



Lancaster Colony Corporation (LANC)

A better food company



Sell

29.80% Downside

Target Price: \$125.30

Close Price (2/16/24):192.89

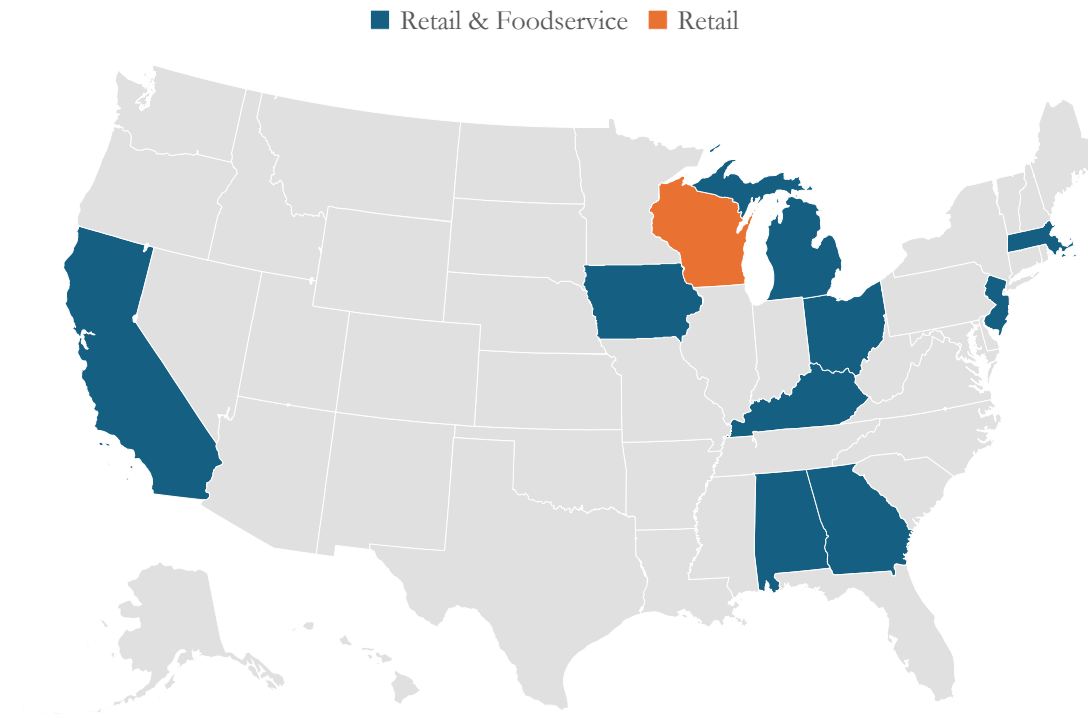


Brayden Cordray
Meghana Lalkota
Nathan Dressman



Business Description

Operational Presence



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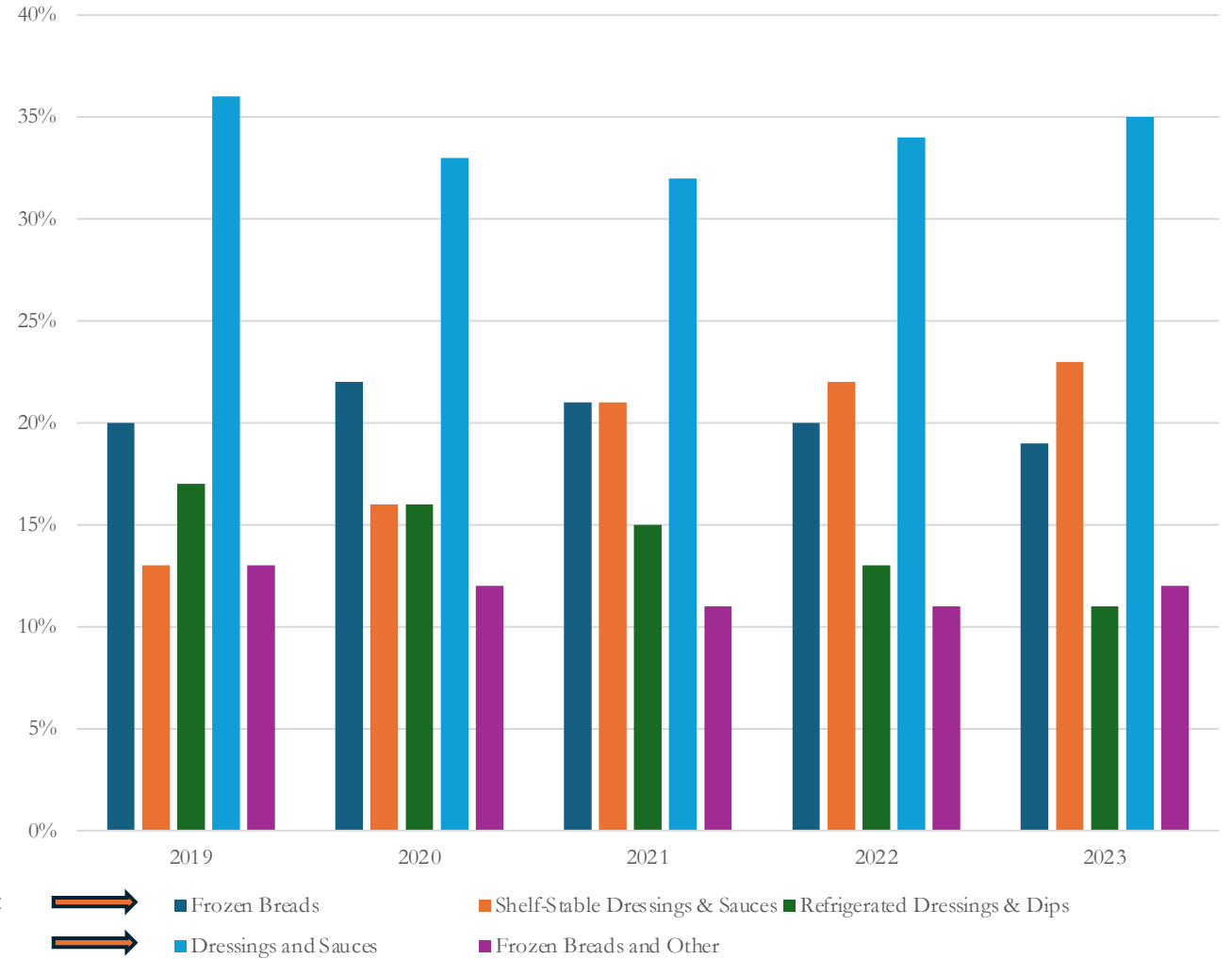
Established in 1961

