluted) by \$0.70.

# Summarized Earnings Per Share Waterfall – Fiscal 2023 to Fiscal Year 2024

Fiscal Year Periods Ended June 30  
(Diluted Earnings Per Share)



\* Includes Restructuring and Impairment Charges of \$0.42 Per Share (Diluted) and Inventory Write-Down Cost of \$0.07 Per Share (Diluted).

## \$ in Millions

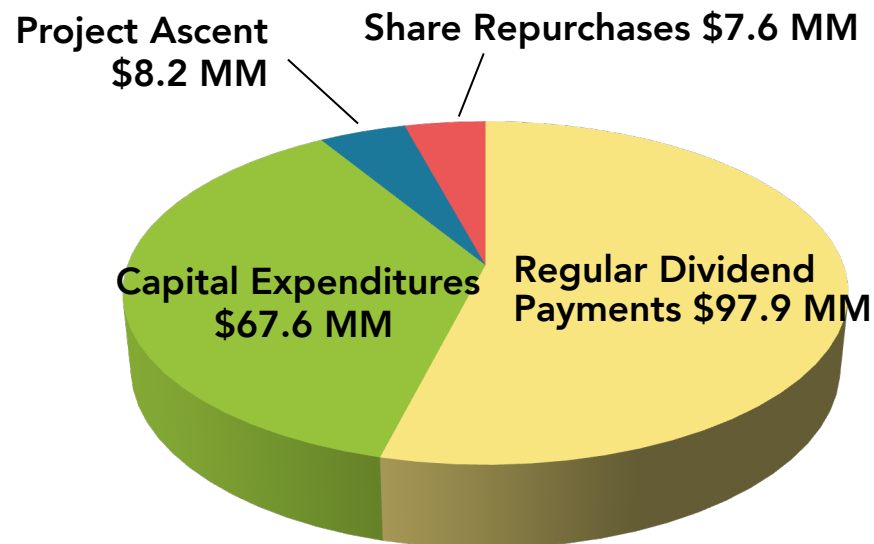
	June 30		
	2022	2023	2024
<b>Cash and Equivalents</b>	\$60	\$88	\$163
<b>Total Debt</b>	\$0	\$0	\$0

- Debt Free
- Credit Revolver of \$150 Million, Expandable up to \$225 Million
- Fiscal Years 2022 and 2023 Included Notable Investments in Capacity Expansion Projects and ERP System (Project Ascent) to Support Continued Growth
  - Capital Expenditures for the Two-Year Period Totaled \$222 Million
  - Additional \$69 Million Invested in Project Ascent over the same Two-Year Period

## Cash Priorities

- Invest in Existing Business
  - Fiscal 2025 capital expenditures estimated at \$70 to \$80 Million
- Good-Fitting Acquisitions
- Regular Dividends
  - 61 consecutive years of regular cash dividend increases
- Opportunistic Share Repurchases

