



JOHN B. SANFILIPPO & SON, INC.

SIDOTI & COMPANY 2017 FALL CONFERENCE

September 2017

NASDAQ: JBSS



The Global Source For Nuts®

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.



Who is JBSS?

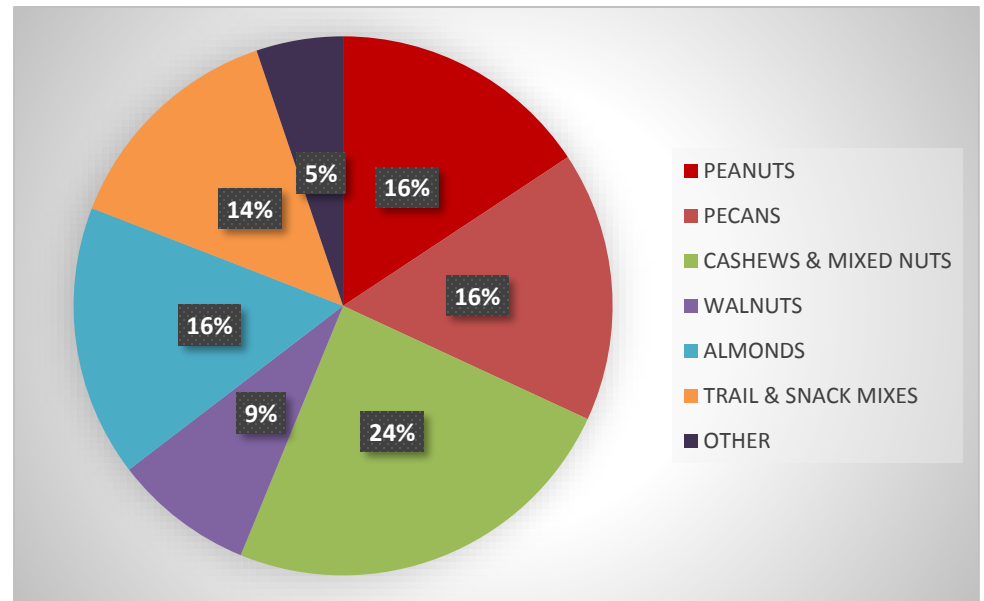
- One of the largest nut processors in the world with fiscal year 2017 net sales of approximately \$847 million
- State-of-the-art nut processing capabilities, including what we believe is the single largest nut processing facility in the world
- A North American market leader in every major selling channel – from consumer and commercial ingredient customers to contract manufacturing customers
- Dual consumer strategy of offering branded nut and dried fruit programs (*Fisher, Orchard Valley Harvest*) and private brands
- Commodity procurement expertise with buyers averaging over 20+ years experience
- A category leader in packaging and product innovation
- Vertically integrated nut processing operation for pecans, peanuts and walnuts



We Are Experts In Every Nut Type

Fiscal Year 2017

- Full assortment of nut types
- Full variety of value-added products
- Wide variety of dried fruit and other snack products
- Customized, unique product formulas