15 facilities, nine states

Over 3,000 employees



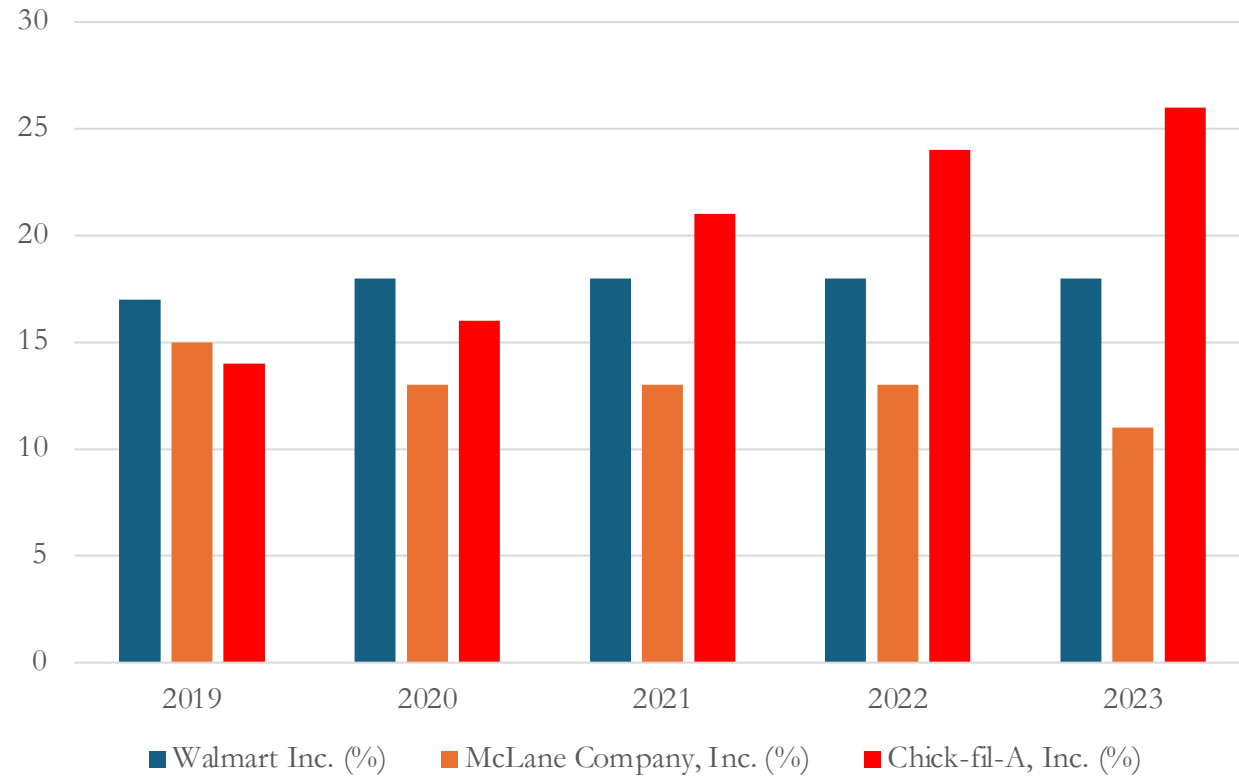
Net Sales by class of products





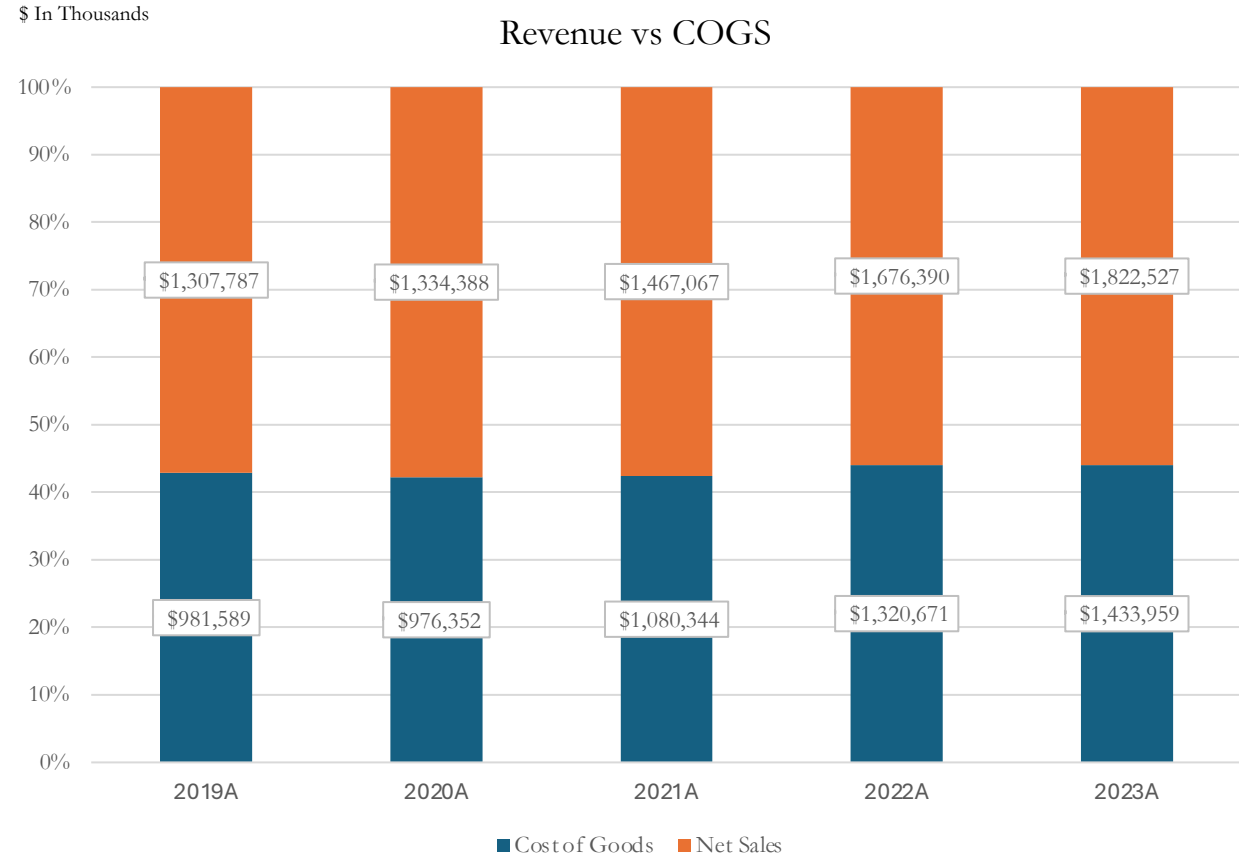
Business Financials

Net Sales attributed to B2B