## Fiscal 2024 – Major Cash Uses



## **Appendix A**

# Supplemental Financial Information

# Results of Consolidated Operations – Most Recent Fiscal Year Periods A1

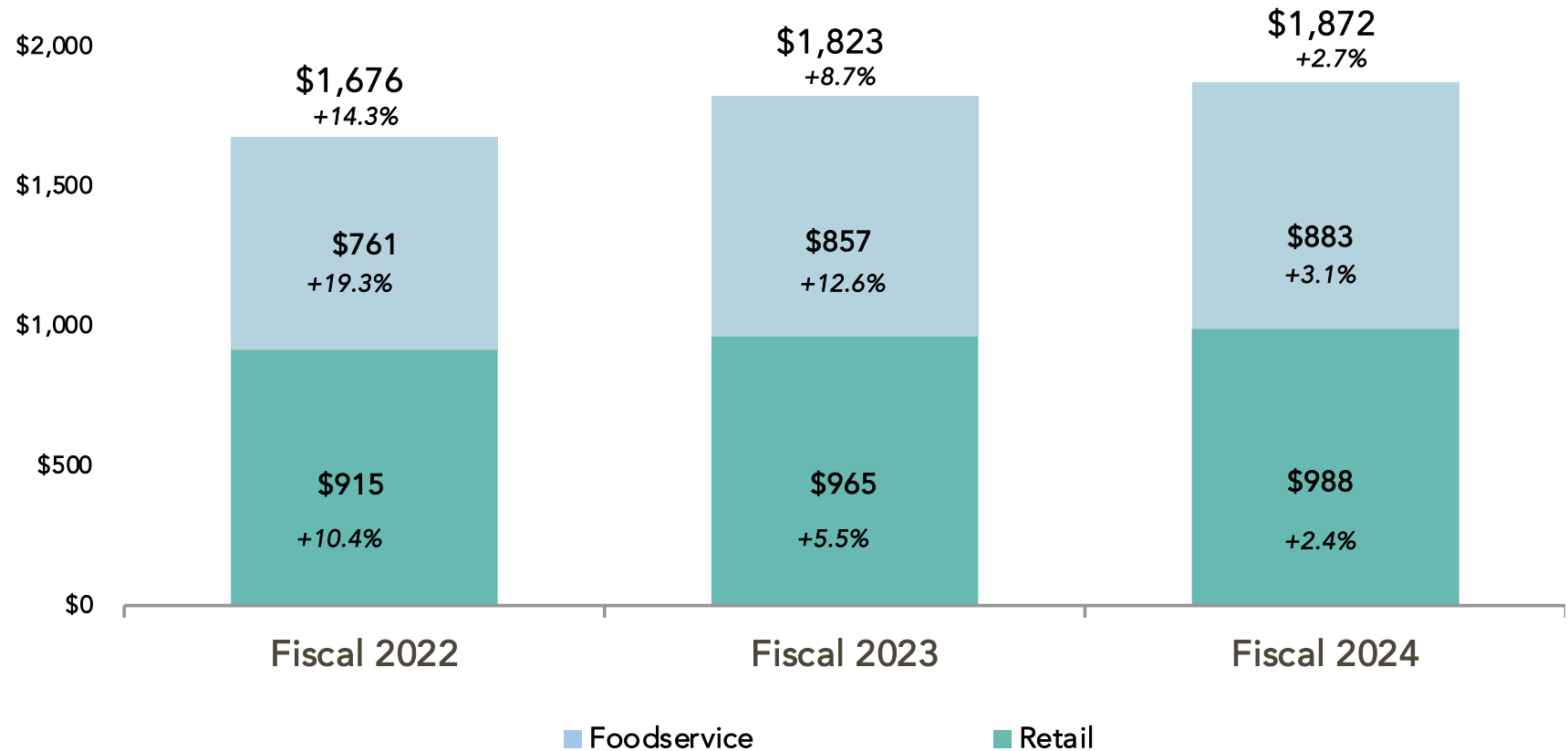
## RESULTS OF CONSOLIDATED OPERATIONS

(Dollars in thousands, except per share data)	Years Ended June 30,			Change			
	2024	2023	2022	2024 vs. 2023		2023 vs. 2022	
Net Sales	\$ 1,871,759	\$ 1,822,527	\$ 1,676,390	\$ 49,232	2.7 %	\$ 146,137	8.7 %
Cost of Sales	1,439,457	1,433,959	1,320,671	5,498	0.4 %	113,288	8.6 %
Gross Profit	432,302	388,568	355,719	43,734	11.3 %	32,849	9.2 %
Gross Margin	23.1 %	21.3 %	21.2 %				
Selling, General and Administrative Expenses	218,065	222,091	212,098	(4,026)	(1.8)%	9,993	4.7 %
Change in Contingent Consideration	—	—	(3,470)	—	N/M	3,470	(100.0)%
Restructuring and Impairment Charges	14,874	24,969	35,180	(10,095)	(40.4)%	(10,211)	(29.0)%
Operating Income	199,363	141,508	111,911	57,855	40.9 %	29,597	26.4 %
Operating Margin	10.7 %	7.8 %	6.7 %				
Other, Net	6,152	1,789	477	4,363	243.9 %	1,312	275.1 %
Income Before Income Taxes	205,515	143,297	112,388	62,218	43.4 %	30,909	27.5 %
Taxes Based on Income	46,902	32,011	22,802	14,891	46.5 %	9,209	40.4 %
Effective Tax Rate	22.8 %	22.3 %	20.3 %				
Net Income	\$ 158,613	\$ 111,286	\$ 89,586	\$ 47,327	42.5 %	\$ 21,700	24.2 %
Diluted Net Income Per Common Share	\$ 5.76	\$ 4.04	\$ 3.25	\$ 1.72	42.6 %	\$ 0.79	24.3 %

## Fiscal Year Net Sales Results

Fiscal Years Ended June 30

\$ in Millions



Note: Totals and year-over-year percentage changes presented above are based on unrounded dollar values. Totals may not foot and percentage values may not recalculate based on the rounded dollar values shown above.

# Fiscal 24 and Fiscal 23 EBITDA Increases Driven by Reduced Expenditures for Project Ascent, Pricing Actions to Offset Inflation, and Cost Savings Programs

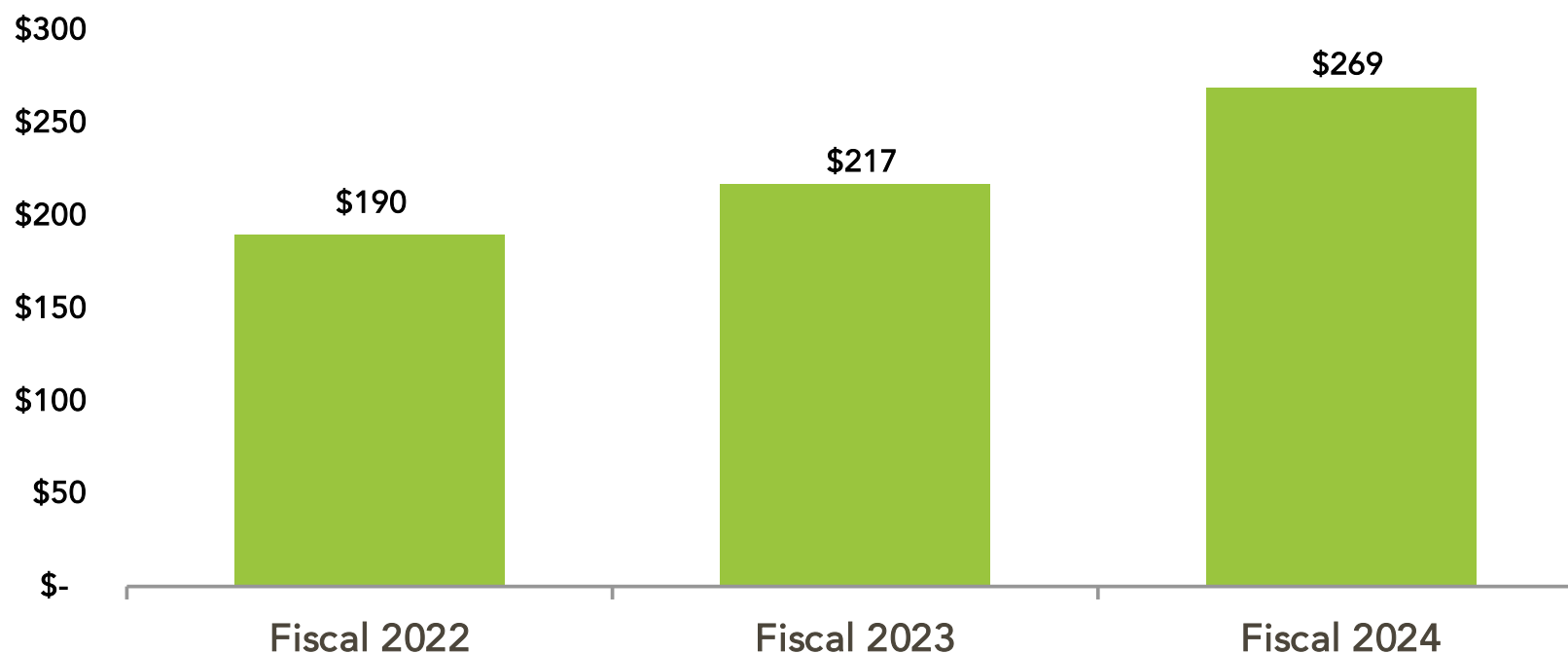
A3

Fiscal 22 EBITDA Impacted by Inflationary Costs, Supply Chain Disruptions and Other COVID-19 Factors

## Fiscal Year Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)\*

Fiscal Years Ended June 30

\$ in Millions



\*\* Expenditures for Project Ascent

\$39.3 MM

\$29.9 MM

\$8.2 MM

\* Calculation of EBITDA values excludes non-cash change in contingent consideration and restructuring and impairment charges. See Appendix page A4 for additional details.

\*\* EBITDA totals include the impact of expenditures for Project Ascent, our ERP initiative, as noted.

