Lancaster Colony Corporation

COWEN

6th Annual Future of the Consumer Conference

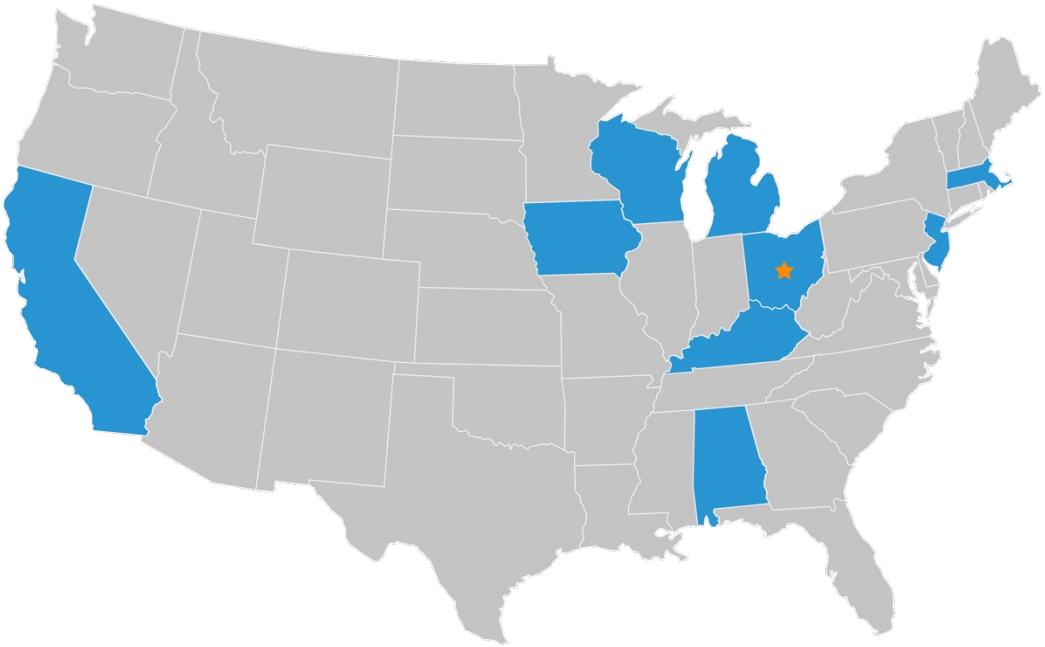
May 24, 2022

Lancaster Colony

Safe Harbor Statement

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.

About Lancaster Colony Corporation



- Manufacturer and Marketer of Specialty Food Products
- Established in 1961
- Headquartered in Westerville, Ohio
- FY21 Net Sales of $1.5 Billion (primarily U.S.)
- 15 Production Facilities in Nine States
- Approximately 3,200 Employees

Company Highlights

T. Marzetti™
A LANCASTER COLONY COMPANY

Sister Schubert's®

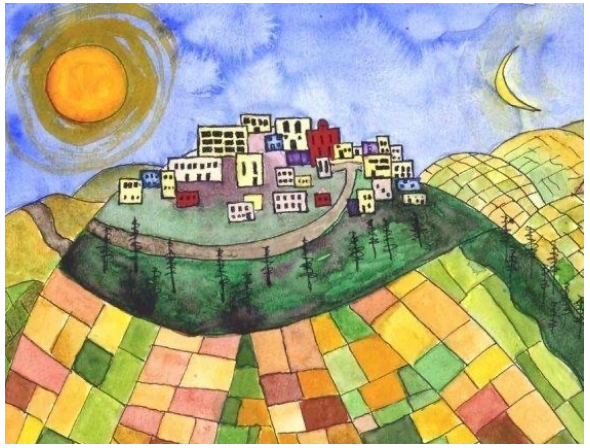
NewYork Bakery

- 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 59 Consecutive Years

In 2016, We Defined Our *"Better Food Company"* Strategy

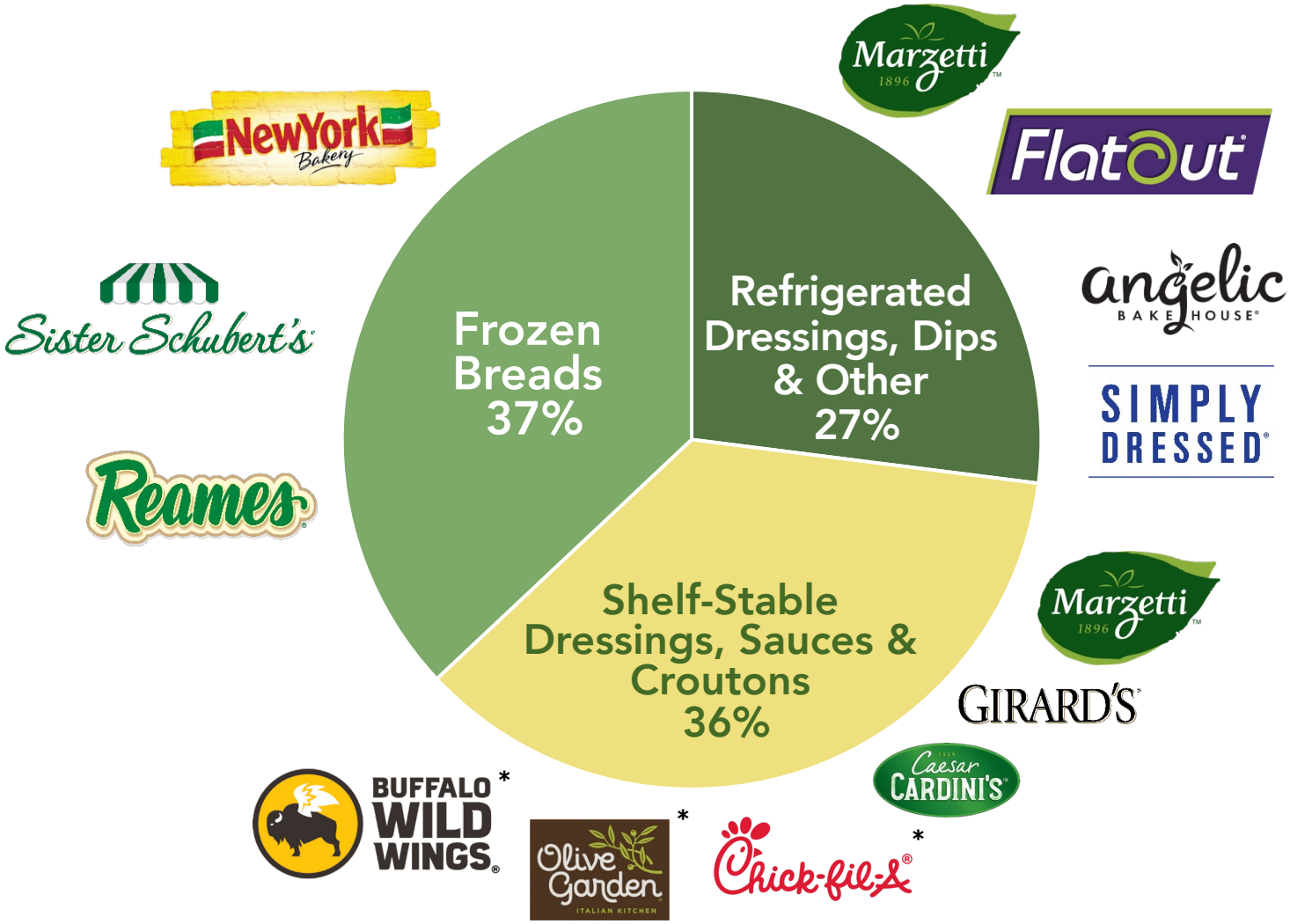
1. Defined Winning - Pursue Top Quartile Financial Performance
   - Grow Organic Sales Volumes Low- to Mid-Single Digit (pounds shipped basis)
   - Grow Operating Margins

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 Sales Mix (57% of Total Net Sales)



Based on approximated net sales for the 12 months ending June 30, 2021. Calculation of Retail Sales at 57% of Total Net Sales excludes Foodservice sales attributed to a temporary supply agreement resulting from the November 2018 acquisition of Omni Baking that was terminated effective October 31, 2020.

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

Foodservice Sales Mix (43% of Total Net Sales)

Based on approximated net sales for the 12 months ending June 30, 2021. Excludes Foodservice sales attributed to a temporary supply agreement resulting from the November 2018 acquisition of Omni Baking that was terminated effective October 31, 2020.