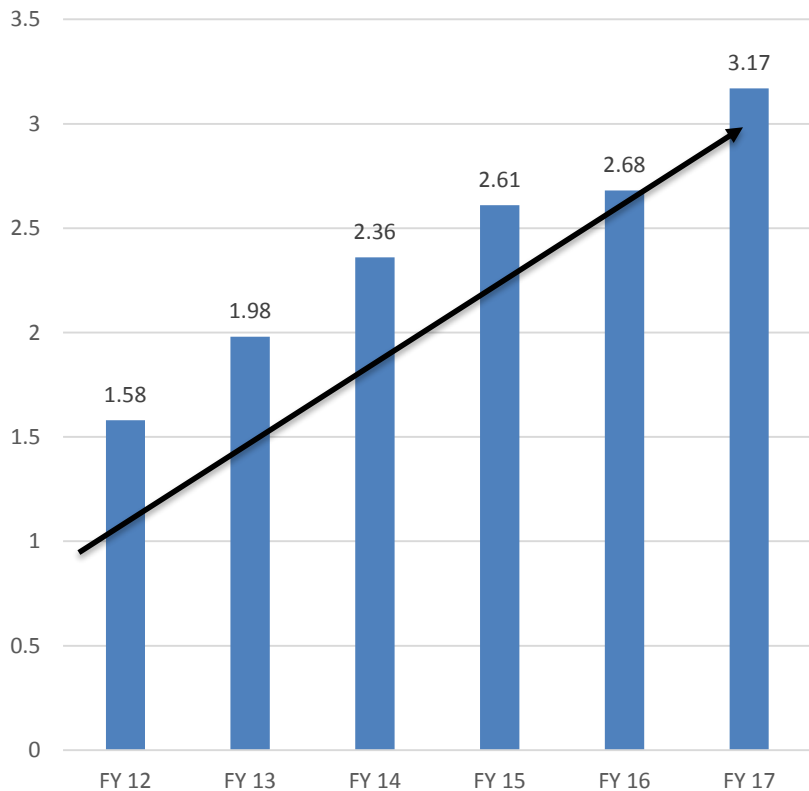
% of total gross sales



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CONSISTENT SUCCESS OVER PAST 6 FISCAL YEARS

DILUTED EPS FY 12 - FY 17



Doubled Diluted EPS from FY 12 to FY 17

Net Sales FY 12 - FY 17*



* In thousands

Net Sales increased by approximately 21% from FY 12

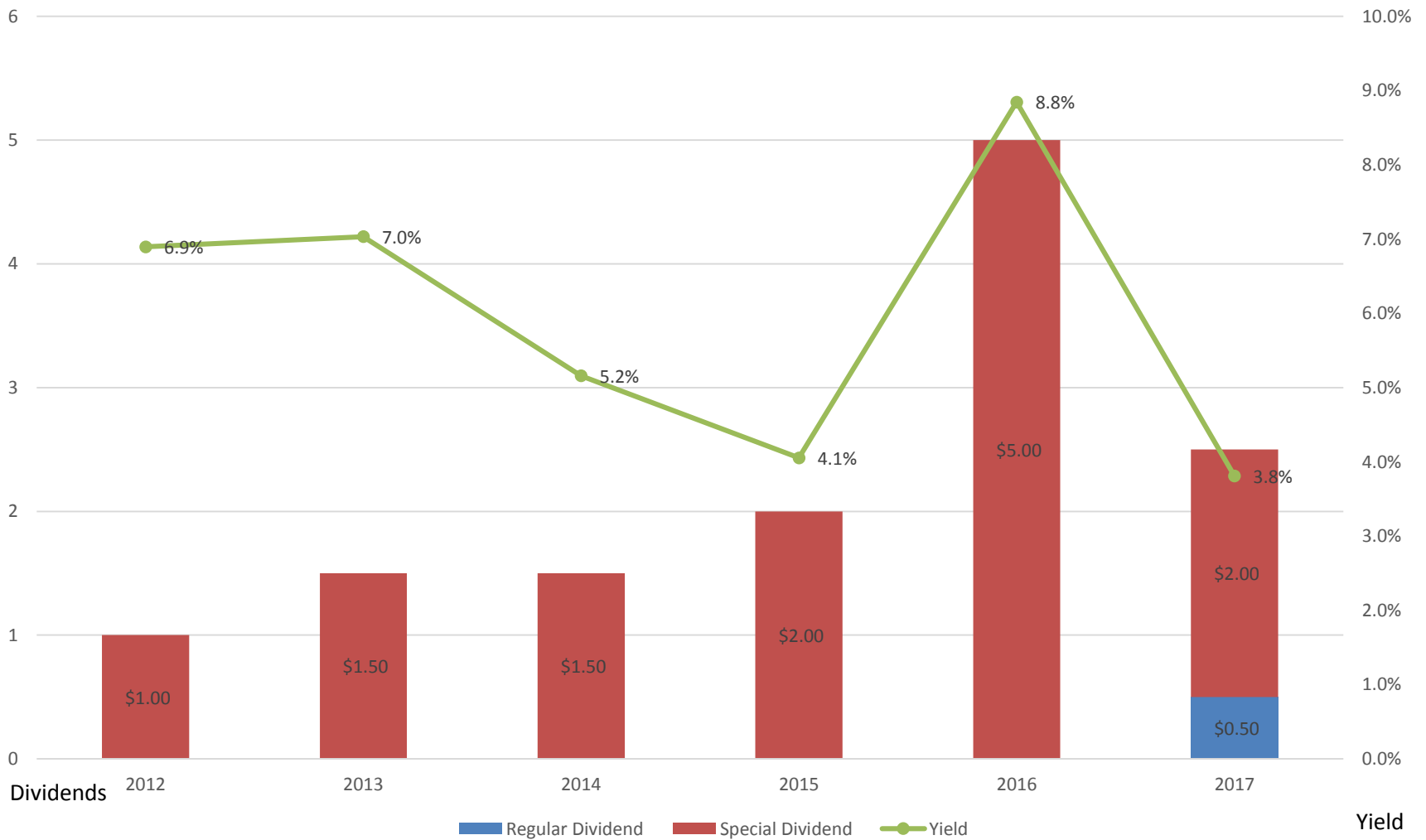


JBSS STOCK PERFORMANCE VS. RUSSELL 2000 OVER THE PAST YEAR



JBSS outperformed the Russell 2000 Index by over 10%

CASH DIVIDENDS PAID BY CALENDAR YEAR



Yield based on average yearly stock price. CY 17 through 9/19/17





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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

ENGAGEMENT

FOCUSED EXECUTION

INTEGRITY

•

•

•

•

CONSUMER INSIGHTS

EXPERTISE

INNOVATION

SUPPLY CHAIN EXCELLENCE

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FY 2017 Accomplishments



- 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 continued its share leadership of the recipe nut category by increasing pound market share by +4.0 points