## Lancaster Colony Corporation

### Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) \*

(\$ in Millions)

	Fiscal Years Ending June 30,		
	2022	2023	2024
Income Before Income Taxes **	\$112	\$140	\$198
Depreciation and Amortization	\$46	\$51	\$56
Change in Contingent Consideration	(\$3)	\$0	\$0
Restructuring and Impairment Charges	\$35	\$25	\$15
	<u>          </u>	<u>          </u>	<u>          </u>
<b>EBITDA *</b>	\$190	\$217	\$269

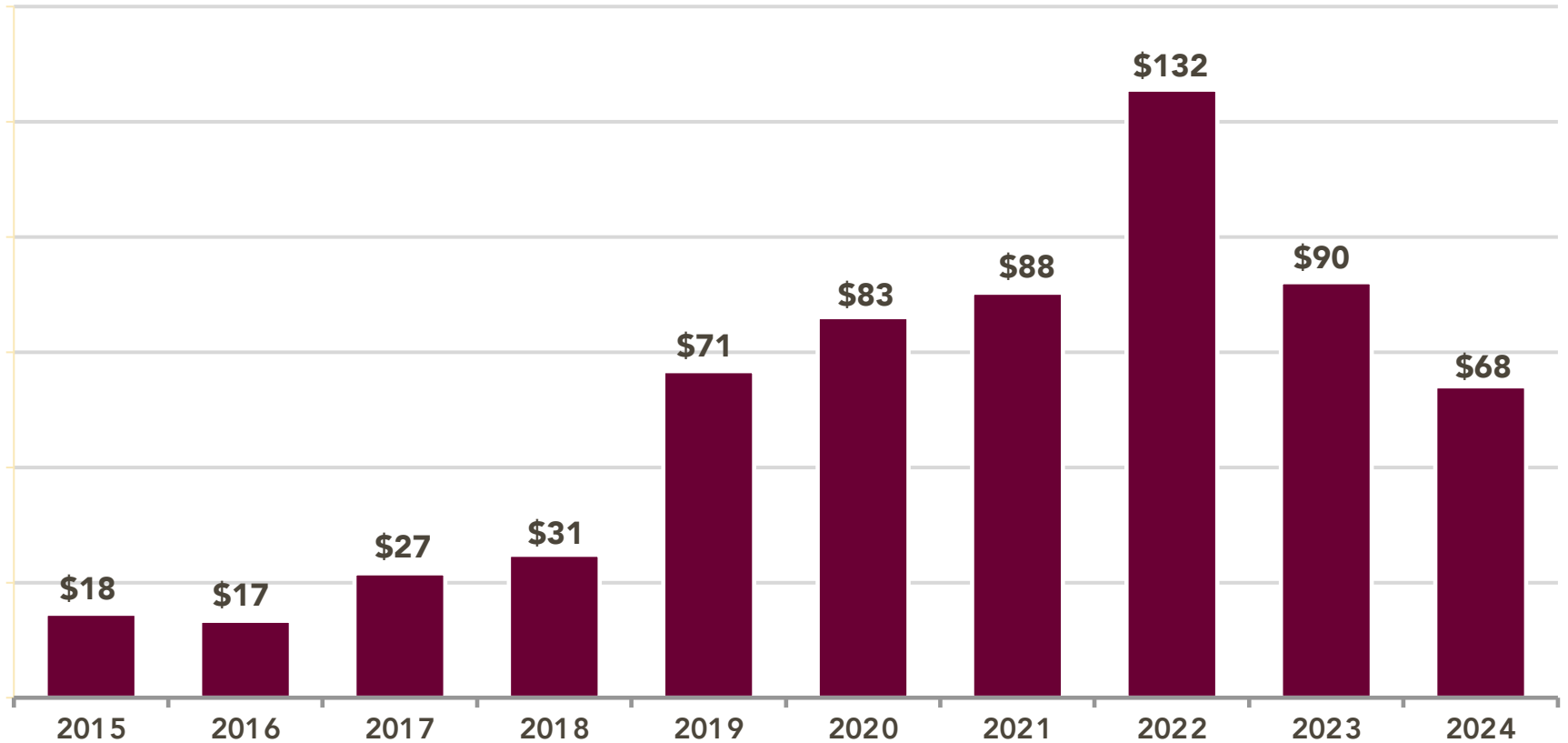
\* As presented above, the EBITDA value calculation reflects adjustments to exclude Change in Contingent Consideration (a non-cash item) and Restructuring and Impairment Charges.

\*\* Excludes interest income

Note: EBITDA value may not foot to sum of line items listed due to rounding.

# Capital Expenditure History

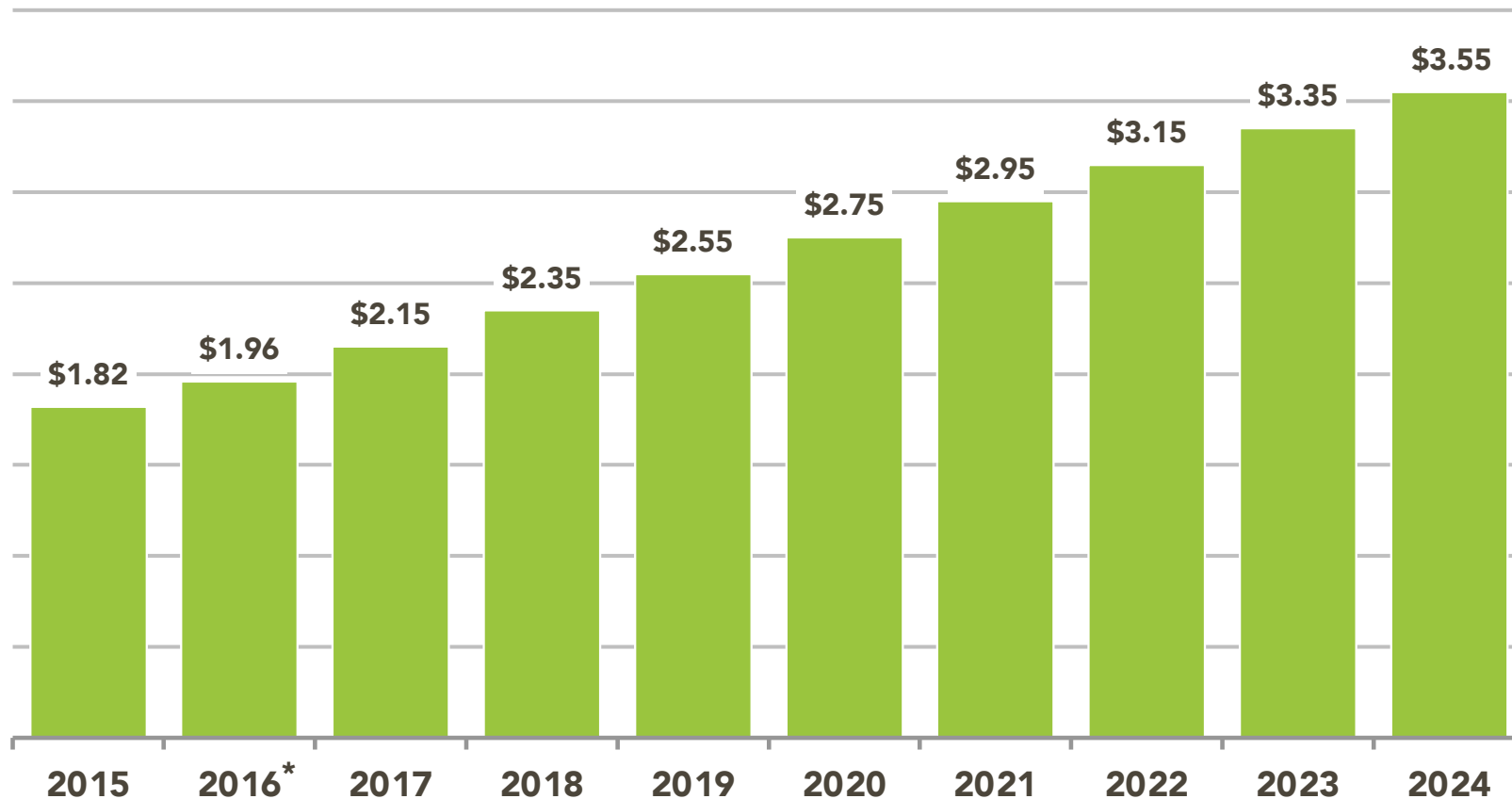
\$ in Millions



Fiscal years ended June 30.

