



JOHN B. SANFILIPPO & SON, INC.

FY 2016 ANNUAL STOCKHOLDER MEETING

November 2, 2016



The Global Source For Nuts®

Agenda

- **JBSS Overview and Results** - Jeffrey Sanfilippo Chairman & CEO
- **FY 2016 Financial Milestones** - Mike Valentine CFO & Group President
- **Brand Marketing Overview** - Howard Brandeisky Sr. VP Global Marketing & Customer Solutions
- **JBSS FY 2017 Strategic Plan** - Jeffrey Sanfilippo Chairman & CEO
- **Closing Remarks** - Jeffrey Sanfilippo Chairman & CEO



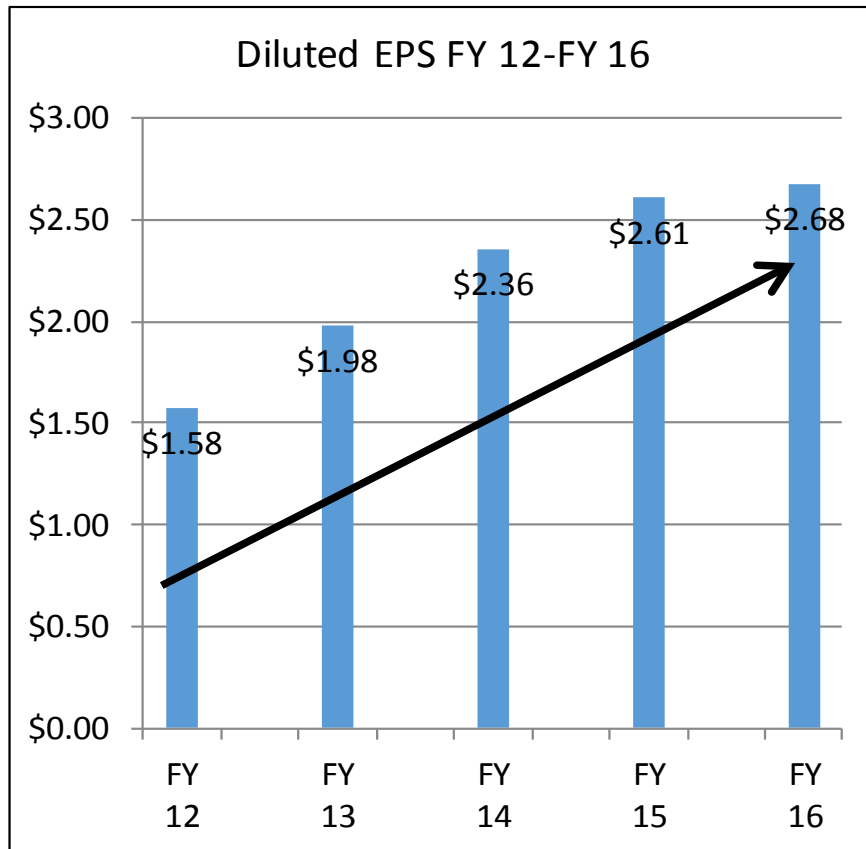
Forward-Looking Statements

Some of the statements in this presentation and any statements by management constitute “forward-looking statements” about John B. Sanfilippo & Son, Inc. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business and the markets in which we operate. In some cases, you can identify forward-looking statements by the use of words such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “forecast,” “predict,” “propose,” “potential” or “continue” or the negative of those terms or other comparable terminology. These statements represent our present expectations or beliefs concerning future events and are not guarantees. Such statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

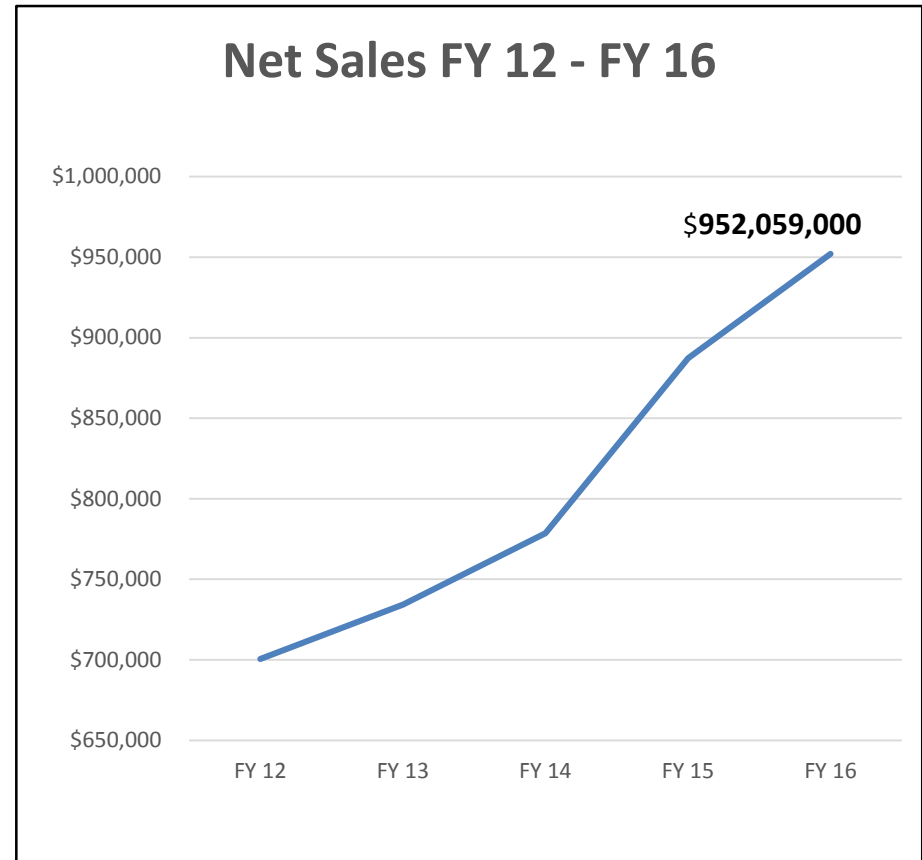
We caution that forward-looking statements are qualified by important factors, risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Our periodic reports filed with the Securities and Exchange Commission, including our Forms 10-K and 10-Q and any amendments thereto, describe some of these factors, risks and uncertainties.



CONSISTENT SUCCESS OVER PAST 5 FISCAL YEARS



Diluted EPS improvement of 70% from FY 12 to FY 16



Net Sales increased by 7% over FY 15 to a record \$952.1 million



JBSS STOCK PERFORMANCE VS RUSSEL 2000 OVER THE LAST TWO YEARS



Vision

*To be the global source for nuts,
committed to quality,
expertise and innovation that
delivers an unmatched
experience to our customer
and consumer*

Core Values

***Integrity
People
Investment
Customer Driven
Quality
Innovation
Execution
Continuous Improvement
Safety
Resource Conservation***





JOHN B. SANFILIPPO & SON, INC.

FY 2016 CORPORATE RESULTS



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BUILDING OUR FUTURE



GROW JBSS BRANDS

- Build Fisher and Orchard Valley Harvest into leading nut brands.
- Utilize consumer insights to develop products and integrated marketing programs that build brand equity, meet consumer needs, and grow the category for our retail partners.
- Focus on consumers demanding quality nuts in snacking, recipe and produce categories.



EXPAND GLOBALLY

- Build JBSS into a leading premium international snack nut company.
- Grow Fisher and other JBSS brands through expanded distribution and consumer led brand building. Leverage select value-added private brand partnerships.
- Focus on consumers demanding quality snacks in emerging markets in Asia, especially China, and in Latin America.



CREATE VALUE WITH KEY CUSTOMERS

- Be the preferred partner to build profitable volume of value-added nut and snack products.
- Offer supply chain expertise, quality, flexibility, innovation and customer support that creates value for our partners.
- Focus on leading food companies in the Consumer, International, Commercial Ingredient and Contract Manufacturing channels.

ACCOUNTABILITY

ENGAGEMENT

FOCUSED EXECUTION

INTEGRITY

•
•
•
•

CONSUMER INSIGHTS

EXPERTISE

INNOVATION

SUPPLY CHAIN EXCELLENCE

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FY 2016 Accomplishments



GROW JBSS BRANDS

- Build Fisher and Orchard Valley Harvest into leading nut brands.
- Utilize consumer insights to develop products and integrated marketing programs that build brand equity, meet consumer needs, and grow the category for our retail partners.
- Focus on consumers demanding quality nuts in snacking, recipe and produce categories.

- *Fisher* recipe nuts increased pound market share by +2.6 points.
- *Fisher* snack nuts pound market share grew +0.6 point in the high franchise Midwest.
- Strong growth in Produce Nut category.



Source : IRI FY Ending 6/26/16

Total US MULO for Recipe Nuts ;

Fisher Core (Milwaukee, Minneapolis, Chicago, and St Louis) MULO for Fisher Snack



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FY 2016 Accomplishments



CREATE VALUE WITH KEY CUSTOMERS

Be the trusted partner by offering supply chain and category expertise, quality, food safety, flexibility, innovation and customer support.

- Leveraged our innovation capabilities to launch 30 new items for our key Contract Manufacturing customers.
- Optimized Food Service and Industrial ingredient customer and product portfolios.
- Expanded *Fisher* brand awareness and distribution in the Commercial Ingredients channel.



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FY 2016 ACCOMPLISHMENTS



- Build JBSS into a leading premium international snack nut company.
- Grow Fisher and other JBSS brands through expanded distribution and consumer led brand building. Leverage select value-added private brand partnerships.
- Focus on consumers demanding quality snacks in emerging markets in Asia, especially China, and in Latin America.

- Sampling of Fisher snacks in Middle East with positive consumer engagement.
- China Ecommerce Holiday... Fisher sold \$20,000 in one day.
- Successful sell through of Fisher gift pack for Chinese New Year.



Singles Day Promotion - Tmall

“The” most important promotion event in China ... comparable to Black Friday

Alibaba Singles Day 2015 sales = \$14.3B

75th Anniversary 全球包邮 满118元送花至140g





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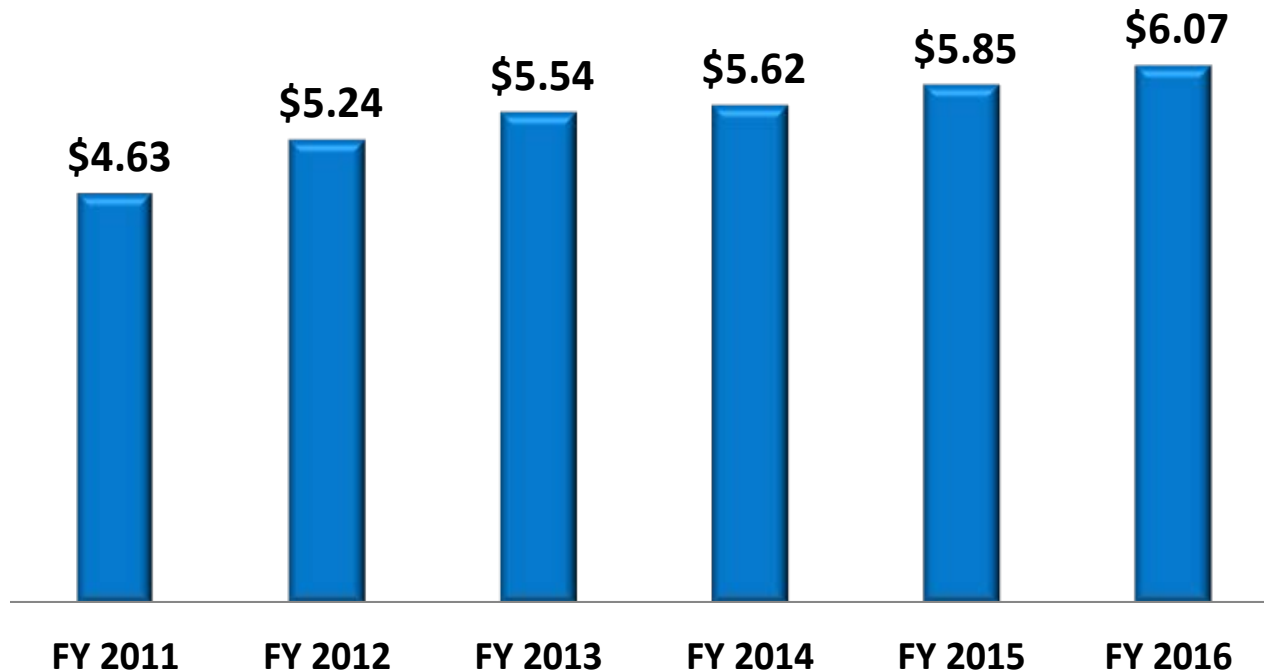
NUT CATEGORY REVIEW



