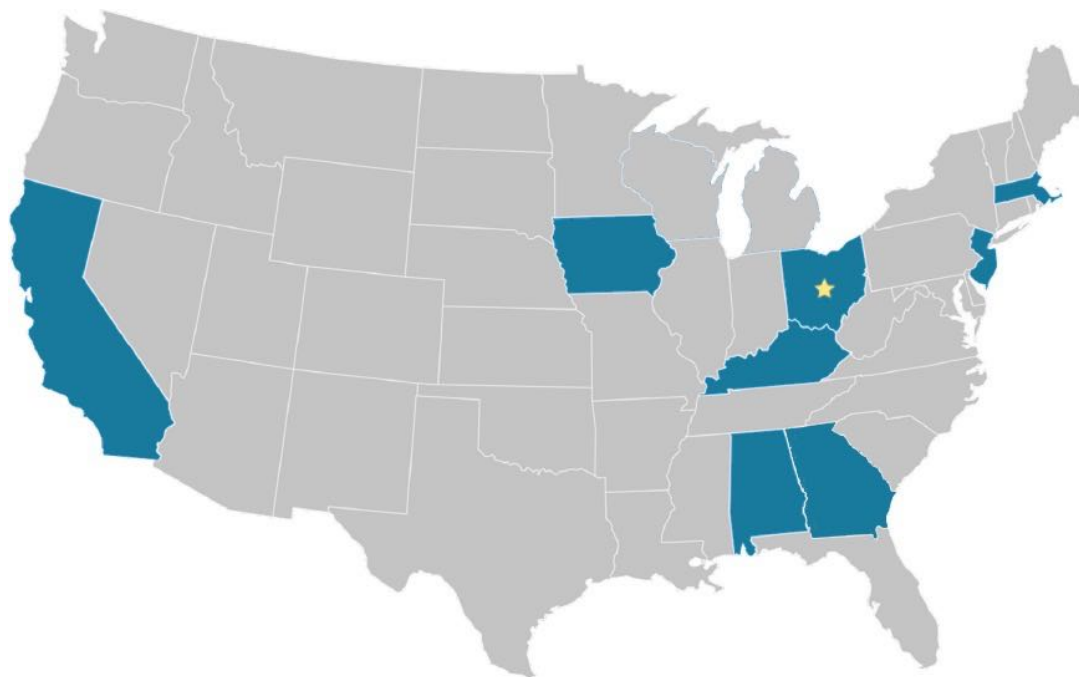


# Lancaster Colony



Stephens Investment Conference  
November 2024

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- **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.)**
- **14 Production Facilities in Seven States\***
- **Approximately 3,800 Employees**

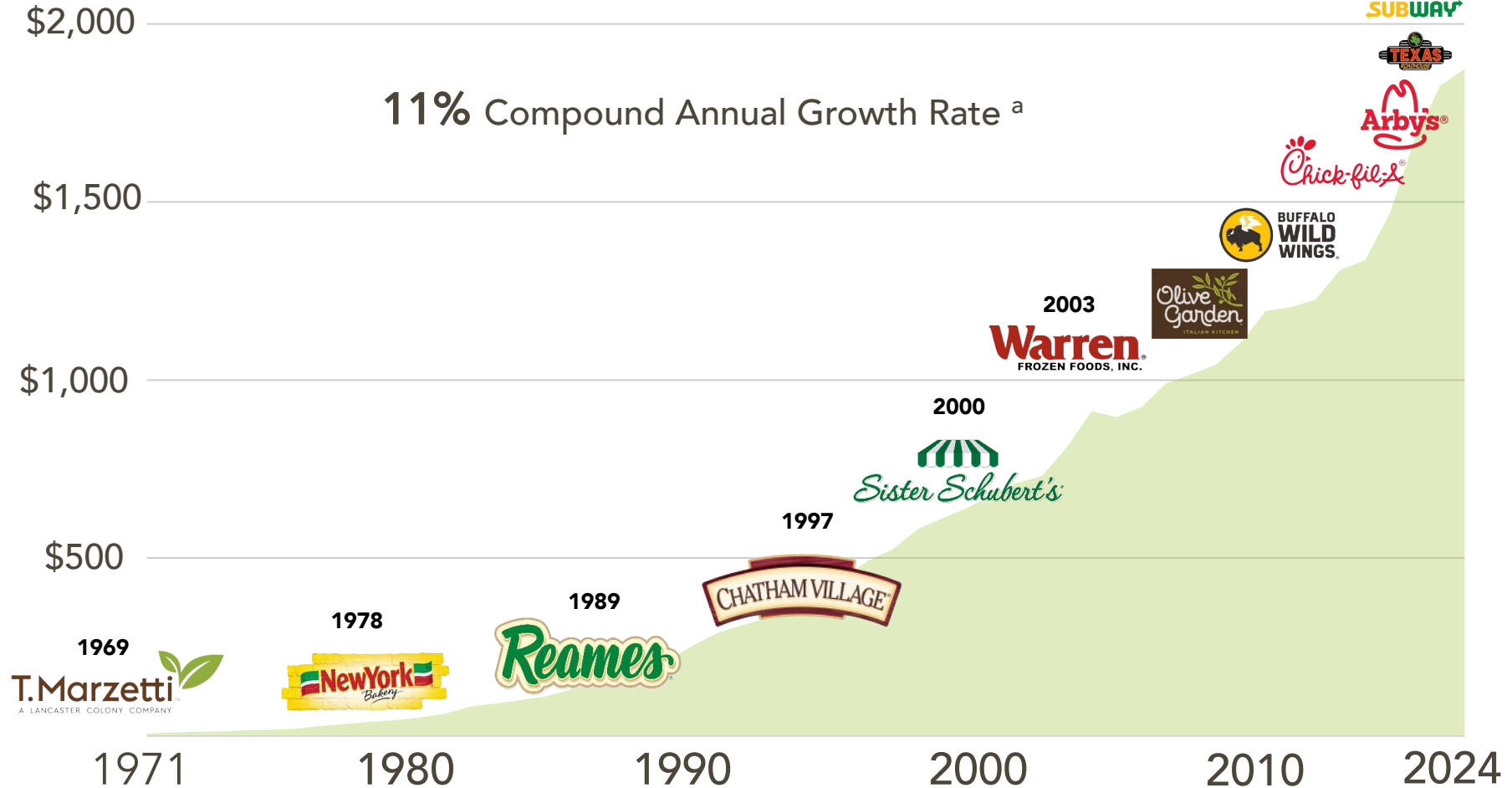
*\* Additional production facility pending acquisition (see page 16).*



- 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 12 U.S. Companies to have Increased Regular Cash Dividend for 62 Consecutive Years