Collaboration with household names

Revenue vs COGS



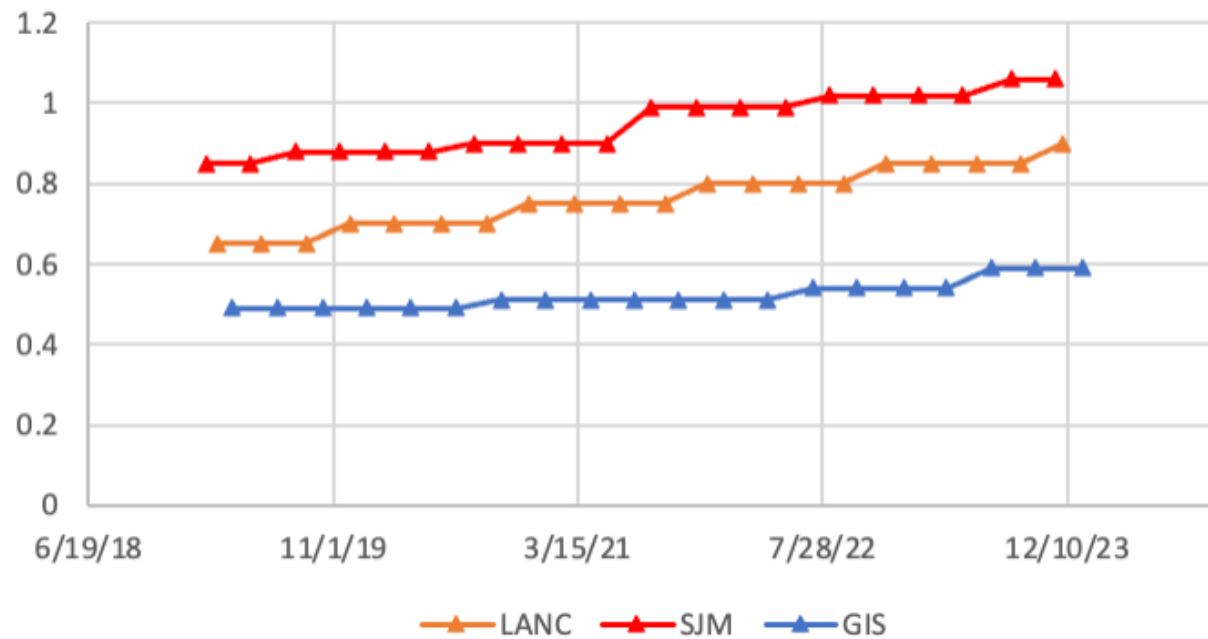
Consistent Revenue to COGS

Increased Division Revenue



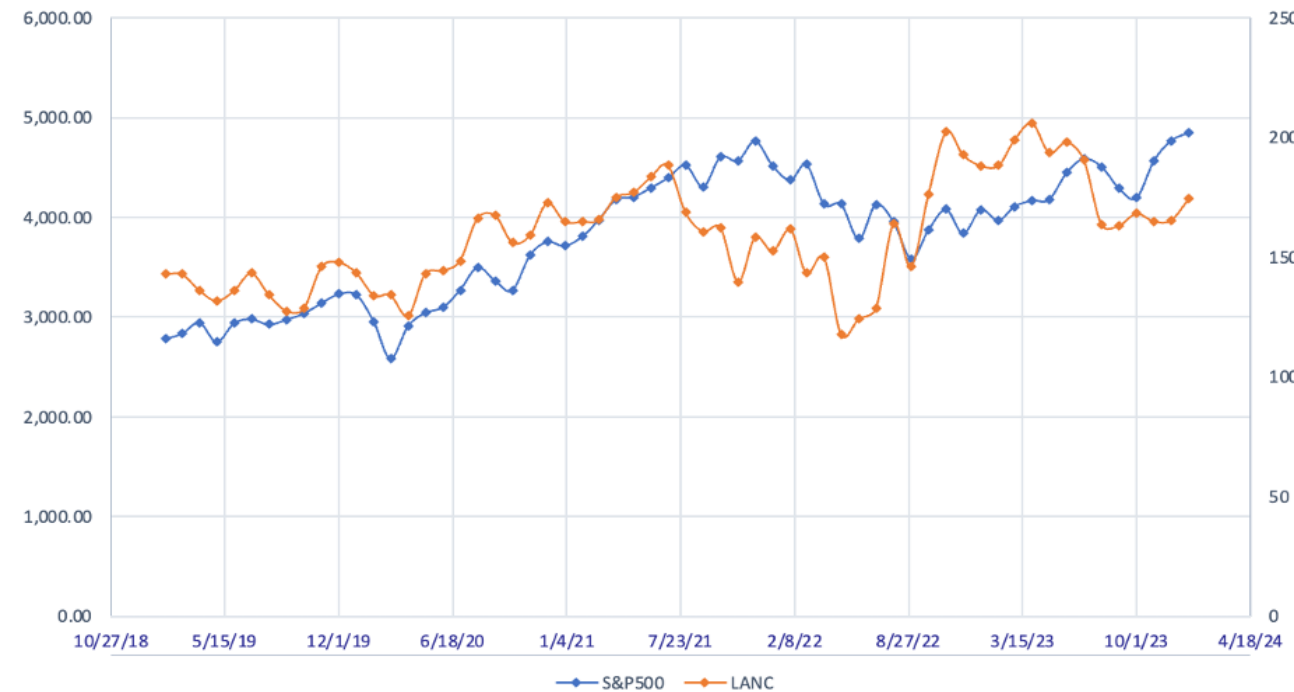
Business Financials Cont.