# Regular Cash Dividends Per Share

\$ Per Share



Regular cash dividends for the fiscal years ended June 30.

\* Excludes special cash dividend of \$5.00 per share paid in FY16.

## **Appendix B**

# **Retail Brand Market Share and Related Information**

# Portfolio of Strong Brands and Licensing Relationships

(Retailer Sales and Market Share Data per Circana\*)

B1

## Marzetti®

### Ref. Dressing\*\*

\$ Sales: 148.3MM

\$ Share: 27.1%

### Dips

\$ Sales: 138.0MM

\$ Share: 78.3%



## Sister Schubert's®

\$ Sales: 157.0MM

\$ Share: 56.2%



## Licensed Brands ^

### Olive Garden<sup>SM</sup>

\$ Sales: 159.1MM

\$ Share: 6.1%



### Chick-fil-A®

\$ Sales: 164.7MM

\$ Share: 17.7% (Prep/Finishing Sauce Subcategory)



## New York Brand® Bakery

\$ Sales: 346.4MM

\$ Share: 41.6%



## Croutons (all brands)

\$ Sales: 92.9MM

\$ Share: 30.2%



## BWW®

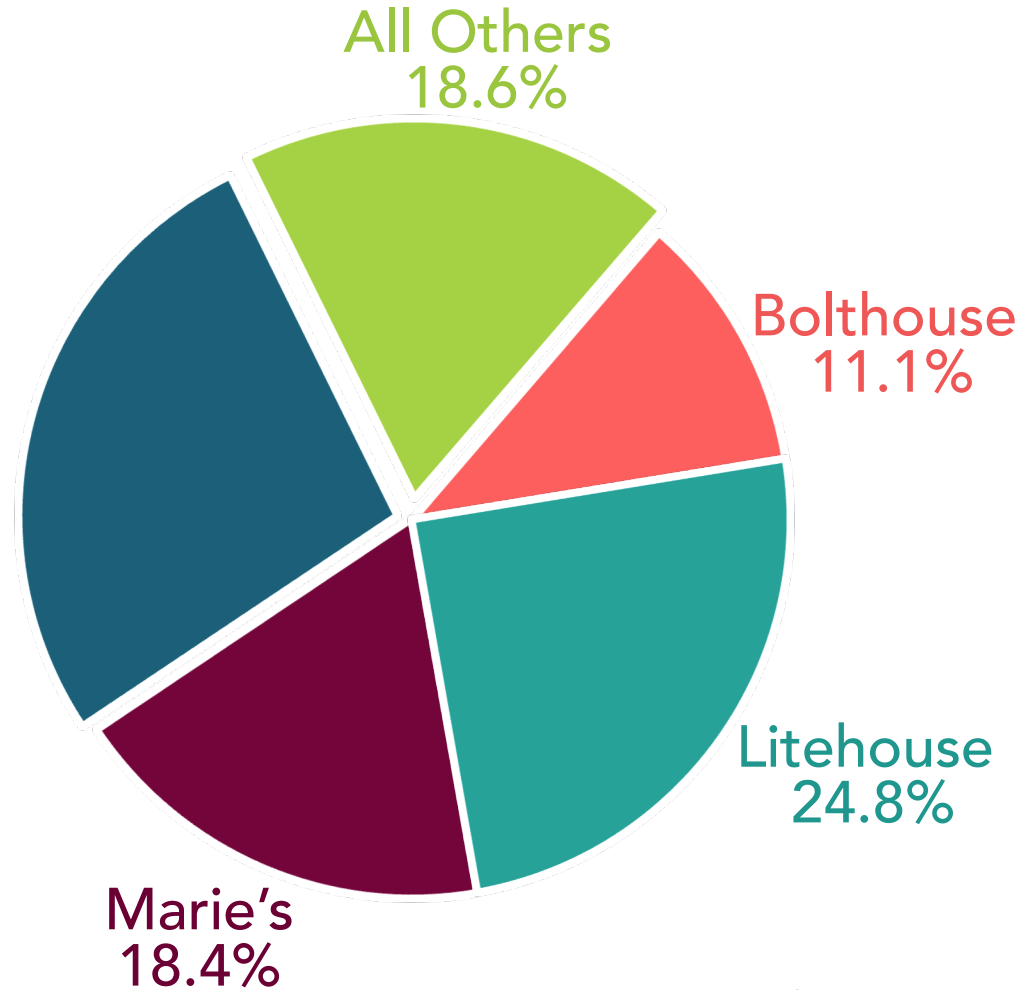
\$ Sales: 88.3MM

\$ Share: 9.5% (Prep/Finishing Sauce Subcategory)



\*Retailer sales and market share data for the 52 weeks ended 6/30/24. Source: Circana, Total U.S. Multi-Outlet  
 \*\* Includes Chick-fil-A® which accounted for \$40 million, or 7.3% dollar share of the refrigerated dressings category  
 ^ Products for these brands are produced and sold under exclusive licensing agreements.