Retail Segment Growth Initiatives

Initiative	Brand/(Retailer)	Products	Initial Ship Date
Innovation/Renovation	Sister Schubert's		Fall 2021
	NewYork Bakery		3-Cheese Bread Sticks July 2019 Jalapeno & Cheddar Bread Sticks September 2021
	Marzetti 1896		Simply Plant Based Salad Dressings and Dips Spring 2022 Regional Launch
Licensing	Chick-fil-A *		April 2021 (National Distribution) April 2022 (Pilot Test for BBQ Flavor)
	Buffalo Wild Wings *		March 2020 (BWW Hot and Nashville Hot Flavors Introduced March 2022)
Channel Expansion	Costco Wholesale, Dollar General, Dollar Tree, Family Dollar, ALDI, Lidl		Expanding Assortment in Club and Securing New Distribution in Dollar and Value (all Ongoing)

** 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, strong reputation and longstanding relationships in the foodservice channel combined with our demonstrated sales execution in the retail channel

- Per IRI scanner data*, sales of our licensed dressings and sauces in the retail channel totaled $336 Million for the 52-week period ended 3/27/2022, an increase of 79% over the previous 52-week period

- Recently announced agreement with Arby's® to supply Arby's Sauce® and Horsey Sauce® products that will begin shipping into retail in September 2022

- Opportunities for continued growth through established and potential future agreements supported by our capacity expansion investments

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

** IRI Total U.S. Multi-Outlet data for the 52 weeks ended 3/27/2022.*

Simplify Supply Chain and Reduce Costs

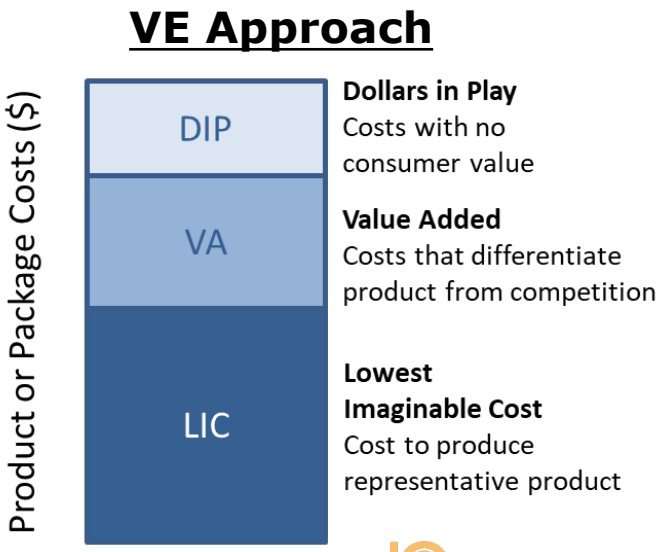
Lean Six Sigma Program

- 14 waves of Green Belts trained
- > 100 Green Belt graduates to date
- Monthly calls with Directors to review progress and share best practices
- Significant cost savings achieved

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



Simplify Supply Chain and Reduce Costs

Strategic Procurement

- Should-Cost Modeling
- More Extensive Competitive Bidding
- Strategic Supplier Selection
- Extending Payment Terms

Simplify Supply Chain and Reduce Costs

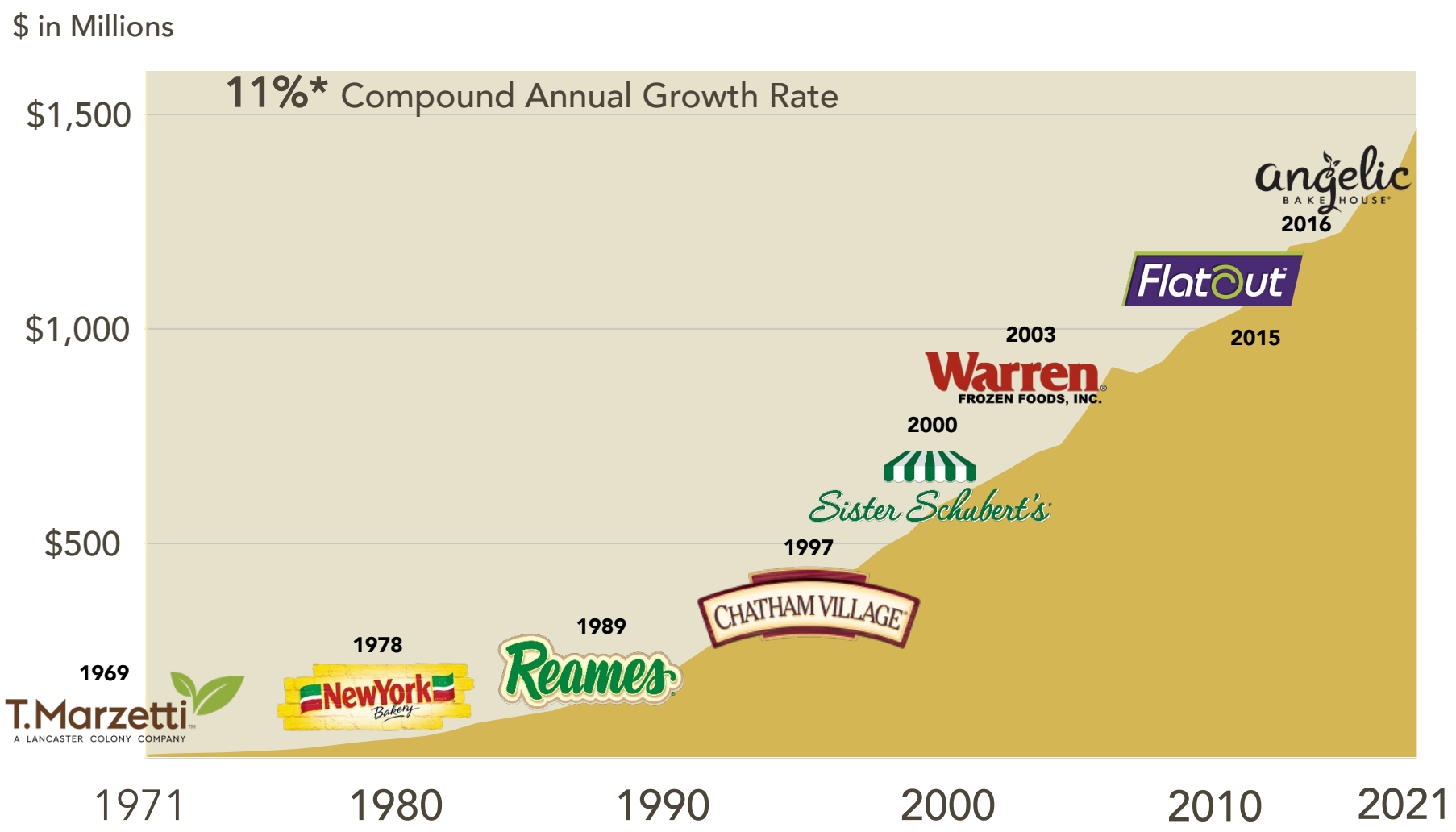
Transportation and Warehousing Initiatives

Project T²
Transportation
TRANSFORMATION

- Transportation Management System
- Expanded Base of Dedicated Carriers
- Lane and Truckload Optimization
- Mixing Centers

- Added New Columbus-Based Warehouse Location and Pursuing Other Initiatives to Reduce Material Handling Costs, Decrease Third-Party Warehouse Needs and Improve Inventory Management

Successful Track Record of Growth through Acquisitions



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.

*Compound Annual Growth Rate calculated from fiscal year 1972 through fiscal year 2021.

Strengthened Organization

Strengthened Leadership Team

- Supply Chain
- R&D and Quality
- Retail
- Foodservice
- Information Technology
- Finance

Established Transformation Program Office

- ERP Initiative

Aligned Compensation Incentives with Sales Growth, Operating Income Growth and Shareholder Returns

Investing in Plants to Drive Efficiency and Support Growth

Significant Capacity Expansion Project for Dressings and Sauces

Marzetti 1896 *

Olive Garden ITALIAN KITCHEN *

Chick-fil-A® *

BUFFALO WILD WINGS® *

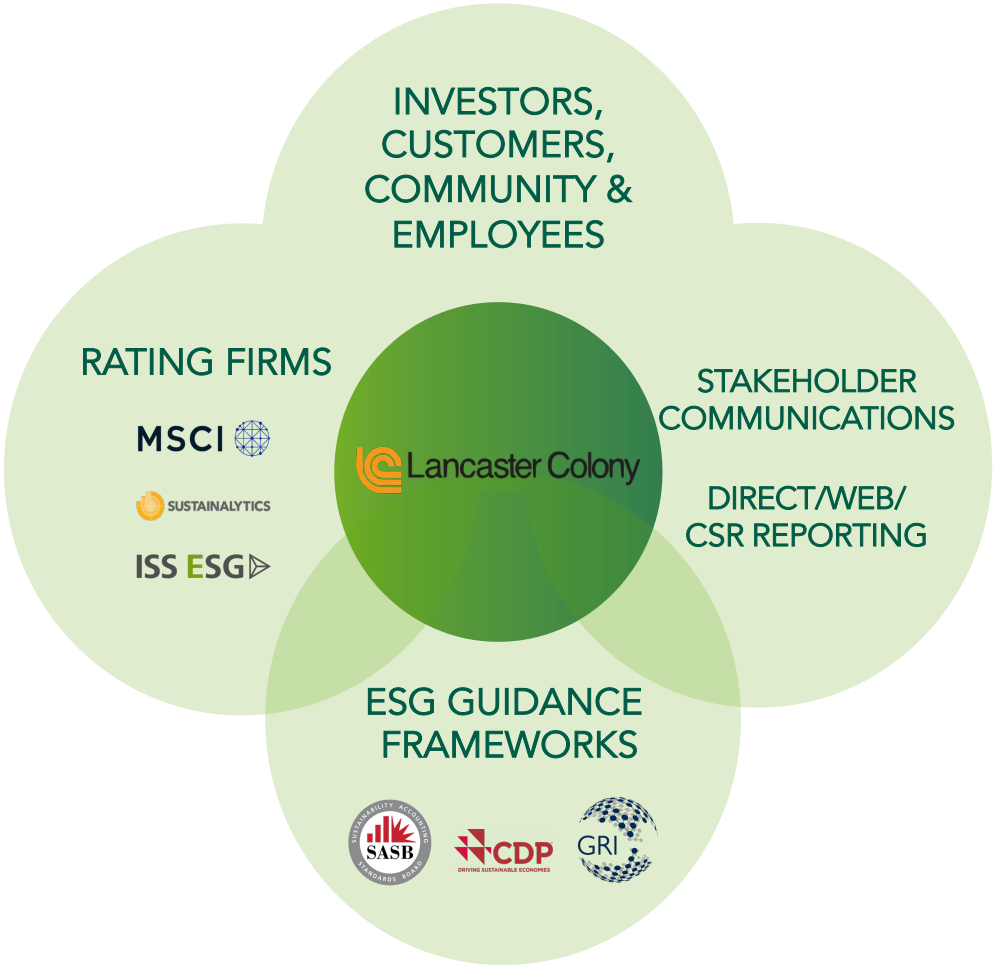
- Adds 192,000 square feet to existing facility in Horse Cave, KY
- Provides increased processing, warehousing and utilities to expand production capacity and support continued growth of our dressing and sauce products in both the Retail and Foodservice segments
- Total capital expenditure estimated at ~$130 Million, with an estimated ~$90 Million to be spent in Fiscal 2022
- Target completion date in First Half of Fiscal 2023