# Long History of Sustained Growth

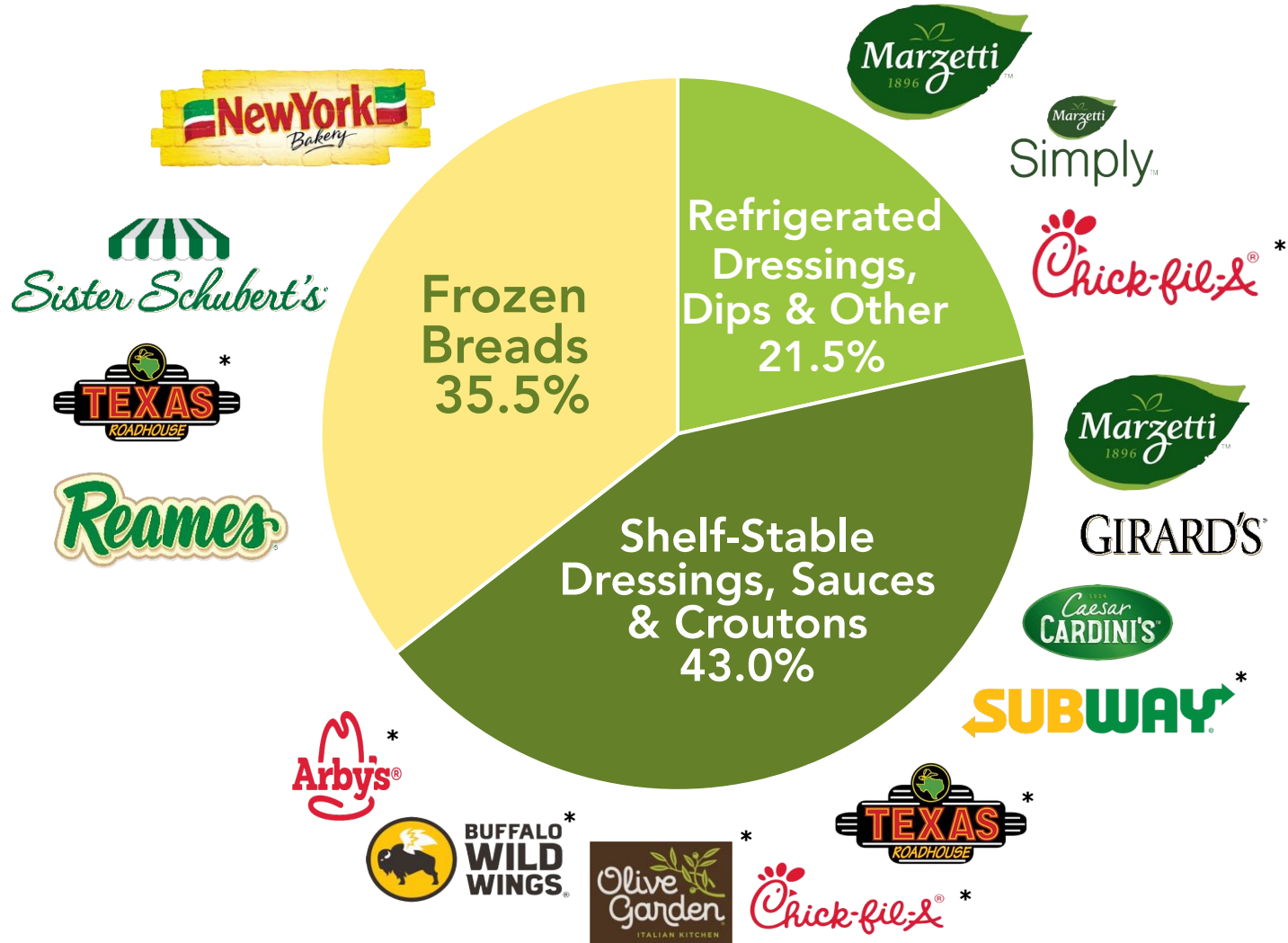
\$ in Millions



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.

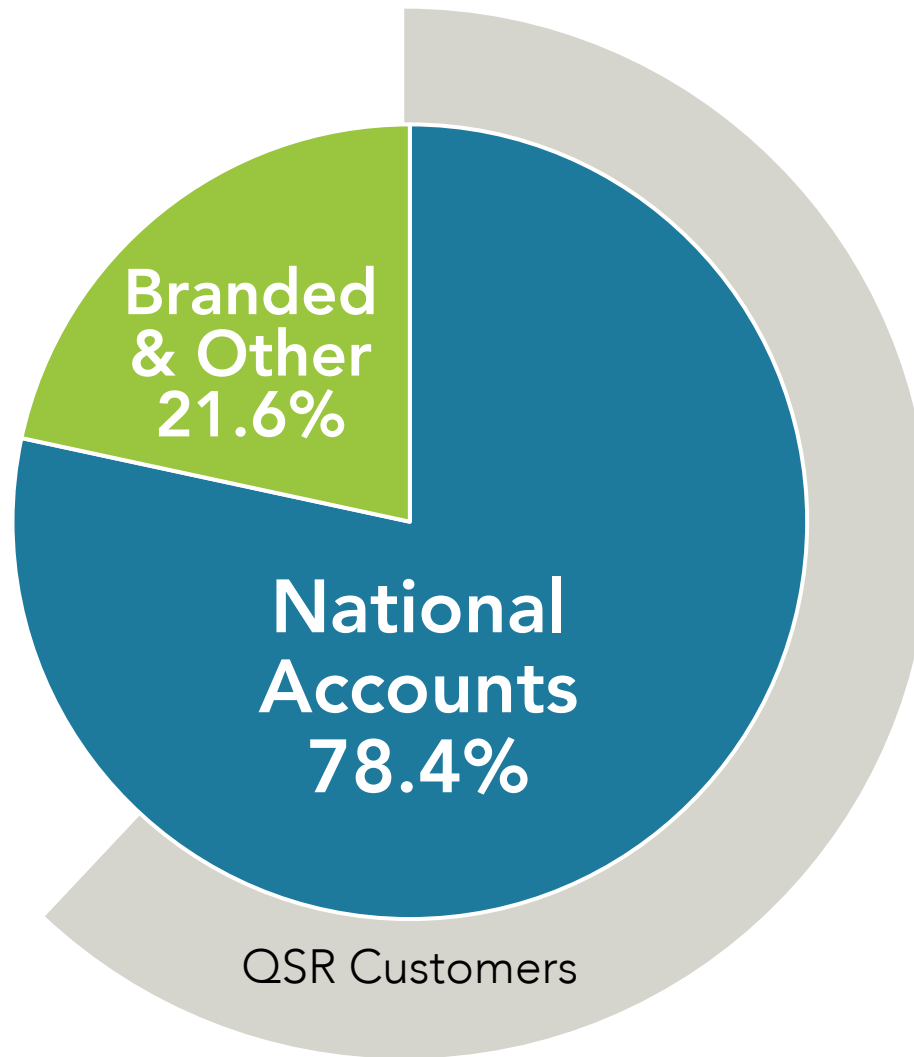
Sauces and/or dressings for Olive Garden, Buffalo Wild Wings, Chick-fil-A, Arby's, Texas Roadhouse and Subway, in addition to Texas Roadhouse dinner rolls, are produced and sold to the retail channel under exclusive licensing agreements with Lancaster Colony.

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



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.

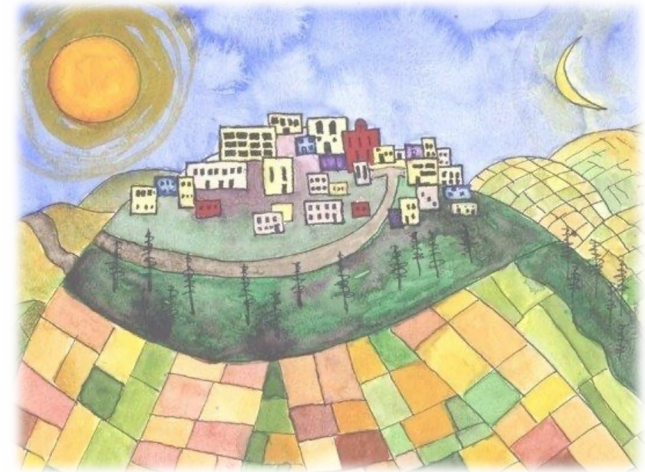


## 1. Defined Winning - Pursue Top Quartile Financial Performance

- 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

# Retail Segment Growth Initiatives

Initiative	Brand	Products	Initial Ship Date
Licensing			<p>Expanding Distribution Into Club Channel</p> <p>Adding Honey Mustard and Zesty Buffalo Flavors to Core Lineup</p> <p><b>Spring 2025</b></p>
			<p>Chick-fil-A Refrigerated Dressings</p> <p>Adding New Parmesan Caesar flavor</p> <p><b>Spring 2025</b></p>
			<p>Introducing BWW Dips</p> <p>Parmesan Garlic, Beer Cheese and Creamy Buffalo flavors</p> <p>National Launch</p> <p><b>Winter 2025</b></p>
		<p>Subway Signature Sauces</p> <p>National Launch</p> <p><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 Commenced National Launch <b>September 2024</b>
Innovation & Renovation	 *		New Flavor Expansion Balsamic <b>March 2024</b>  Creamy Garlic <b>February 2025</b>
			Gluten Free Texas Toast <b>Fall 2024</b>  Large size Honey Mustard and Hot Honey Vinaigrette <b>April 2024</b>  Creamy Stuffed Jalapeño, 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 brands totaled over \$485 Million for the 52-week period ended September 29, 2024, an increase of over 10%.
- 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 commenced national launch for Texas Roadhouse Dinner Rolls in September 2024 with phased expansion ahead.
- 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, in addition to Texas Roadhouse dinner rolls, 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 9/29/2024.*

## 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

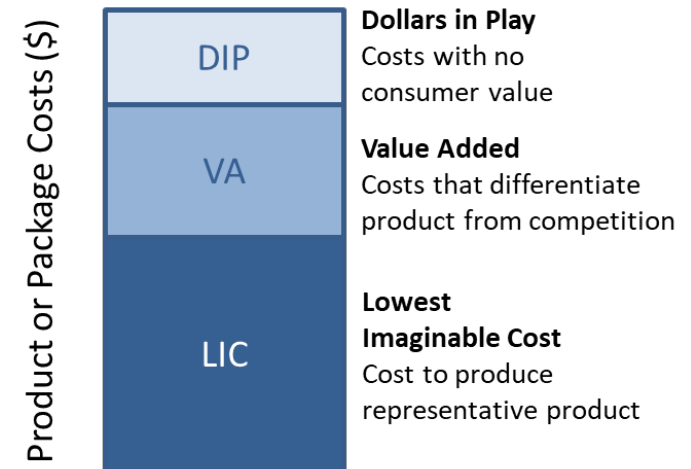
### Value Engineering (VE) to Help Offset Cost Inflation and Improve Profitability

