



November 29th, 2023

Students: Benjamin Smith, Hui Wang, Nicolas Heeren

Investment Summary



Investment Recommendation:

- Buy Post Holdings, Inc. POST 5.5% 2029 Senior Unsecured Notes (B+/B1) trading at \$88.8 7.3% yield to worst and ~302bps spread (as of 10/31/2023)
- > Target spread: 220bps, and base-case target total return: ~12.9% p.a.

- Macro: Price of core inputs (i.e., corn and wheat) are trending lower after a period of increased volatility, easing pressure on COGS and generating a tailwind for gross margin
- **Micro:** Strategic acquisition of pet food business enters a large (\$143.6bn revenue), growing (5.3% CAGR) category for Post and positions the company well for a potential inflationary and/or recessionary environment with its private label model
- Credit: Strong free cash flow generation keeps improving net leverage, which could lead to a credit ratings upgrade opportunity



Company Overview



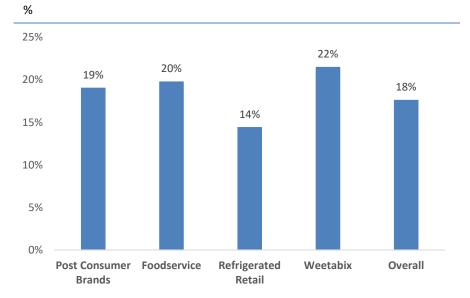
Post Holdings, Inc. is a CPG company with businesses operating in the center-of-the-store, refrigerated, foodservice, and food ingredient categories.

2023 Revenue per Brand

\$M, % of total



2023 EBITDA Margin per Brand



Main Brand Mix



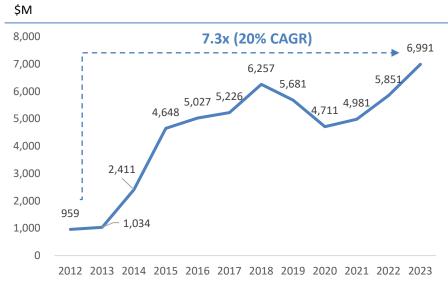
2023 Revenue Growth per Brand

% 40% 35% 35% 30% 25% 20% 20% 16% 15% 10% 7% 5% 0% Post Consumer Foodservice Refrigerated Weetabix Overall -5% Retail **Brands**

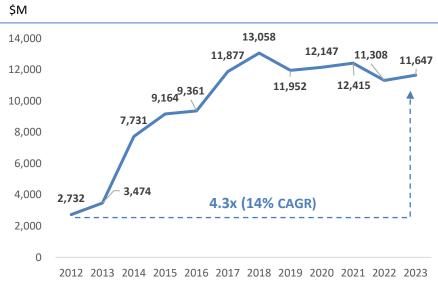


Post has had a meteoric rise from a pure-play cereal manufacturer to a CPG conglomerate in a decade

Post Holdings Total Revenue



Post Holdings Total Assets



Experienced Management Team with Strong Track Record in CPG Deal-Making



Robert V. Vitale, President and CEO

- CEO since 2014, CFO (2011-2014)
- Prior experience in financial services and consumer product PE, experienced in transformative growth and acquisitions
- Oversaw more than 20 acquisitions since he joined



Matt Mainer, CFO

- Joined in 2015, CFO since 2022
- Oversaw a variety of innovative financial transactions, including the IPO of BellRing Brands



Post's leverage is high, but debt maturities are relatively far out, and interest rates are 100% fixed at attractive long-term rates

Post only has **6.5% of its total debt maturing over the next three years** versus a weighted average of 28.8% in packaged food industry, with a weighted-average fixed interest rate ~5%

We view the 2029 notes to be the **most attractive position** on the capitalization table given the **more attractive yield** and **the lower maturity wall** when compared to the 2030 (34% lower) and 2031 notes (53% lower)

| | | | | | | | | | | Leve | rage |
|--|------------|-------------|----------|-------|-------------|-------|--------|--------|--------------|-----------|---------|
| Facility | Out (\$MM) | Guaranteed? | Secured? | Price | Market (\$) | Yield | Coupon | Spread | S&P Rating | @Notional | @Market |
| Revolving Credit Facility matures 03/18/2025 | - | Υ | Υ | - | | - | 6.92% | _ | ВВ | | |
| First Lien Term Loan matures 04/26/2026 | 400.0 | Υ | Υ | 98.1 | 392.5 | 8.6% | 7.58% | - | - | | |
| Total Secured Debt | 400.0 | | | | 392.5 | | | | | 0.3x | 0.3x |
| 5.75% Senior Notes due 03/01/27 | 459.3 | Υ | N | 97.7 | 448.7 | 6.5% | 5.75% | 205.16 | 5 B+ | | |
| 2.50% Corporate Convertible due 08/15/27 | 575.0 | Υ | N | 98.7 | 567.7 | 2.9% | 2.50% | - | - | | |
| 5.625% Senior Notes due 01/15/28 | 940.9 | Υ | N | 96.0 | 903.3 | 6.7% | 5.63% | 228.63 | B+ | | |
| 5.50% Senior Notes due 12/15/29 | 1,235.0 | Υ | N | 92.8 | 1,146.3 | 7.0% | 5.50% | 248.34 | ↓ B+ | | |
| 4.625% Senior Notes due 04/15/30 | 1,452.9 | Υ | N | 88.0 | 1,279.0 | 7.0% | 4.63% | 244.53 | B+ | | |
| 4.50% Senior Notes due 09/15/31 | 1,129.3 | N | N | 85.2 | 962.4 | 7.0% | 4.50% | 250.59 |) B+ | | |
| Total Debt Outstanding | 6,592.5 | | | | 6,092.4 | | | | | 5.3x | 4.9x |
| - Cash & Cash Equivalents | 93.3 | | | | 93.3 | | | | | | |
| Net Debt | 6,499.2 | | | | 5,999.1 | | | | | 5.3x | 4.9x |
| + Total Minority Interest | 9.2 | | | | | | | | | | |
| + Market Capitalization | 5,227.5 | | | | | | | | | | |
| Enterprise Value | 11,735.9 | | | | | | | | | 9.5x | 9.5x |
| | | | | | | | | | Adj. EBITDA | 1,233.1 | |
| | | | | | | | | I | nt. Coverage | 2.3x | |