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

Lancaster Colony's Commitment to ESG

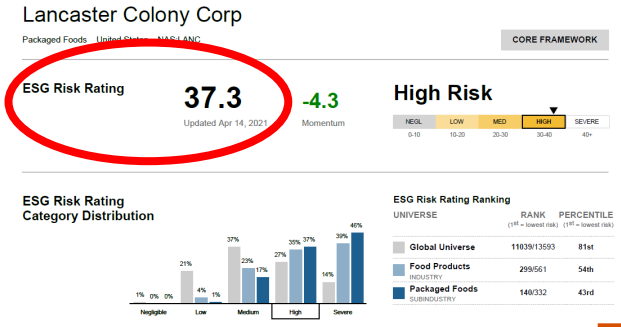
Building a Solid Foundation for ESG Disclosure and Performance

- Materiality assessment, disclosure frameworks, ESG ratings & disclosure best practices
- Executing repeatable disclosure strategy
- Working to align Corporate efforts to the ESG Ecosystem
- Benchmark peer performance, ratings, and survey feedback to prioritize future efforts

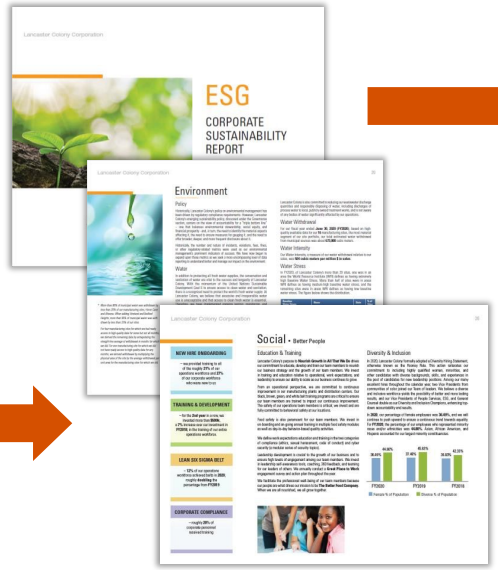


Published First Corporate Sustainability Report in Jan. 2022 –

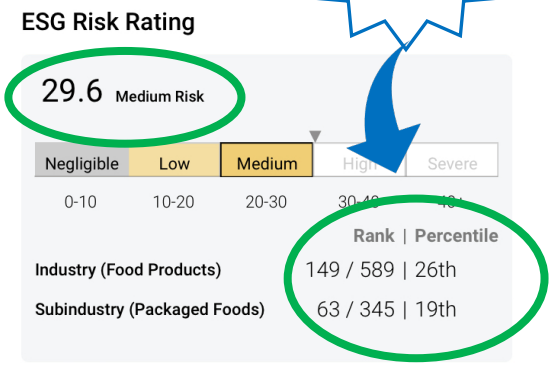
ESG Rating Scores Improved to Top Quartile in Packaged Foods Industry (per Sustainalytics)



Pre-Disclosure



Published First Corporate Sustainability Report



Post-Disclosure

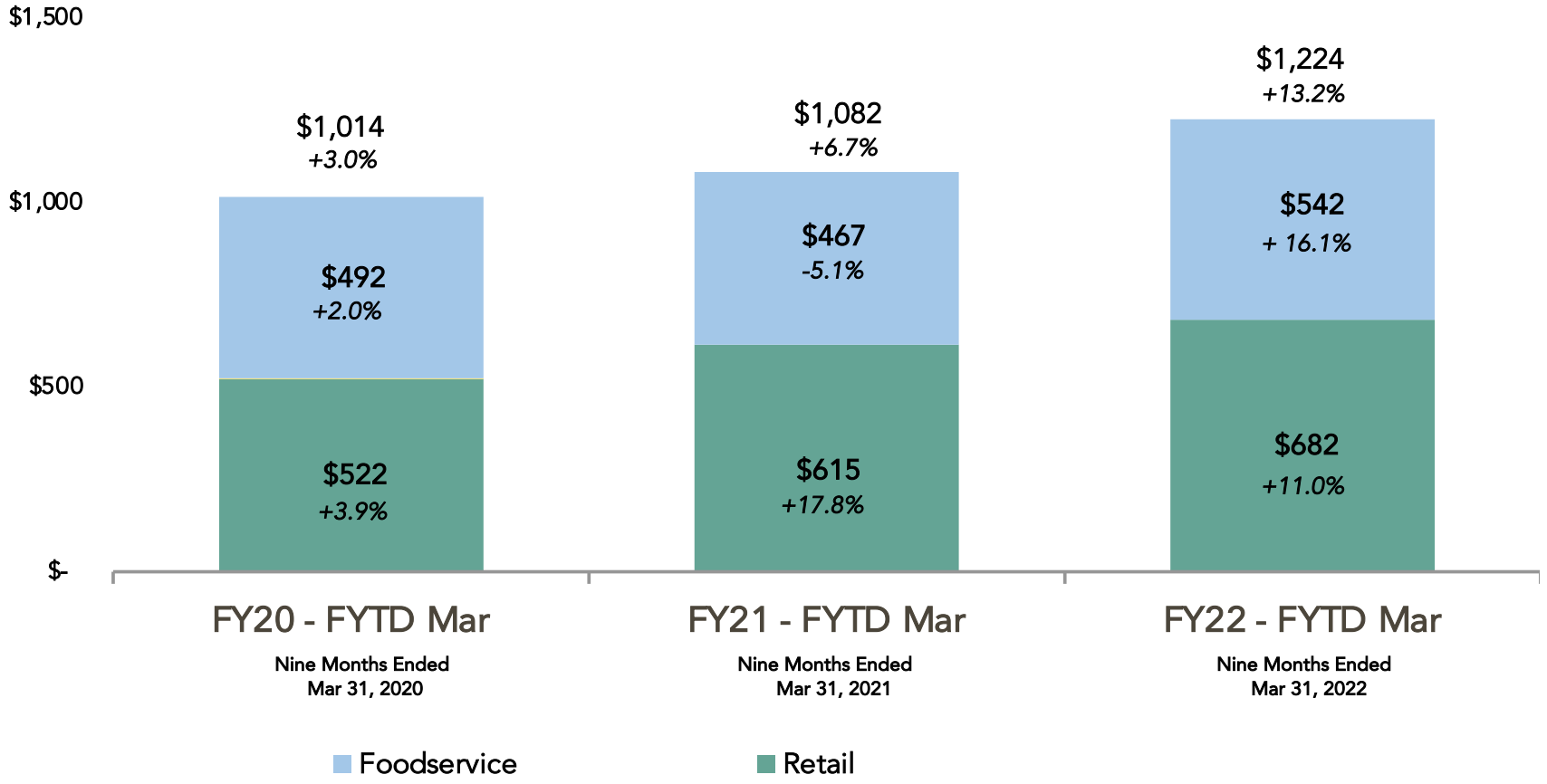
ISS ESG MSCI SUSTAINALYTICS Lancaster Colony