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Steady Increase in Nut Retail Prices Since FY 2011

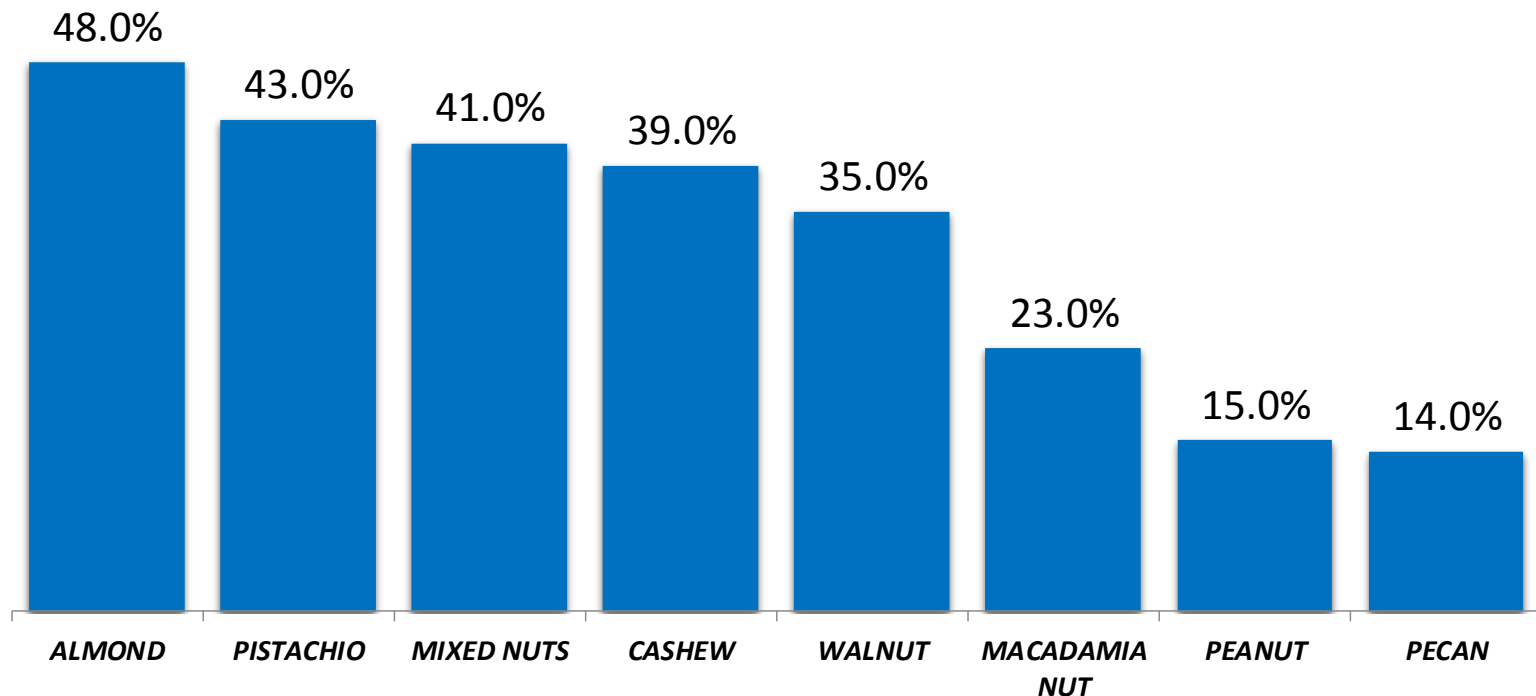
Price Per Pound



**+ 31%
since
FY 2011**

Retail Prices Up Across Most Major Nut Types over the Last 5 Years

% Increase in Price Per Pound Since FY '11



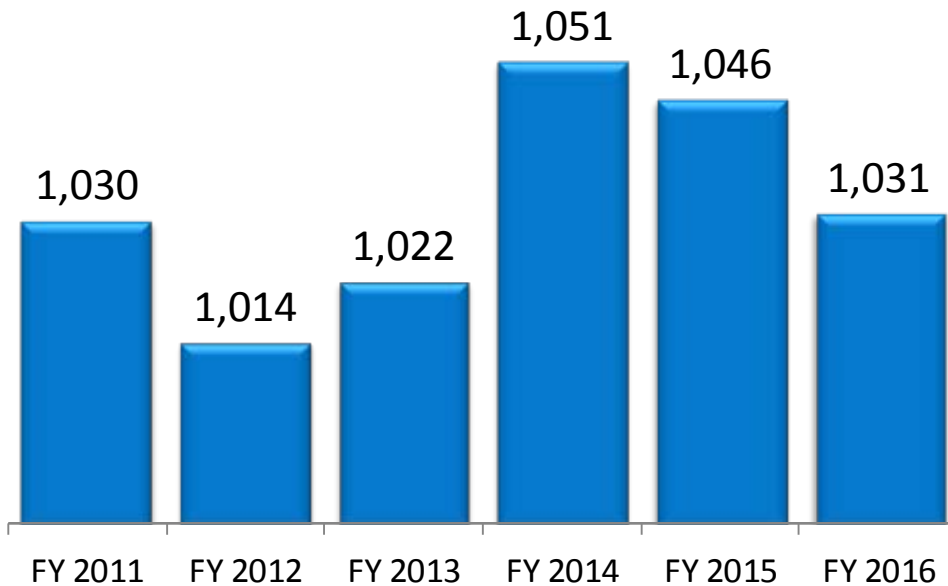
Source: IRI: Total Nut Category – Multi Outlet Geography
Time Periods: to FY 11 Year Ending 7/3/11 to FY 2016 data ending 6/26/16



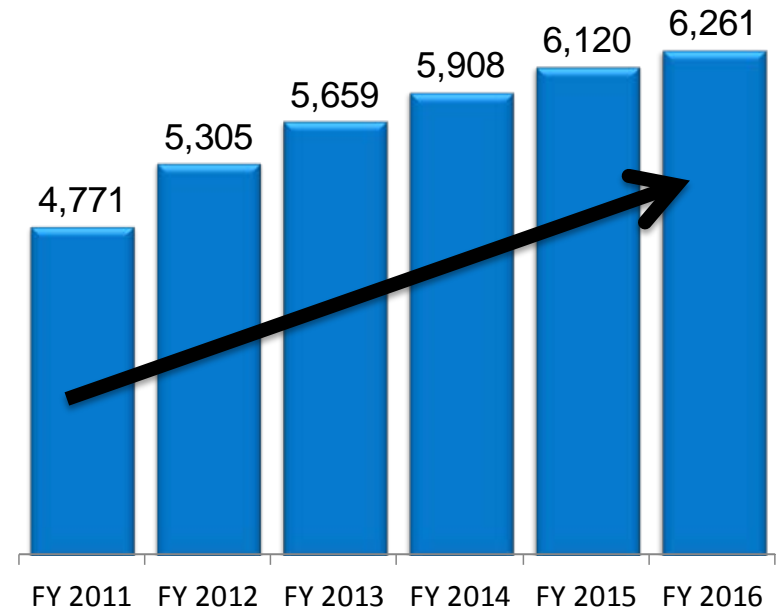
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Steady Category \$ Growth

Category Pound Sales (M)



Category \$ Sales (M)





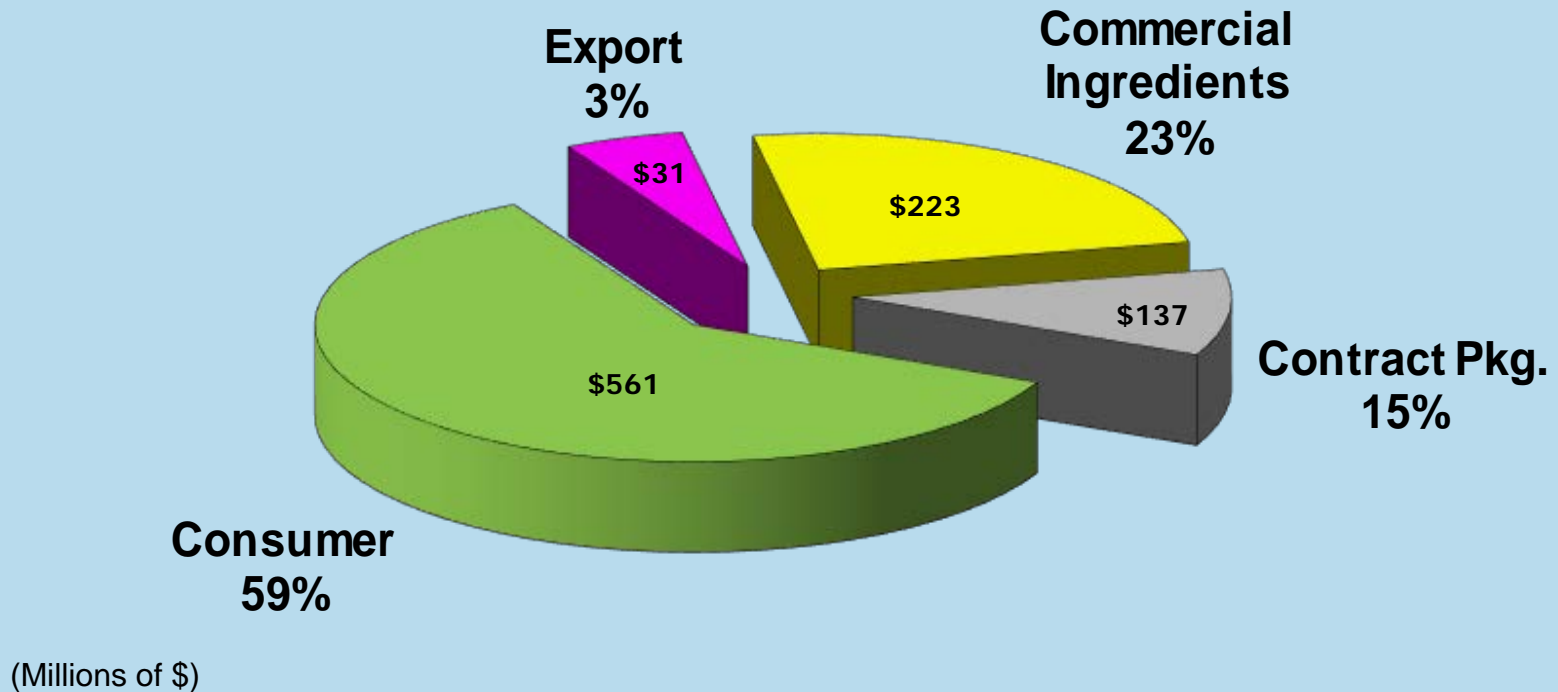
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SALES CHANNEL UPDATES



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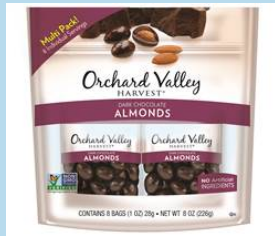
Business Channel Diversification



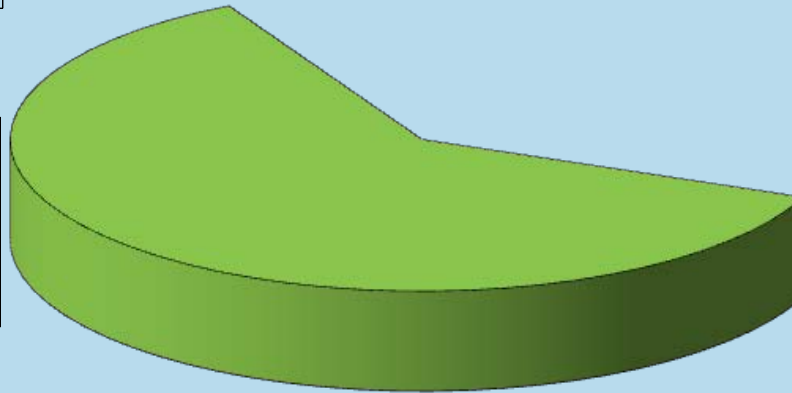
Fiscal 2016 Net Sales \$952 Million



FY 2016 Consumer Channel



Consumer
59%



6.1%
vs. FY 15

Fiscal 2016 Net Sales \$561 Million

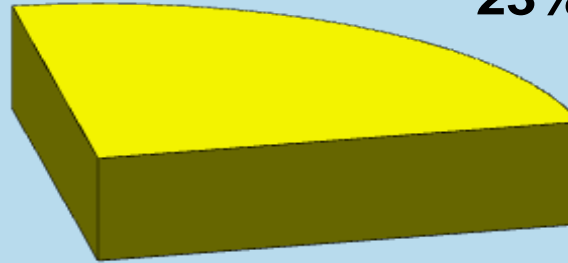


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FY 2016 Commercial Ingredients Channel