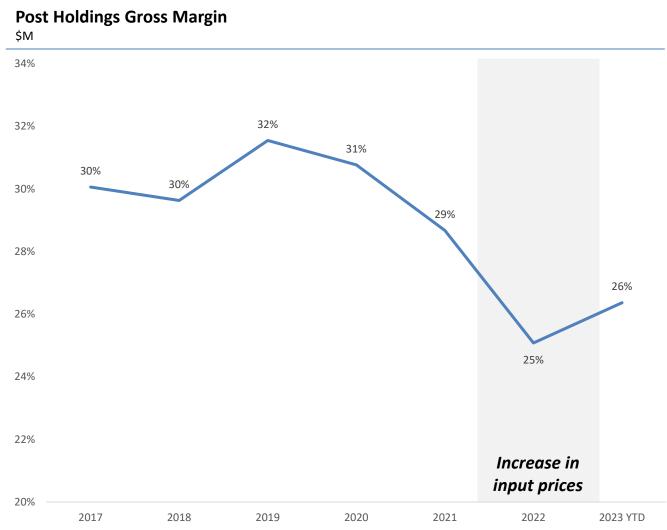
Investment Thesis



Thesis #1: Price of core inputs are trending favorably, easing the pricing pressure and increasing margins

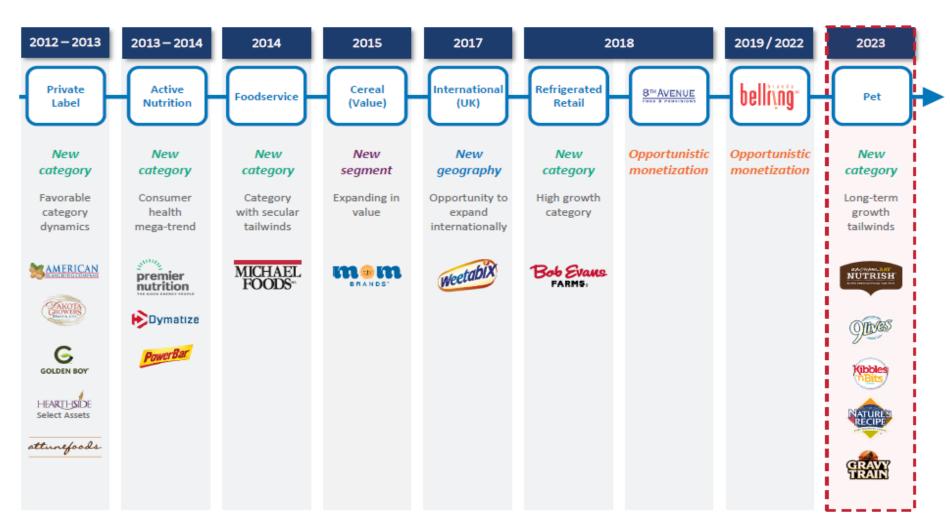
Tailwinds

- •On 11/9/2023, the
 Department of
 Agriculture announced
 that this year's harvest
 was the biggest ever,
 leading to a significant
 reduction in corn future
 prices
- Wheat price is also declining, indicating an easing of supply uncertainty
- Egg price has also fallen from its peak in January
 2023 caused by bird flu





Thesis #2: Strategic acquisition opens a new, large, & growing category for Post and positions it well for inflationary and recessionary environment with private labels





Thesis #2 Case Study: Post acquired a portion of The J.M. Smucker Company's Pet Food Business

The transaction included brands such as Rachael Ray Nutrish, Nature's Recipe, 9Lives, Kibbles 'n Bits and Gravy Train, private label assets, and related facilities.

Key Takeaways:

Good target? – Yes. Acquisition gives Post an established, scaled position in the mainstream and entry premium pet food sub-categories:

- Growing category driven by increased pet ownership
- Brand positioning is recession-resistant

Synergies? – Yes. Expected annual synergies of \$30mm in 3 years post-closing., leveraging Post's existing infrastructure.

Additional Leverage? – No. The acquisition was financed with \$700mm cash and \$5.4mm shares (~\$540mm). The transaction is approximately leverage neutral and immediately accretive to cashflow. Leverage increased from **5.0x** to **5.1x** pro forma