Dividend Payouts



Consistent Dividends

Price History



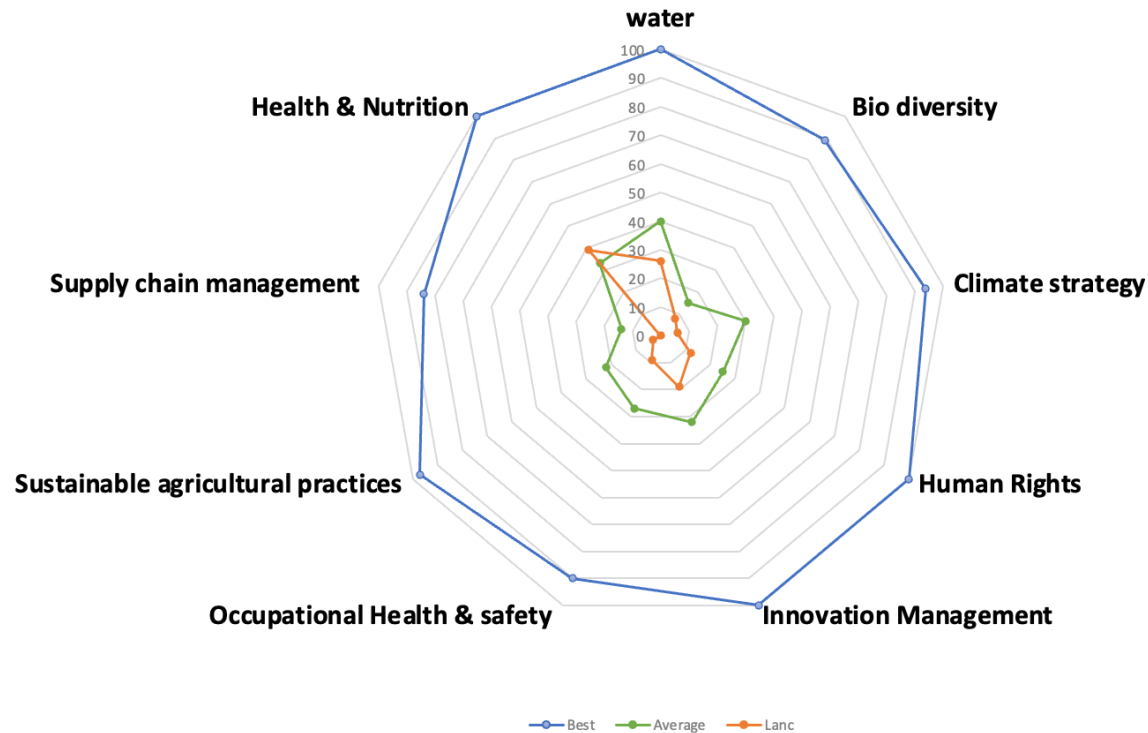
Little Price Growth

Less Volatile Than Market



Environmental, Social and Governance

S&P Global ESG rating

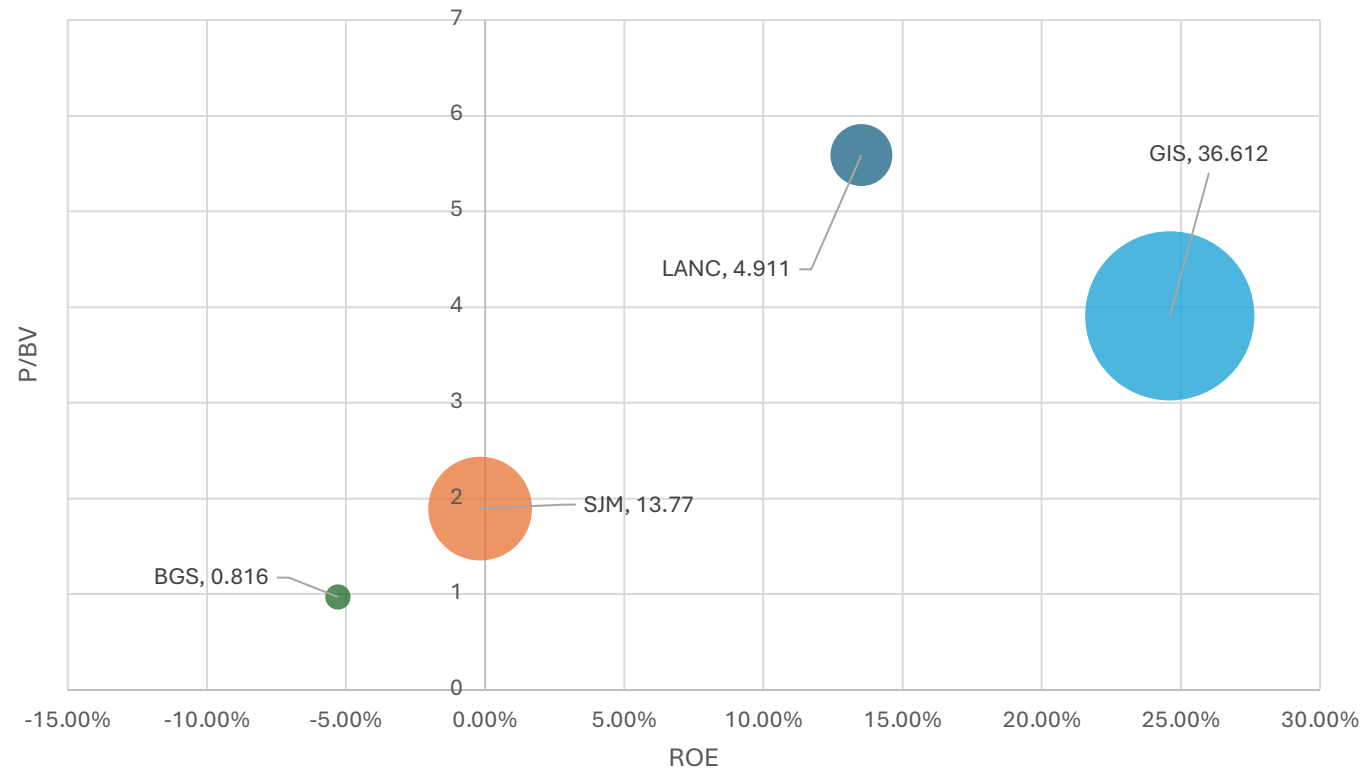


Provider	Best	LANC
Sustainalytics	1	28.6 (Medium risk)
LSEG ESG rating	100	22 * (second quartile)

Waste reduction
Efficient energy use
Charitable contributions

Employee support systems
Commitment to diversity
Commitment to shareholders

Industry Overview and Position



	Market Cap(B)	Roe	P/BV
LANC	4.911	13.52%	5.5897
SJM	13.77	-0.18%	1.8958
BGS	0.816	-5.29%	0.9719
GIS	36.612	24.60%	3.9096