**Commercial
Ingredients
23%**



7.3%
vs. FY 15

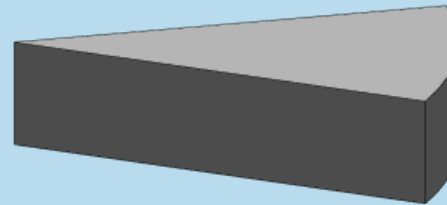
Fiscal 2016 Net Sales \$223 Million



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FY 2016 Contract Packaging Channel

**Contract
Packaging
15%**

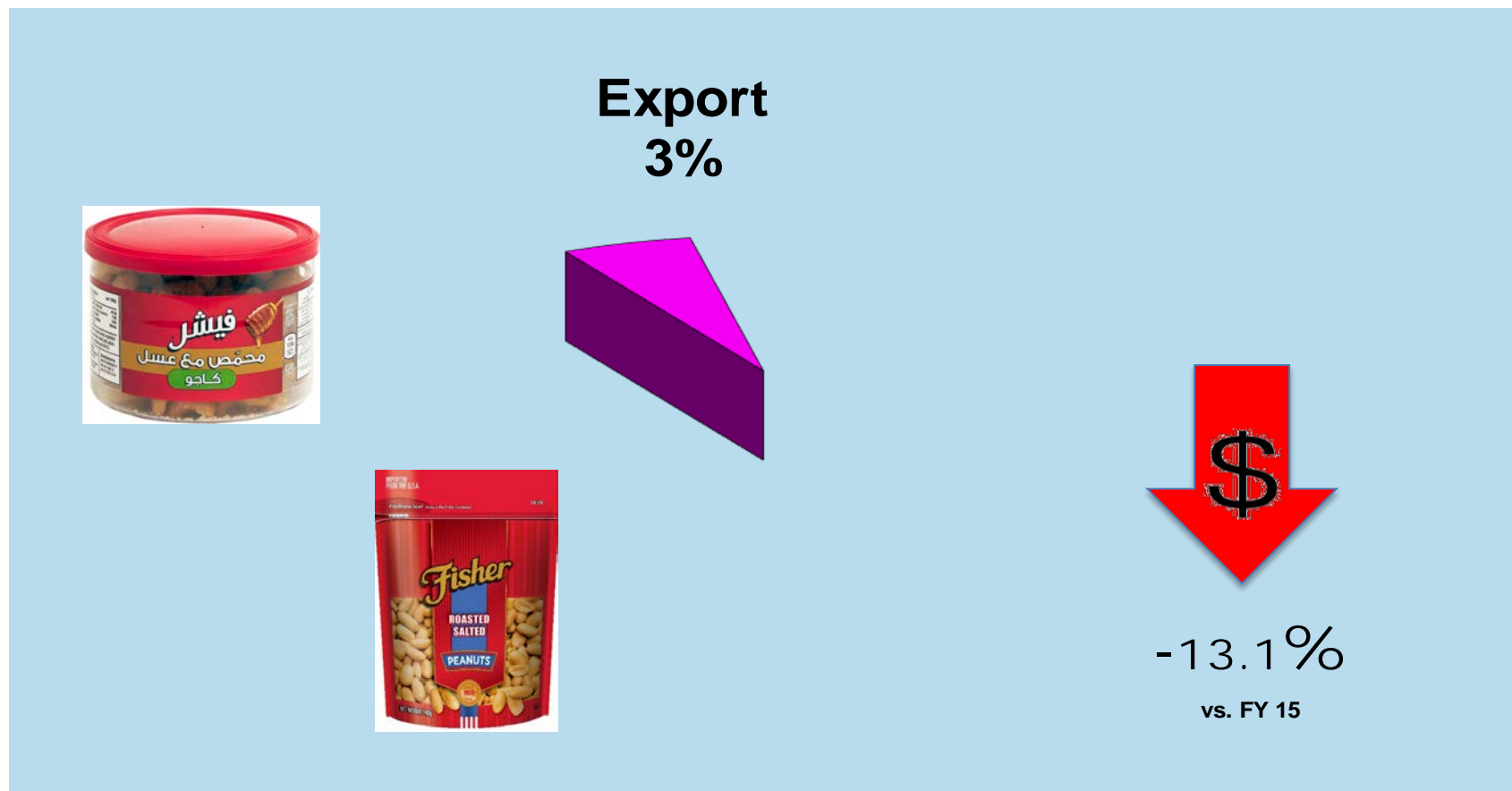


19.4%
vs. FY 15

Fiscal 2016 Net Sales \$137 Million



FY 2016 Export Channel



Fiscal 2016 Net Sales \$31 Million





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INVESTMENTS IN FOOD SAFETY



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FOOD SAFETY MODERNIZATION ACT (FSMA)

Public Health Imperative

- Foodborne illness is a significant public health burden.
- About 48 million get sick each year from foodborne illnesses.
- Infants, pregnant women, elderly, immune-compromised individuals are more susceptible to foodborne illnesses.
- Pathogen and allergen recalls remain elevated.
- FSMA signed by President Obama in 2011.
- FSMA final rules issued 2015.
- We are compliant to FSMA requirements as of Sept. 2016.



WHAT WE HAVE DONE TO MEET AND EXCEED FOOD SAFETY COMPLIANCE AT JBSS

- We increased our competency. Approximately 30 associates are Preventive Control Qualified Individuals and help assure food safety compliance on a daily basis.
- Food Safety Plans have been developed and implemented for all production lines.
- We validated every roasting line to assure food safety.
- Vendor assurance, environmental monitoring, hygienic zone control, and product protection programs were evaluated and upgraded.



INVESTMENTS FOR FOOD SAFETY AND QUALITY

Over \$2,700,000 spent to date

- Completed Food Safety Capital Projects
 - Selma, TX – Raw vs. Processed Segregation
 - Gustine, CA – Raw vs. Processed Segregation
 - Bainbridge, GA – Enclosed Cooler Dock & Raw vs. Processed Segregation
- In Process Food Safety Capital Projects
 - Elgin, IL – EB Dust Collection System
 - Elgin, IL – Enhanced Metal Detectors to meet higher standards
 - Elgin, IL – Employee Production Changeover Segregation
 - Bainbridge, GA – Metal Detector for Blanching Pack Out



New Raw Inspection Room in Selma, TX

WHAT SETS US APART ON FOOD SAFETY

- We strive for best in class! We believe our preventive controls are at industry standard or best in class.
- Vertical integration and selective processing and supplier partnerships provide optimal consumer quality while assuring product safety.
- We are nimble! Our technical teams are embedded in project launches and timelines to best partner with customers and allow speed to market.





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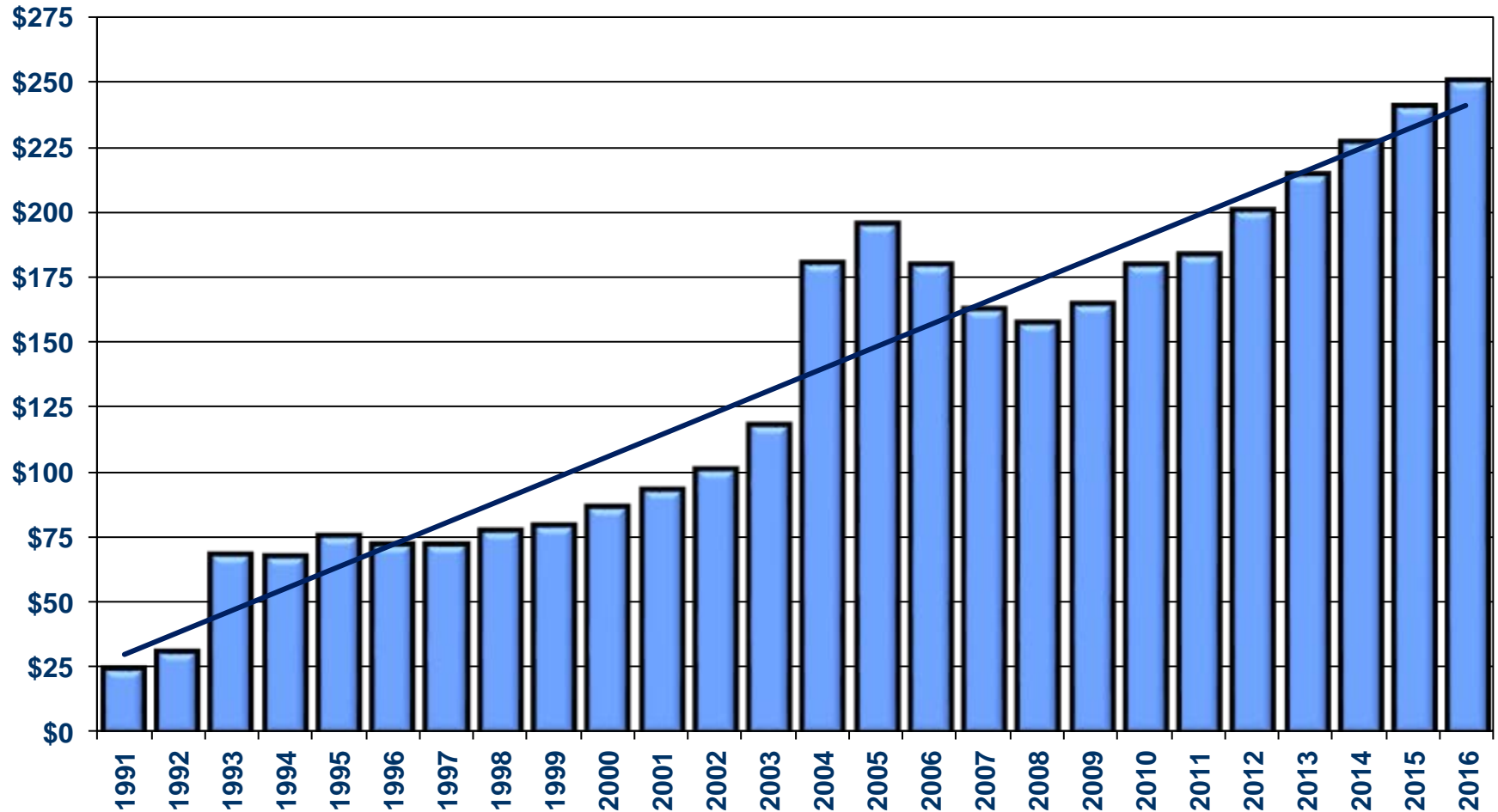
FY 2016 FINANCIAL MILESTONES