Thesis #3: Strong FCF generation could improve net leverage greatly if acquisition activities stay focused and well-timed, prompting upgrade opportunity in FY 2024-2025

| Margin (gross) gradually recover to Pro-COVID level of | 5e 26e 537 9,565 671 2,028 | 26 Bear 8,394 | 26 Bull 10,604 |
|--|----------------------------------|------------------|-------------------|
| business segment) Revenue 4,981 5,851 6,991 7,996 8,991 recover to Pre-COVID level of Adi, FRITDA 889 964 1,233 1,420 1,6 | | <u> </u> | 10,604 |
| recover to Pre-COVID level of Adj. FBITDA 889 964 1 233 1 420 1 6 | 671 2,028 | 1 200 | |
| 30% by 2020 | | 1,290 | 2,219 |
| >\$1.5bn total acquisition within projection period Net Income 167 757 301 361 53 | 34 782 | 193 | 910 |
| Bear ➤ Revenue growth at ~6% OCF 484 535 750 770 99 | 99 1,095 | 505 | 1,236 |
| CAGR (separately projected by business segment) FCF 293 280 447 257 65 | 58 712 | 169 | 811 |
| ➤ Margin stay at suppressed Cash 665 685 93 97 41 | .5 388 | 55 | 725 |
| >\$2.0bn total acquisition within projection period Total Assets 12,415 11,308 11,647 12,026 12 | 2,530 13,651 | 13,605 | 14,220 |
| Bull ➤ Revenue growth at ~15% Total Debt 6,943 6,168 6,040 6,191 6,4 | 491 7,091 | 8,391 | 6,991 |
| | 076 6,703 | 8,336 | 6,266 |
| ➤ Margin (gross) recover to Total Leverage 7.8x 6.4x 4.9x 4.4x 3.5 | 9x 3.5x | 6.5x | 3.2x |
| Pre-COVID level of ~30% by end of 2025 Net Leverage 7.1x 5.7x 4.8x 4.3x 3.6 | 6x 3.3x | 6.5x | 2.8x |
| ⇒\$1.5bn total acquisition within projection period Interest Cov. 2.3x 8.3x 2.3x 2.9x 3.5 Compared to the content of | 7x 4.7x | 1.8x | 5.4x |



Valuation



Our base case valuation calls for 220bps target spread in one year, for total annualized return of 12.9% (returns calculated based on 4.125 2028 bonds)

Bear – Trade wider to ~350bps for 6.9% total return p.a.

Base - Tighten to ~220 bps for ~12.9% return p.a.

Bull – Tighten to close to low IG level at ~150 bps for ~16.6% return p.a.

| | Moody's | S&P | Base | Bear | Bull |
|----------------------|--|--|------------|------------------------|------------|
| Upgrade Trigger | Good organic sales growth Stable operating profit margin Free cash flow remains strong Debt/EBITDA sustained below 5.5x | ➤ Adopts less-aggressive financial policies such that we expect it to maintain leverage of less than 5x. | Met | Not Met | Met |
| Downgrade Trigger | Deterioration in operating performance Material deterioration in liquidity or free cash flow Debt/EBITDA sustained above 6.5x | ➤ Sustain leverage or more than 6.5x or ➤ if its EBITDA Interest coverage falls below 3x. | Not Met | Met (part ially) | Not Met |

Comp Table (as of 11/13/2023)

| | | | | | | | Net | LTM Net | | | Market | LTM | | |
|--------------------------|-----------------------|--------|----------|-------|-------|--------|----------|---------|----|----------|---------|---------|---------|--------|
| Issuer | Bonds | Coupon | Maturity | Price | Yield | Spread | Leverage | Debt | EV | (| Сар | EBITDA | Moody's | S&P |
| US Foods, Inc. | USFOOD 4 3/4 02/15/29 | 4.75% | Feb.2029 | 91.0 | 6.8 | 218.0 | 5.4 | 4,899.0 | - | | - | 915.7 | Ba3(s) | BB(s) |
| US Foods, Inc. | USFOOD 4 5% 06/01/30 | 4.75% | Jun.2030 | 88.3 | 6.9 | 225.0 | 5.4 | 4,899.0 | - | | - | 915.7 | Ba3(s) | BB(s) |
| Darling Ingredients Inc. | DAR 6 06/15/30 | 6.0% | Jun.2030 | 94.7 | 7.0 | 238.0 | 4.2 | 4,500.2 | | 11,098.6 | 6,512.1 | 1,064.3 | Ba1(s) | BB+(s) |
| Simmons Foods, Inc. | SIMFOO 4 5/8 03/01/29 | 6.25% | Mar.2029 | 84.9 | 8.2 | 354.0 | - | - | - | | - | - | - | - |
| B&G Foods, Inc. | BGS 8 09/15/28 | 8.00% | Sep.2028 | 99.6 | 8.1 | 346.0 | 7.0 | 2195.7 | | 2,832.6 | 636.9 | 315.5 | B3(s) | B-(s) |
| Post Holdings, Inc. | POST 5 1/2 12/15/29 | 5.50% | Dec.2029 | 91.5 | 7.2 | 259.0 | 6.3 | 5,976.4 | 1 | 1,156.1 | 5,169.9 | 953.8 | B1(s) | B+(s) |

| | | | | | | Net | LTM Net | | Market | LTM | | |
|---------------------|------------------|-----------------|-------|-------|--------|----------|----------|----------|----------|---------------|---------|--------|
| Issuer | Bonds | Coupon Maturity | Price | Yield | Spread | Leverage | Debt | EV | Сар | EBITDA | Moody's | S&P |
| General Mills, Inc. | GIS 5 ½ 10/17/28 | 5.50% Oct.2028 | 99.3 | 5.7 | 100.9 | 3.0 | 11,791.5 | 49,920.7 | 37,876.2 | 3,967.0 | Baa2(s) | BBB(4) |
| Kellanova | K 0 ½ 5/20/29 | 0.50% May.2029 | 82.9 | 4.0 | 142.4 | 3.2 | | 24,768.0 | 17,883.0 | 2,104.0 | Baa2(s) | BBB(n) |



We estimate that Post's Senior Unsecured Notes should have a recovery value of around 73%