*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



## 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.

## Investing to Drive Efficiency and Support Growth

*Pending Acquisition of Dressing and Sauce Production Facility – Atlanta, GA*

- Strategic Addition to Our Manufacturing Network to Benefit Core Dressing and Sauce Operations
- Supports Improved Operational Efficiency
- Adds Capacity - Approximately 250,000 Square Feet of Manufacturing Space
- Provides Closer Proximity to Certain Core Customers
- Transaction Expected to Close in First Quarter of Calendar Year 2025
- Purchase Price of Approximately \$75 Million
  - A Practical and Cost-Effective Solution to Support our Continued Growth



Lancaster Colony

## 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



**\$ in Millions**  
(Except Per Share Values)

## Fiscal 2025 Q1 Results vs. Prior Year

(Three Months Ended September 30, 2024)

	Value	\$ Change	% Change
<b>Consolidated Net Sales</b>	\$466.6	\$5.0	1.1%
<b>Gross Profit</b>	\$110.8	\$2.1	1.9%
<b>SG&amp;A</b>	\$55.0	\$3.0	5.8%
<b>Operating Income</b>	\$55.9	(\$0.9)	(1.6)%
<b>Earnings Per Share (Diluted)</b>	\$1.62	\$0.03	1.9%

## \$ in Millions

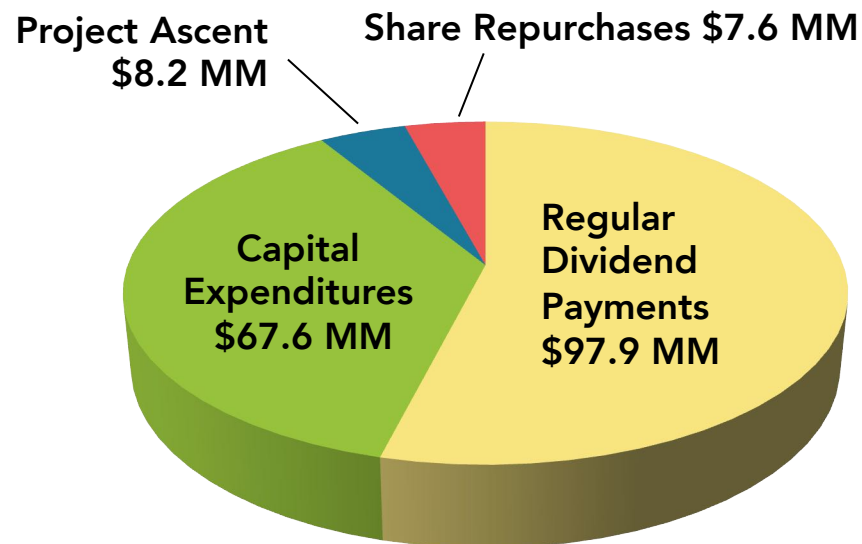
	June 30			Sep 30
	2022	2023	2024	2024
<b>Cash and Equivalents</b>	\$60	\$88	\$163	\$135
<b>Total Debt</b>	\$0	\$0	\$0	\$0

- 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
  - 62 consecutive years of regular cash dividend increases
- Opportunistic Share Repurchases

## Fiscal 2024 – Major Cash Uses



## **Appendix A**

# Supplemental Financial Information

## RESULTS OF CONSOLIDATED OPERATIONS

(Dollars in thousands, except per share data)	Three Months Ended September 30,		Change	
	2024	2023		
Net Sales	\$ 466,558	\$ 461,572	\$ 4,986	1.1 %
Cost of Sales	355,734	352,850	2,884	0.8 %
Gross Profit	110,824	108,722	2,102	1.9 %
Gross Margin	23.8 %	23.6 %		
Selling, General and Administrative Expenses	54,960	51,947	3,013	5.8 %
Operating Income	55,864	56,775	(911)	(1.6)%
Operating Margin	12.0 %	12.3 %		
Other, Net	2,019	857	1,162	135.6 %
Income Before Income Taxes	57,883	57,632	251	0.4 %
Taxes Based on Income	13,182	13,681	(499)	(3.6)%
Effective Tax Rate	22.8 %	23.7 %		
Net Income	\$ 44,701	\$ 43,951	\$ 750	1.7 %
Diluted Net Income Per Common Share	\$ 1.62	\$ 1.59	\$ 0.03	1.9 %

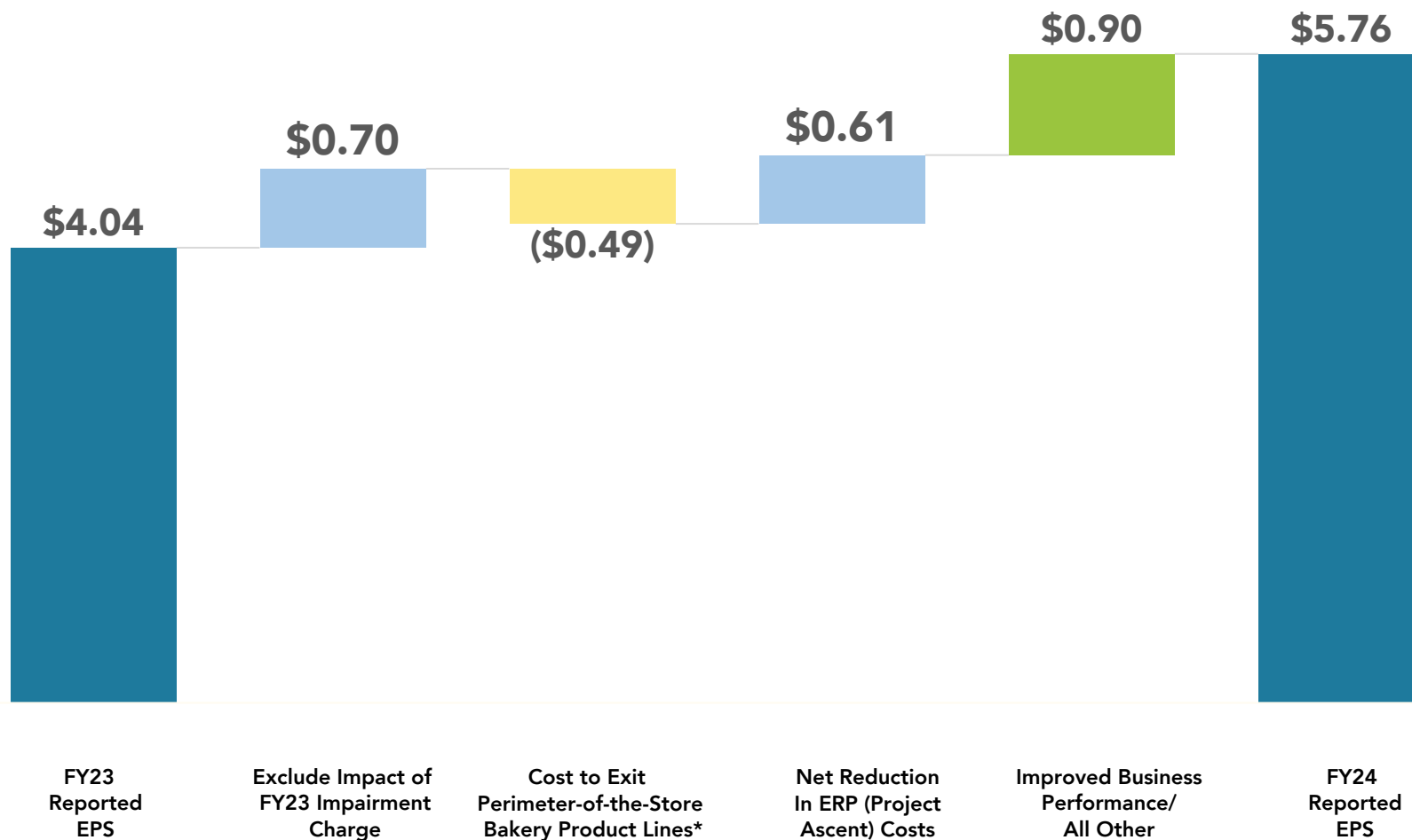
# Results of Consolidated Operations – Most Recent Fiscal Year Periods A2