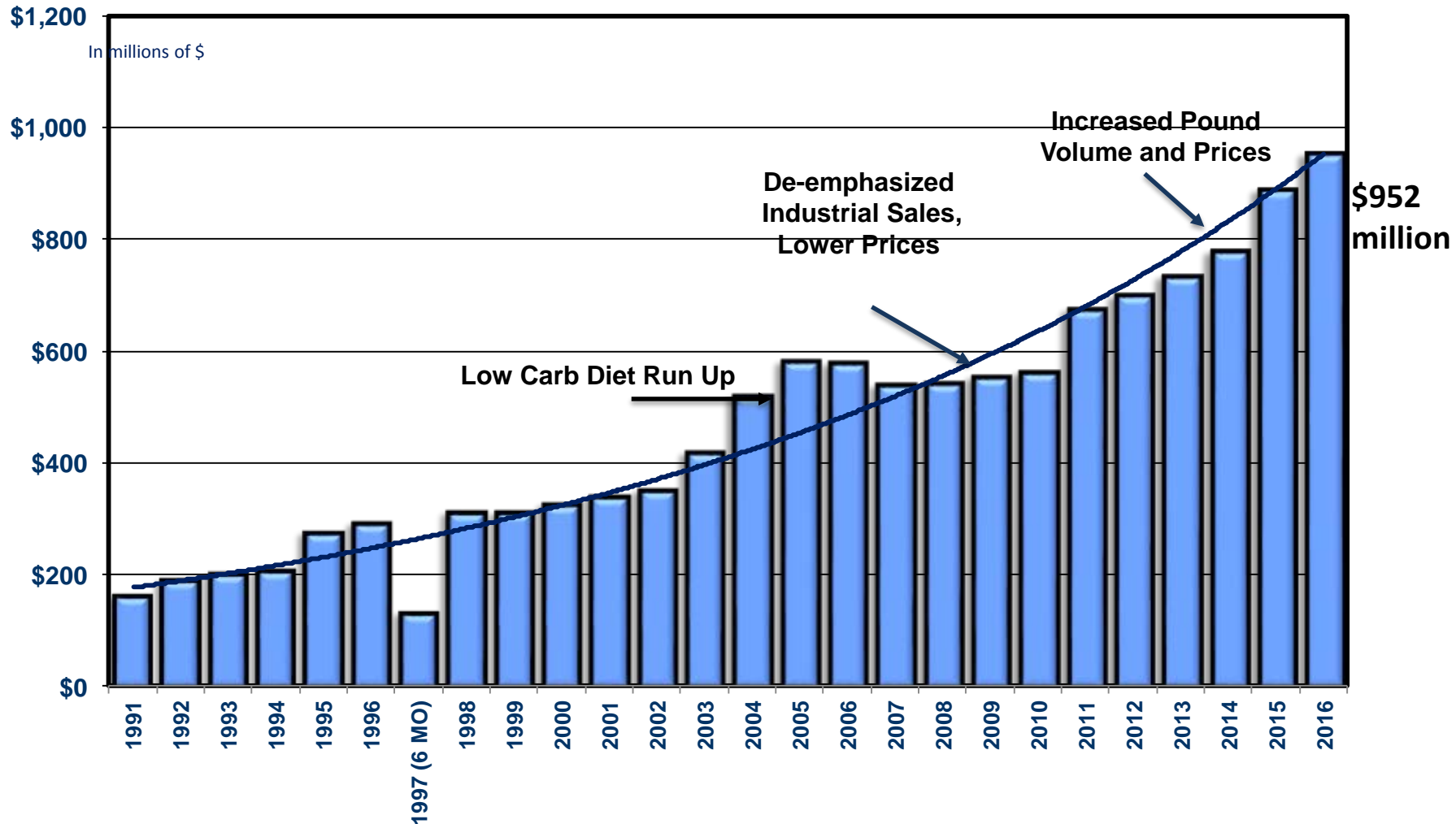
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JBSS STOCKHOLDERS' EQUITY FYs 1991- 2016

In millions of \$

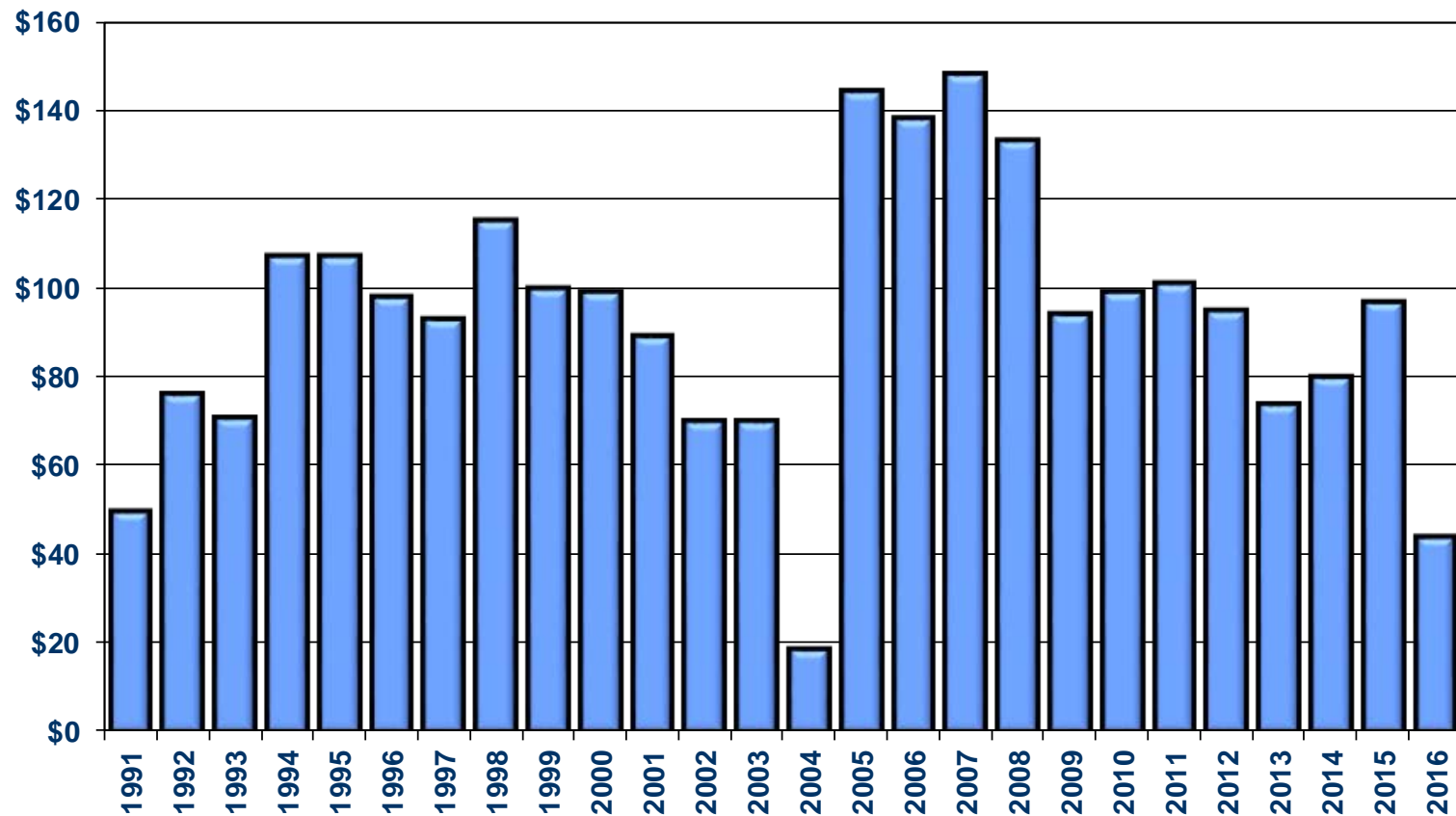


JBSS NET SALES FYs 1991- 2016

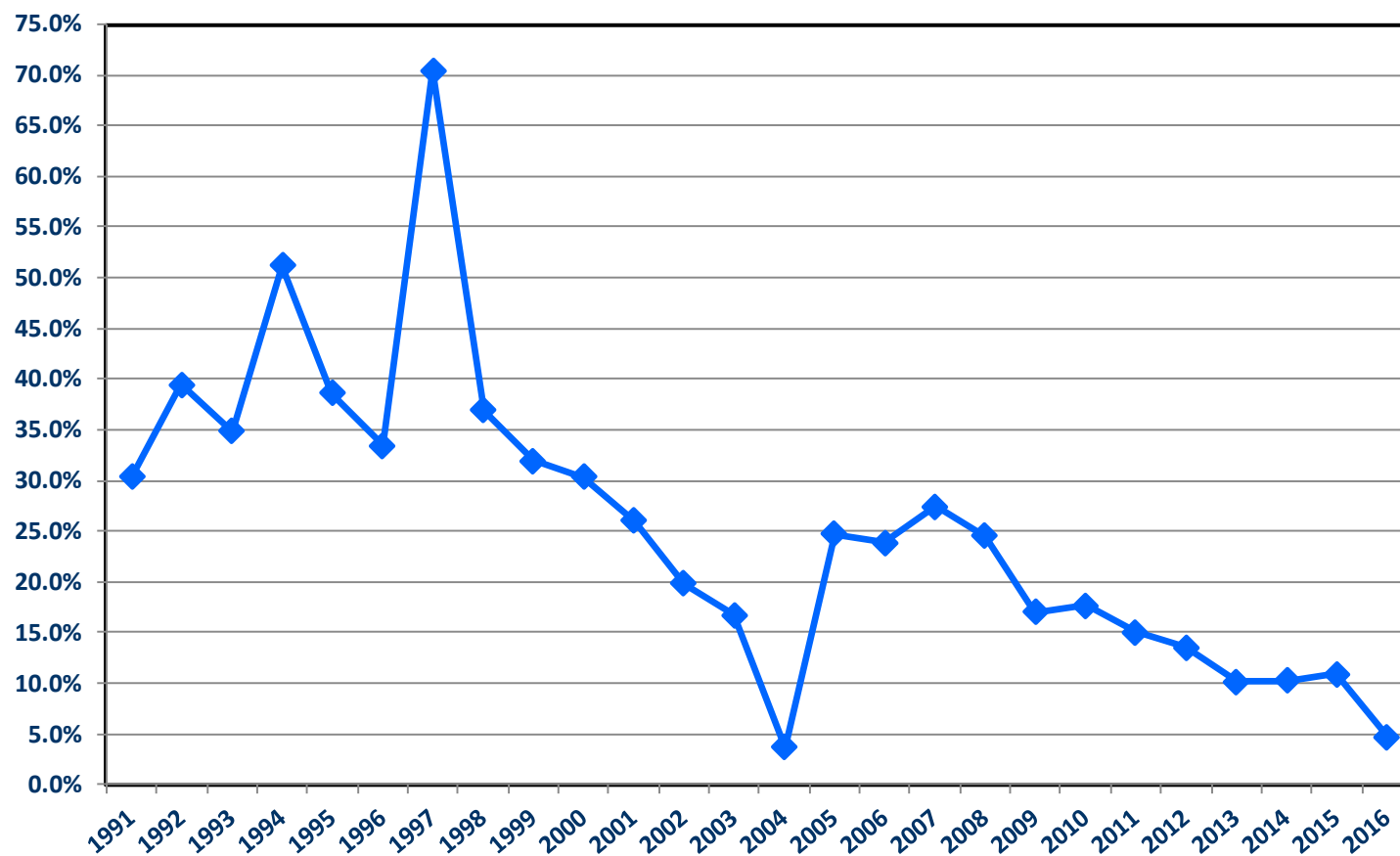


JBSS TOTAL OUTSTANDING DEBT FYs 1991- 2016

In millions of \$



JBSS TOTAL OUTSTANDING DEBT AS % OF NET SALES FYs 1991 – 2016



EBITDA

EBITDA consists of earnings before interest, taxes, depreciation, amortization and noncontrolling interest. EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States of America ("GAAP"), and does not represent cash flow from operations. EBITDA is presented solely as a supplemental disclosure because management believes that it is important in evaluating JBSS's financial performance and market valuation. In conformity with Regulation G, a reconciliation of EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP is presented in the following slide.