Strong Growth in Retail
Foodservice Demand Impacted by COVID-19

Net Sales Results

Fiscal Year-To-Date March – Nine Month Periods Ended March 31

$ in Millions



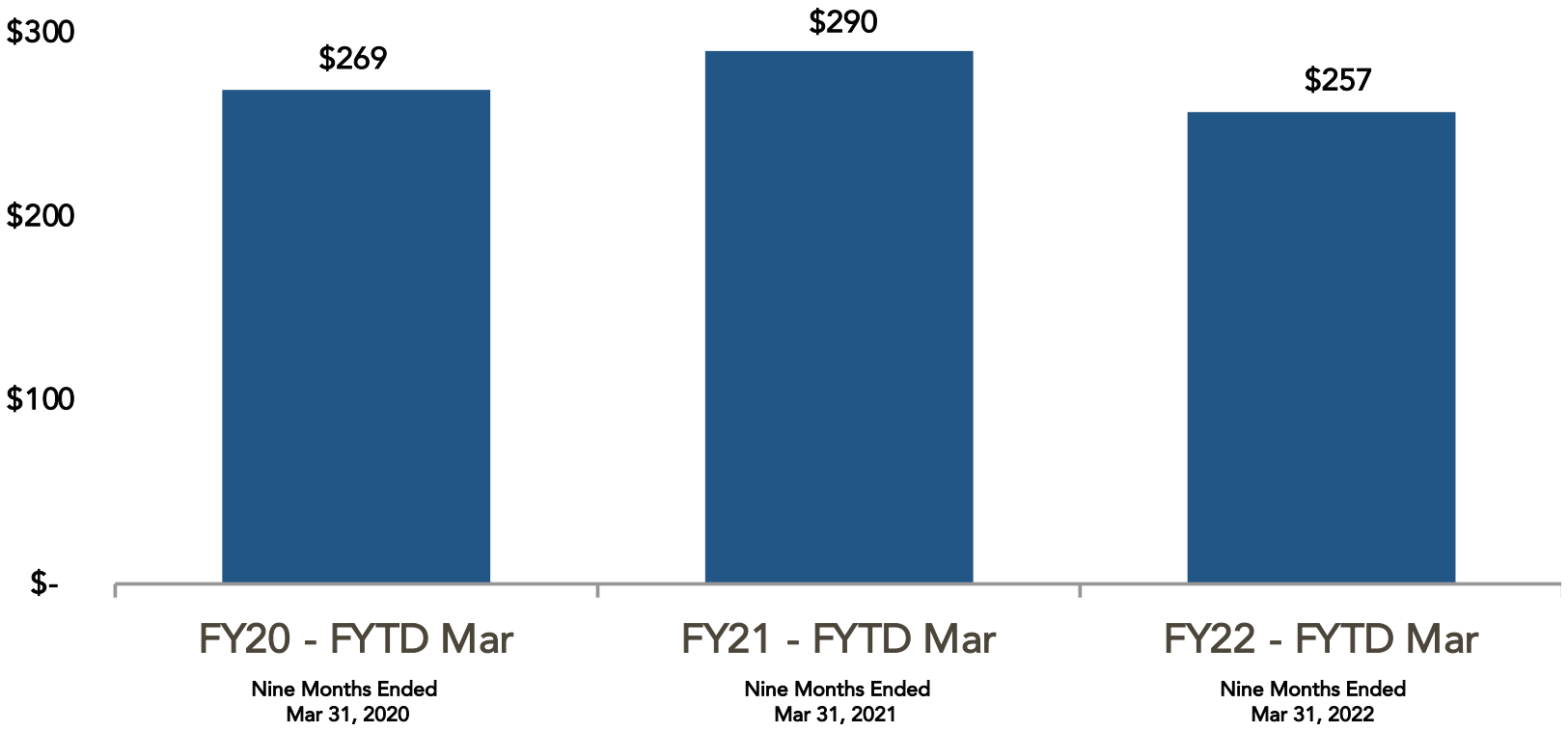
Note: Totals and year-over-year percentage changes presented above are based on unrounded dollar values. Totals may not foot and percentage values may not recalculate based on the rounded dollar values shown above.

Gross Profit Impacted by Inflationary Costs, Supply Chain Disruptions and Other COVID-19 Factors

Gross Profit Results

Fiscal Year-To-Date March – Nine Month Periods Ended March 31

$ in Millions

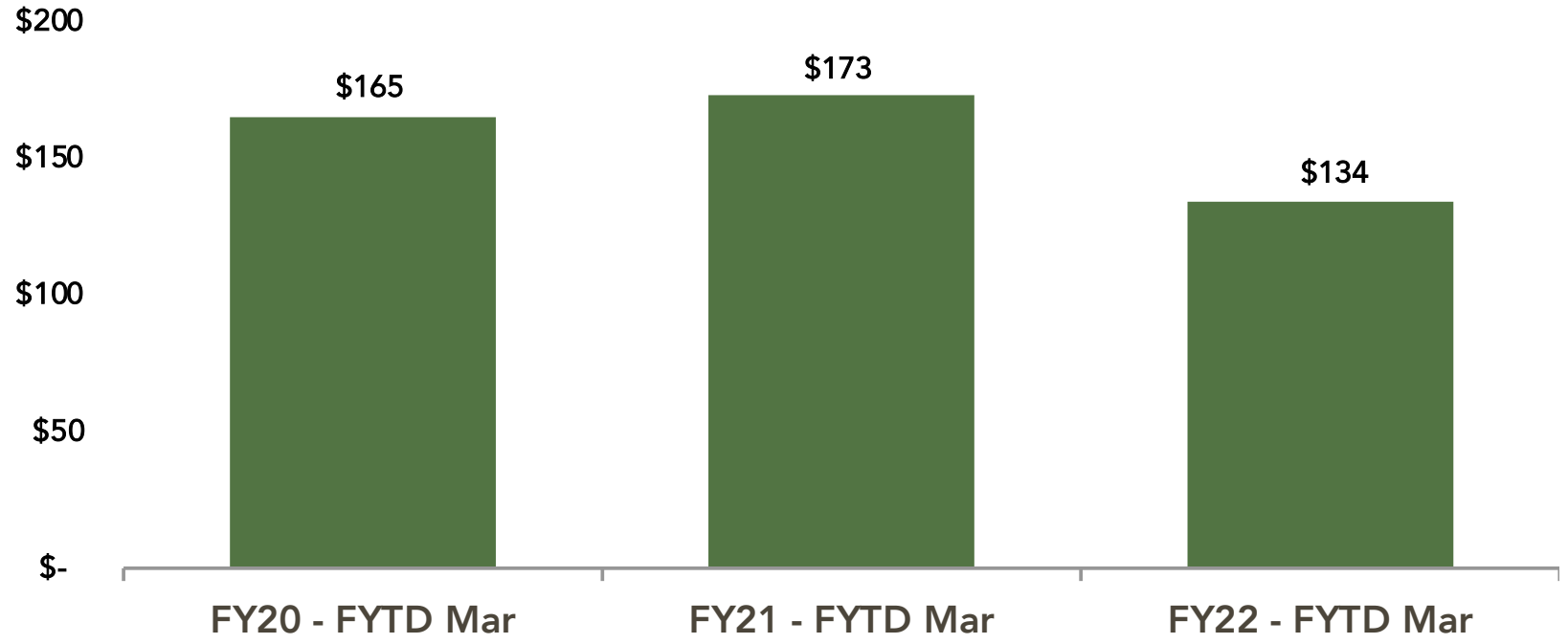


EBITDA Impacted by Inflationary Costs, Supply Chain Disruptions and Other COVID-19 Factors

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*

Fiscal Year-To-Date March – Nine Month Periods Ended March 31

$ in Millions



	Nine Months Ended Mar 31, 2020	Nine Months Ended Mar 31, 2021	Nine Months Ended Mar 31, 2022
** Expenditures for Project Ascent	$12.5 MM	$27.6 MM	$28.3 MM

- Calculation of EBITDA values excludes non-cash change in contingent consideration and also excludes restructuring and impairment charges. Please refer to Appendix A for detailed calculation.

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

Strong Balance Sheet

$ in Millions

	June 30			Mar 31
	2019	**2020**	**2021**	**2022**
Cash and Equivalents	$196	$198	$188	**$67**
Total Debt	$0	$0	$0	**$0**

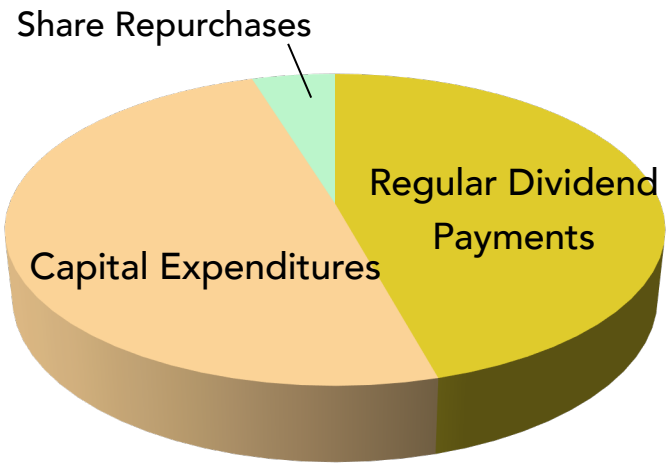
- Debt Free
- Credit Revolver of $150 Million, Expandable up to $225 Million
- Investing in Capacity Expansion Projects and ERP System to Support Continued Growth

Investing to Grow While Returning Cash to Shareholders

Cash Priorities

- Invest in Existing Business
  - FY22 capital expenditures estimated at $150 Million (including ~$90 Million attributed to significant capacity expansion project)
- Good-Fitting Acquisitions
- Regular Dividends
  - Quarterly cash dividend paid on December 31, 2021, was increased 7% to $0.80 per common share, marking 59 consecutive years of regular cash dividend increases
- Opportunistic Share Repurchases

FY21 – Major Cash Uses



Appendix A

Financial Information

Results of Consolidated Operations – Most Recent Periods

RESULTS OF CONSOLIDATED OPERATIONS

(Dollars in thousands, except per share data)	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2022	2021			2022	2021		
Net Sales	$403,494	$ 357,249	$ 46,245	13 %	$1,223,977	$1,081,501	$ 142,476	13 %
Cost of Sales	335,162	266,699	68,463	26 %	966,676	791,452	175,224	22 %
Gross Profit	68,332	90,550	(22,218)	(25)%	257,301	290,049	(32,748)	(11)%
Gross Margin	16.9 %	25.3 %			21.0 %	26.8 %		
Selling, General and Administrative Expenses	54,526	53,162	1,364	3 %	157,920	149,607	8,313	6 %
Change in Contingent Consideration	(1,300)	—	(1,300)	N/M	(3,470)	(5,687)	2,217	(39)%
Restructuring and Impairment Charges	22,723	—	22,723	N/M	24,651	1,195	23,456	N/M
Operating (Loss) Income	(7,617)	37,388	(45,005)	(120)%	78,200	144,934	(66,734)	(46)%
Operating Margin	(1.9)%	10.5 %			6.4 %	13.4 %		
Other, Net	119	(44)	163	370 %	250	(67)	317	473 %
(Loss) Income Before Income Taxes	(7,498)	37,344	(44,842)	(120)%	78,450	144,867	(66,417)	(46)%
Taxes Based on (Loss) Income	(3,015)	8,447	(11,462)	(136)%	17,908	34,261	(16,353)	(48)%
Effective Tax Rate	40.2 %	22.6 %			22.8 %	23.6 %		
Net (Loss) Income	$ (4,483)	$ 28,897	$ (33,380)	(116)%	$ 60,542	$ 110,606	$ (50,064)	(45)%
Diluted Net (Loss) Income Per Common Share	$ (0.17)	$ 1.05	$ (1.22)	(116)%	$ 2.20	$ 4.01	$ (1.81)	(45)%