**Marzetti  
& Chick-fil-A®\***  
**27.1%**



Total Category Sales: \$546.7 MM

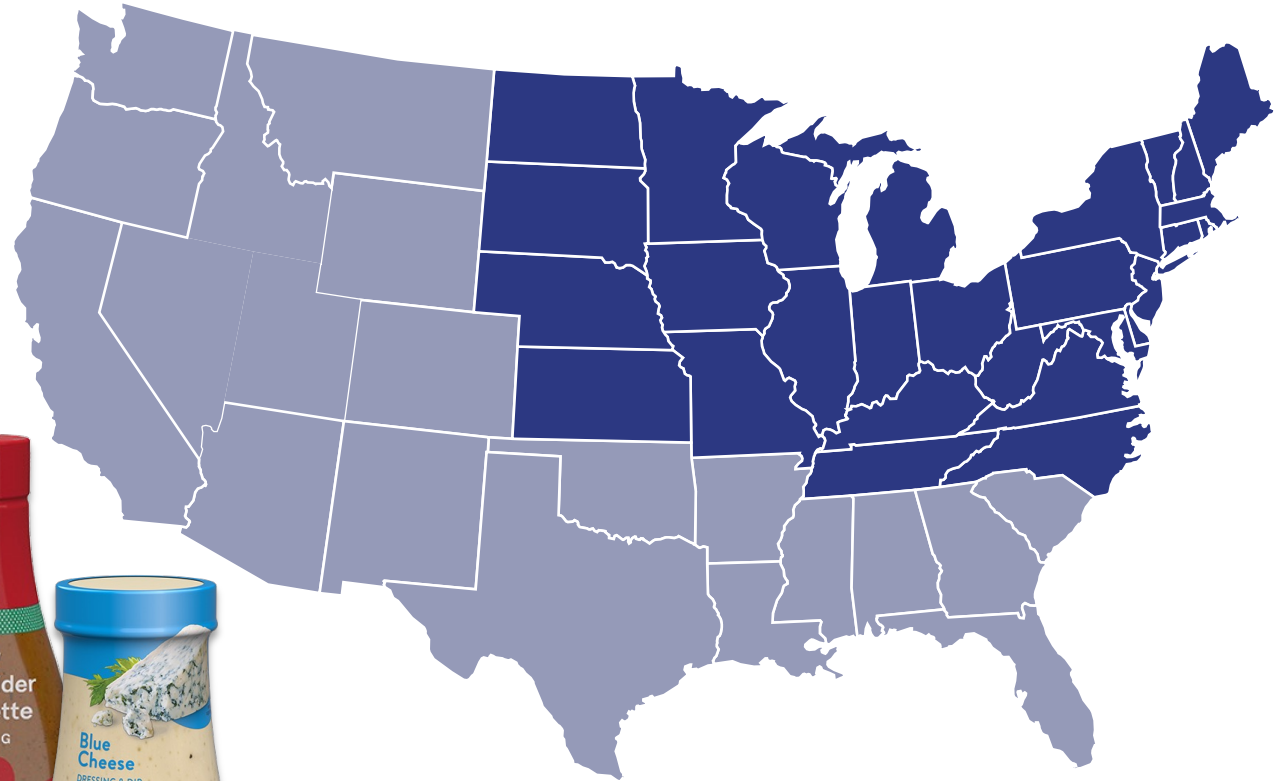
52 weeks ending 6/30/24, Source: Circana, Total U.S. Multi-Outlet

\*Chick-fil-A® sales accounted for \$40 million, or a 7.4% dollar share of the refrigerated dressings category