4.9 Billion market cap

Small size compared to competitors

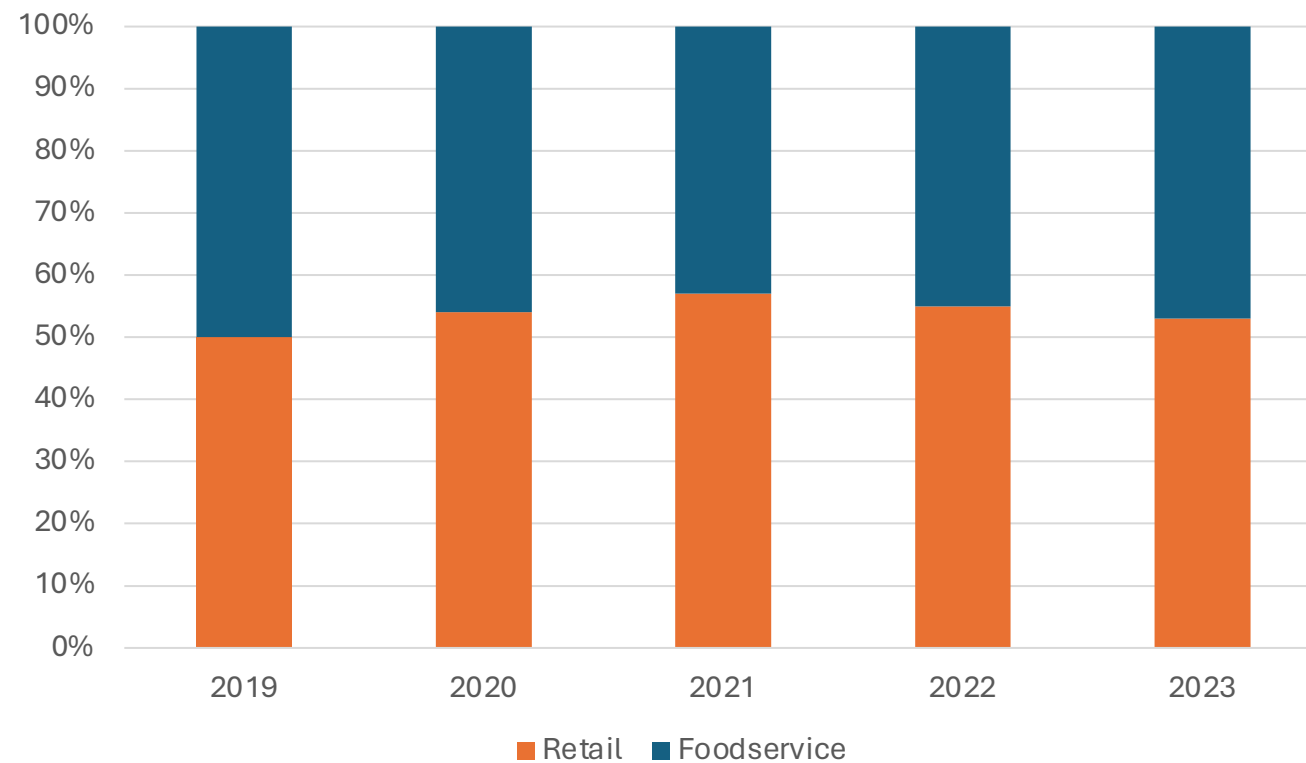
P/BV of 5.58

Financial Analysis



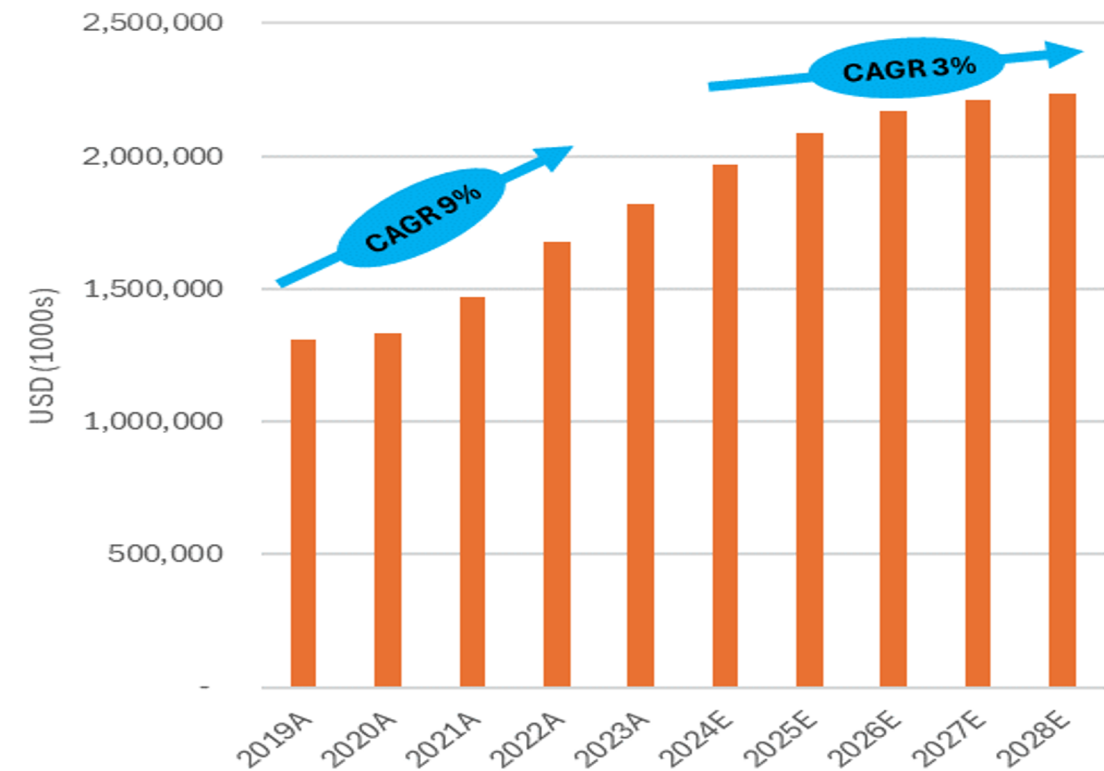
Note: Growth was projected at 8% for the first year and decreases
YOY to 1% in FY28