Only 7% (\$400M) of Post's debt is secured. This means that the 2029 Notes are second in the capital structure along with the rest of the company's debt, which should be partially covered by the company's liquidation value.

| | R | ecoverty | |
|---------------------------------|----------|----------|----------|
| Balance Sheet as of: | FYE2023 | % | Recovery |
| ASSETS | | | |
| Cash And Equivalents | 93.3 | 100% | 93.3 |
| Total Cash & ST Investments | 93.3 | | 93.3 |
| Accounts Receivable | 512.4 | 75% | 384.3 |
| Total Receivables | 512.4 | | 384.3 |
| Inventory | 789.9 | 65% | 513.4 |
| Prepaid Exp. | 59.0 | 75% | 44.3 |
| Restricted Cash | 23.9 | 100% | 23.9 |
| Other Current Assets | 0 | 50% | 0.0 |
| Total Current Assets | 1,478.5 | | 581.6 |
| Net Property, Plant & Equipment | 2,021.4 | 50% | 1010.7 |
| Goodw ill | 4,574.4 | 50% | 2287.2 |
| Other Intangibles | 3,212.4 | 25% | 803.1 |
| Other Long-Term Assets | 360.0 | 50% | 180.0 |
| otal Assets | 11,646.7 | | 4,862.6 |

Key Covenants and Financial Strategy Details

- Ability to add more debt subjects to Fixed Charge Coverage Ratio >= 2.0x and Secured Net Leverage Ratio <= 4.25x
- Standard covenant on negative pledge, sales of assets, restricted payment, etc.
- Post Holdings does not pay dividends. Use of cash will be balanced among M&A, share repurchases and debt repayments



Risks & Mitigants

| Risks | Mitigants |
|--|--|
| Weakened consumer demand and competition degrades revenue | Company has leading and stable market share in most of the business segments in which it operates, and will launch a new advertising campaign (first time in two years) to promote its brands. |
| Increased M&A and share buybacks | Management wants to keep leverage ratio on a downward trajectory . With strong FCF generation, the Company will have enough cash flow for ~\$1.5bn of M&A and ~\$850mm share buybacks in projection period while keep decreasing net leverage from 4.8x to 3.3x. |
| Structural risk related to health concerns to cereal consumption | Post's cereal brands are aimed at children who are less affected by recent trend of health concerns . Also there is currently no evidence that such concerns in adults have materialized to changing consumer behaviors . |
| Supply disruption | Company has markedly improved supply chains over the previous two year's challenges to be more resilient by expanding production capacity and diversifying supplier base, normalizing back to steady-state production level. |



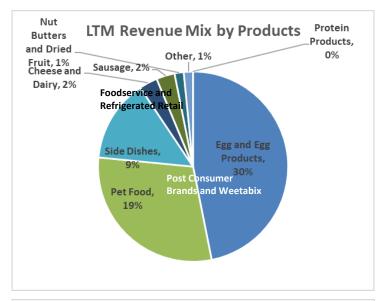
Appendix

Business Overview

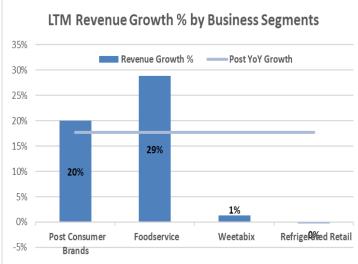


Industry-specific company revenue as a share of total industry revenue









Company Description



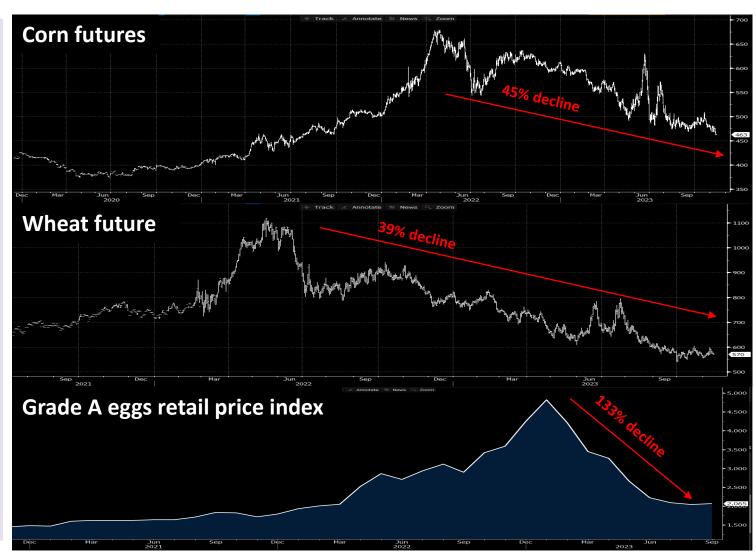
Post Holdings, Inc. is an American consumer packaged goods holding company headquartered in St Louis, Missouri with businesses operating in the center-of-the-store, refrigerated, foodservice, and food ingredient categories.