## 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 %

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

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

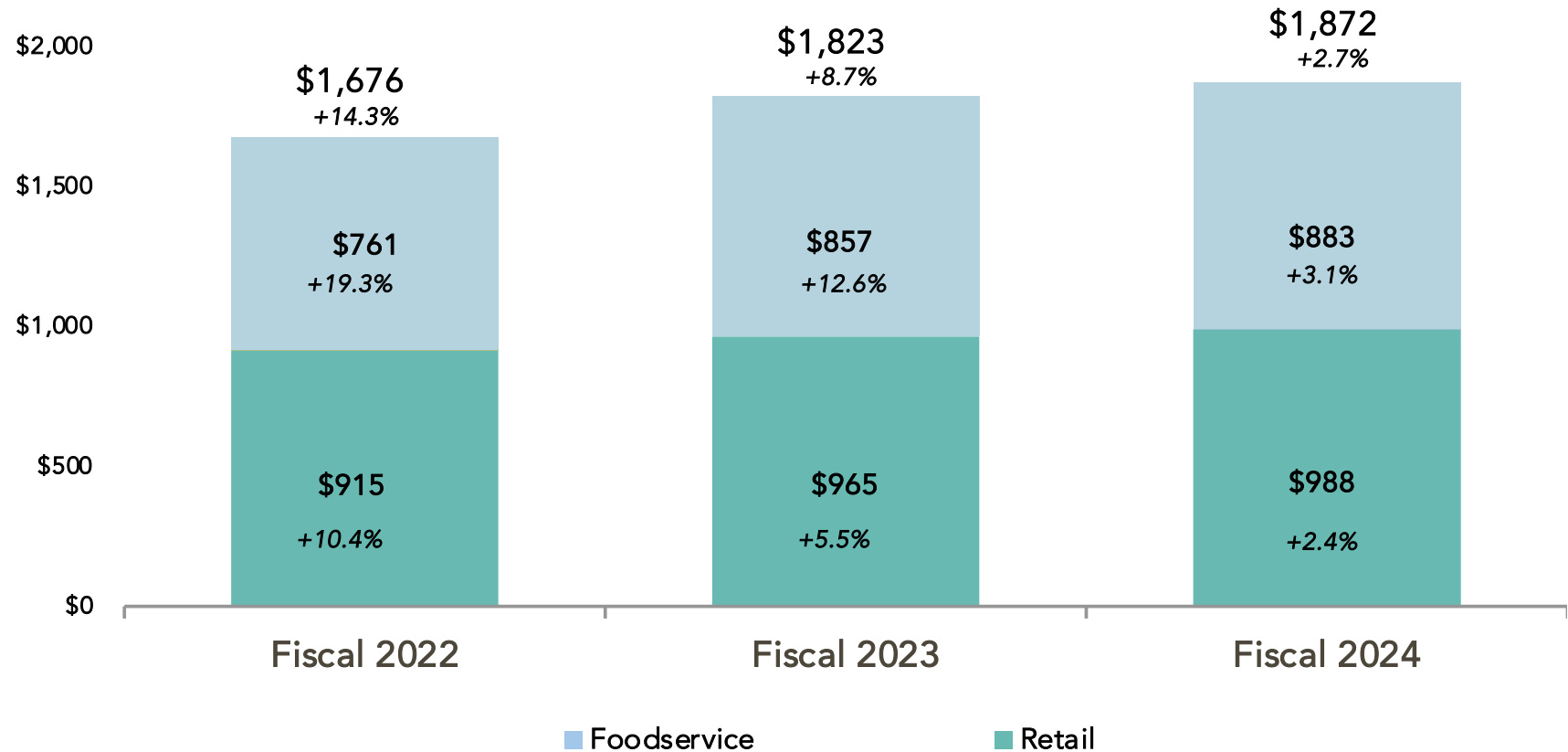


\* Includes Restructuring and Impairment Charges of \$0.42 Per Share (Diluted) and Inventory Write-Down Cost of \$0.07 Per Share (Diluted).