EBITDA Calculation Details

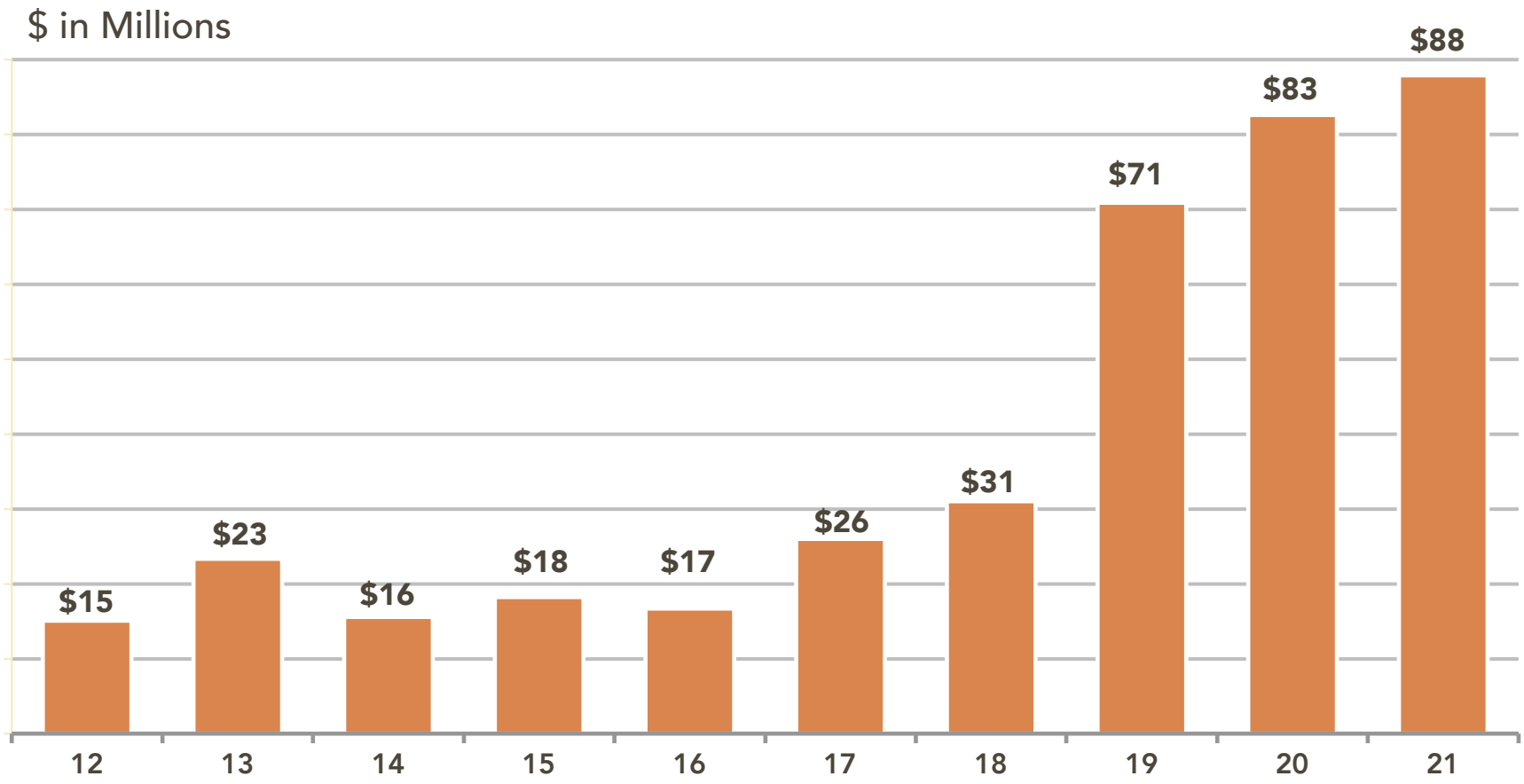
Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) *
($ in Millions)

	Nine Months Ended March 31,		
	2020	2021	2022
Income Before Income Taxes **	$136	$145	$78
Depreciation and Amortization	$28	$33	$34
Change in Contingent Consideration	$0	($6)	($3)
Restructuring and Impairment Charges	$1	$1	$25
EBITDA *	$165	$173	$134

* 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

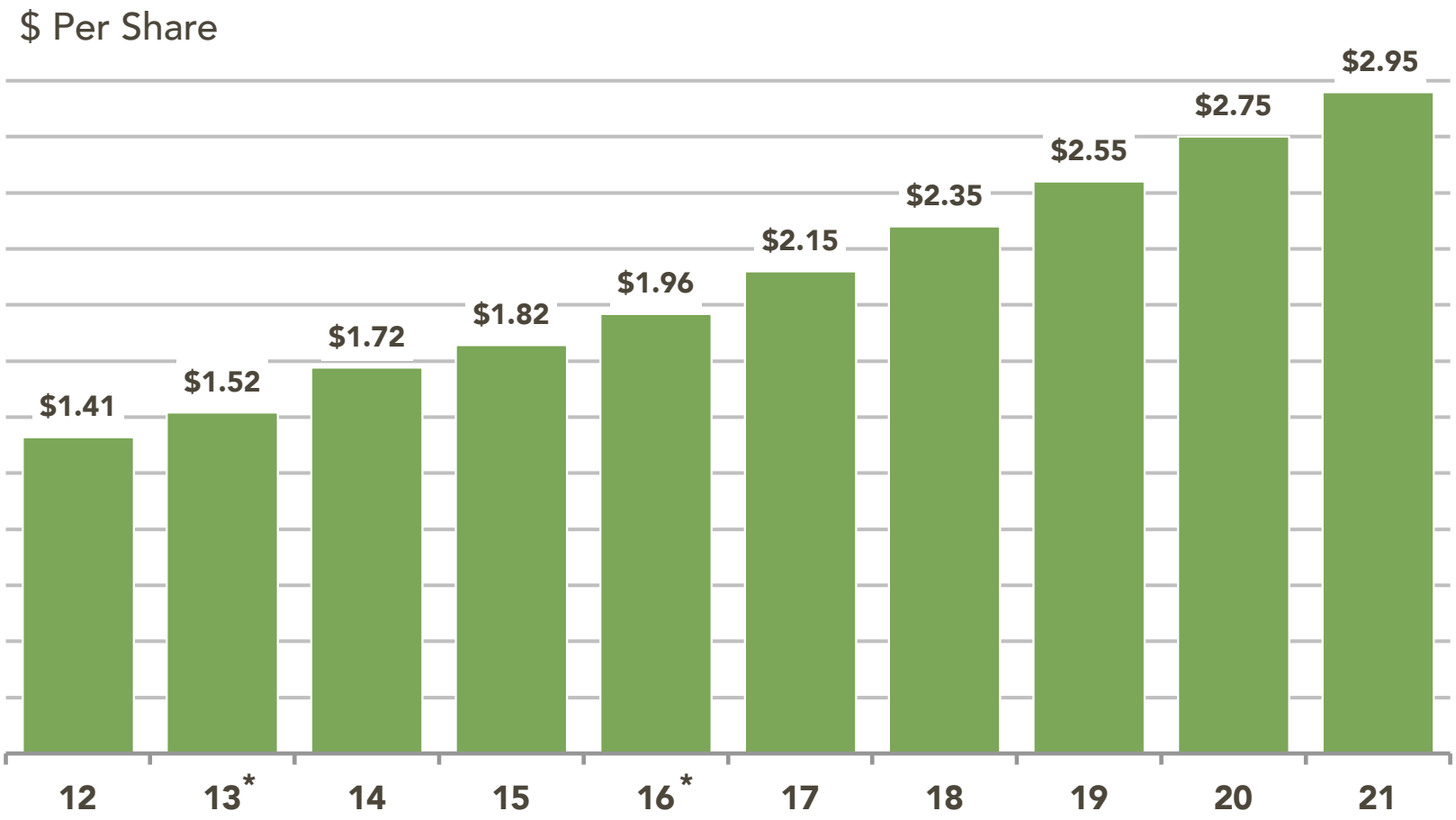
Capital Expenditure History



Fiscal years ended June 30.

Note: Capital Expenditure values noted above represent only those expenditures attributed to the company's Retail and Foodservice operations.

Regular Cash Dividends Per Share



Regular cash dividends for the fiscal years ended June 30.

* Excludes special cash dividends of $5.00 per share paid in FY13 and $5.00 per share paid in FY16.