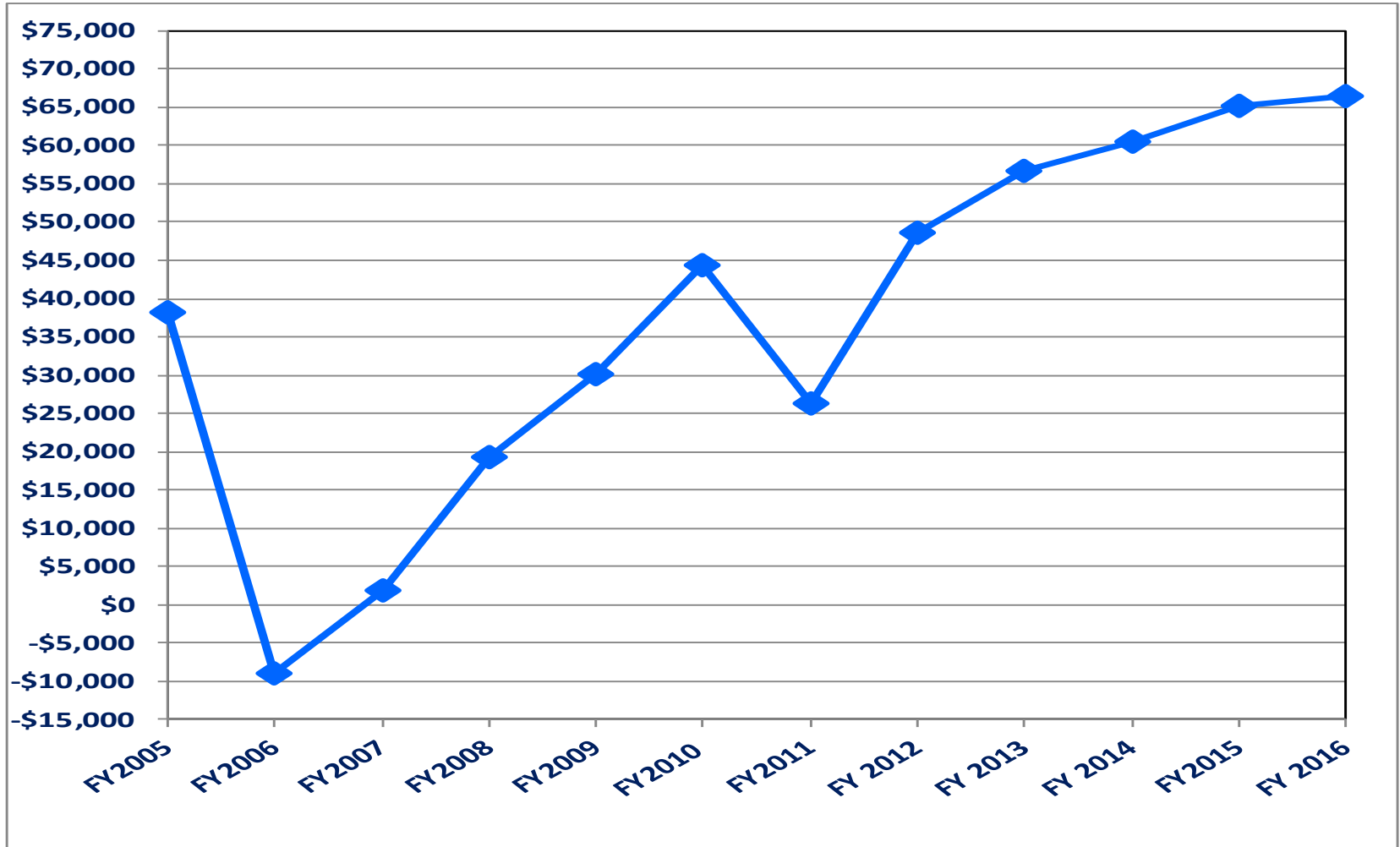
RECONCILIATION OF NET INCOME (LOSS) TO EBITDA

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
(in \$,000's)										
NET INCOME (LOSS)	(13,577)	(5,957)	6,917	14,425	2,835	17,122	21,760	26,287	29,305	30,395
INTEREST EXPENSE	9,347	10,502	7,646	5,653	6,444	5,364	4,754	4,354	3,966	3,492
INCOME TAX EXPENSE (BENEFIT)	(7,520)	(897)	(259)	8,447	(49)	9,099	13,536	13,545	15,559	16,067
DEPRECIATION / AMORTIZATION	<u>13,584</u>	<u>15,742</u>	<u>15,922</u>	<u>15,825</u>	<u>16,968</u>	<u>17,117</u>	<u>16,717</u>	<u>16,278</u>	<u>16,284</u>	<u>16,585</u>
EBITDA	<u>1,834</u>	<u>19,390</u>	<u>30,226</u>	<u>44,350</u>	<u>26,198</u>	<u>48,702</u>	<u>56,767</u>	<u>60,464</u>	<u>65,114</u>	<u>66,539</u>
NET SALES	540,858	541,771	553,846	561,633	674,212	700,575	734,334	778,622	887,245	952,059
EBITDA MARGIN (% OF NET SALES)	0.3%	3.6%	5.5%	7.9%	3.9%	7.0%	7.7%	7.8%	7.3%	7.0%
POUNDS SOLD (000's)	246,142	221,958	217,465	224,302	232,746	212,553	221,762	240,417	253,514	270,144
EBITDA PER POUND SOLD	0.007	0.087	0.139	0.198	0.113	0.229	0.256	0.251	0.257	0.246



EBITDA*

(in \$ thousands)

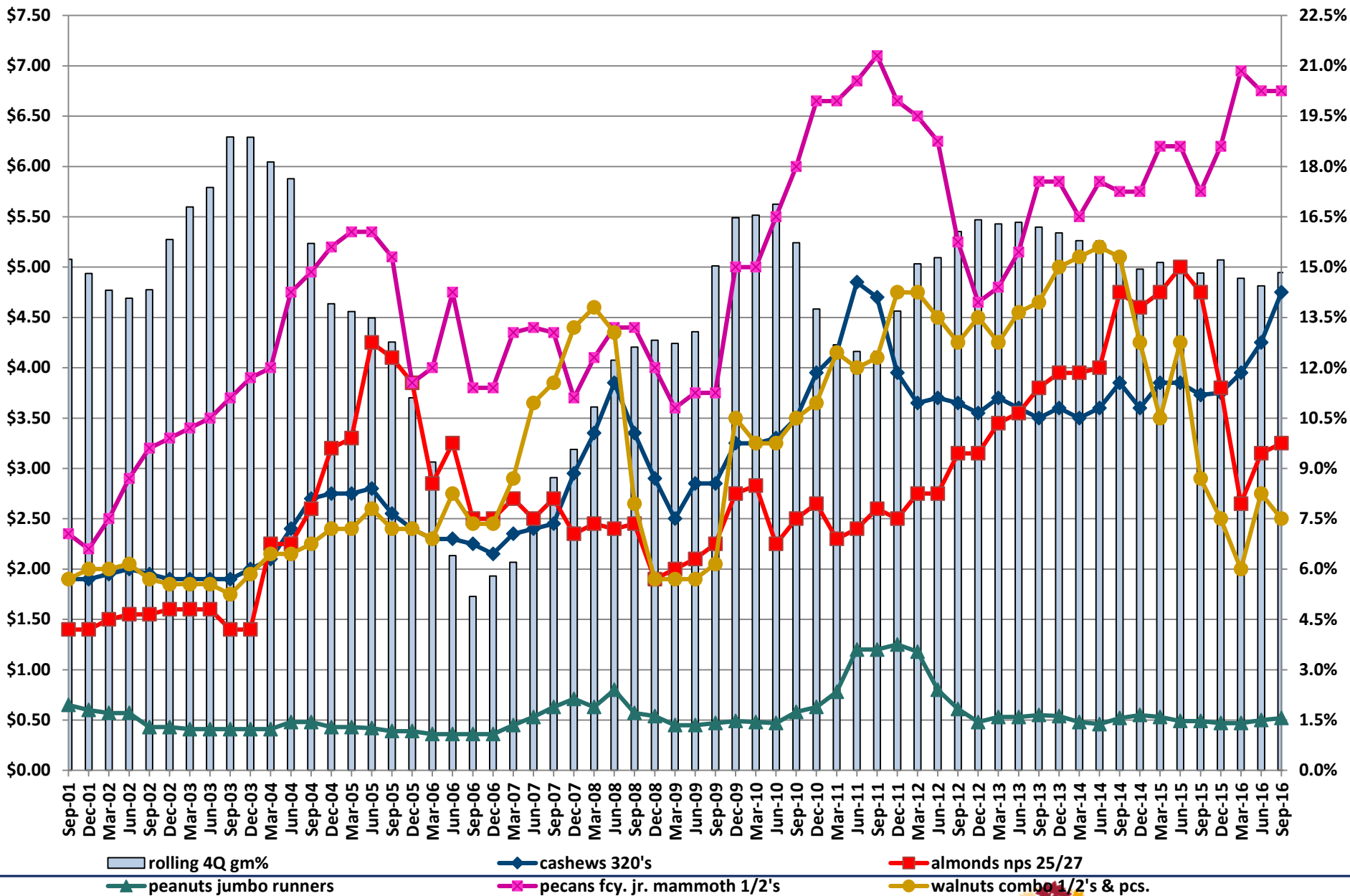


* EBITDA is a non-GAAP measure. See slide entitled "Reconciliation of Net Income (Loss) to EBITDA" for reconciliation to GAAP measure










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PEANUT AND TREE NUT SPOT MARKET PRICES VS. JBSS ROLLING 4 QTR. GROSS MARGIN %



Financial Highlights: Q1 2017 vs. Q1 2016

(in 000's except EPS)

	<u>\$ Change</u>	<u>% Change</u>
 Net Sales	(\$3,484)	(1.5%)
 Sales Volume (Lbs. Sold)	5,900	9.7%
 Gross Profit	\$3,270	9.8%
 Net Income	\$2,190	27.4%
 Earnings Per Share (Diluted)	\$0.18	25.4%
 Operating Cash Flows	\$647	1.6%
 Total Debt	(\$30,077)	(48.2%)





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FY 2016 Brand Marketing Overview



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Grow Brands



Utilize consumer insights to develop products and integrated marketing programs that build brand equity, meet consumer needs, and grow the category for our retail partners.