## 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

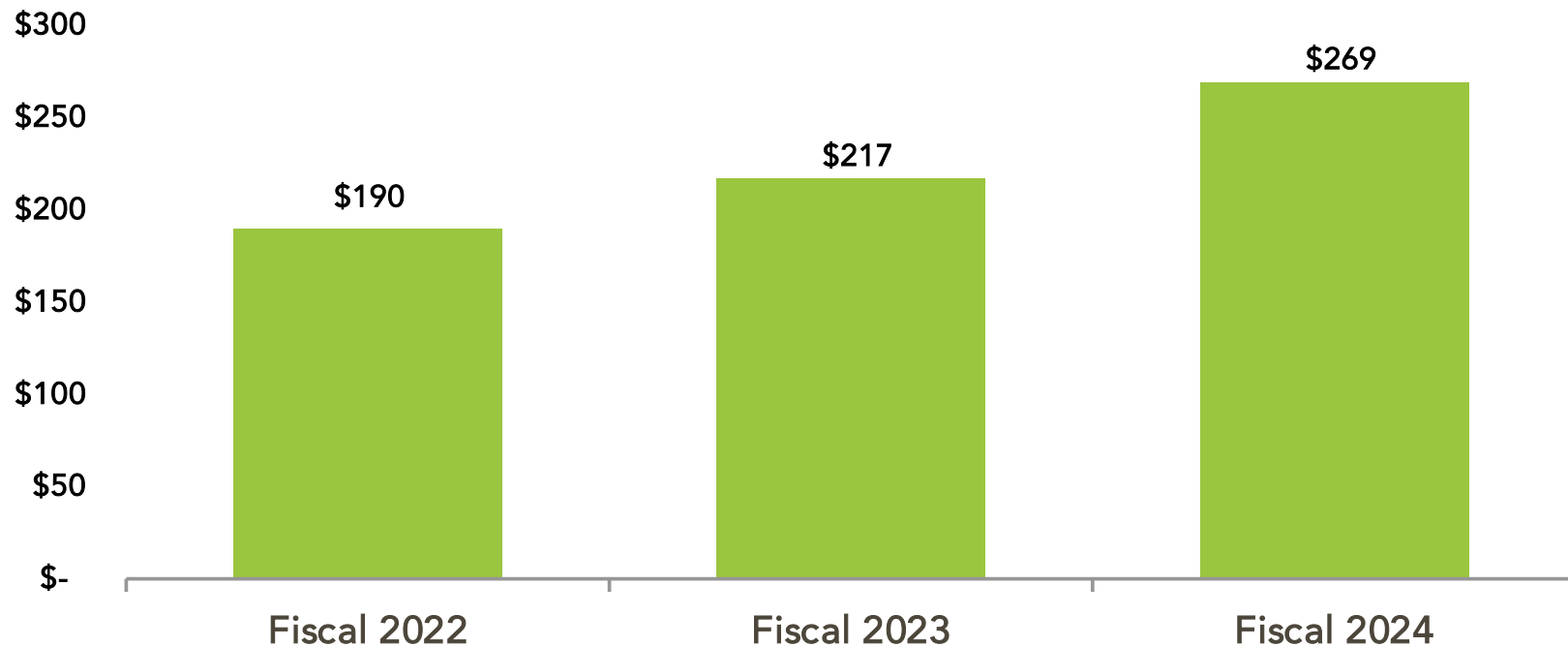
A5

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

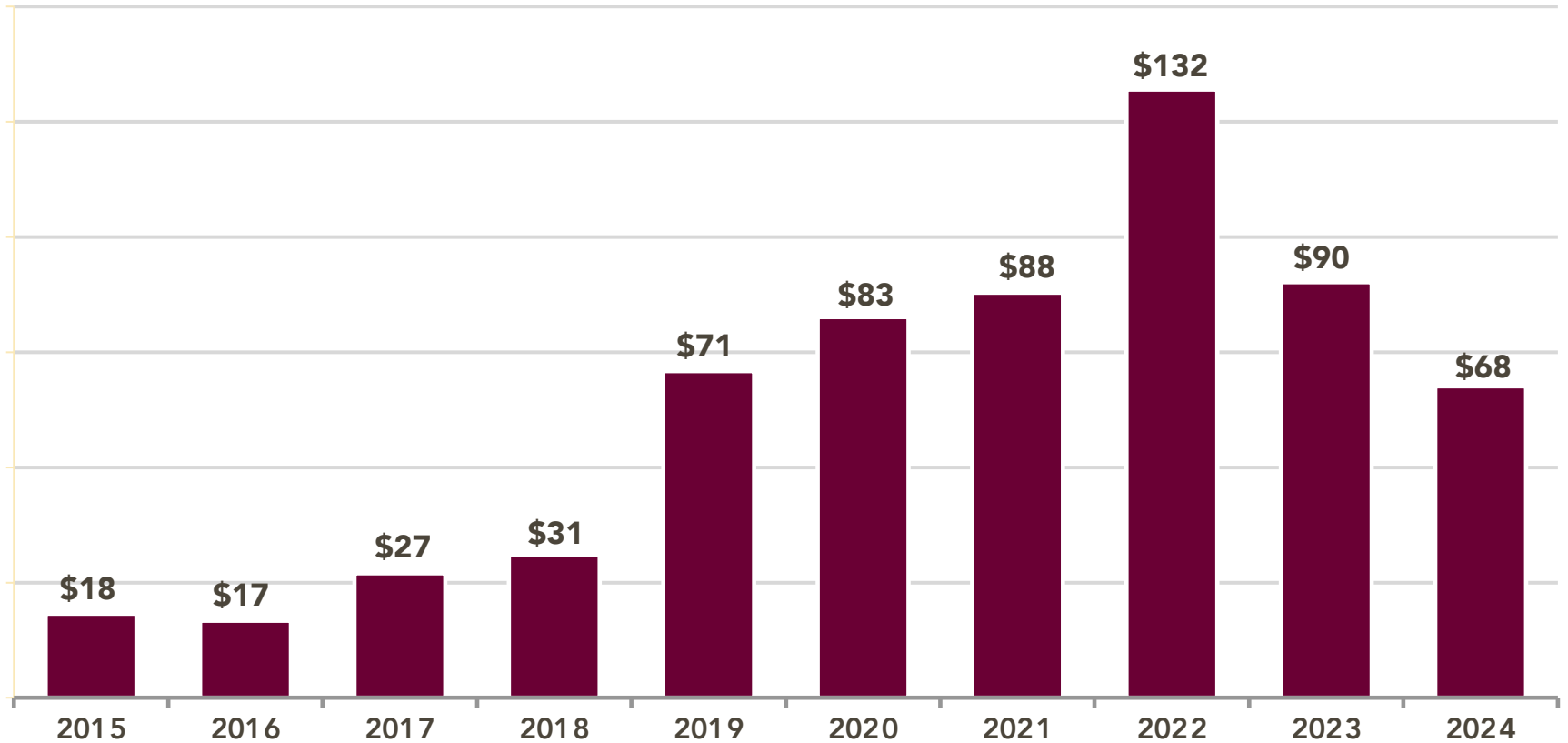
\* As presented above, the EBITDA value calculation reflects adjustments to exclude Change in Contingent Consideration (a non-cash item) and Restructuring and Impairment Charges.

\*\* Excludes interest income

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

# Capital Expenditure History

\$ in Millions

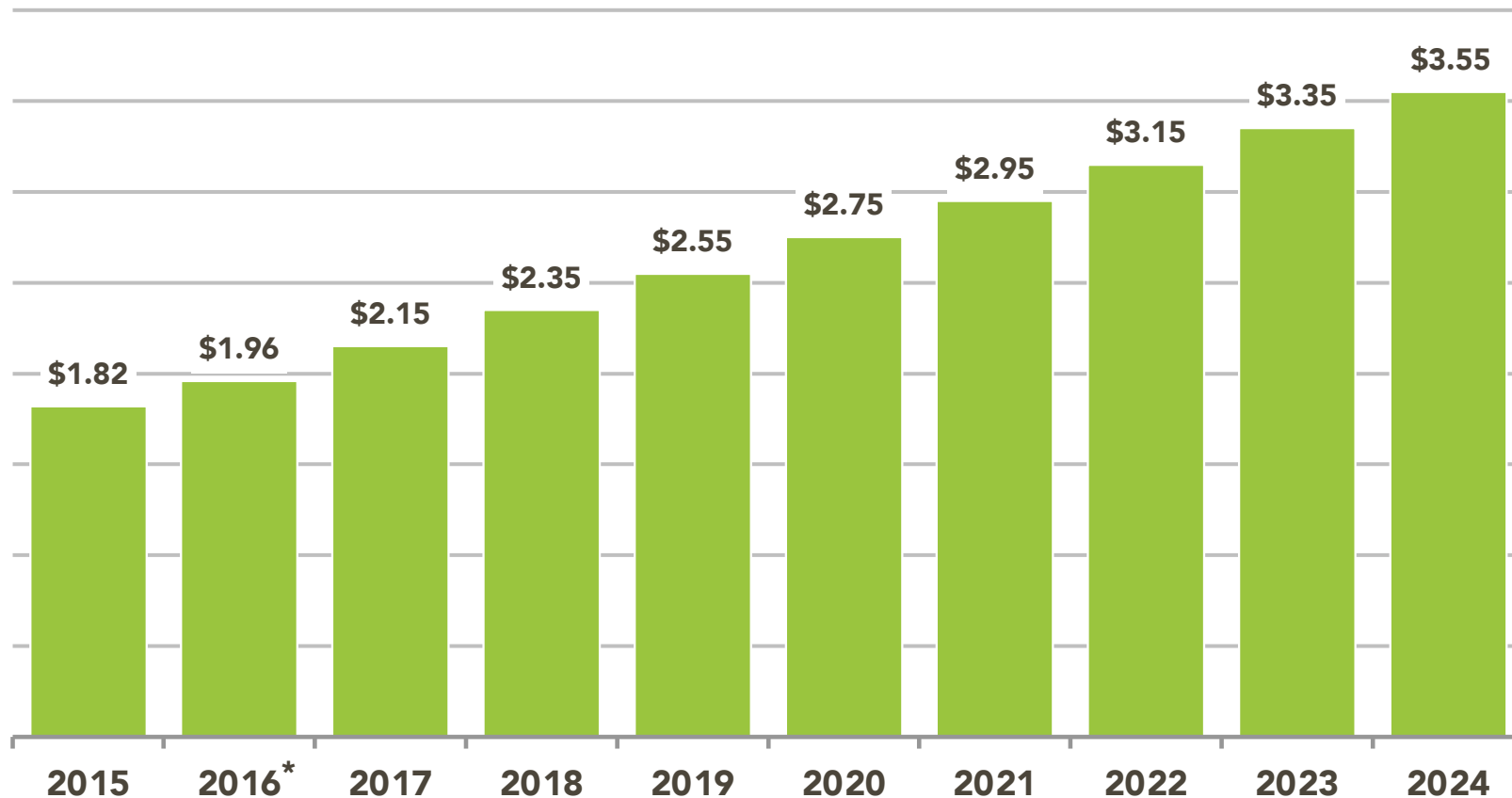


Fiscal years ended June 30.

# Regular Cash Dividends Per Share

A8

\$ Per Share



Regular cash dividends for the fiscal years ended June 30.