# Marzetti Refrigerated Dressing Distribution

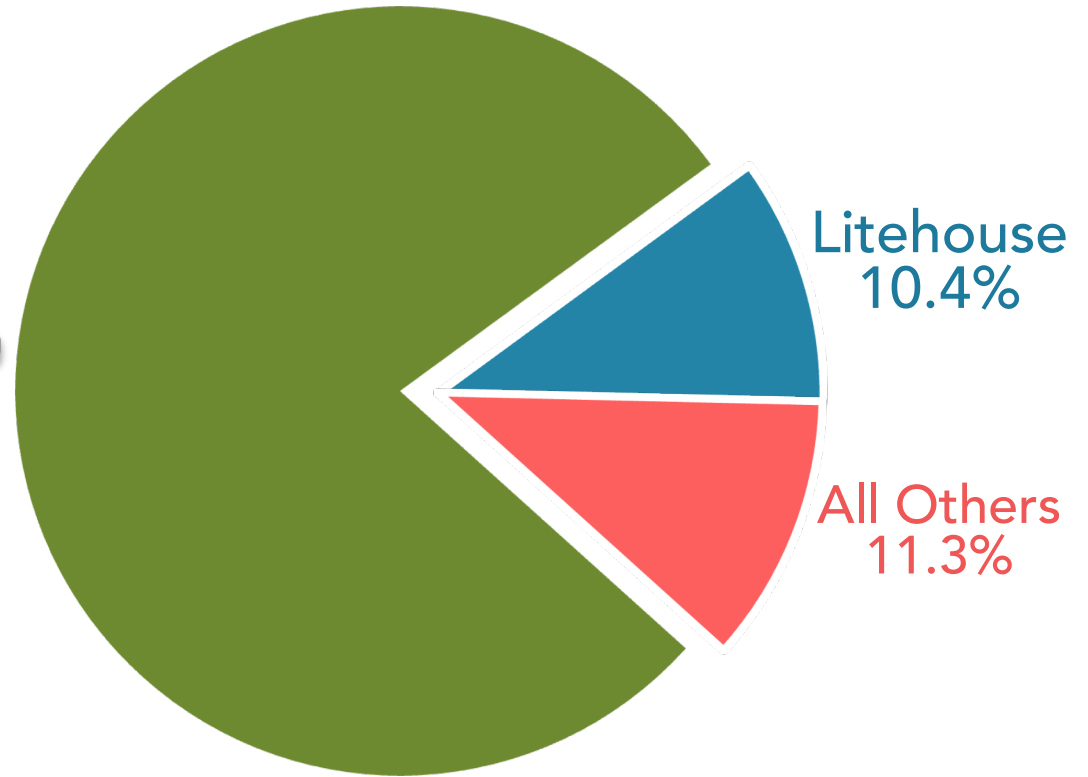
## ACV Distribution

- 41 - 70%
- 71 - 90%



Total U.S. Multi-Outlet  
74.3% ACV Weighted Distribution

**Marzetti**  
**78.3%**



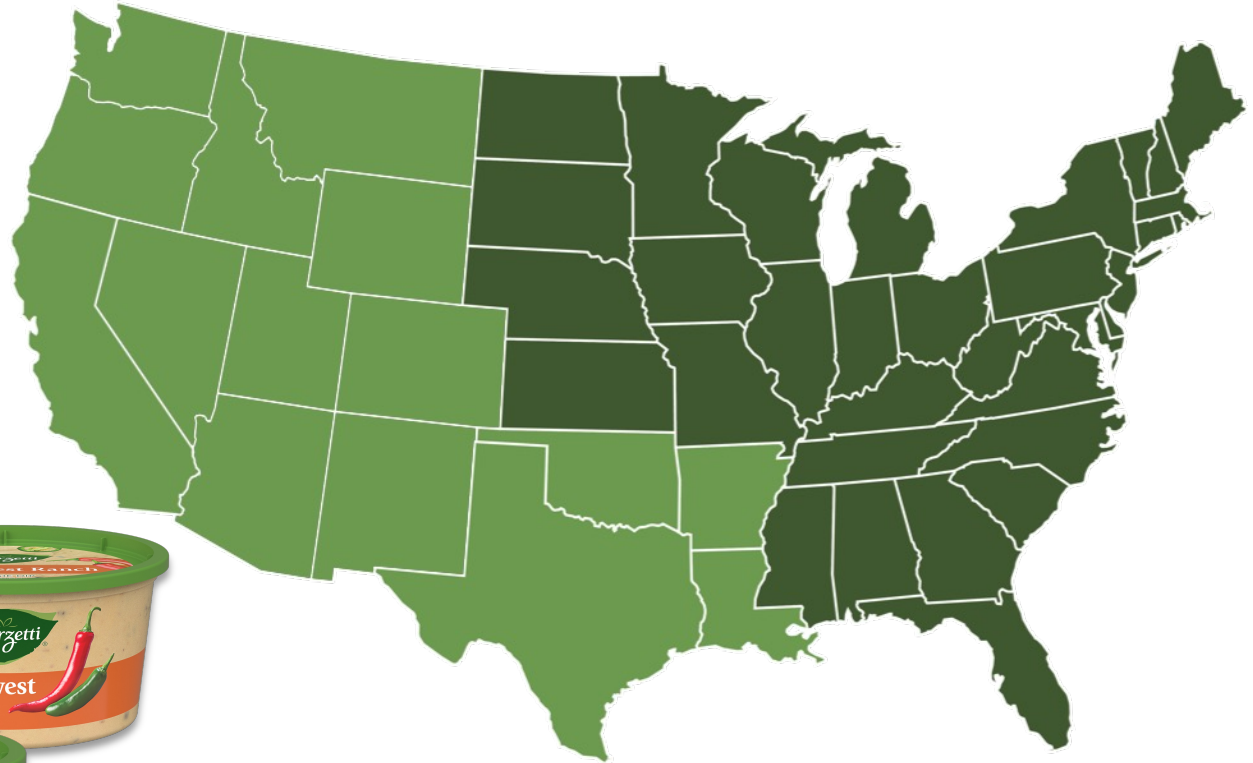
Total Category Sales: \$176.2MM

# Marzetti Dip Distribution

B5

## ACV Distribution

- 21 - 80%
- 81 - 100%



**Total U.S. Multi-Outlet  
73.9% ACV Weighted Distribution**

**New York Bakery**  
**41.6%**



**Pepperidge Farm**  
**8.0%**

**All Others**  
**11.0%**

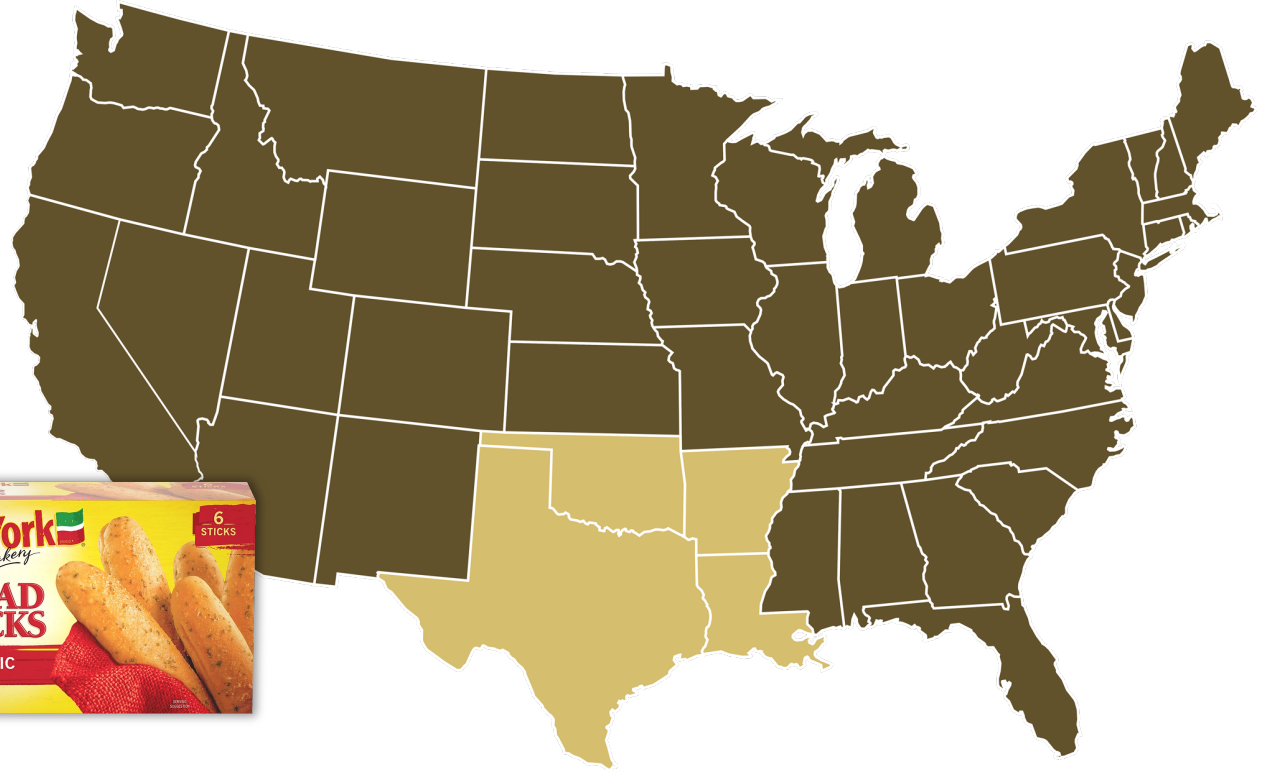
**Private Label**  
**39.4%**

Total Category Sales: \$833.6 MM

# New York Bakery Frozen Garlic Bread Distribution

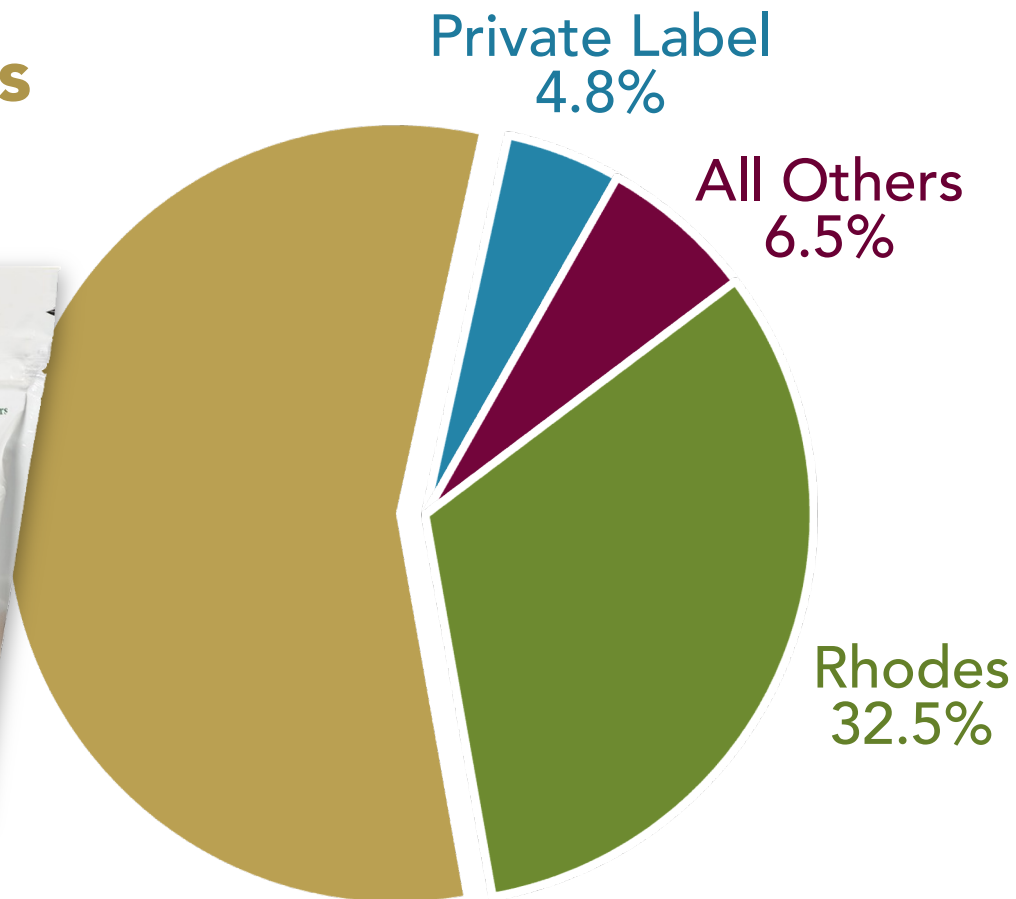
## ACV Distribution

- 70 - 89
- 90 - 100%



Total U.S. Multi-Outlet  
90.8% ACV Weighted Distribution

## Sister Schubert's 56.2%

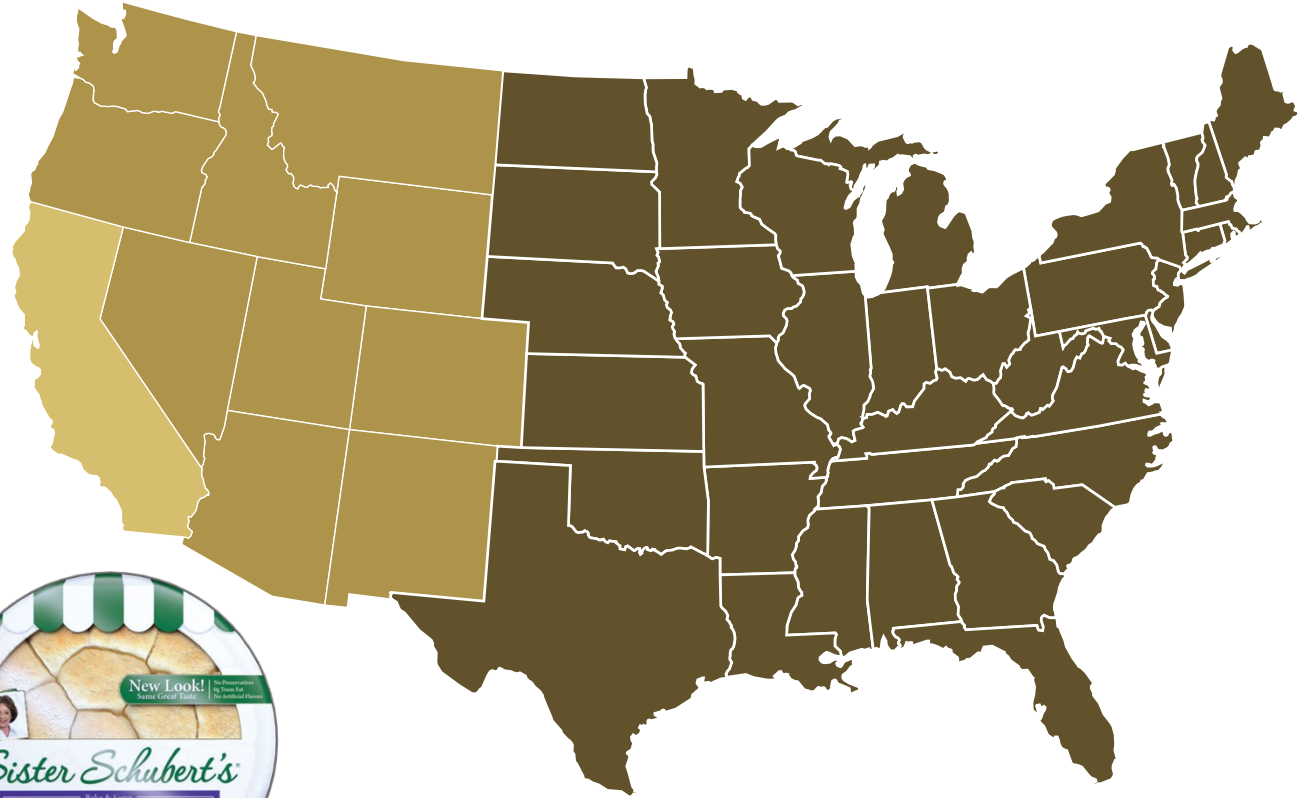


Total Category Sales: \$279.3 MM

# Sister Schubert's Distribution

## ACV Distribution

- 21 - 40%