- Increased market share and distribution in the produce nut category with OVH products



Source : IRI FY Ending 6/25/17
 Total US MULO for Recipe Nuts ;
 Fisher Core (Milwaukee, Minneapolis, Chicago, and St Louis) MULO for Fisher Snack



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FY 2017 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.

- Launched 60+ new items with our private brand partners
- Expanded *Fisher* brand awareness and distribution in the Commercial Ingredients channel
- Obtained new snack bite business with our contract packing customers to fully utilize our cluster line in FY 2018



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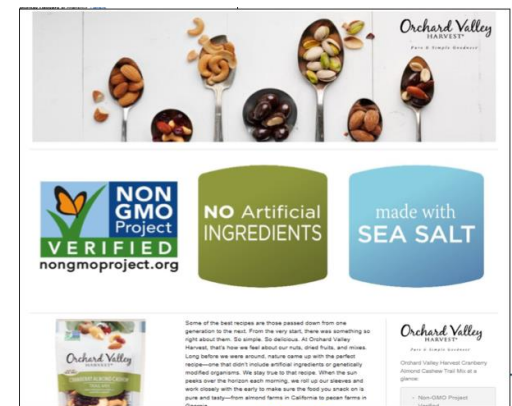
FY 2017 Accomplishments



**EXPAND
CONSUMER
REACH**

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

- Launched 100+ *Fisher* and *Orchard Valley Harvest* products on eCommerce sites
- Expanded *Fisher* and *Orchard Valley Harvest* in vending
- Started testing in dollar store channel