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

Lancaster Colony

## **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®

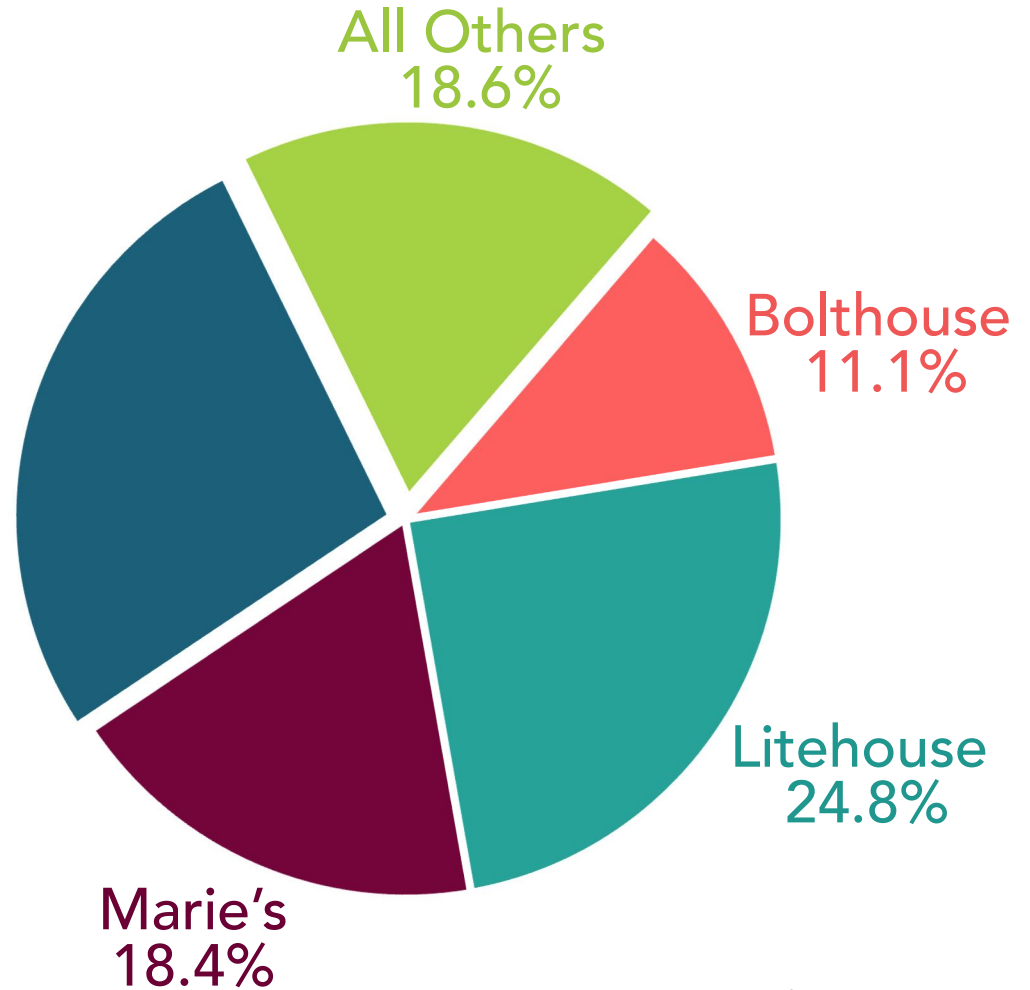
\$ Sales: 88.3MM

\$ 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%**

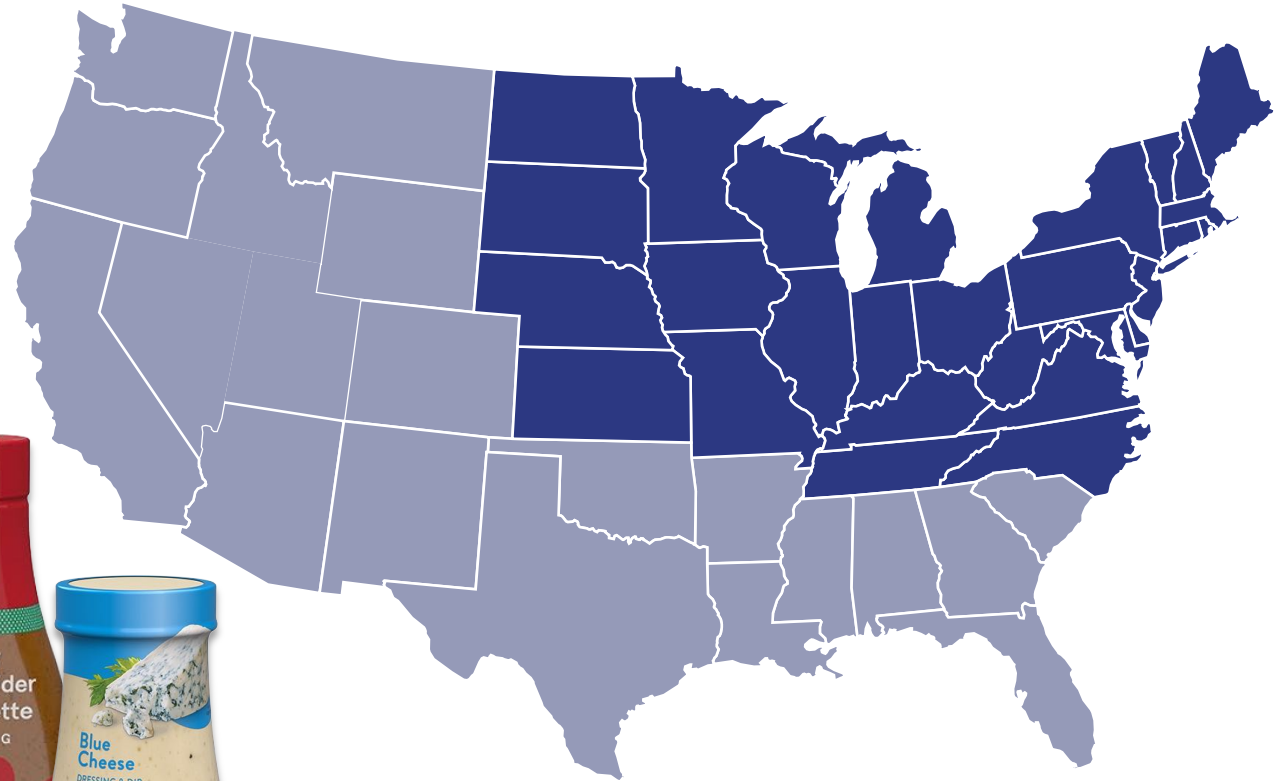


Total Category Sales: \$546.7 MM

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

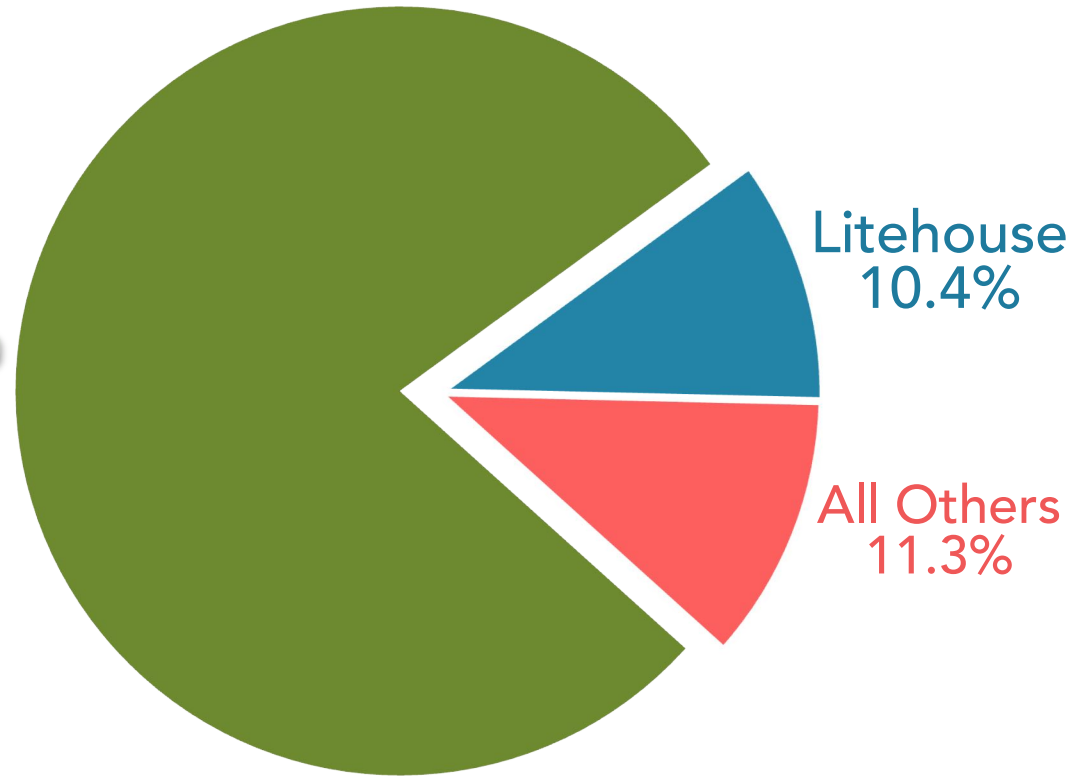
# Marzetti Refrigerated Dressing Distribution