Fisher[®]
Recipe Nuts

Fisher[®]
Snack Nuts

Orchard Valley
HARVEST



Fisher®

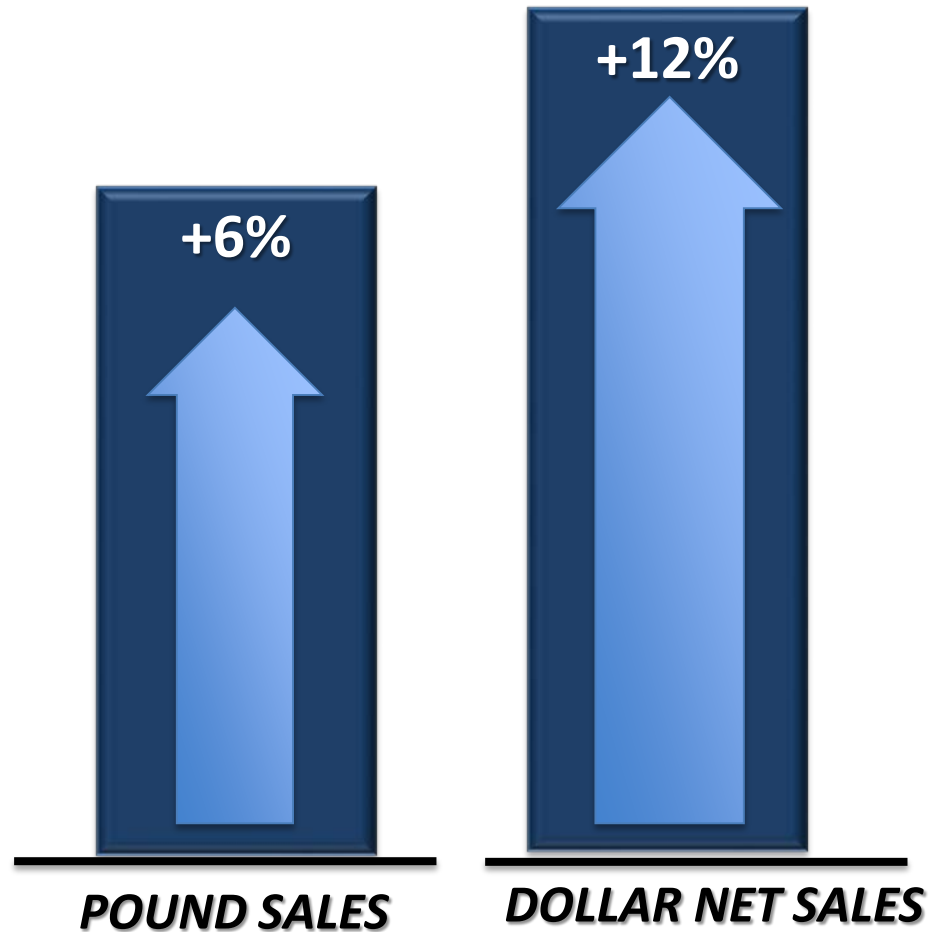
Recipe Nuts



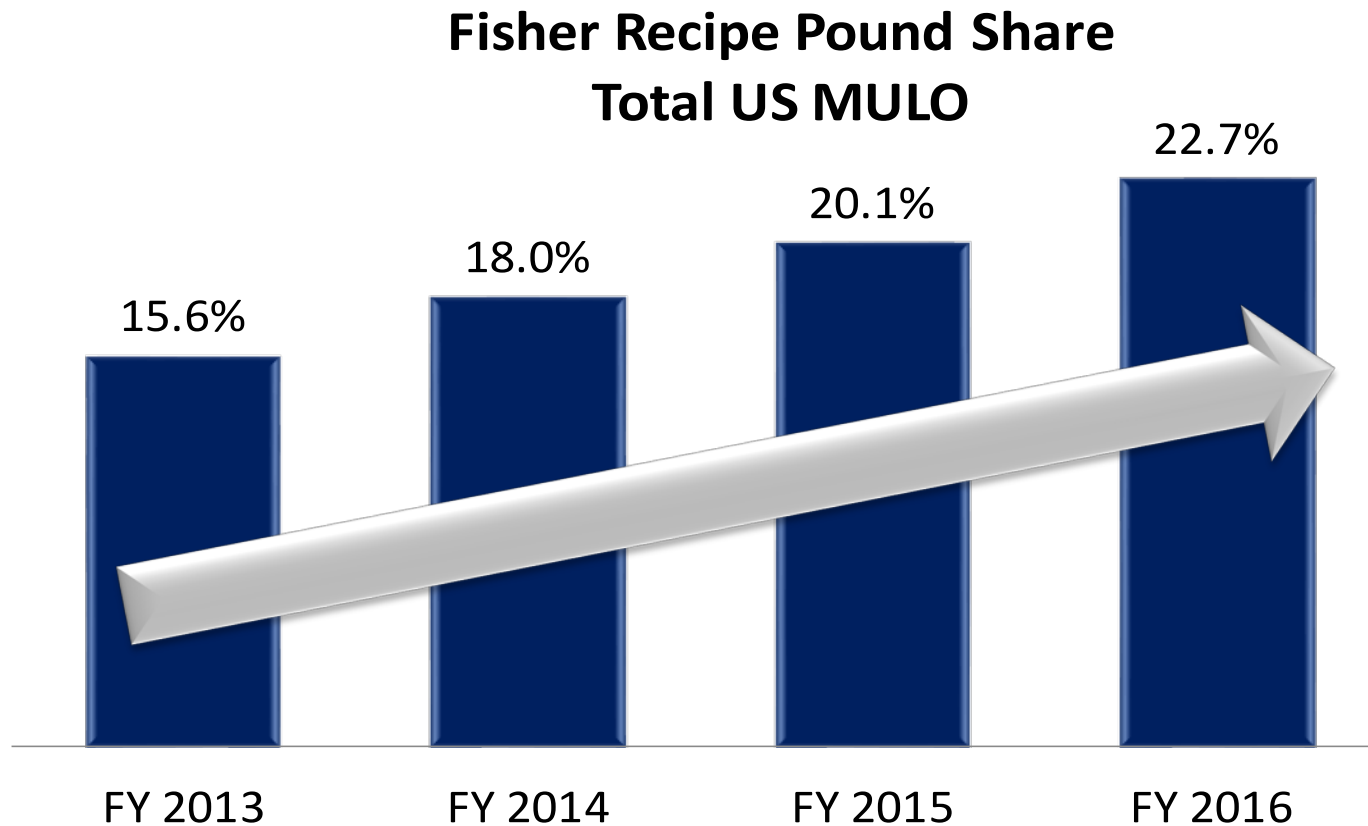
Strong Growth for Fisher Recipe in FY 16

Total Fisher Recipe Brand Growth FY 16 vs. FY 15

Fisher[®]
Recipe Nuts

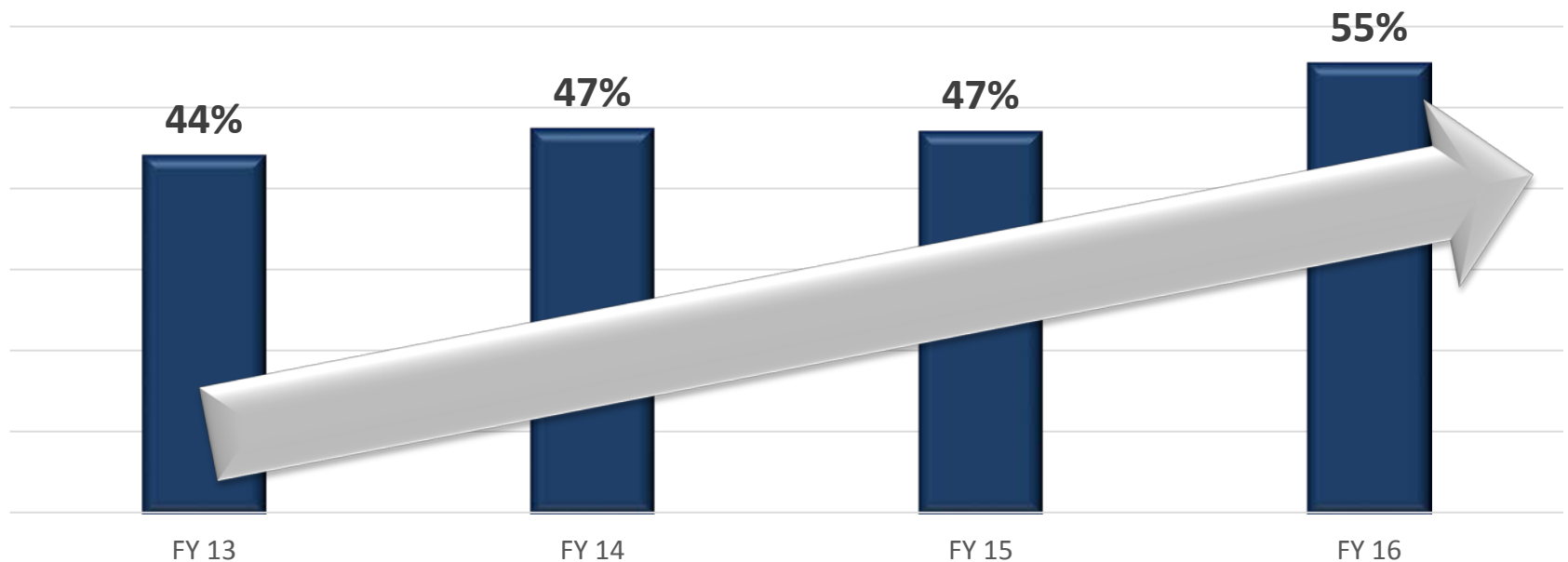


Fisher Recipe continues to Grow Market Share



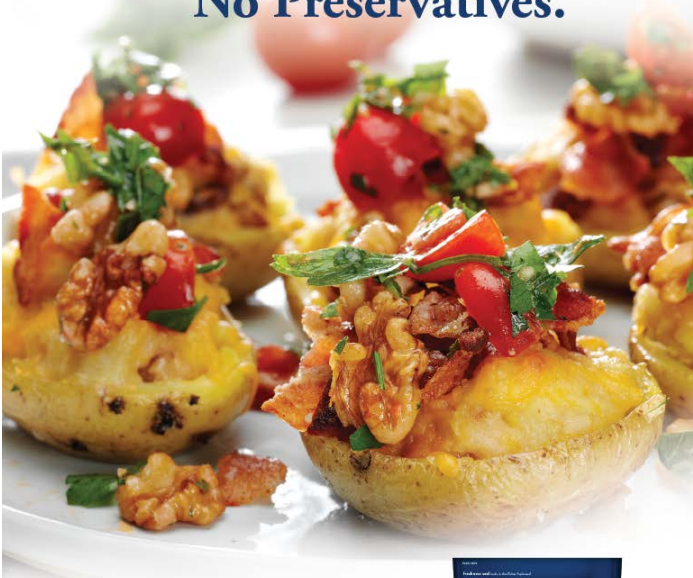
Steady Growth in Fisher Recipe Nut Distribution

Fisher Recipe Distribution





No Preservatives and Non-GMO Messages are Key Drivers for Growth

Fisher® recipe nuts have
No Preservatives.



Just out of their shells, so you
can come out of yours.



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Live Life UNSHELLED™ is a registered trademark of John B. Sanfilippo & Sons, Inc.

For the Walnut, Bacon and Cheddar Potato Bites
recipe and more, visit fishernuts.com

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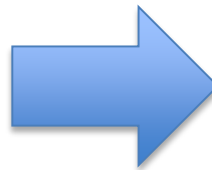
For the Black Forest Walnut Trifle
recipe and more, visit fishernuts.com



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Packaging Graphics Refresh

FROM



TO



The Global Source For Nuts®

Continue to Build Fisher Brand Equity with Food Network Sponsorship

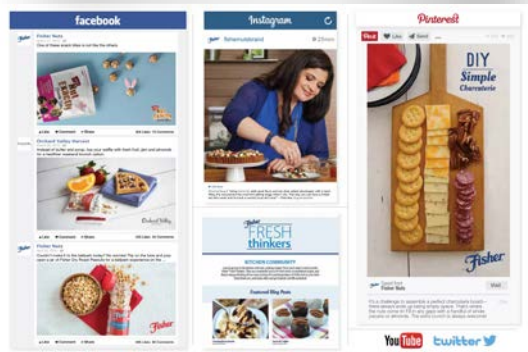


Integrated Marketing Key to Building Brand Equity

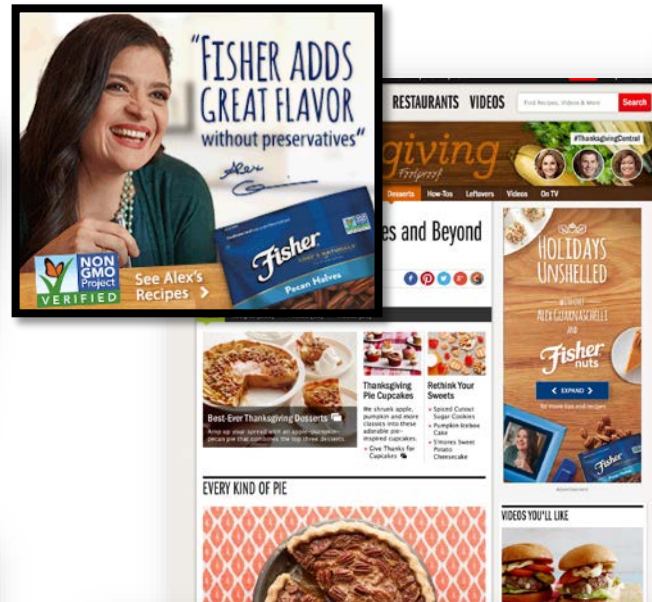
Public Relations



In-Store Programs



Social Media



Food Network



National Print

FISHER LAUNCHED NEW RECIPE VIDEO CONTENT



Show Video of Apple
and Almond Hand Pies

“Fisher Fresh Thinkers” blogger network



Fisher[®]
Snack Nuts

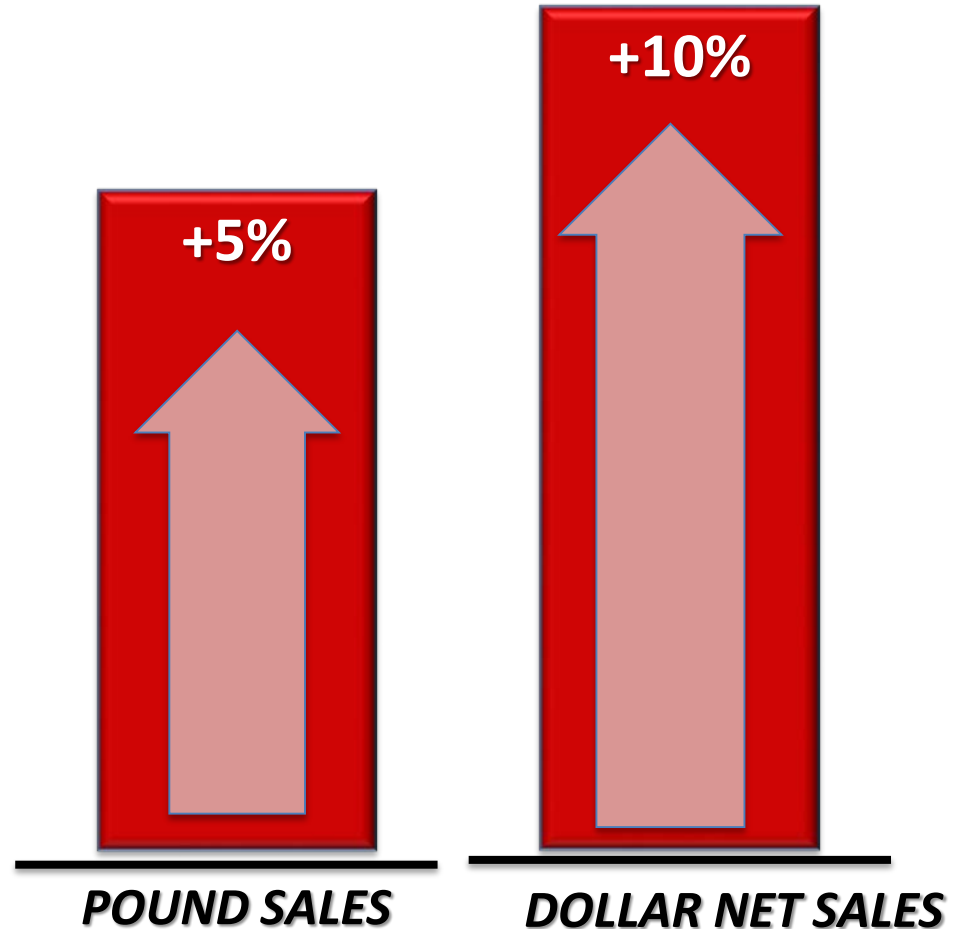


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Strong Growth on Fisher Snack in FY 16