- 41 - 70%
- 71 - 100%

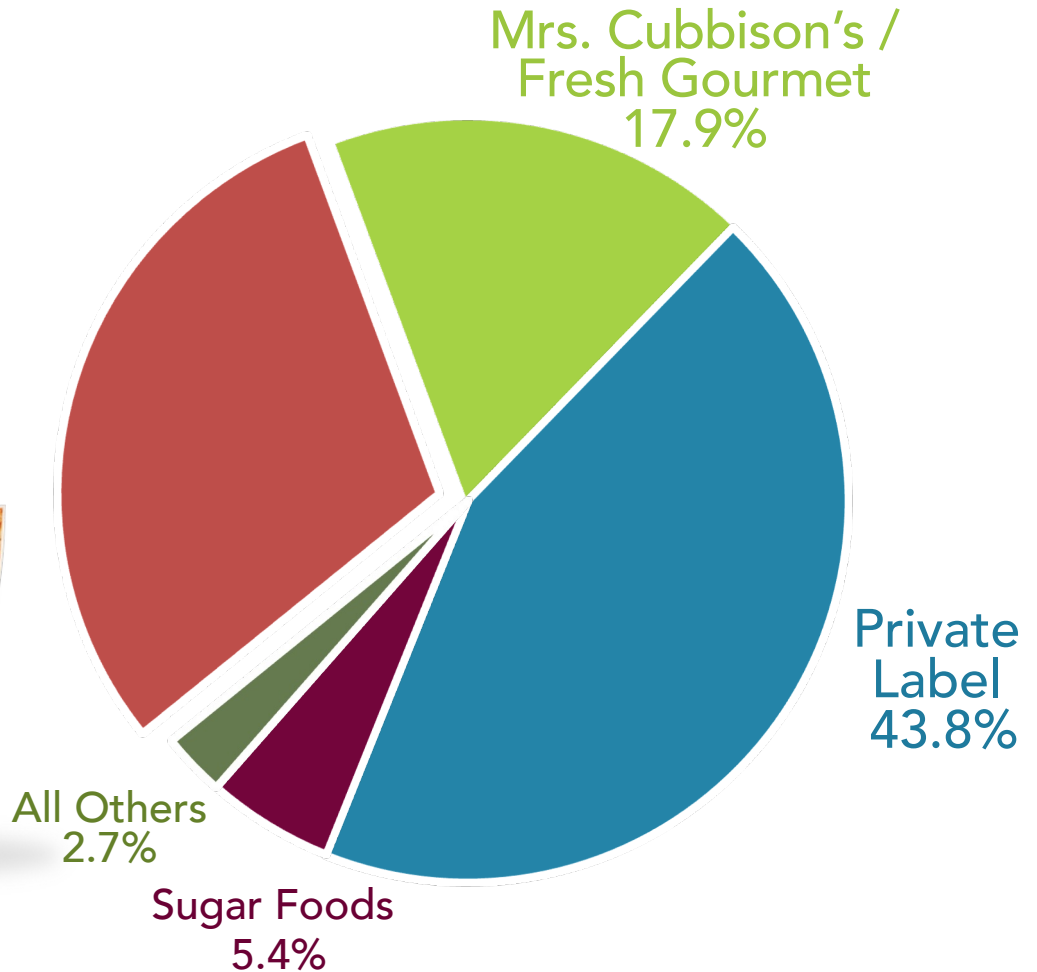


**Total U.S. Multi-Outlet  
81.3% ACV Weighted Distribution**

# Crouton Market Share

B10

**Marzetti, Cardini's,  
New York Bakery,  
Chatham Village  
30.2%**



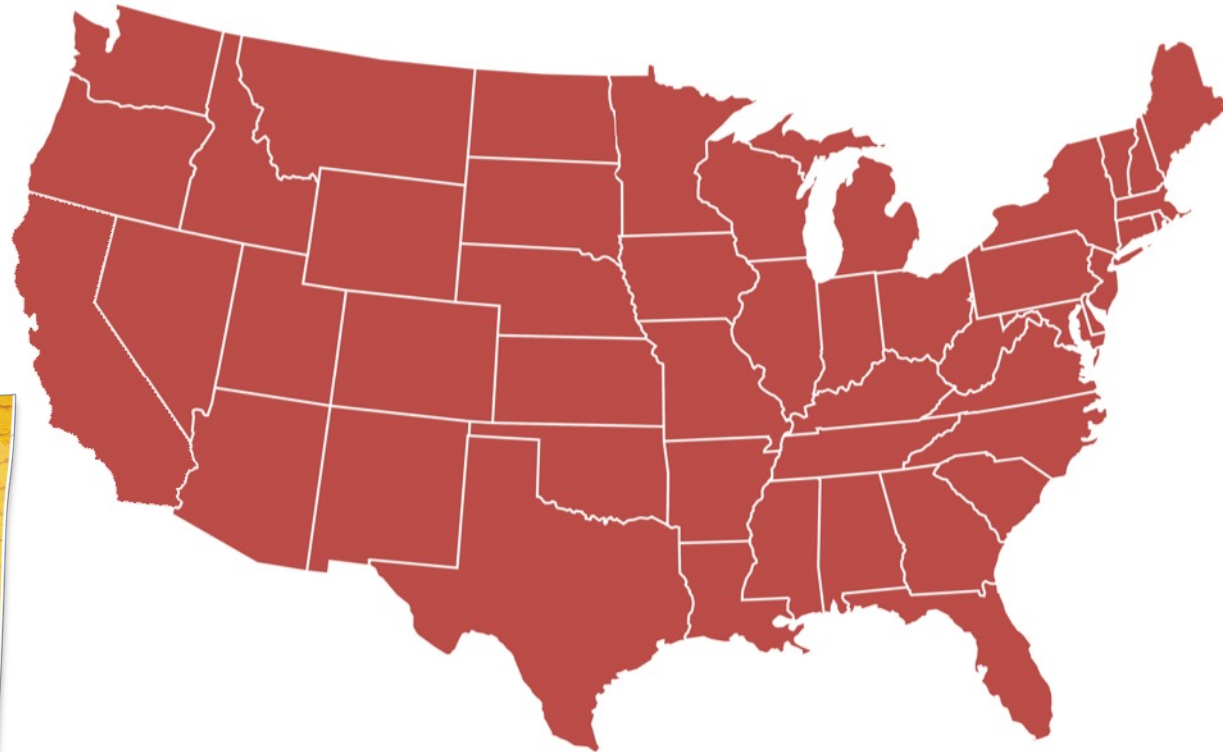
Total Category Sales: \$307.8 MM

# New York Bakery Crouton Distribution

B11

## ACV Distribution

● 69 - 100%



Total U.S. Multi-Outlet  
81.2% ACV Weighted Distribution

# Lancaster Colony Is The Leader Amongst Our Peers In The Retail Channel

B12

For Both Dollar Sales Growth and Unit Sales Growth Per Circana \*

<b>Compound Annual Growth Rates - Calendar Year 2020 to 2023</b>		
Company	Dollar Sales 3-Yr CAGR	Sales Volume (lbs) 3-Yr CAGR
<b>LANCASTER COLONY</b>	11.1%	4.1%
Peer A	5.8%	-4.4%
Peer B	3.5%	-0.4%
Peer C	3.0%	-6.0%
Peer D	2.5%	-8.3%
Peer E	0.8%	-5.7%
Peer F	-0.3%	-3.5%
Peer G	-4.0%	-10.3%

<b>Compound Annual Growth Rates - Calendar Year 2021 to 2023</b>		
Company	Dollar Sales 2-Yr CAGR	Sales Volume (lbs) 2-Yr CAGR
<b>LANCASTER COLONY</b>	8.1%	3.5%
Peer A	6.7%	-5.5%
Peer D	5.3%	-9.5%
Peer E	5.2%	-4.3%
Peer F	2.9%	-5.8%
Peer B	2.8%	-0.2%
Peer C	1.1%	-8.0%
Peer G	-0.5%	-9.9%

\*Source: Circana, Total U.S. – All Outlets for the calendar year periods noted. Dollar sales and unit sales used for this analysis are as provided by Circana for the noted companies' branded items (excludes private label items) with no adjustments for the impact of acquisitions or divestitures.

Note - Peer companies used for this evaluation, with an enterprise value ranging from about \$2.5 Billion to \$25 Billion as of February 2024, were (in alphabetical order of company name): B&G Foods, Inc.; Campbell Soup Company; J&J Snack Foods Corp.; McCormick & Company, Inc.; Post Holdings, Inc.; The Hain Celestial Group, Inc.; and The JM Smucker Company.

# Lancaster Colony

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[www.lancastercolony.com](http://www.lancastercolony.com)