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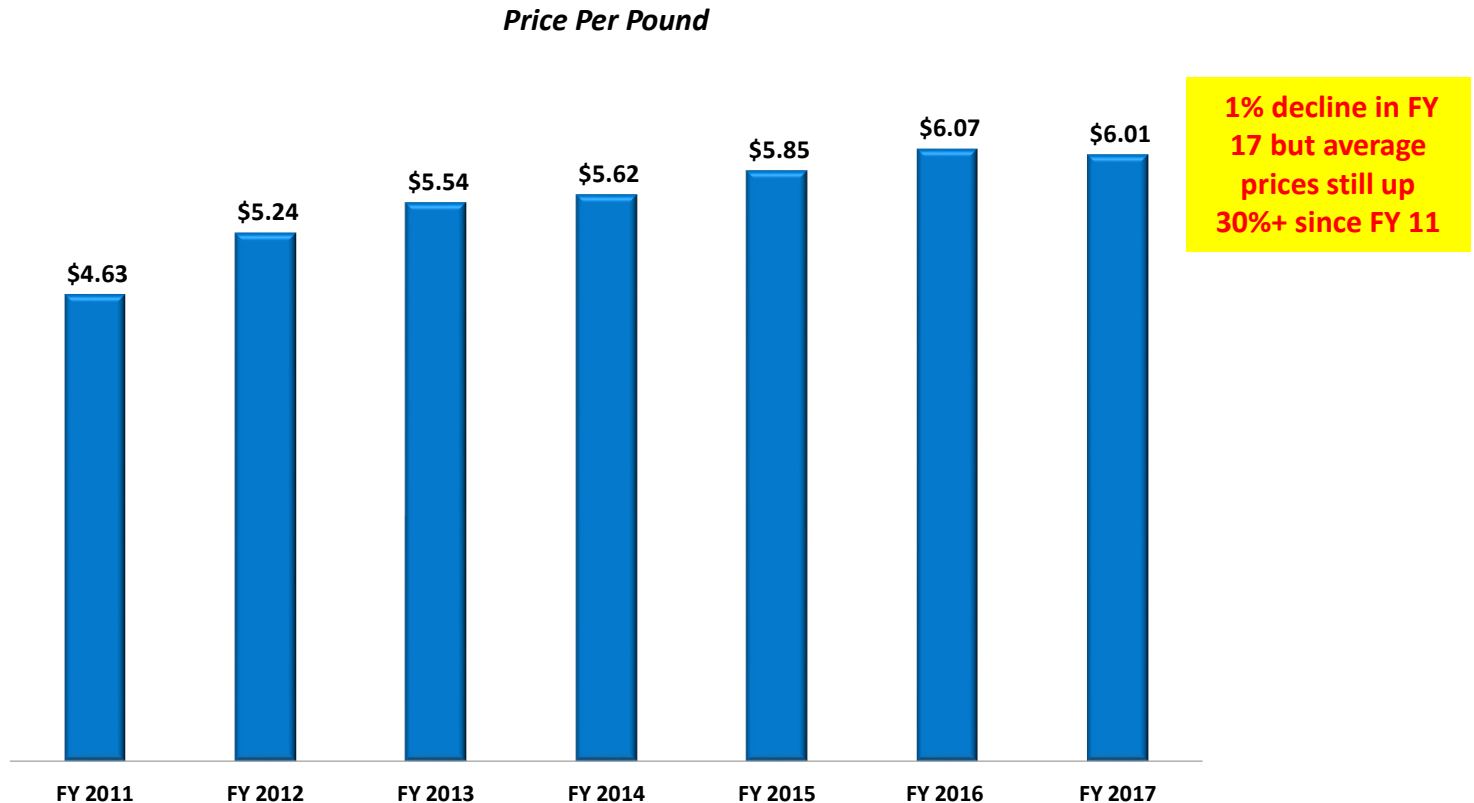
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NUT CATEGORY REVIEW



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Slight decline in Nut Commodity Prices after Years of Increases