Total Fisher Snack Brand Growth FY 16 vs. FY 15

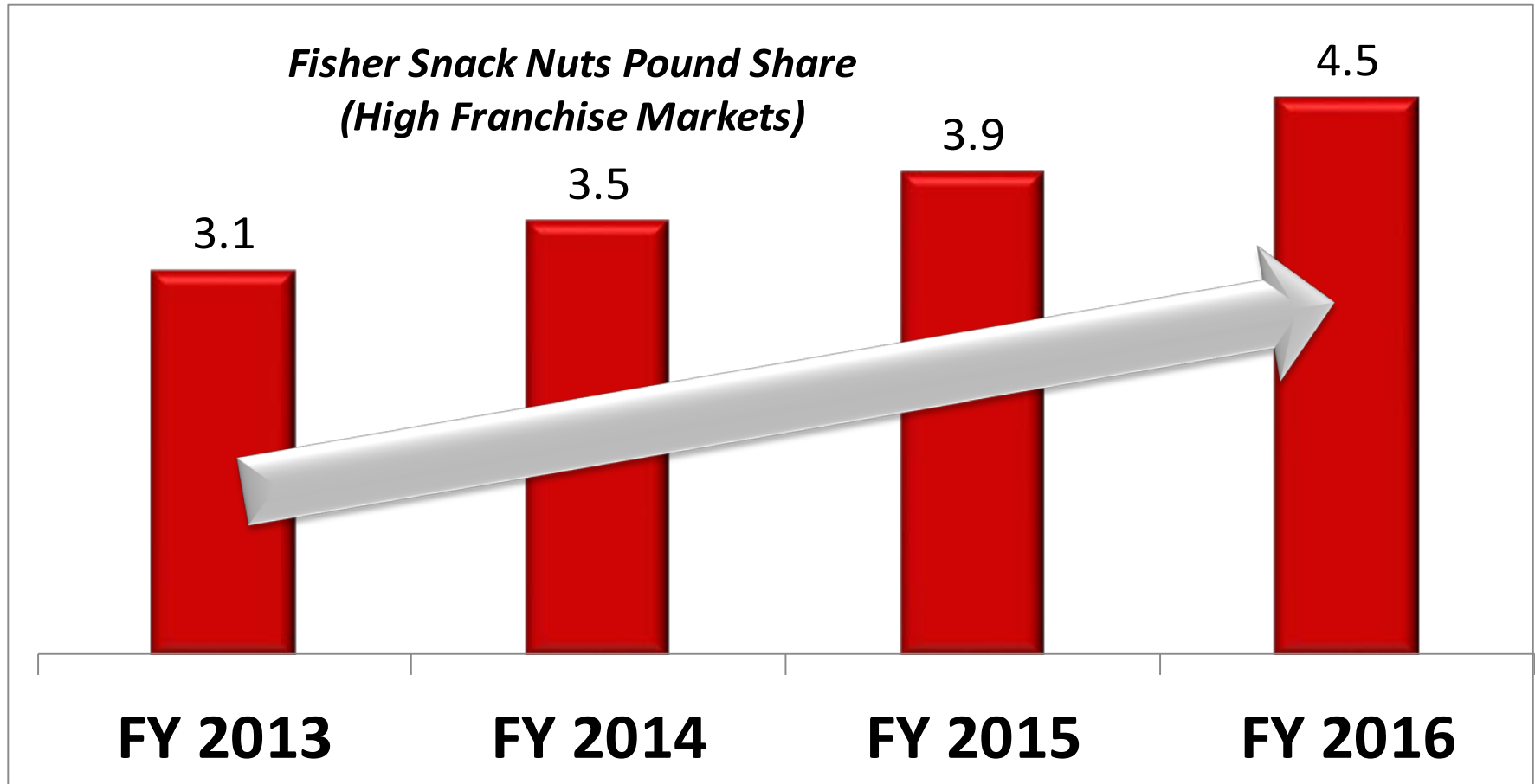
Fisher[®]
Snack Nuts



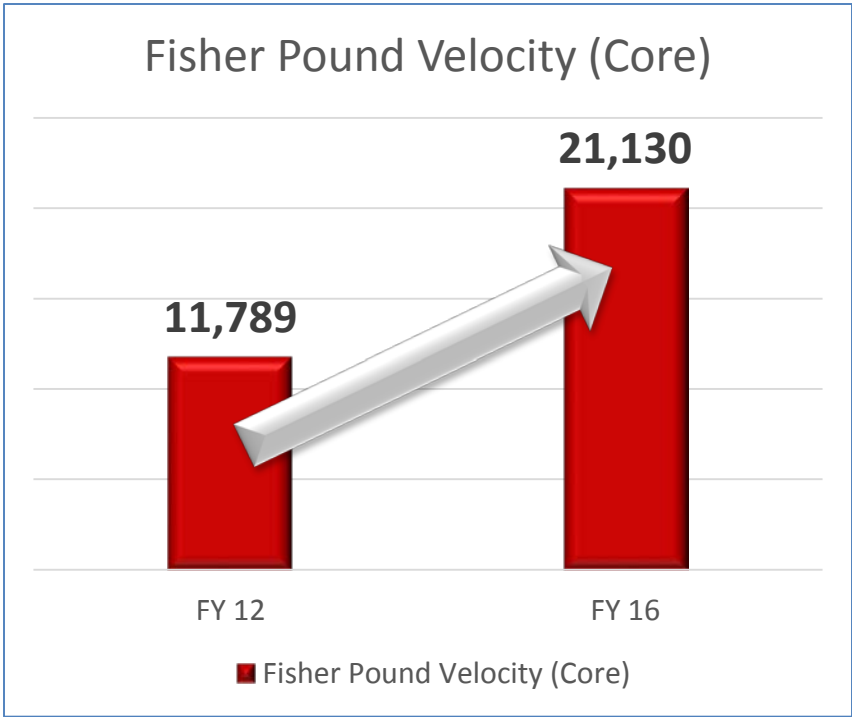
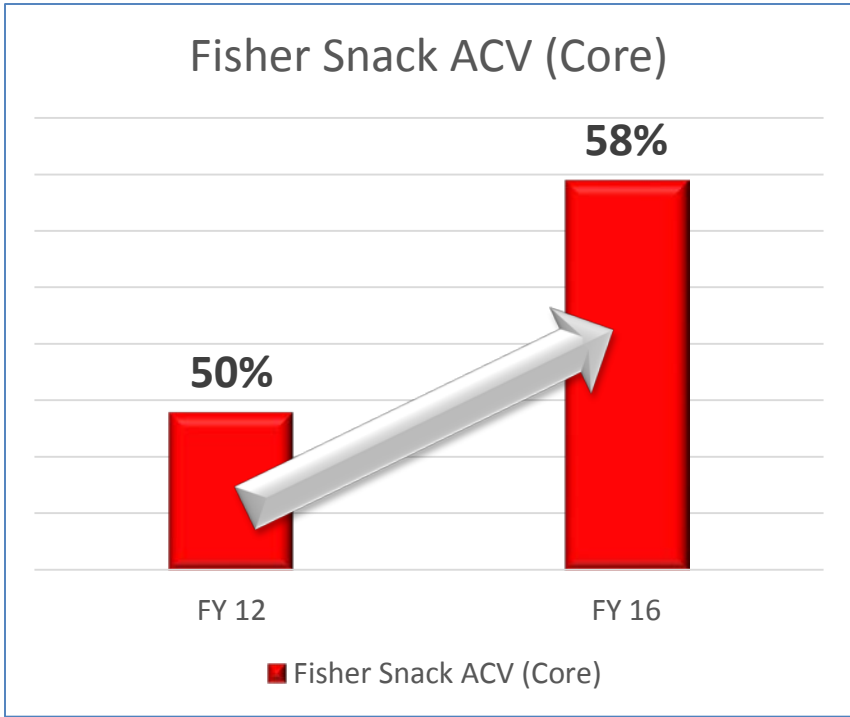
Fisher Snack Nut Strategy Focuses on Midwest High Franchise Markets



We Are Growing our Pound Share in High Franchise Markets



Fisher Snack Share Driven by Distribution and Velocity Growth



ACV: measure of total retail sales for a given geography as measured by All Commodity Volume (ACV)
Velocity is pounds sold per points of distribution

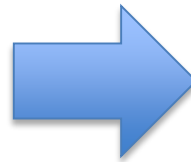
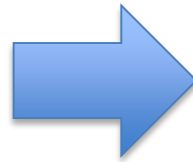
Source: IRI: Total Nut Category – Fisher Core (St. Louis, Milwaukee, Chicago, Minneapolis MULO)
Time Periods: to FY 12 Year Ending 7/1/12 to FY 2016 data ending 6/26/16



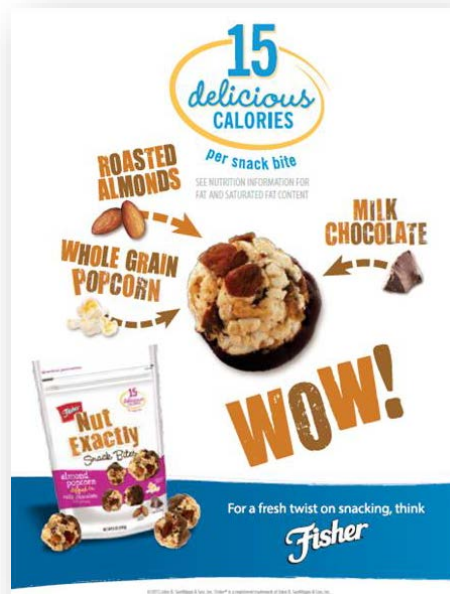
Driving Results on our Core Dry Roast Peanut Business



New Look for Fisher Snack Nuts



Fisher Nut Exactly Brings Innovation to the Snack Portfolio





Orchard Valley

HARVEST



Pure and Simple Goodness



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Strong Growth of Our Produce Brands