Appendix B

Retail Brand Market Share and Related Information

Portfolio of Strong Brands and Licensing Relationships

(Sales and Market Share Data per IRI*)

Marzetti®

Ref. Dressing

$ Sales: 69.9MM

$ Share: 14.1%

Dips

$ Sales: 132.9MM

$ Share: 82.0%

(Excludes Simply Dressed and Simply 60)

Marzetti® Simply Dressed®

$ Sales: 41.7MM

$ Share: 8.4%

Olive Garden SM ^

$ Sales: 133.6MM

$ Share: 6.4%

New York Brand® Bakery

$ Sales: 260.4MM

$ Share: 41.2%

Sister Schubert's®

$ Sales: 137.4MM

$ Share: 51.6%

Chick-fil-A® ^

$ Sales: 62.7MM

**Retailer sales and market share data for the 52 weeks ended 6/27/21. Source: IRI, Total U.S. Multi-Outlet*

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

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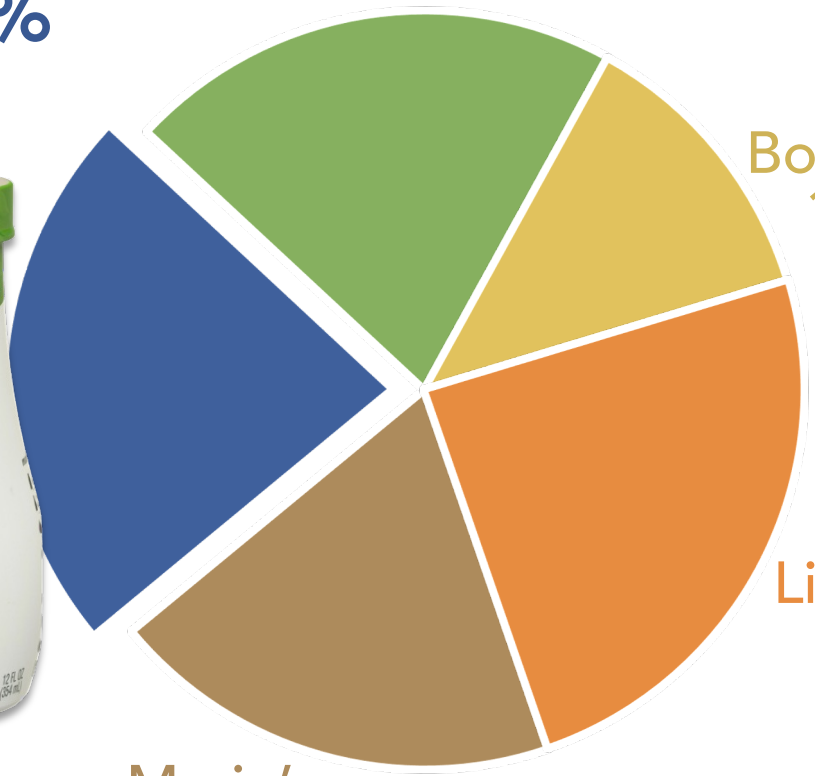
Refrigerated Dressing Market Share



Total Category Sales: $495.2 MM

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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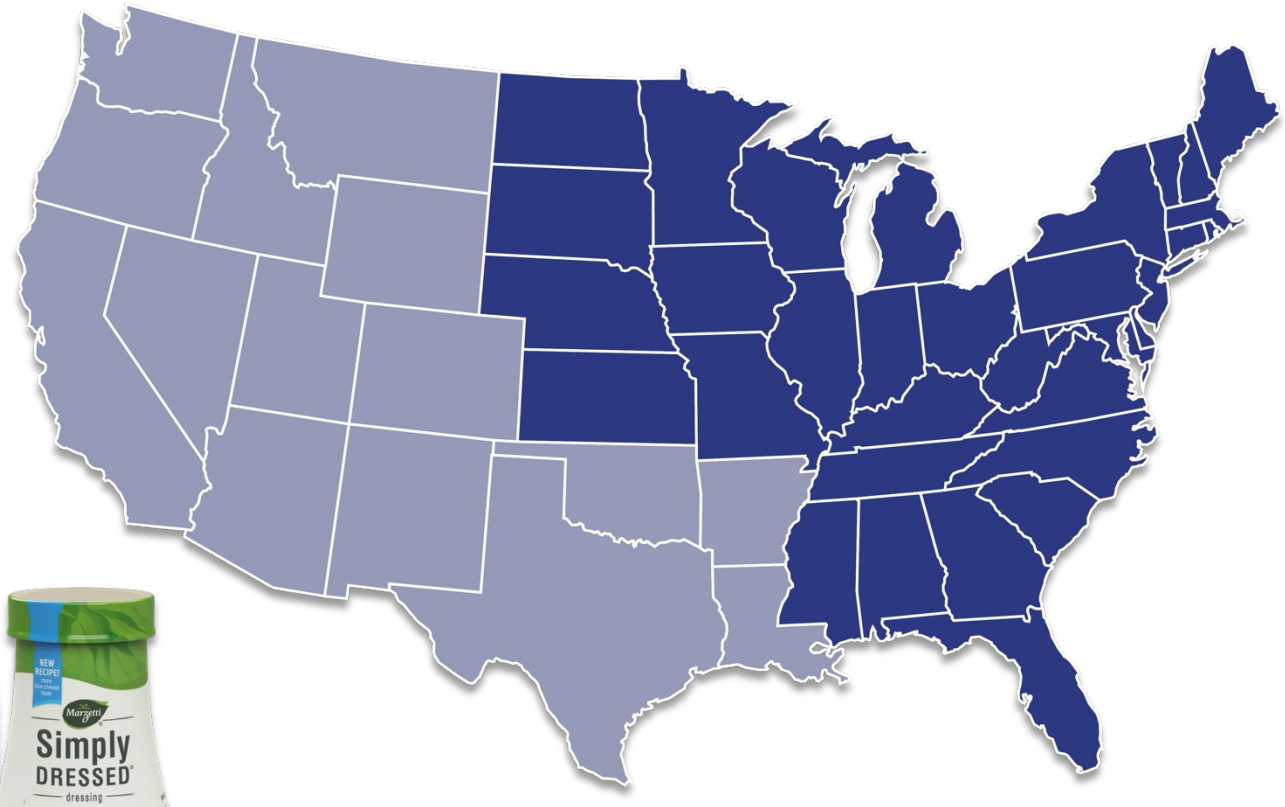
Marzetti Refrigerated Dressing Distribution

ACV Distribution

- 41 - 70%
- 71 - 90%



Total U.S. Multi-Outlet
70.9% ACV Weighted Distribution

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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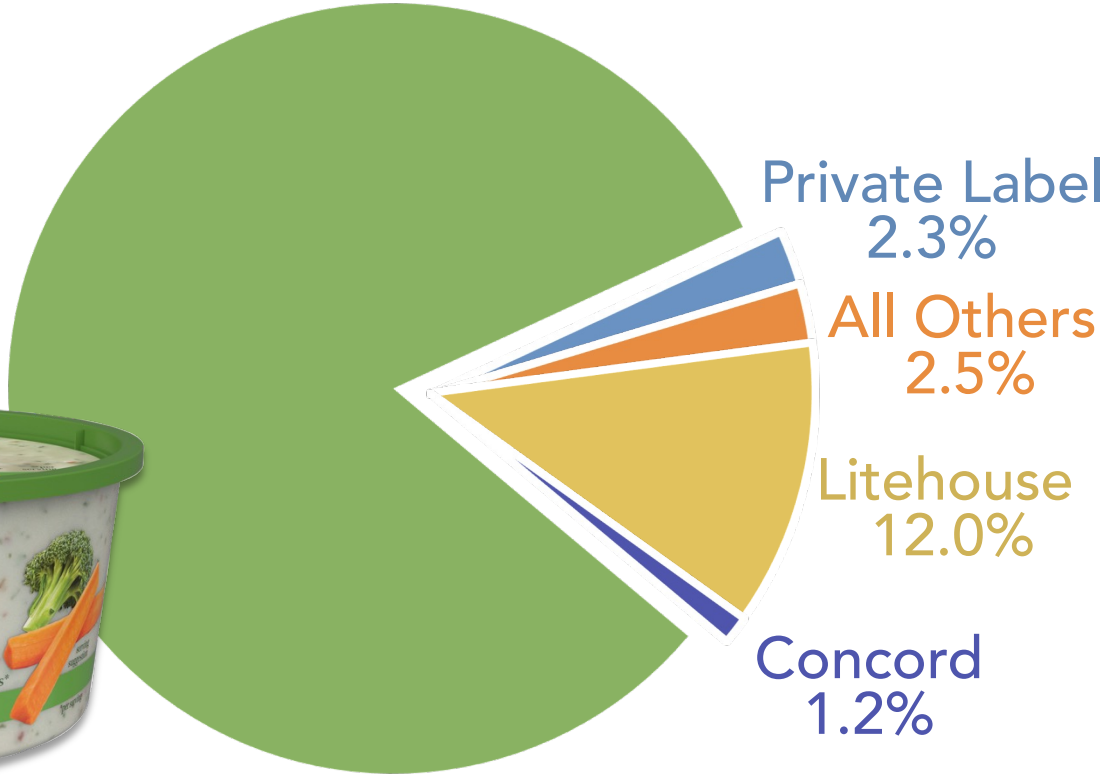
Produce Dip Market Share