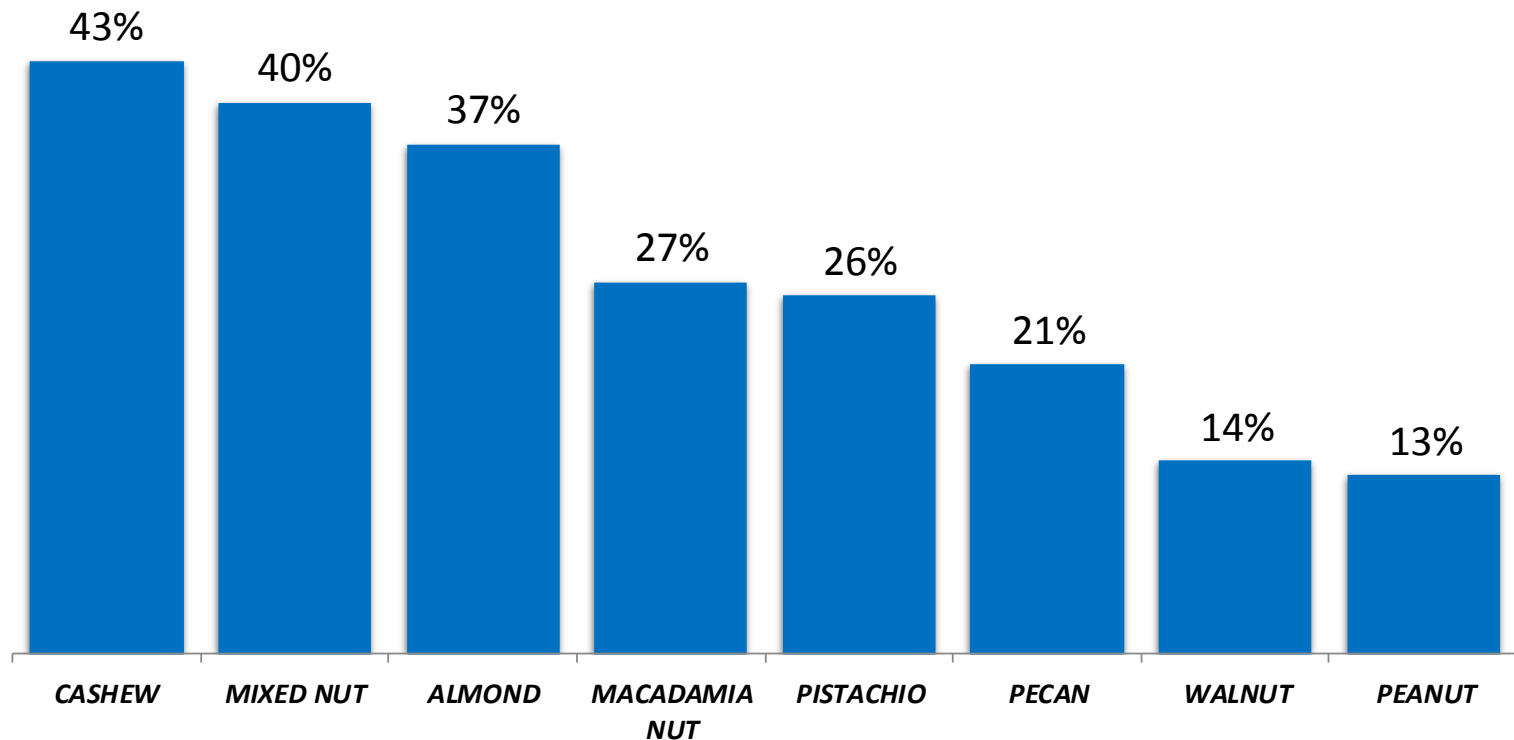
Source: IRI: Total Nut Category – Multi Outlet Geography
Time Periods: to FY 11 Year Ending 7/3/11 to FY 2017 data ending 6/25/17



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Retail Prices Up Across Most Major Nut Types over the Last 7 Years