Consolidated Non-Consolidated WEETABIX REFRIGERATED **FOODSERVICE** POST CONSUMER BRANDS (INTERNATIONAL) RETAIL \$570mm, 29% Revenue \$1,008mm, 52% Revenue \$135mm, 6% Revenue #1 Value-added Eggs and North #3 Market Share ("RTE") cereal #1 Cereal Brand in the UK **Potatoes**arily Primarily side dish, Nut butters, healthy **Product** egg, cheese and snacks (granola and food and peanut butter Kingdom ("U.K.") RTE egg and potato category now \$233mm, 12% Revenue ied fruit and nuts) cereal, muesli and products protein-based shakes and pasta covers eat-at-57% market share in refrigerated side dish home, eat-MICHAEL Bob Evans attunefoods FOODS* out, and NUTRISH animal food SIMPLY POTATOES and is an Alpen industry POTATOES CRYSTAL FARMS leader in mot of the ÜFIT NPE Malt O Meal business **GOLDEN BOY** segments it **BEF**foods **EAMERICAN** operates in HENNINGSEN FOODS Private Label RTE Cereal



Thesis #1: Price of corn, wheat and coarse grains are trending favorably, easing the pricing pressure and increasing margins

- On 11/9/2023, the Department of Agriculture announced that this year's harvest was the biggest ever, leading to a significant reduction in corn future prices
- Wheat price is also declining, indicating an easing of supply uncertainty
- Egg price has also fallen from its peak in January
 2023 caused by bird flu





Thesis #3: Strong FCF generation could improve net leverage greatly if acquisition activities stay focused and well-timed, prompting upgrade opportunity in FY 2024-2025

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| Summary (in USD Millions) Revenue | 2021 4,981 | 2022 5,851 | 2023 6,991 | 2024E 7.996 | 2025E 8,537 | 2026E 9,565 | Bear 2026E 8,394 | Bull 2026E 10,604 | Scenario | Key Assumptions |
|---|--|--|---|---|--|--|---|--|----------|--|
| EBITDA Adjusted EBITDA Net income | 852 889 167 | 794 964 757 | 1,032 1,233 301 | 1,166 1,420 361 | 1,417 1,671 534 | 1,774 2,028 782 | 1,036 1,290 193 | 1,965 2,219 910 | Base | ➤ Revenue growth at ~11% CAGR (separately projected by business segment) |
| Margins Gross Margin Adjusted EBITDA Margin | 2,021 29% 18% | 2,022 25% 16% | 2,023 27% 18% | 2024E 27% 18% | 2025E 28% 20% | 2026E 30% 21% | Bear 2026E 26% 15% | | | ➤ Margin (gross) gradually recover to Pre-COVID level of ~30% by 2026 |
| Balance Sheet | 2,021 | 2,022 | 2,023 | 2024E | 2025E | | Bear 2026E | Bull 2026E | | ⇒\$1.5bn total acquisition within projection period |
| Cash and equivalents PP&E Goodwill Total Assets Tota Debt Total Liabilities & Equity | 665 1,946 7,426 12,415 6,943 12,415 | 685 1,875 7,062 11,308 6,168 11,308 | 93 2,021 7,787 11,647 6,040 11,647 | 97 2,251 7,839 12,026 6,191 12,026 | 415 2,295 7,945 12,530 6,491 12,530 | 388 2,374 8,727 13,651 7,091 13,651 | 55 2,278 9,287 13,605 8,391 13,605 | 725 2,485 8,661 14,220 6,991 14,220 | Bear | ➤ Revenue growth at ~6% CAGR (separately projected by business segment) ➤ Margin stay at suppressed |
| Cashflow | 2,021 | 2,022 | 2,023 | 2024E | 2025E | 2026E | Bear 2026E | Bull 2026E | | level of 2022 ➤ \$2.0bn total acquisition |
| Depreciation & Amortization of PP&E and Goodwill and Intangibles Operating Cash Flow | 367 484 | 380 535 | 407 750 | 466 770 | 492 999 | 522 1,095 | 486 505 | 558 1,236 | | within projection period |
| CAPEX Free Cash Flow Cash from Investing Activities Cash from financing activities Net Change in Cash | (191) 293 (794) (164) (473) | (255) 280 (221) (396) (81) | (303) 447 (669) (554) (473) | (513) 257 (748) (18) 4 | (341) 658 (641) (40) 318 | (383) 712 (1,383) 260 (28) | (336) 169 | (424) 811 (1,424) 260 | Bull | ➤ Revenue growth at ~15% CAGR (separately projected by business segment) ➤ Margin (gross) recover to |
| Metrics | 2,021 | 2,022 | 2,023 | 2024E | 2025E | 2026E | Bear 2026E | Bull 2026E | | Pre-COVID level of ~30% by end of 2025 |
| Total debt Net Debt Total Debt/Adj. EBITDA | 6,943 6,279 7.8 7.1 | 6,168 5,483 6.4 5.7 | 6,040 5,947 4.9 4.8 | 6,191 6,094 4.4 4.3 | 6,491 6,076 3.9 3.6 | 7,091 6,703 3.5 3.3 | 8,391 8,336 6.5 6.5 | 6,991 6,266 3.2 2.8 | | ➤\$1.5bn total acquisition within projection period |
| Net Debt/Adj. EBITDA Interest Coverage | 7.1 2.3 | 5.7 8.3 | 4.8 2.3 | 4.3 2.9 | 3.6 | 3.3 4.7 | 1.8 | | | 20 |