Total Category Sales: $162.0 MM

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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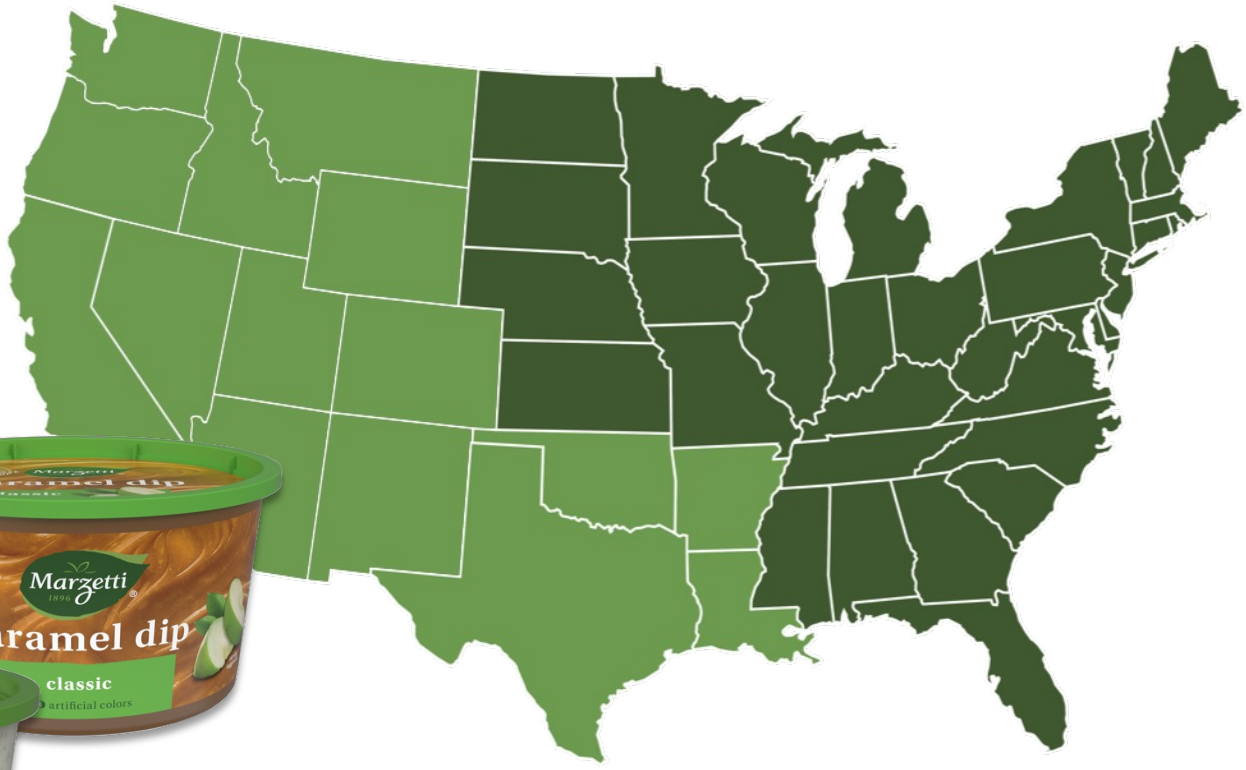
Marzetti Dip Distribution

ACV Distribution

21 - 80%

81 - 100%



Total U.S. Multi-Outlet
73.8% ACV Weighted Distribution

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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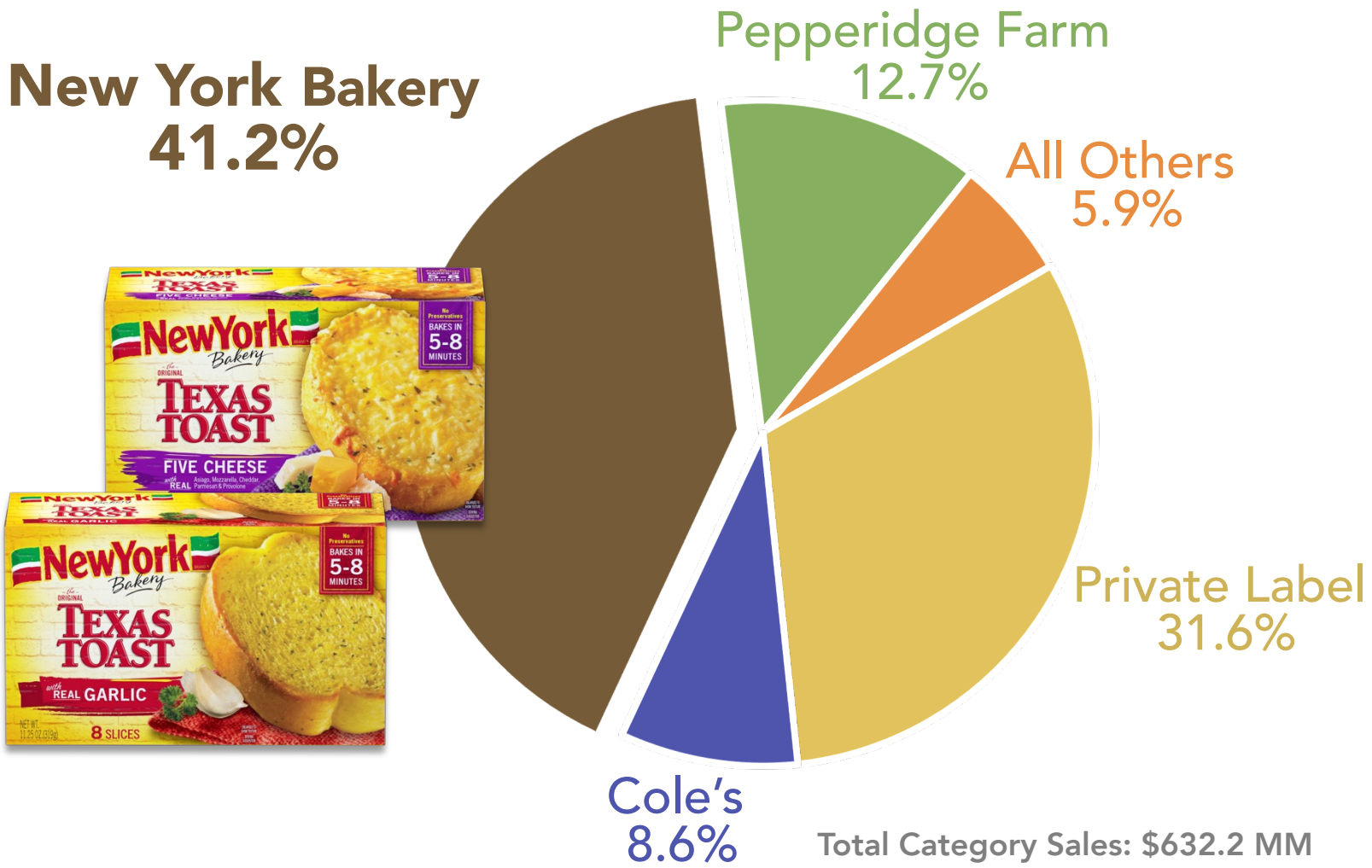
Frozen Garlic Bread Market Share



Total Category Sales: $632.2 MM

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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New York Bakery Frozen Garlic Bread Distribution

ACV Distribution

90 - 100%

Total U.S. Multi-Outlet
92.8% ACV Weighted Distribution

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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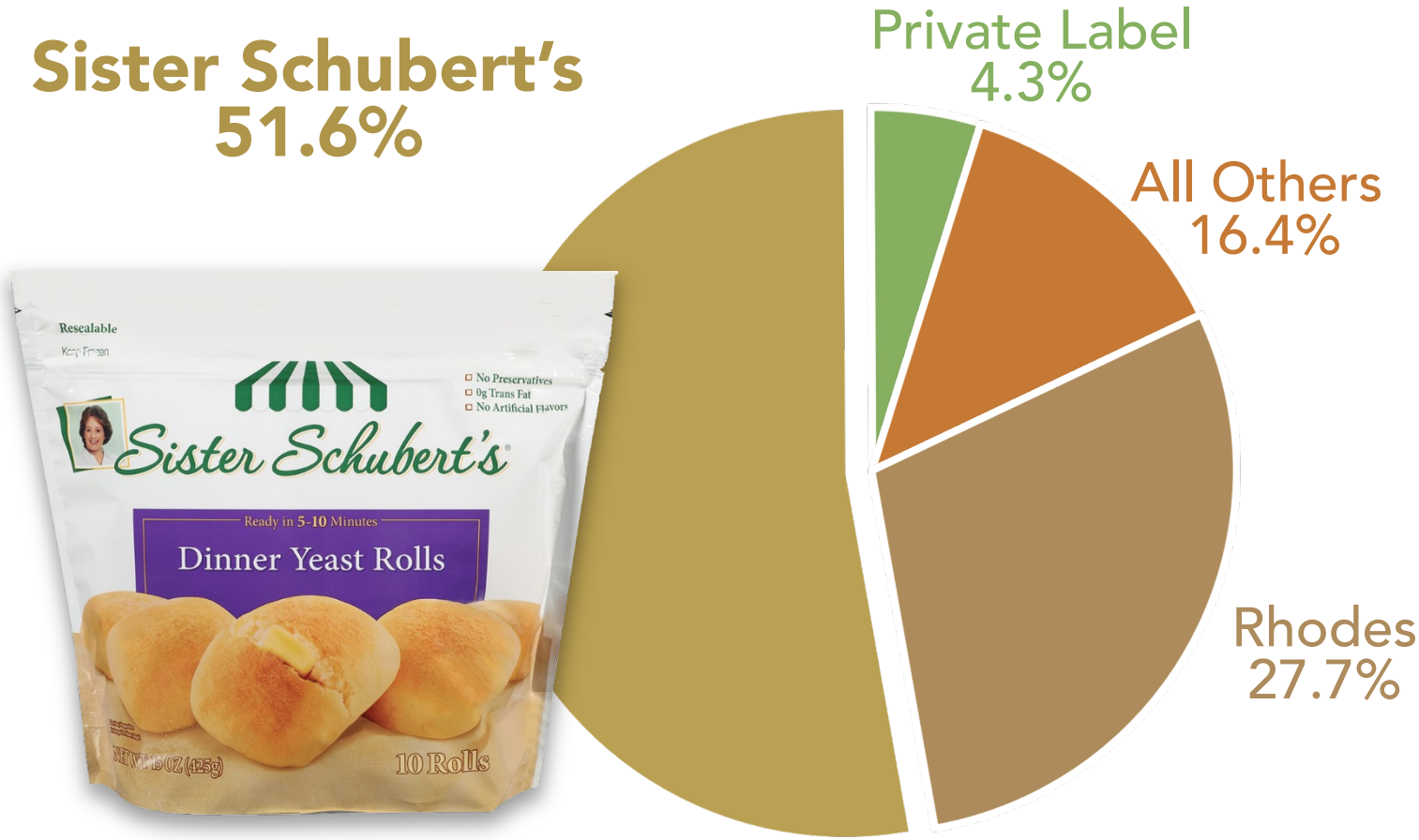
Frozen Roll Market Share