% Increase in Price Per Pound Since FY 11



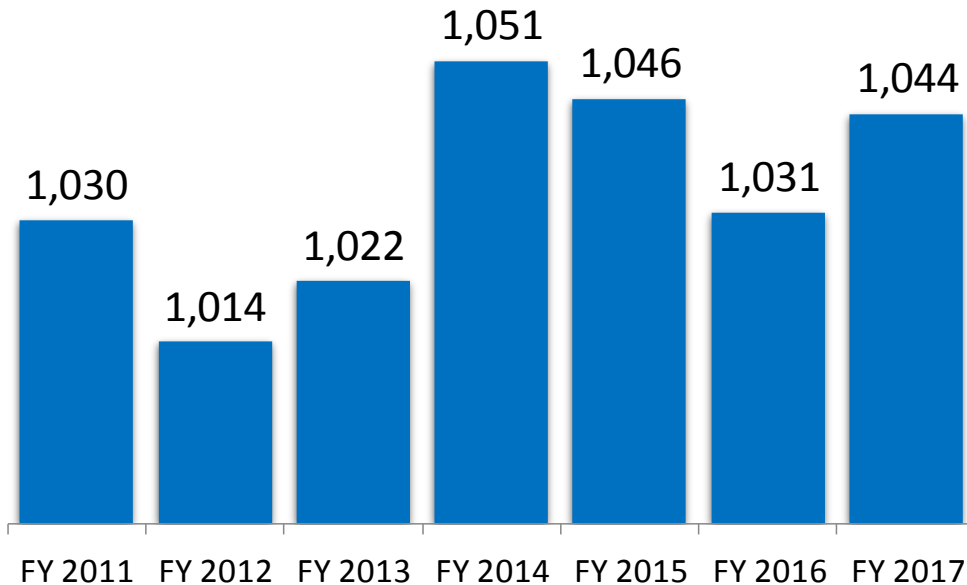
Source: IRI: Total Nut Category – Multi Outlet Geography
Time Periods: FY 11 Year Ending 7/3/11 to FY 2017 data ending 6/25/17



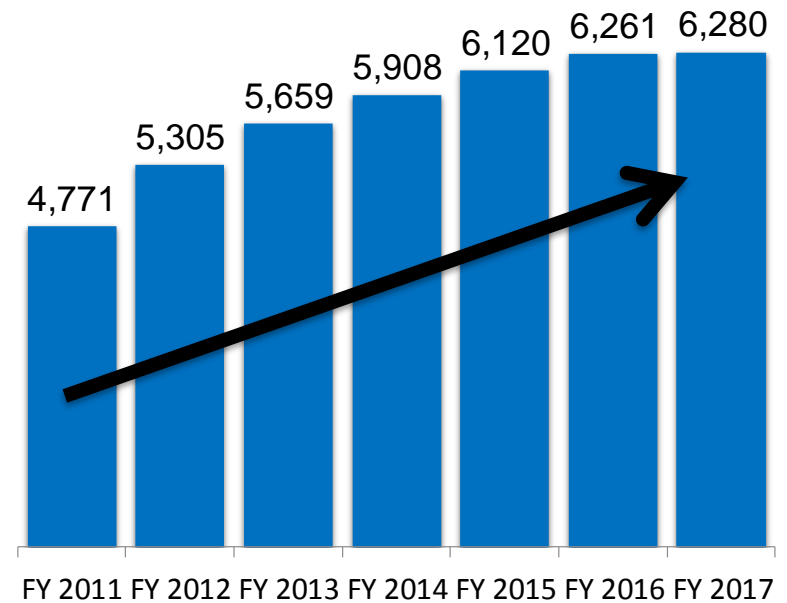
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Category Dollar Sales Plateaued after Years of Growth

Category Pound Sales (M)



Category \$ Sales (M)