## ACV Distribution



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

**Marzetti**  
**78.3%**



Total Category Sales: \$176.2MM

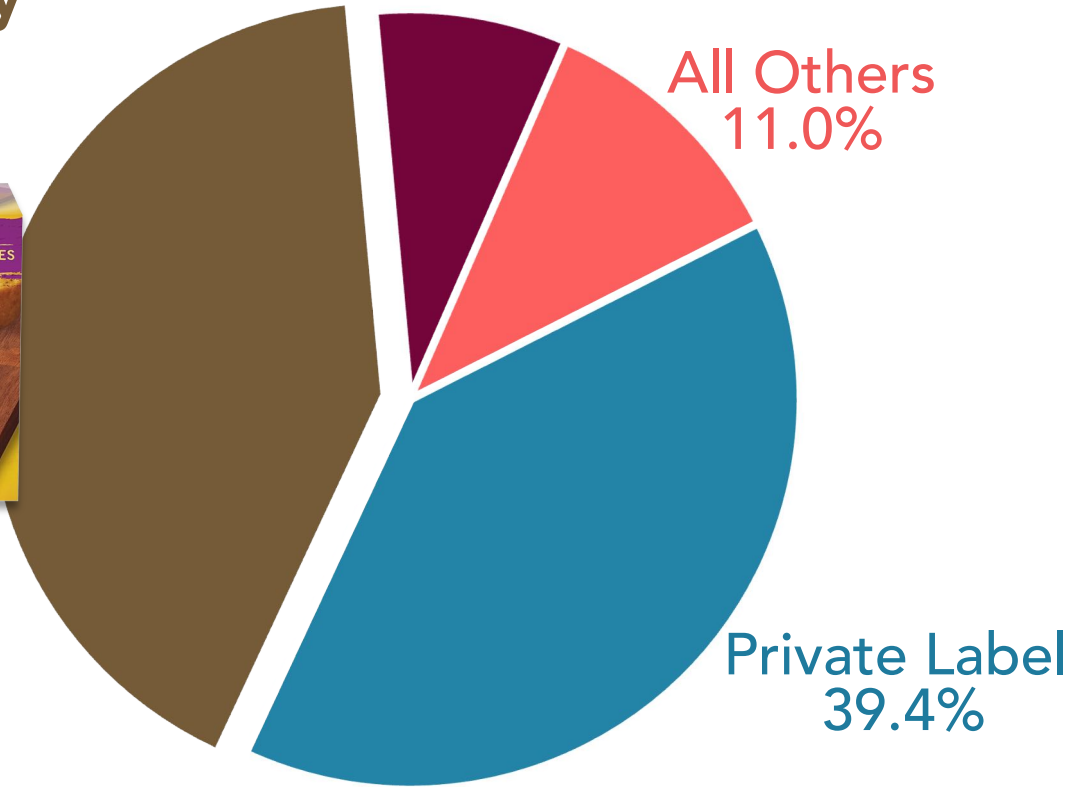


**New York Bakery**  
**41.6%**



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

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

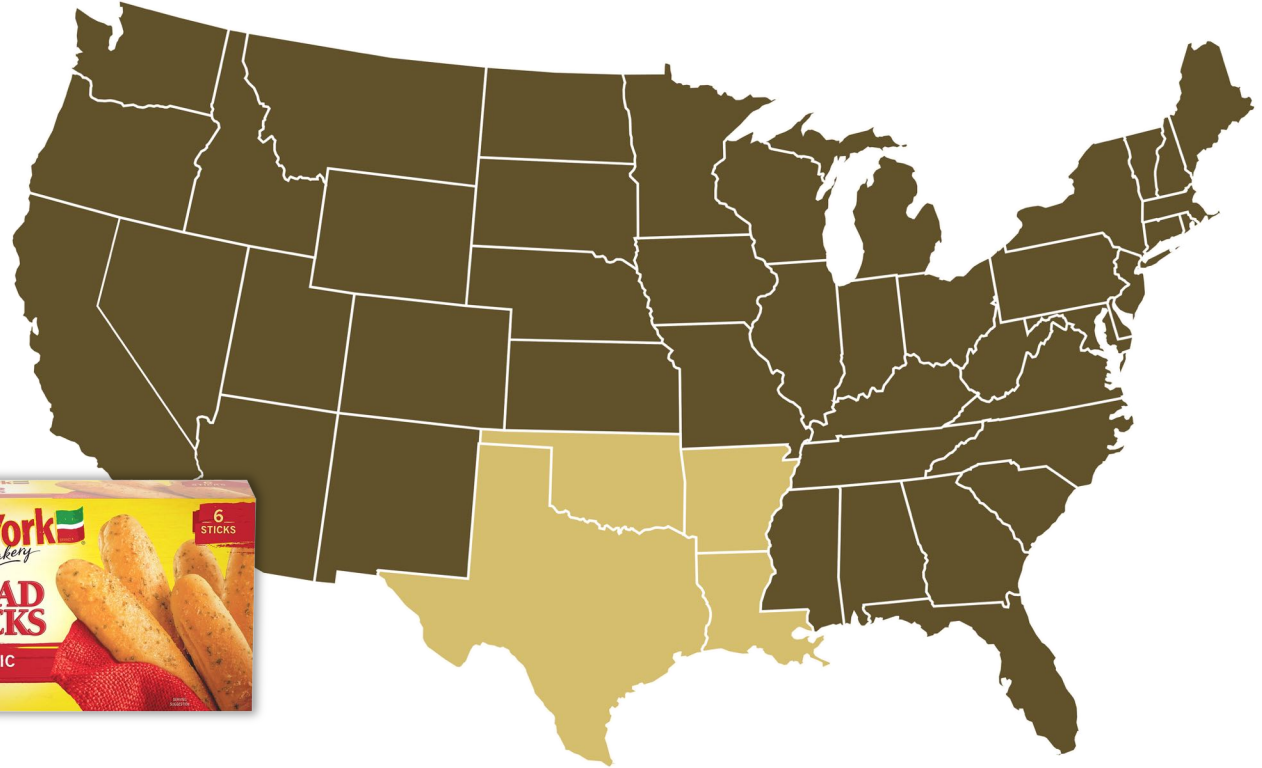
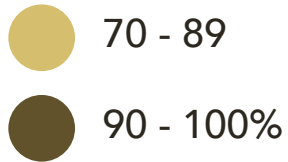