Total Category Sales: $266.3 MM

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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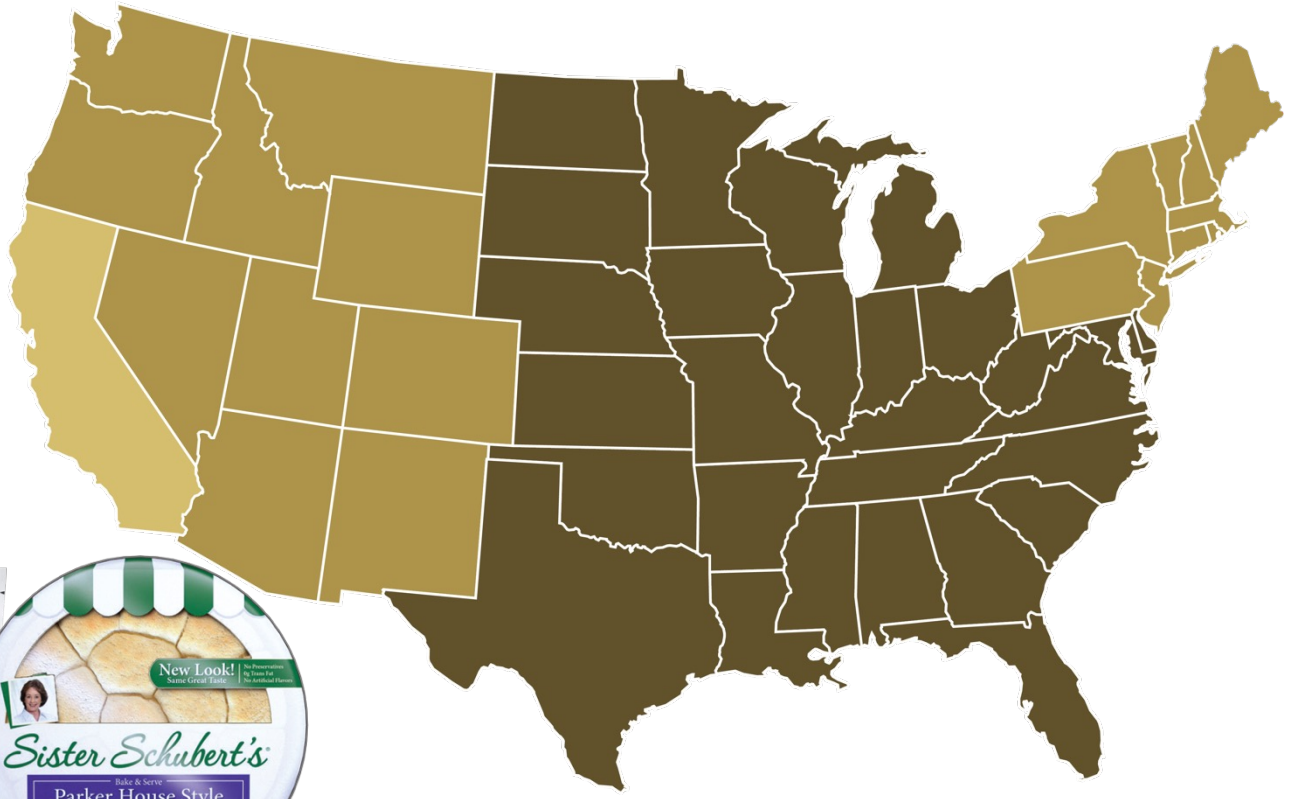
Sister Schubert's Distribution

ACV Distribution

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



Total U.S. Multi-Outlet
81.0% ACV Weighted Distribution

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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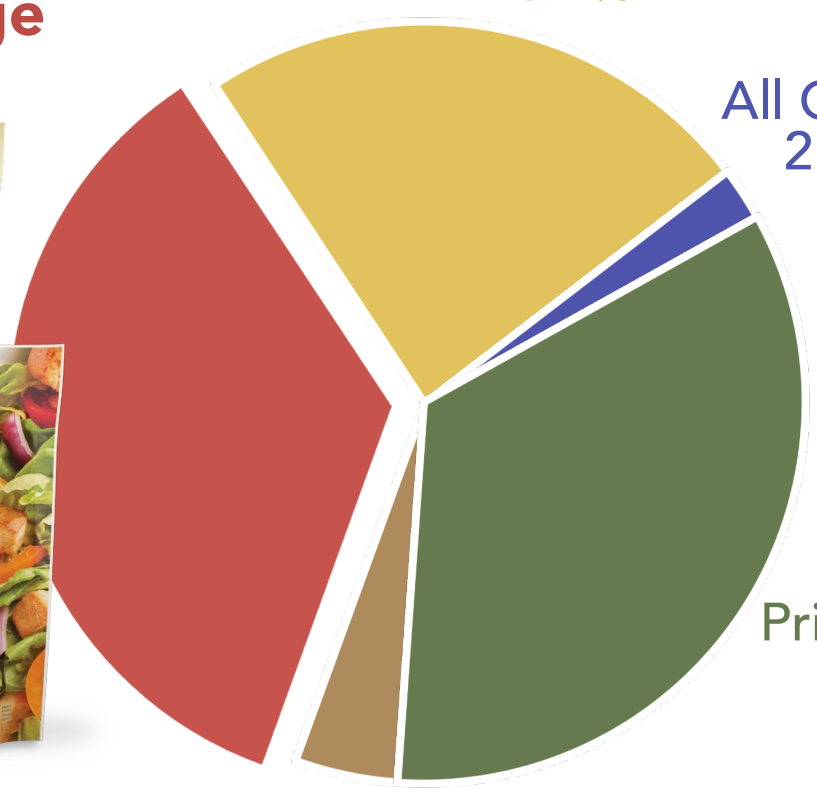
Crouton Market Share

Marzetti, Cardini's, New York Bakery, Chatham Village 35.2%



Total Category Sales: $260.6 MM

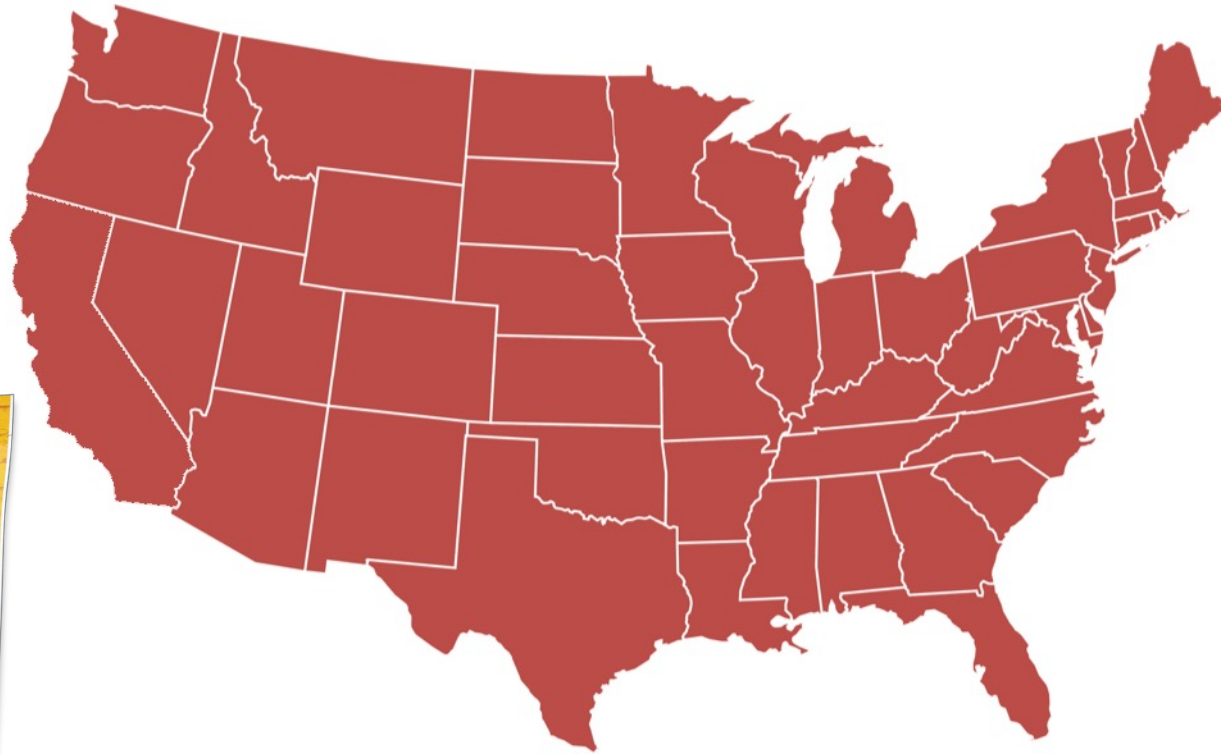
52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

Lancaster Colony

New York Bakery Crouton Distribution

ACV Distribution

71 - 100%



Total U.S. Multi-Outlet
86.1% ACV Weighted Distribution

52 weeks ending 6/27/21, Source: IRI, Total U.S. Multi-Outlet

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6th Annual Future of the Consumer Conference

May 24, 2022

Lancaster Colony