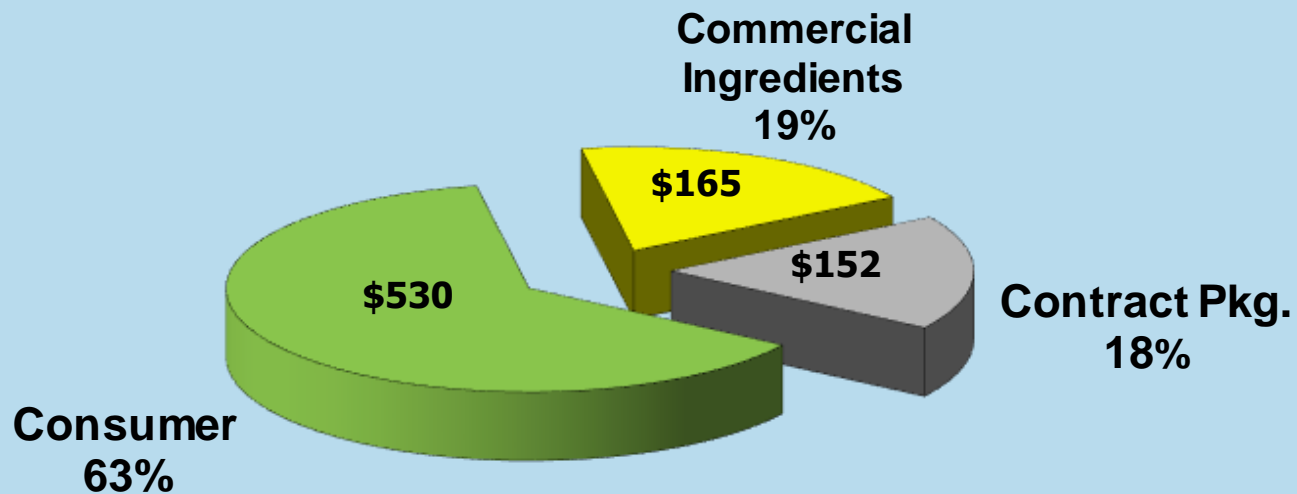
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SALES CHANNEL UPDATES



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Business Channel Diversification



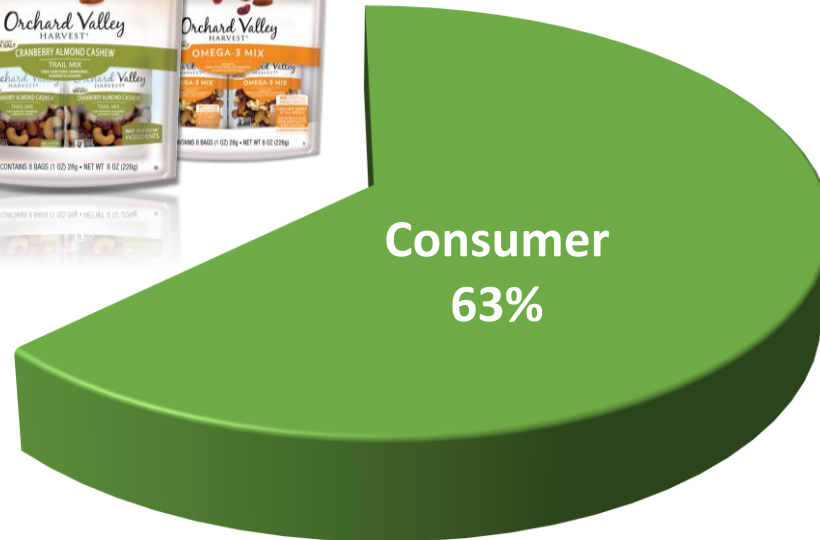
(Millions of \$)

Fiscal 2017 Net Sales \$847 Million



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FY 2017 Consumer Channel



-6.4%

vs. FY 16

Fiscal 2017 Net Sales \$530 Million

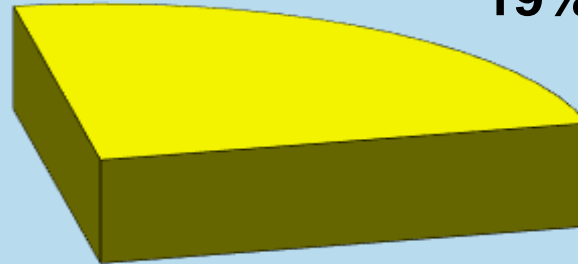


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FY 2017 Commercial Ingredients Channel