Total Category Sales: \$833.6 MM

# New York Bakery Frozen Garlic Bread Distribution

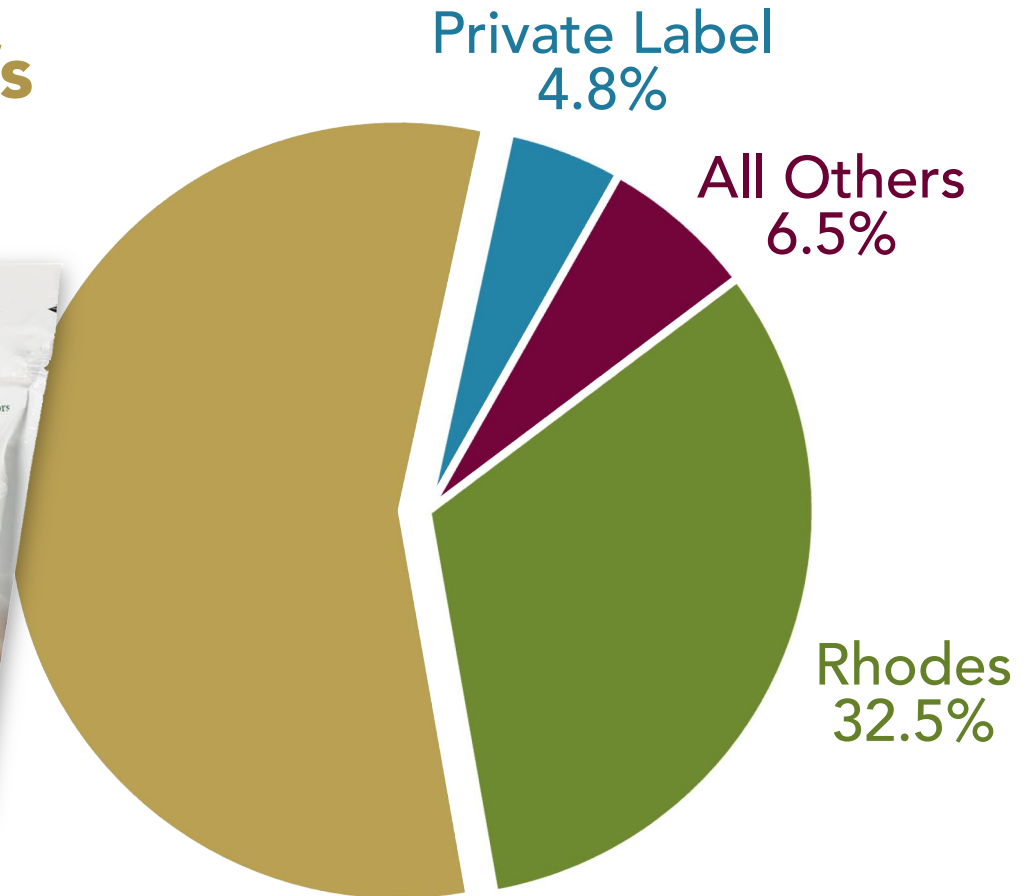
B7

## ACV Distribution



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

## Sister Schubert's 56.2%

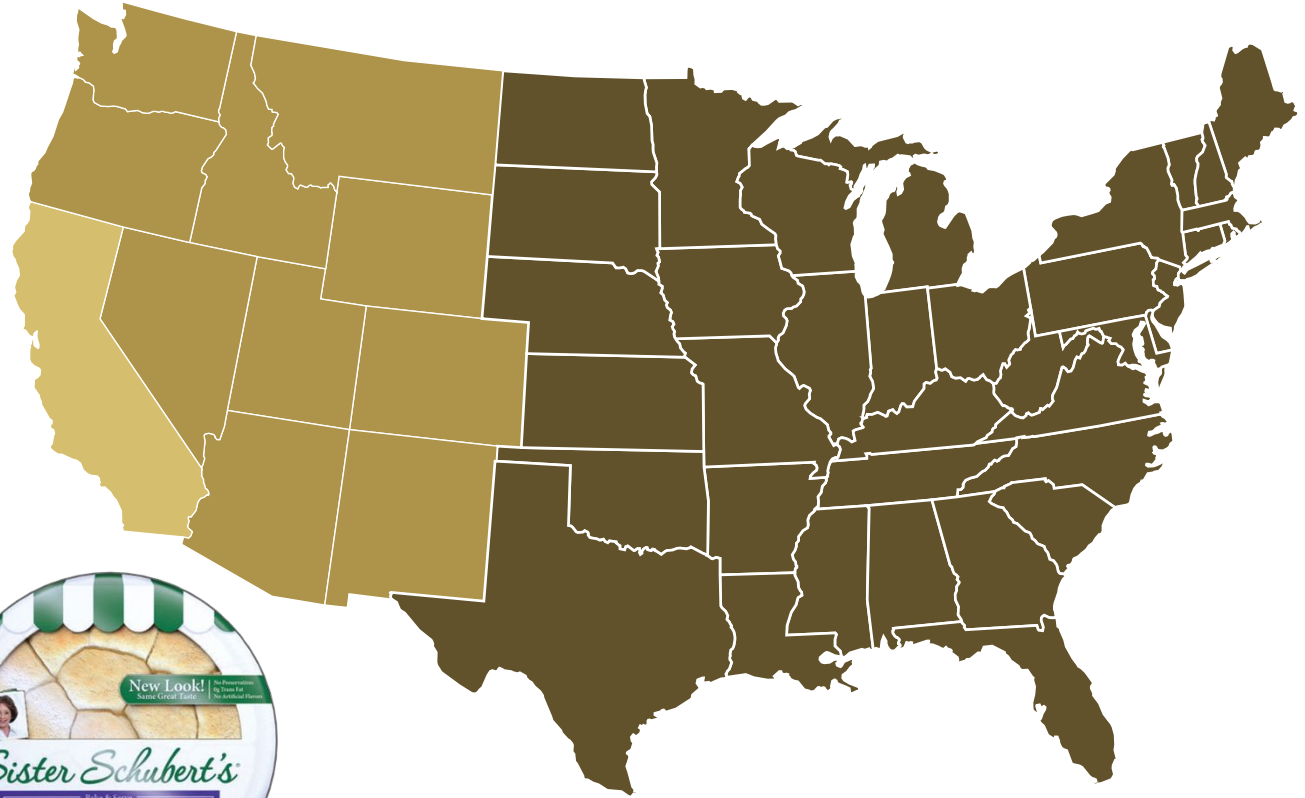


Total Category Sales: \$279.3 MM

# Sister Schubert's Distribution

## ACV Distribution

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

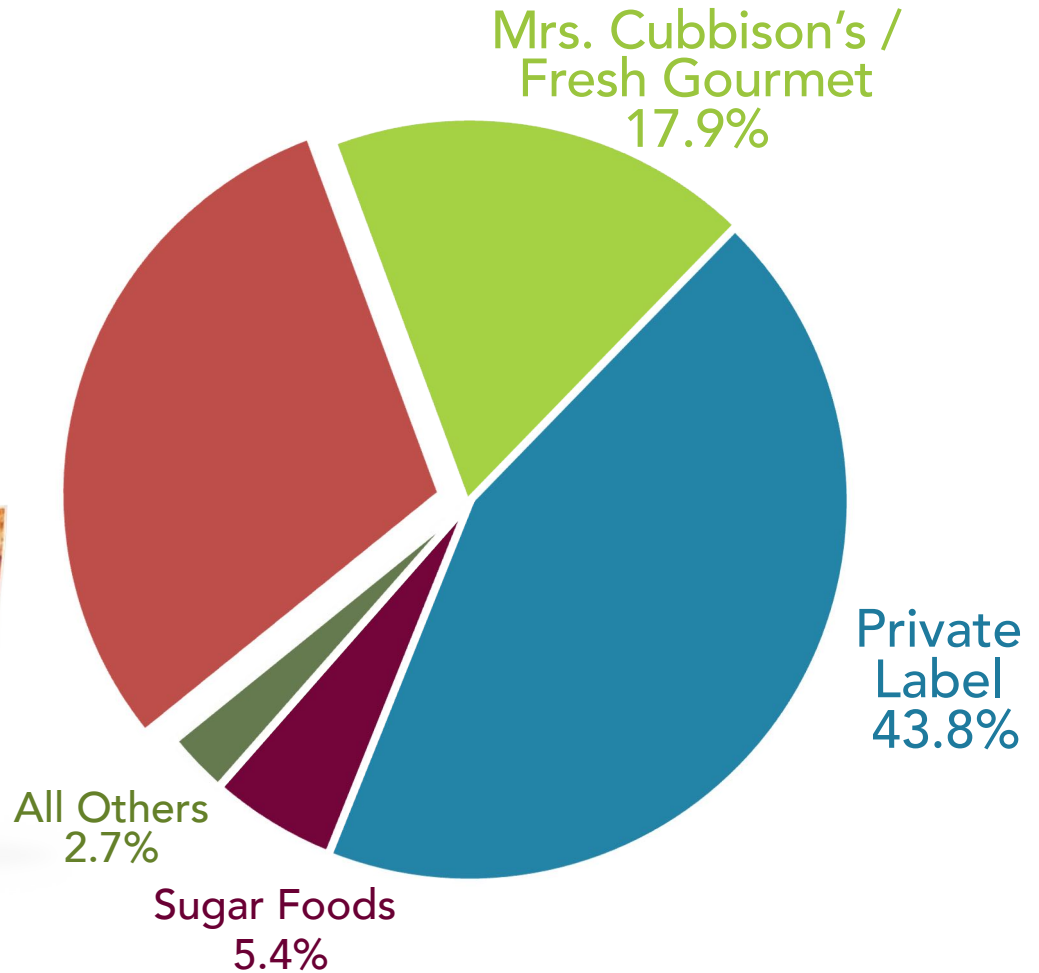


**Total U.S. Multi-Outlet  
81.3% ACV Weighted Distribution**

# Crouton Market Share

B10

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

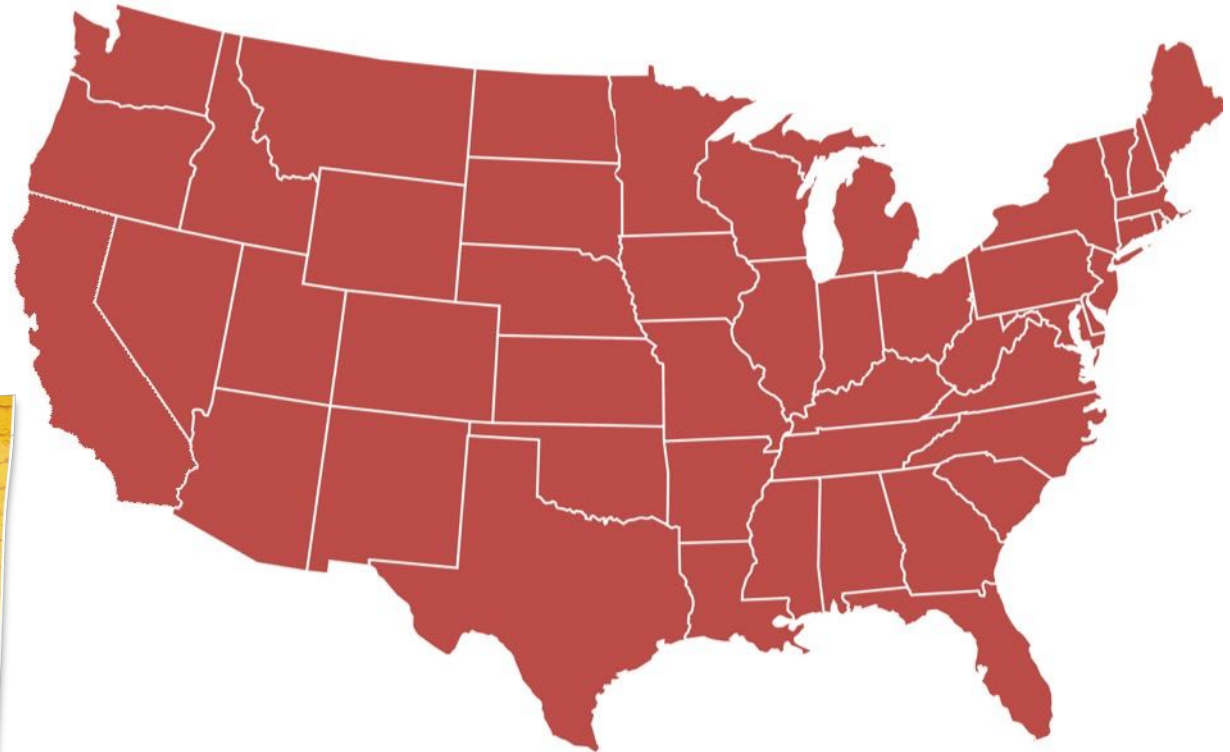


Total Category Sales: \$307.8 MM

# New York Bakery Crouton Distribution

B11

## ACV Distribution



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

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

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

B12

<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

Lancaster Colony Corporation • 380 Polaris Parkway, Suite 400 • Westerville, Ohio 43082

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