Revenue by Segment



Flatline reliance

Revenue Projections



Declining CAGR

Increasing revenue

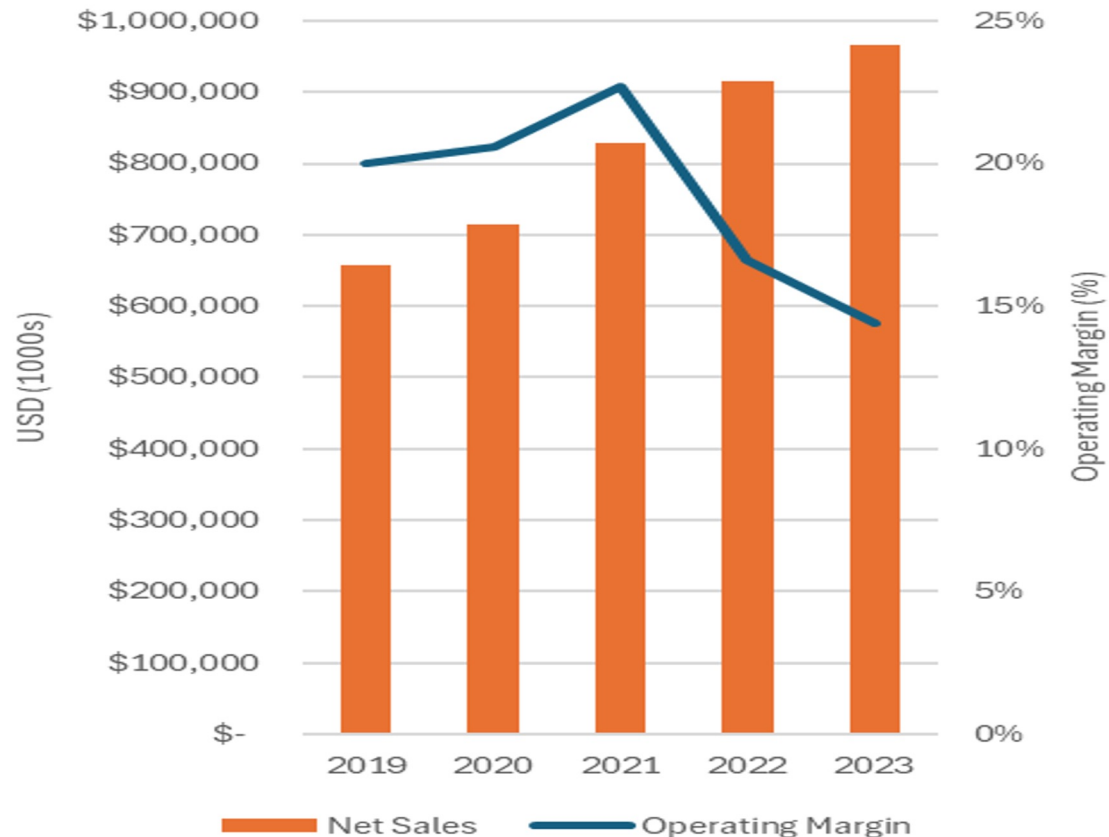


Financial Analysis



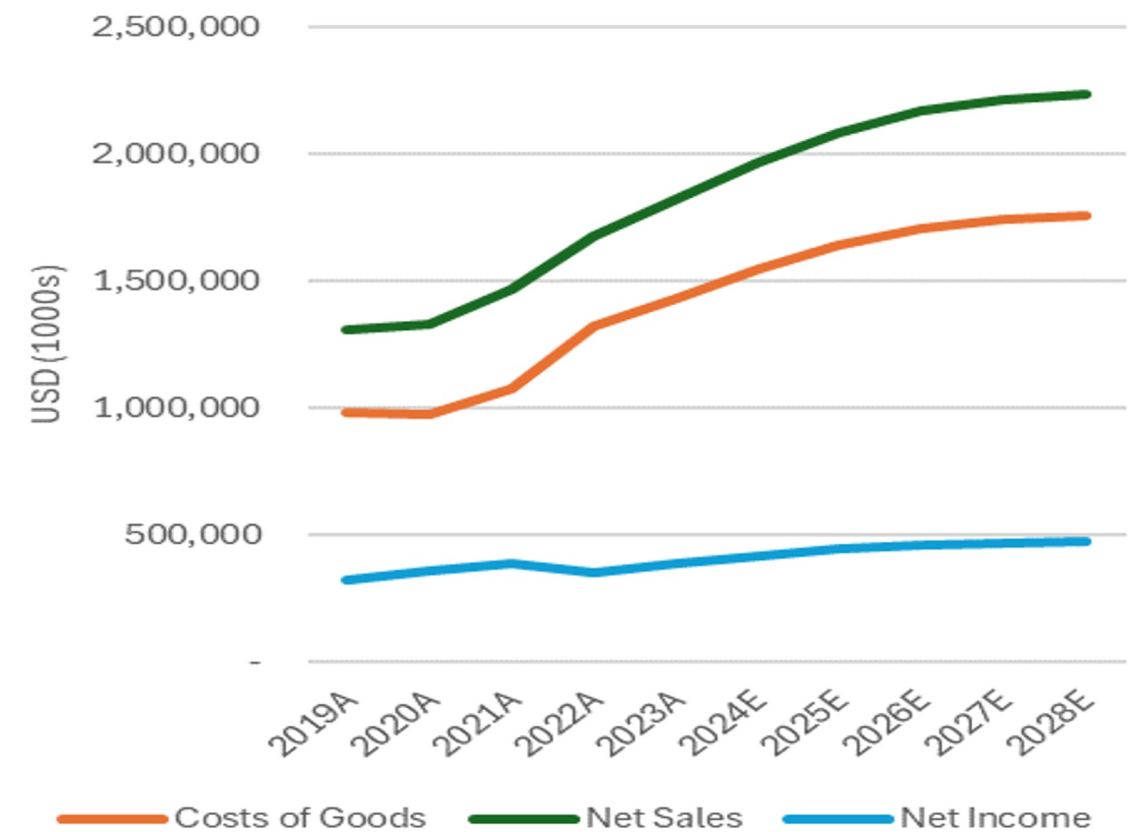
Note: The retail segment currently drives more than 50% of total sales; however, this may contribute risk as the retail segment's margins have been decreasing YOY