*Produce Brand Growth FY 16 vs. FY 15**



+41%

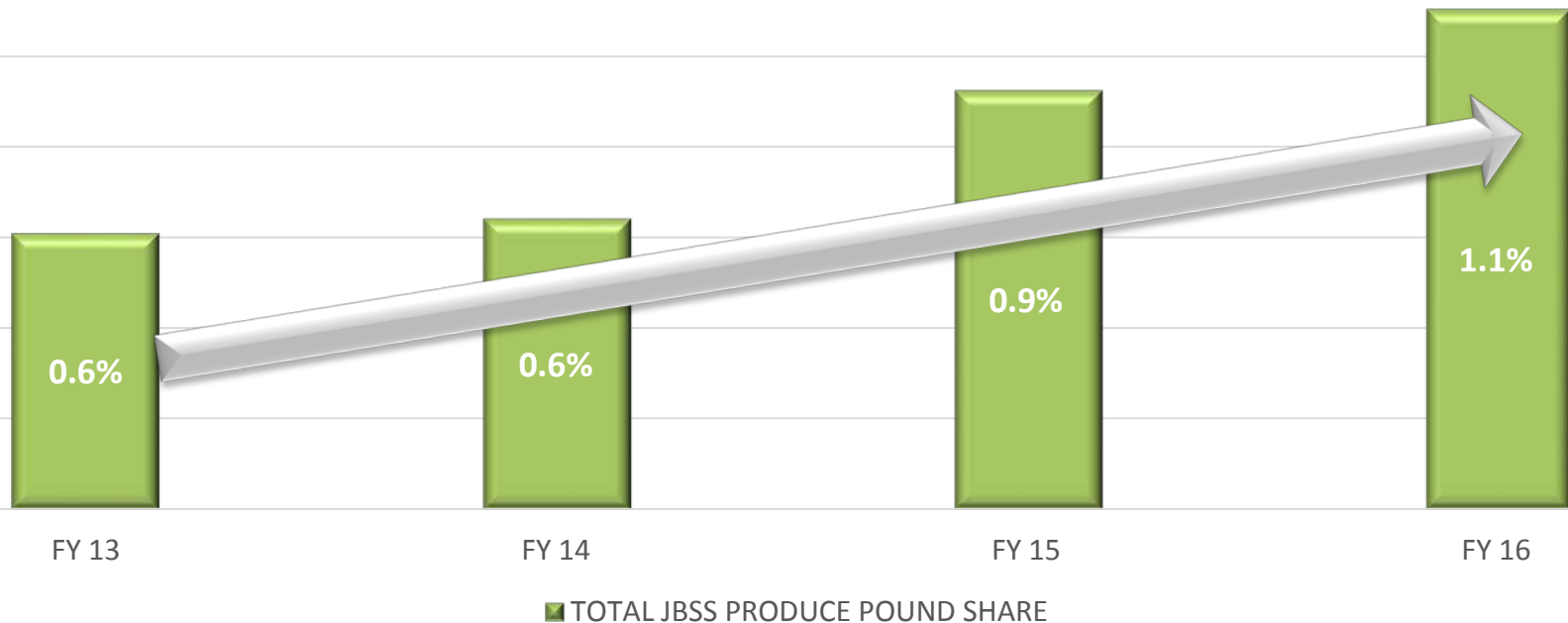
POUND SALES

+55%

DOLLAR NET SALES

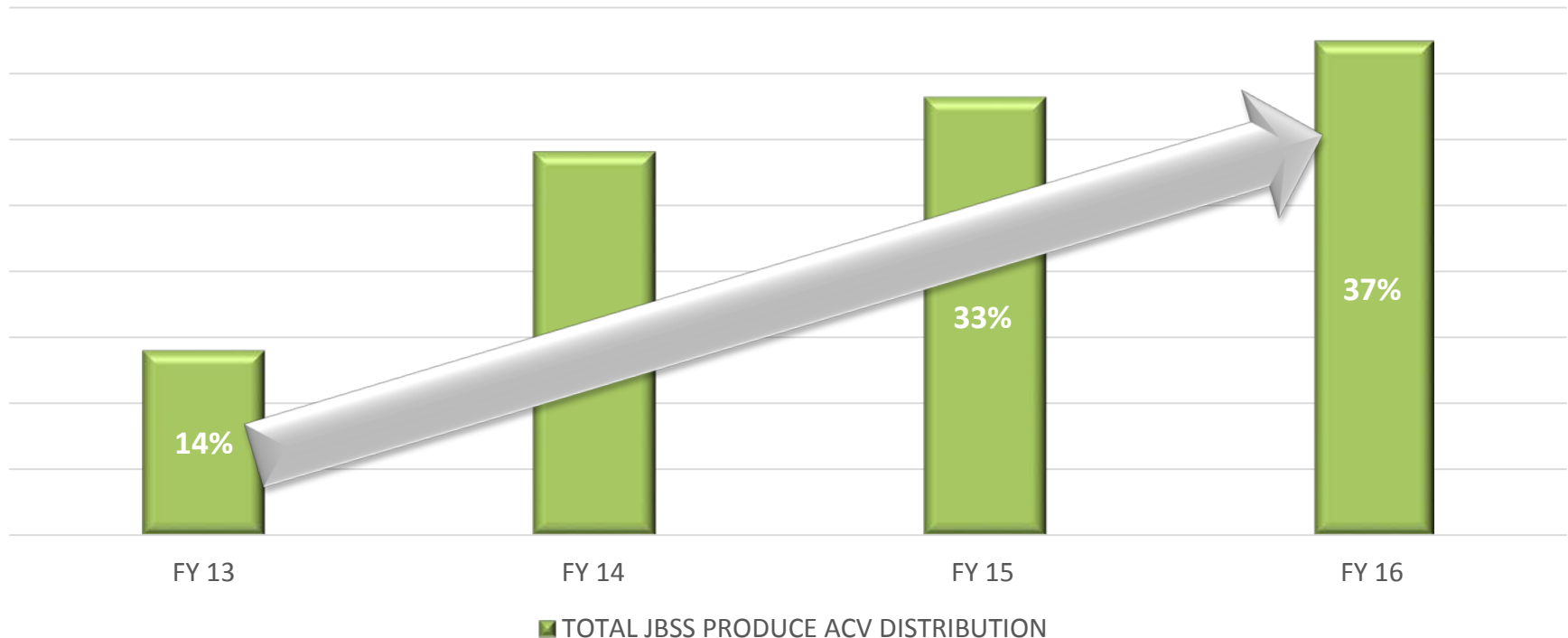
Strong Share Growth in Produce Nut Category over the last 2 Fiscal Years

TOTAL JBSS PRODUCE POUND SHARE



JBSS Distribution in the Produce Nut Category Continues to Increase

TOTAL JBSS PRODUCE ACV DISTRIBUTION



ACV: measure of total retail sales for a given geography as measured by All Commodity Volume (ACV)

Orchard Valley Harvest Delivers on Three Important Consumer Trends

Consumers want clean, simple ingredients ^(1,2)

Consumers want healthy snacking options ⁽³⁾

Consumers want portable snacking options ⁽³⁾



NO Artificial Ingredients



(1) Source: Instantly poll of 4,200 people in the US between 9/15 and 9/21 2015

(2) Source: The Hartman Group, Reinventing health & nutrition study 2010/2013

(3) Source: Symphony IRI Group, 2013



We Continue to Expand our Portfolio to Address Consumer Demand for On-The-Go Goodness

Multi-Packs and Grab 'n Go Mini's



- Snacking accounts for over 53% of all eating occasions in the U.S.
- 38% of consumers snack several times per day

High Impact Displays Drive Growth at Retail



Integrated Marketing Support

Print



NO ARTIFICIAL INGREDIENTS

Public Relations



Blogger



Instagram



facebook



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Expanding to Front of House Foodservice Locations





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FY 2017 STRATEGY UPDATE



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BUILDING OUR FUTURE



GROW JBSS BRANDS

Utilize consumer insights to develop products and integrated marketing programs that build brand equity, meet consumer needs, and grow the category for our retail partners.



EXPAND CONSUMER REACH

Win new customers by entering new channels, launching differentiated products and investing in new businesses.



CREATE VALUE WITH KEY CUSTOMERS

Be the trusted partner by offering supply chain and category expertise, quality, food safety, flexibility, innovation and customer support.

ACCOUNTABILITY

•

CONSUMER INSIGHTS

ENGAGEMENT

•

EXPERTISE

FOCUSED EXECUTION

•

INNOVATION

INTEGRITY

•

SUPPLY CHAIN EXCELLENCE

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Utilize consumer insights to develop products and integrated marketing programs that build brand equity, meet consumer needs, and grow the category for our retail partners.

Fisher

Orchard Valley
HARVEST

Fisher



What: Maintain Fisher Recipe Nuts #1 Share Position Nationally



How: “No Preservatives” and Non-GMO Messages are Key Drivers for growth

*Fisher® recipe nuts have
No Preservatives.*



Just out of their shells, so you
can come out of yours.

Fisher *live life UNSHELLED.™*



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Non-GMO Project Verified is a registered trademark of John & Son, Inc.

For the Walnut, Bacon and Cheddar Potato Bites
recipe and more, visit fishernuts.com

*Fisher® recipe nuts have
No Preservatives.*



st out of their shells, so you
can come out of yours.

Fisher *live life UNSHELLED.*



For the Black Forest Walnut Trifle
recipe and more, visit fishernuts.com




How: Continue to Build Fisher Brand Equity with Food Network Sponsorship & Integrated Marketing

Candied Pecans
Simple to Make, Hard to Resist

food network

Fisher + Karo

MY FRESH TWIST
Fisher
RECIPE CONTEST

ENTER FOR YOUR CHANCE TO WIN A TRIP FOR TWO TO NYC AND MEET CHEF ALEX GUARNASCHELLI

SAVE \$1.00 When you buy ONE (1) Fisher® Recipe Nut Item of any variety, 10 oz. or larger.

SAVE 40¢ off any Karo® Syrup product, 16 oz. or larger.

Man taught me to use real ingredients. Like Fisher. No preservatives, just the nuts. Fresh out of their shells.
Alex Guarnaschelli
Fisher. Live life UNSHELLED.

WALNUT - BLEU DATE VINAIGRETTE SALAD
created by 2013 contest winner LUCY WILSON

ENTER FOR YOUR CHANCE TO WIN A TRIP FOR TWO TO NYC AND MEET CHEF ALEX GUARNASCHELLI

www.myfreshtwist.com



HOW: LAUNCH INNOVATION & SUPPORT IN-STORE DISPLAYS



Innovation



Display support

What: Grow distribution with existing and potential customers so consumers can purchase JBSS products



How: Develop and Launch Sales in Alternative Channels



How: Launch innovative products, sizes and marketing programs to build consumer demand



Who: Alternate Channel Customers



What: Be Preferred Partner to Build Profitable Volume of Value-Added Nuts & Snacks



**CREATE VALUE
WITH KEY
CUSTOMERS**

Be the trusted partner by offering supply chain and category expertise, quality, food safety, flexibility, innovation and customer support.



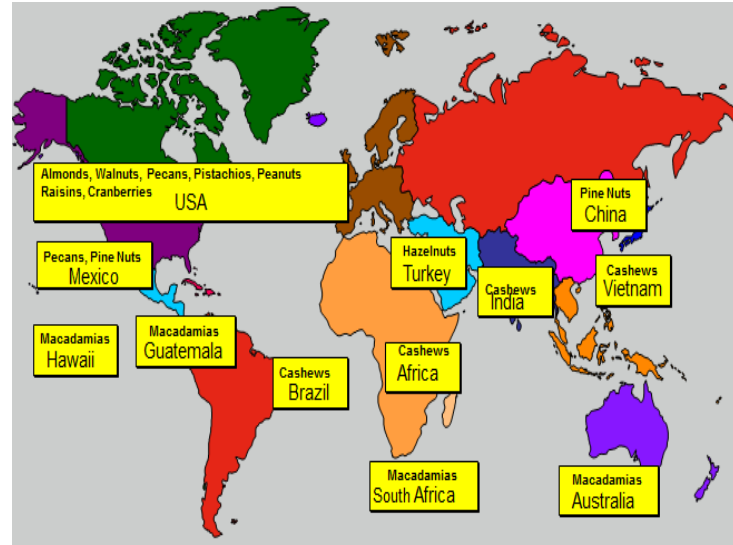
**Pepsico Award
Supplier of the
Year**



The Global Source For Nuts®

How: Establish Trust and Competitive Advantage

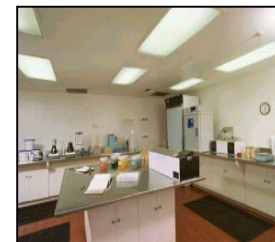
Global Procurement Expertise



Quality, Food Safety, Freshness



**FDA FOOD SAFETY
MODERNIZATION ACT**



The Global Source For Nuts®

How: Operational Excellence





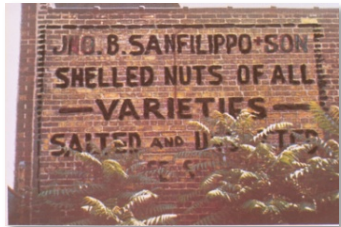
JOHN B. SANFILIPPO & SON, INC.

CLOSING COMMENTS



The Global Source For Nuts®

Passion for Nuts- It's All We Do



The company expands into larger downtown Chicago facilities & begins diversification into other nut types.

The company acquires Texas based Sunshine Nut Company, Crane Walnut and expands facility in Gustine, California.

1992-1994

Ground breaking occurs on new One Million sq. ft. corporate HQ, manufacturing & roasting plant.

Orchard Valley
HARVEST

Acquisition of Orchard Valley Harvest, Inc. One of the nation's leading suppliers of products in the produce category.

1959

First Private Label customer acquired.

1968

Fisher

JBSS acquires the Fisher brand.

1995

2005

2010

1922

1986-1987

Shelling/blanching/processing facility is built in Bainbridge, Georgia, making

the company a vertically integrated supplier of runner-type peanuts.

2007

Corporate headquarters move and facility consolidation is completed.

2016

2002

Expansion of Gustine, Ca facility to include almond manufacturing, roasting & packaging.

Fisher became #1 recipe nut brand in the US.

Fisher



JBSS HISTORY



JBSS HISTORY

All Stockholders invited to our 2 story building to see the exhibit. 1703 N. Randall Rd. entrance to office building - look for Fisher logo.



JBSS Mission

To be the global leader of quality driven, innovative nut solutions that enhance the customer and consumer experience and achieve consistent, profitable growth for our shareholders. We will accomplish this through our commitment to a dynamic infrastructure that maximizes the potential of our brands, people and processes.



Thank You!
We Look Forward to a
Successful FY 2017