Spread on 10/31: 302.4



Modeled Income Statement



| | | Sep-30- | Se p-30- |
|---|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Income Statement | Unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
| Revenue | \$million | 6,257.20 | 5,681.10 | 4,711.00 | 4,980.70 | 5,851.20 | 6,991.00 | 7,996.09 | 8,536.98 | 9,564.84 |
| Growth | % | | -9.2% | -17.1% | 5.7% | 17.5% | 19.5% | 14.4% | 6.8% | 12.0% |
| Cost Of Goods Sold | \$million | 4,400.70 | 3,881.60 | 3,261.60 | 3,552.60 | 4,383.70 | 5,109.30 | 5,839.03 | 6,149.09 | 6,685.65 |
| Gross Profit | \$million | 1,856.50 | 1,799.50 | 1,449.40 | 1,428.10 | 1,467.50 | 1,881.70 | 2,157.06 | 2,387.89 | 2,879.19 |
| Gross Margin | % | 29.7% | 31.7% | 30.8% | 28.7% | 25.1% | 26.9% | 27.0% | 28.0% | 30.1% |
| Selling, General and Administrative Expe | \$million | 940.10 | 890.70 | 775.70 | 797.80 | 897.20 | 1,078.40 | 1,269.26 | 1,263.12 | 1,403.45 |
| Depreciation & Amortization of Goodwill | \$million | 177.40 | 161.30 | 138.10 | 143.20 | 146.00 | 160.70 | 182.34 | 194.67 | 218.11 |
| Other Operating Expenses/(Income) | \$million | 1.80 | 2.10 | 1.30 | 2.20 | 10.60 | 1.50 | 5.60 | 5.60 | 5.60 |
| Operating Income | \$million | 737.20 | 745.40 | 534.30 | 484.90 | 413.70 | 641.10 | 699.87 | 924.50 | 1,252.03 |
| Depreciation & Amortization | \$million | 218.50 | 210.90 | 210.00 | 224.10 | 234.20 | 230.50 | 283.36 | 297.48 | 303.97 |
| Depreciation & Amortization of Goodwill | \$million | 177.40 | 161.30 | 138.10 | 143.20 | 146.00 | 160.70 | 182.34 | 194.67 | 218.11 |
| EBITDA | \$million | 1,133.10 | 1,117.60 | 882.40 | 852.20 | 793.90 | 1,032.30 | 1,165.56 | 1,416.65 | 1,774.11 |
| Other Adjustments | | | | 60.90 | 37.20 | 169.60 | 200.80 | 254.00 | 254.00 | 254.00 |
| Adjusted EBITDA | | 1,133.10 | 1,117.60 | 943.30 | 889.40 | 963.50 | 1,233.10 | 1,419.56 | 1,670.65 | 2,028.11 |
| EBITDA Margin | % | 18.1% | 19.7% | 20.0% | 17.9% | 16.5% | 17.6% | 17.8% | 19.6% | 21.2% |
| Net Interest Expense | \$million | 278.30 | 658.80 | 521.00 | 209.80 | 49.80 | 279.10 | 241.60 | 249.60 | 266.60 |
| Other Non-operating Income | \$million | 11.80 | 1.20 | (22.40) | (17.40) | (51.60) | 47.20 | 5.60 | 5.60 | 5.60 |
| EBT Excluding Unusual Items | \$million | 470.70 | 87.80 | (9.10) | 257.70 | 312.30 | 409.20 | 463.86 | 680.49 | 991.03 |
| Unusal Items | \$million | (206.30) | 34.30 | (67.70) | (87.60) | 515.90 | 3.40 | - | - | - |
| EBT Including Unusual Items | \$million | 264.40 | 122.10 | (76.80) | 170.10 | 828.20 | 412.60 | 463.86 | 680.49 | 991.03 |
| Income Tax Expense | \$million | (204.00) | (3.90) | (21.30) | 58.20 | 85.70 | 99.70 | 91.65 | 134.98 | 197.09 |
| Earnings of Discontinued Ops. | \$million | - | - | 57.30 | 61.80 | 21.60 | - | - | - | - |
| Net Income to Company | \$million | 468.40 | 126.00 | 1.80 | 173.70 | 764.10 | 312.90 | 372.21 | 545.52 | 793.94 |
| Net Income Attributable to Minority Interes | \$million | (1.10) | (1.30) | (1.00) | (7.00) | (7.50) | (11.60) | (11.60) | (11.60) | (11.60) |
| Net Income | \$million | 467.30 | 124.70 | 0.80 | 166.70 | 756.60 | 301.30 | 360.61 | 533.92 | 782.34 |