Profitability



Falling operating margin

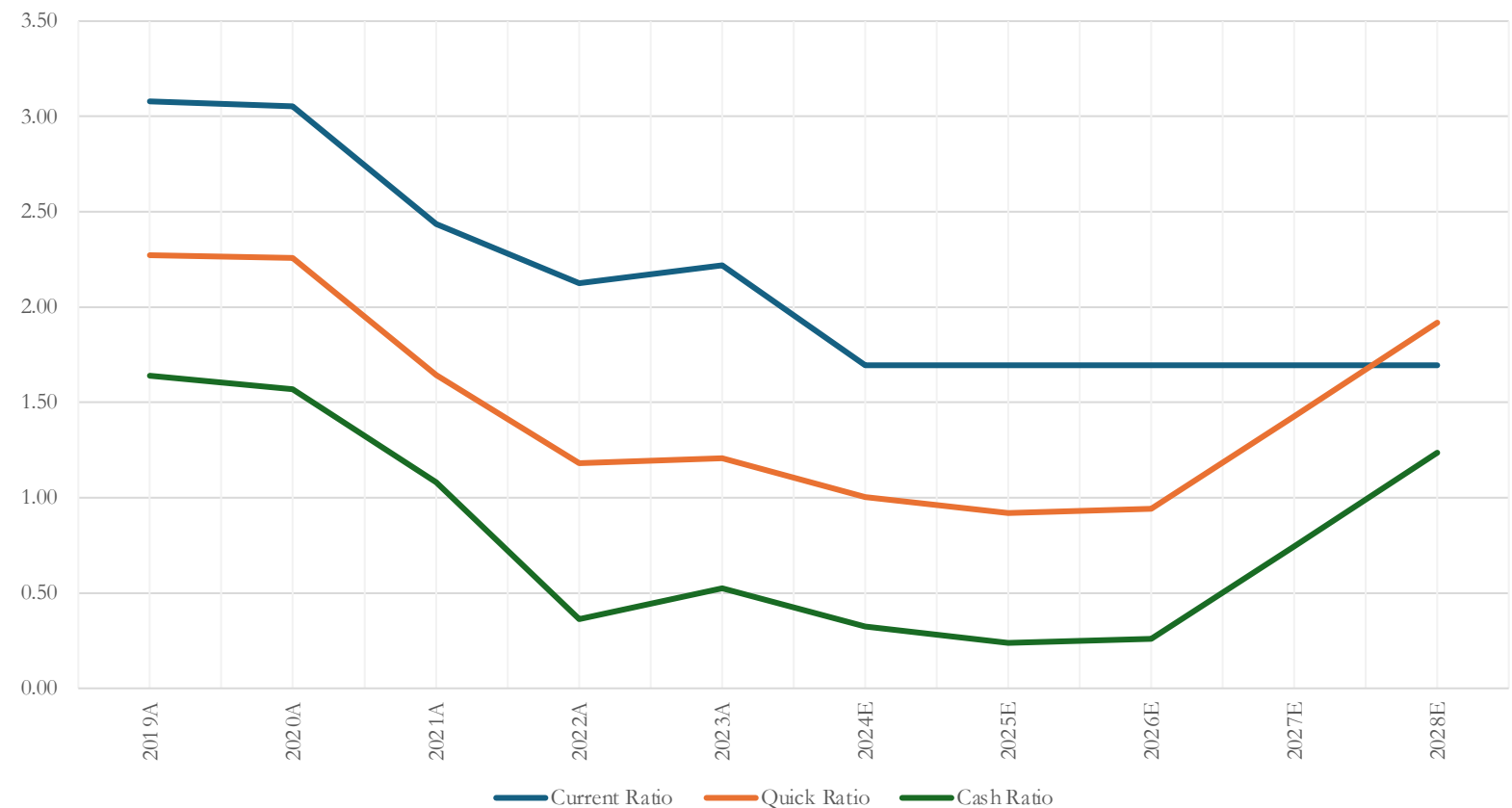
Historical & Forecasted Income



Sales growth

Not capitalizing on income

Liquidity Analysis



Current Average	Quick Average	Cash Average
2.14	1.48	0.80
Min: 1.69	Min: 0.92	Min: 0.24
Max: 3.08	Max: 2.27	Max: 1.64