Modeled Balance Sheet



| Balance Sheet | Unit | Sep-30- 2018 | Sep-30- 2019 | Sep-30- 2020 | Sep-30- 2021 | Sep-30- 2022 | Sep-30- 2023 | Sep-30- 2024E | Sep-30- 2025E | Sep-30- 2026E |
|-------------------------------|-----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| ASSETS | | | | | - | | | | | |
| Cash And Equivalents | \$million | 996.10 | 1,050.70 | 1,194.70 | 664.50 | 684.70 | 93.30 | 97.47 | 415.41 | 387.73 |
| Accounts Receivable | \$million | 462.30 | 445.10 | 441.60 | 452.40 | 544.20 | 512.40 | 555.22 | 561.20 | 662.65 |
| Inventory | \$million | 484.20 | 579.80 | 599.40 | 476.60 | 549.10 | 789.90 | 839.88 | 870.85 | 1,057.93 |
| Other Current Assets | \$million | 257.70 | 50.70 | 52.10 | 492.60 | 445.40 | 82.90 | 82.90 | 82.90 | 82.90 |
| Total Current Assets | \$million | 2,200.30 | 2,126.30 | 2,287.80 | 2,086.10 | 2,223.40 | 1,478.50 | 1,575.47 | 1,930.36 | 2,191.21 |
| Property, Plant & Equipment | \$million | 1,709.70 | 1,736.00 | 1,896.00 | 1,946.00 | 1,874.80 | 2,021.40 | 2,250.89 | 2,294.89 | 2,373.51 |
| Goodwill & Intangibles | \$million | 8,038.90 | 7,738.30 | 7,636.10 | 7,426.00 | 7,061.80 | 7,786.80 | 7,839.46 | 7,944.80 | 8,726.69 |
| Other Long-Term Assets | \$million | 1,108.60 | 351.00 | 326.80 | 956.60 | 148.00 | 360.00 | 360.00 | 360.00 | 360.00 |
| Total Assets | \$million | 13,057.50 | 11,951.60 | 12,146.70 | 12,414.70 | 11,308.00 | 11,646.70 | 12,025.83 | 12,530.05 | 13,651.41 |
| LIABILITIES | \$million | | | | | | | | | |
| Accounts Payable | \$million | 365.10 | 395.60 | 367.90 | 384.20 | 452.70 | 368.80 | 399.62 | 403.92 | 476.94 |
| Curr. Port. of Debt | \$million | 45.70 | 98.60 | 264.90 | 149.50 | 49.10 | 1.10 | 1.10 | 1.10 | 1.10 |
| Other Current Liabilities | \$million | 381.30 | 308.70 | 341.60 | 515.50 | 322.00 | 435.40 | 435.40 | 435.40 | 435.40 |
| Total Current Liabilities | \$million | 792.10 | 802.90 | 974.40 | 1,049.20 | 823.80 | 805.30 | 836.12 | 840.42 | 913.44 |
| Long-Term Debt | \$million | 7,326.40 | 7,396.40 | 7,413.30 | 6,793.60 | 6,118.40 | 6,039.00 | 6,190.10 | 6,490.10 | 7,090.10 |
| Deferred Income Tax | \$million | 778.40 | 688.50 | 784.50 | 729.10 | 688.40 | 674.40 | 674.40 | 674.40 | 674.40 |
| Other Non-Current Liabilities | \$million | 1,100.10 | 126.50 | 145.50 | 783.60 | 105.10 | 276.70 | 276.70 | 276.70 | 276.70 |
| Total Liabilities | \$million | 9,997.00 | 9,014.30 | 9,317.70 | 9,355.50 | 7,735.70 | 7,795.40 | 7,977.32 | 8,281.62 | 8,954.64 |
| Common Stock | \$million | 0.80 | 0.80 | 0.80 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 |
| Additional Paid In Capital | \$million | 3,590.90 | 3,734.80 | 4,182.90 | 4,253.50 | 4,748.20 | 5,288.10 | 5,288.10 | 5,288.10 | 5,288.10 |
| Retained Earnings | \$million | 88.00 | 207.80 | 208.60 | 347.30 | 1,109.00 | 1,416.50 | 1,613.11 | 1,813.02 | 2,261.37 |
| Treasury Stock | \$million | (589.90) | (920.70) | (1,508.50) | (1,902.20) | (2,341.20) | (2,728.30) | (2,728.30) | (2,728.30) | (2,728.30) |
| Comprehensive Inc. and Other | \$million | (39.40) | (96.80) | (29.30) | 42.90 | (262.90) | (135.10) | (135.10) | (135.10) | (135.10) |
| Total Common Equity | \$million | 3,050.40 | 2,925.90 | 2,854.50 | 2,742.40 | 3,254.00 | 3,842.10 | 4,038.71 | 4,238.62 | 4,686.97 |
| Minority Interest | \$million | 10.10 | 11.40 | (25.50) | 316.80 | 318.30 | 9.20 | 9.80 | 9.80 | 9.80 |
| Total Equity | \$million | 3,060.50 | 2,937.30 | 2,829.00 | 3,059.20 | 3,572.30 | 3,851.30 | 4,048.51 | 4,248.42 | 4,696.77 |
| Total Liabilities And Equity | \$million | 13,057.50 | 11,951.60 | 12,146.70 | 12,414.70 | 11,308.00 | 11,646.70 | 12,025.83 | 12,530.05 | 13,651.41 |



Modeled Cash Flow Statement

| | | Sep-30- | Se p-30- | Sep-30- |
|------------------------------------|-----------|------------|----------|----------|----------|----------|----------|----------|----------|------------|
| Cash Flow | Unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
| Net income | \$million | 467.30 | 124.70 | 0.80 | 166.70 | 756.60 | 301.30 | 366.61 | 539.92 | 788.34 |
| Depreciation & Amort. | \$million | 218.50 | 210.90 | 206.90 | 223.30 | 234.20 | 246.40 | 283.36 | 297.48 | 303.97 |
| Amort. of Goodwill and Intangibles | \$million | 177.40 | 161.30 | 138.10 | 143.20 | 146.00 | 160.70 | 182.34 | 194.67 | 218.11 |
| Change in working capital | \$million | (144.60) | 191.10 | 236.60 | (48.90) | (601.60) | 41.90 | (61.98) | (32.64) | (215.52) |
| Cash from operating activities | \$million | 718.60 | 688.00 | 582.40 | 484.30 | 535.20 | 750.30 | 770.32 | 999.42 | 1,094.91 |
| Capital expenditures | \$million | (225.00) | (273.90) | (232.50) | (190.90) | (255.30) | (303.00) | (512.85) | (341.48) | (382.59) |
| Acquisition | \$million | (1,454.40) | - | (19.90) | (635.30) | (24.80) | (715.20) | (235.00) | (300.00) | (1,000.00) |
| Other investing activities | \$million | 3.80 | 300.60 | 33.90 | 32.60 | 59.10 | 348.90 | - | - | - |
| Cash from investing activities | \$million | (1,675.60) | 26.70 | (218.50) | (793.60) | (221.00) | (669.30) | (747.85) | (641.48) | (1,382.59) |
| Change in debt | \$million | 712.9 | -169.1 | 444.4 | 101.7 | 801.7 | 223.1 | 151.10 | 300.00 | 600.00 |
| Issuance of Common Stock | \$million | 5.7 | 112.6 | 0 | 352.5 | 0 | 0 | - | - | - |
| Share repurchases | \$million | (218.70) | (322.10) | (635.50) | (397.10) | (443.00) | (387.10) | (170.00) | (340.00) | (340.00) |
| Common dividends | \$million | -10.8 | 0 | 0 | 0 | 0 | 0 | - | - | - |
| Other items | \$million | -67.7 | -276.1 | -77.1 | -220.9 | -754.4 | -389.9 | 0.60 | - | - |
| Cash from financing activities | \$million | 421.40 | (654.70) | (268.20) | (163.80) | (395.70) | (553.90) | (18.30) | (40.00) | 260.00 |
| Net change in cash during period | \$million | (535.60) | 60.00 | 95.70 | (473.10) | (81.50) | (472.90) | 4.17 | 317.94 | (27.69) |
| FCF | \$million | 493.60 | 414.10 | 349.90 | 293.40 | 279.90 | 447.30 | 257.47 | 657.94 | 712.31 |



Investment Thesis #2 – Acquisition and Divestitures Timeline

| Sep-13 Premier Nutrition 180 Jan-14 Dakota Growers Pasta 370 Feb-14 Dymatize 380 Feb-14 Golden Boy Foods 320 Feb-14 Powerbar and Musahi 150 Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.3x 9 1.2x 8 2.0x 10 1.1x 9 0.9x 9 | 1.7x 1 3.4x 3 3.4x 1 1.1x 3 | 89 20 35 19 00 44 91 37 00 35 | Includes with Hearthside mutliples are per FY13 10-K |
|---|---|--------------------------------------|---|--|
| May-13 Hearthside Food Solutions 160 Sep-13 Premier Nutrition 180 Jan-14 Dakota Growers Pasta 370 Feb-14 Dymatize 380 Feb-14 Golden Boy Foods 320 Feb-14 Powerbar and Musahi 150 Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.3x 9 1.2x 8 2.0x 10 1.1x 9 0.9x 9 | 1.7x 1 3.4x 3 1.4x 1 1.1x 3 | 35 19 00 44 91 37 00 35 | |
| Sep-13 Premier Nutrition 180 Jan-14 Dakota Growers Pasta 370 Feb-14 Dymatize 380 Feb-14 Golden Boy Foods 320 Feb-14 Powerbar and Musahi 150 Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.3x 9 1.2x 8 2.0x 10 1.1x 9 0.9x 9 | 1.7x 1 3.4x 3 1.4x 1 1.1x 3 | 35 19 00 44 91 37 00 35 | mutliples are per FY13 10-K |
| Jan-14 Dakota Growers Pasta 370 Feb-14 Dymatize 380 Feb-14 Golden Boy Foods 320 Feb-14 Powerbar and Musahi 150 Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.2x 8 2.0x 10 1.1x 9 0.9x 9 | 3.4x 3 3.4x 1 3.1x 3 | 00 44 91 37 00 35 | |
| Feb-14 Dymatize 380 Feb-14 Golden Boy Foods 320 Feb-14 Powerbar and Musahi 150 Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 2.0x 10 1.1x 9 0.9x 9 | .4x 1 .1x 3 | 91 37 00 35 | |
| Feb-14 Golden Boy Foods 320 Feb-14 Powerbar and Musahi 150 Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.1x 9 0.9x 9 | .1x 3 | 00 35 | |
| Feb-14 Powerbar and Musahi 150 Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 0.9x 9 | I | | |
| Apr-14 Michael Foods 2,500 Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | | .4x 1 | | |
| Nov-14 American Blanching 128 May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.3x 9 | | 70 16 | |
| May-15 MOM Brands 1,150 Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | | .5x 1,9 | 35 263 | |
| Oct-15 Willamette Egg Farms 90 Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 0.9x 8 | .5x 1 | 35 15 | |
| Oct-16 National Pasteurized Eggs 98 Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.5x 9 | .6x 7 | 60 120 | 25MM synergies |
| Jul-17 Weetabix 1,825 Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 1.1x 6 | .0x | 80 15 | |
| Jan-18 Bob Evans 1,500 Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 0.9x 10 | .9x 1 | 11 9 | "Highly synergistic" |
| Jul-20 Henningsen Foods 20 Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 3.4x 12 | 2x 5 | 33 150 | 25MM synergies |
| Jan-21 Peter Pan 102 Feb-21 Almark 52 May-21 Egg Beaters 50 | 3.1x 14 | .0x 4 | 88 107 | 25MM synergies |
| Feb-21 Almark 52 May-21 Egg Beaters 50 | | | | No financial detail provided |
| May-21 Egg Beaters 50 | 0.9x | 1 | 10 | |
| , | | | | |
| Jun-21 Private Label Cereal (THS) 85 | 1.3x | | 40 | |
| | 0.4x | 2 | 21 <0 | Slightly negative EBITDA |
| Apr-22 Lacka Foods 32 | | | | |
| Apr-23 Pet Food (SJM) 1,208 | 0.9x 12 | .1x 1,4 | 00 100 | 30MM synergies |
| Dec-23 Perfection Pet Foods 235 | 0.9x 9 | .4x 2 | 50 25 | ~1x sales |
| | 1.4x 9. | .8x 7,2 | 48 | Average |
| Divestitures | | | | _ |
| ` / | 0.2x | (| 23) | |
| ` / | 0.2x | | 29) | |
| ` ' ' | | , | , , , | Spin-off |
| ` ' ' | | , | , , , | Spin-off |
| \ / | 1.7x | (| 33) | |
| Total Divestitures (3,209) | 1.2x 12. | .7x 11,6 | 52 | Average |

Source: Company reports and J.P. Morgan estimates.