Variable ratios

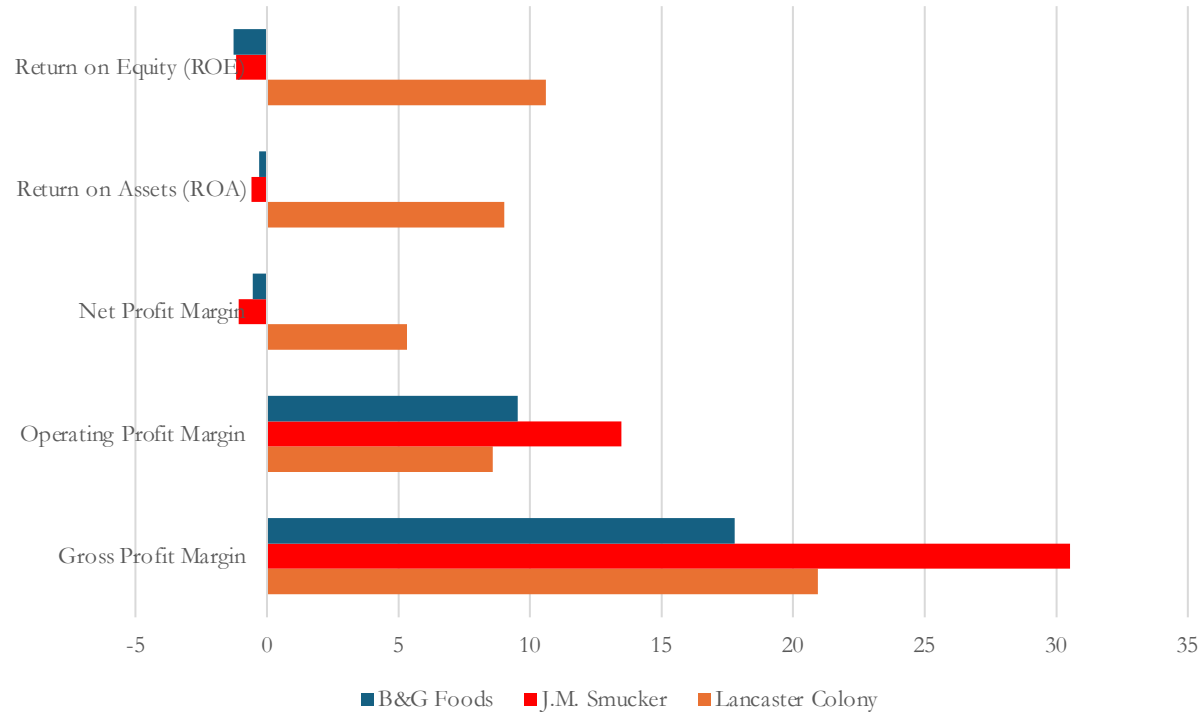
Semi-low liquidity risk

Recovery of quick/cash ratio



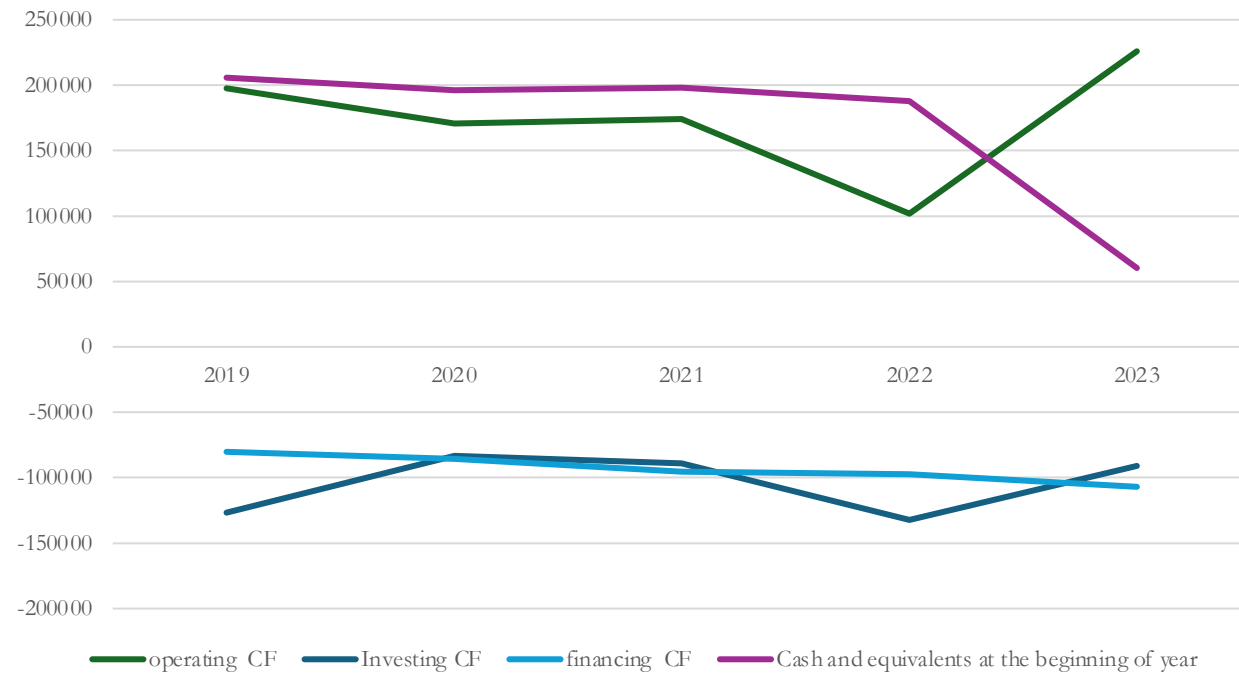
Cash Flow Analysis

Profitability



Stagnant profitability

Cash flow performance

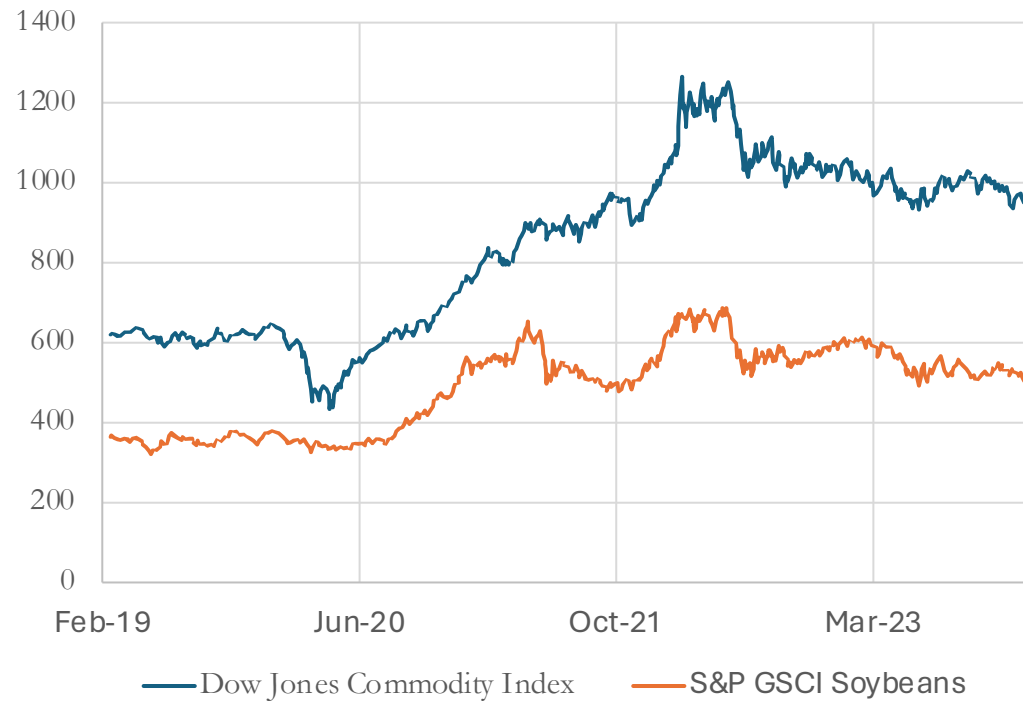


Semi-consistent CF

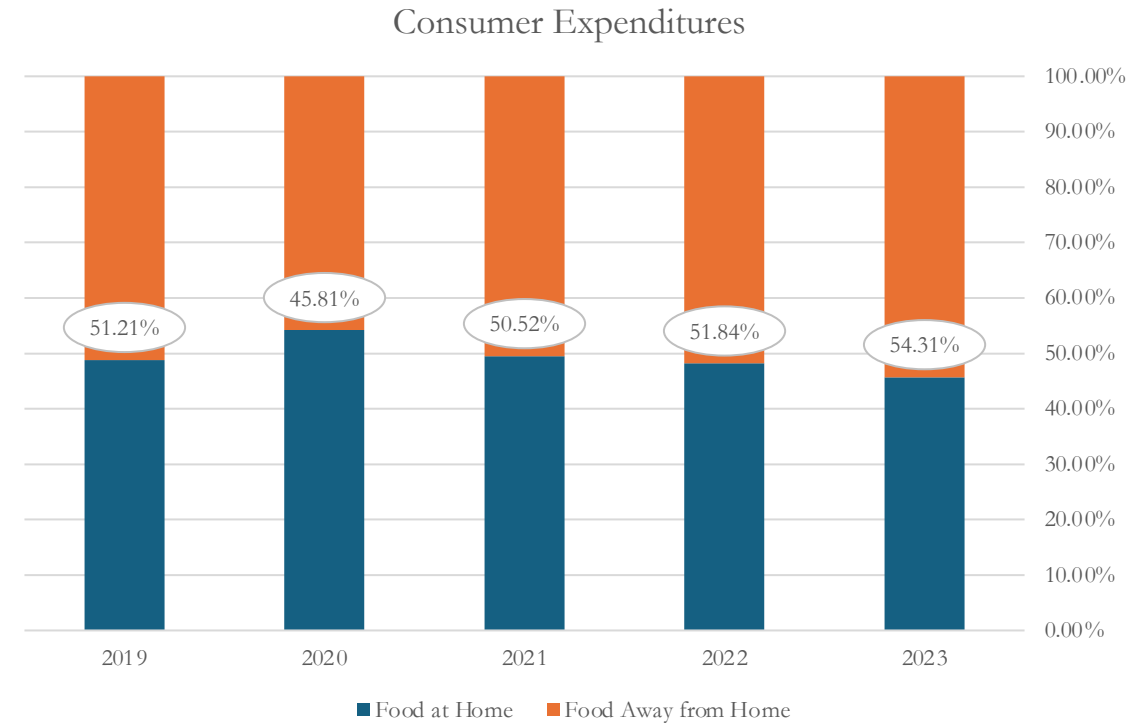
Growth?



Risk and Mitigation



Volatility in the markets



Changing consumer behavior

Lack of mitigation

Recommendation - Sell

- Dependency on Licensing Agreements
- Absence of Organic Growth
- Absence of Debt Leverage



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T.Marzetti 

 Lancaster Colony

MyComputerCareer


CHAMPION
COMPANIES

Thank You

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