**Commercial
Ingredients
19%**



-32.6%

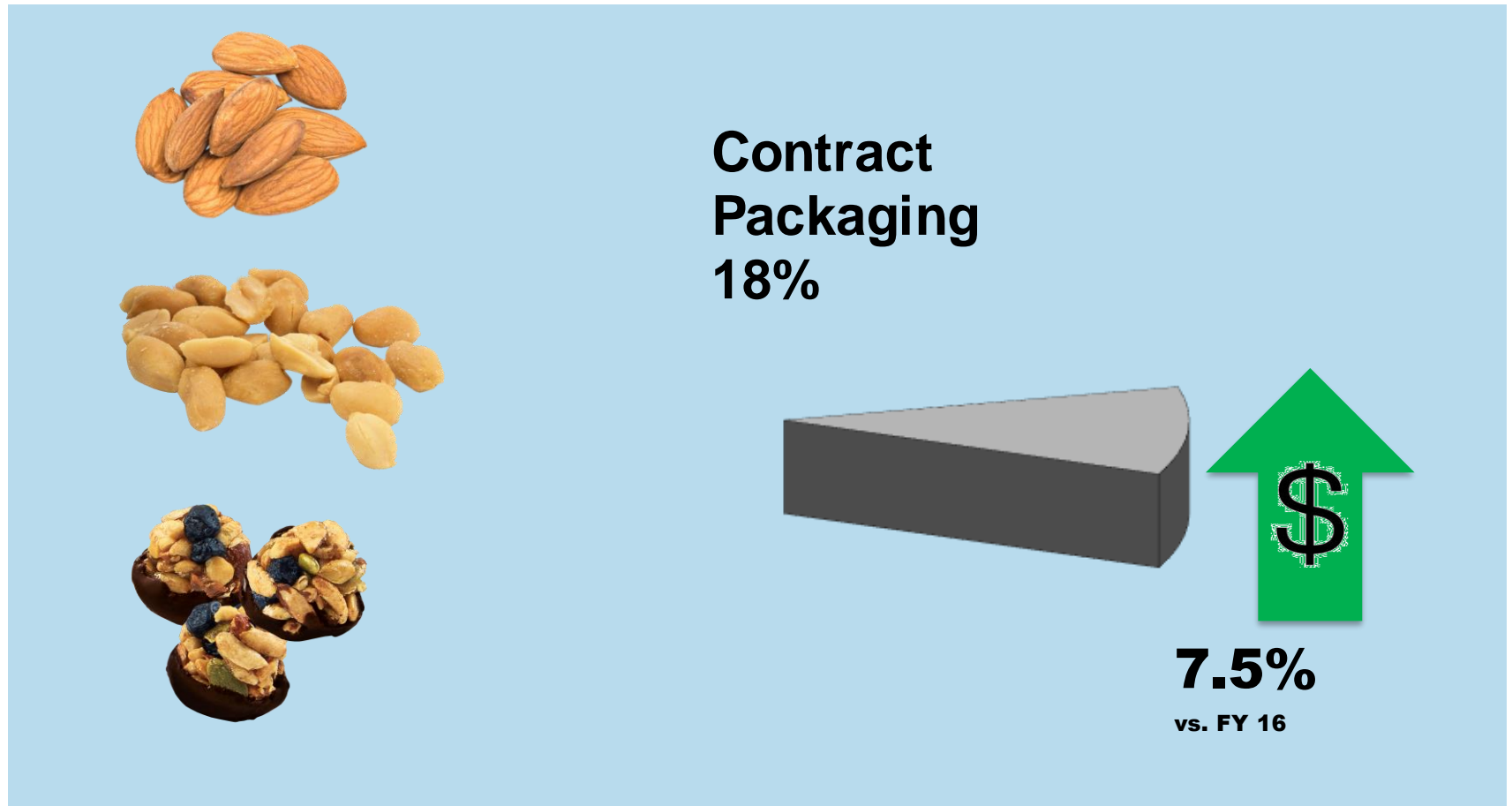
vs. FY 16

Fiscal 2017 Net Sales \$165 Million



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FY 2017 Contract Packaging Channel



Fiscal 2017 Net Sales \$152 Million





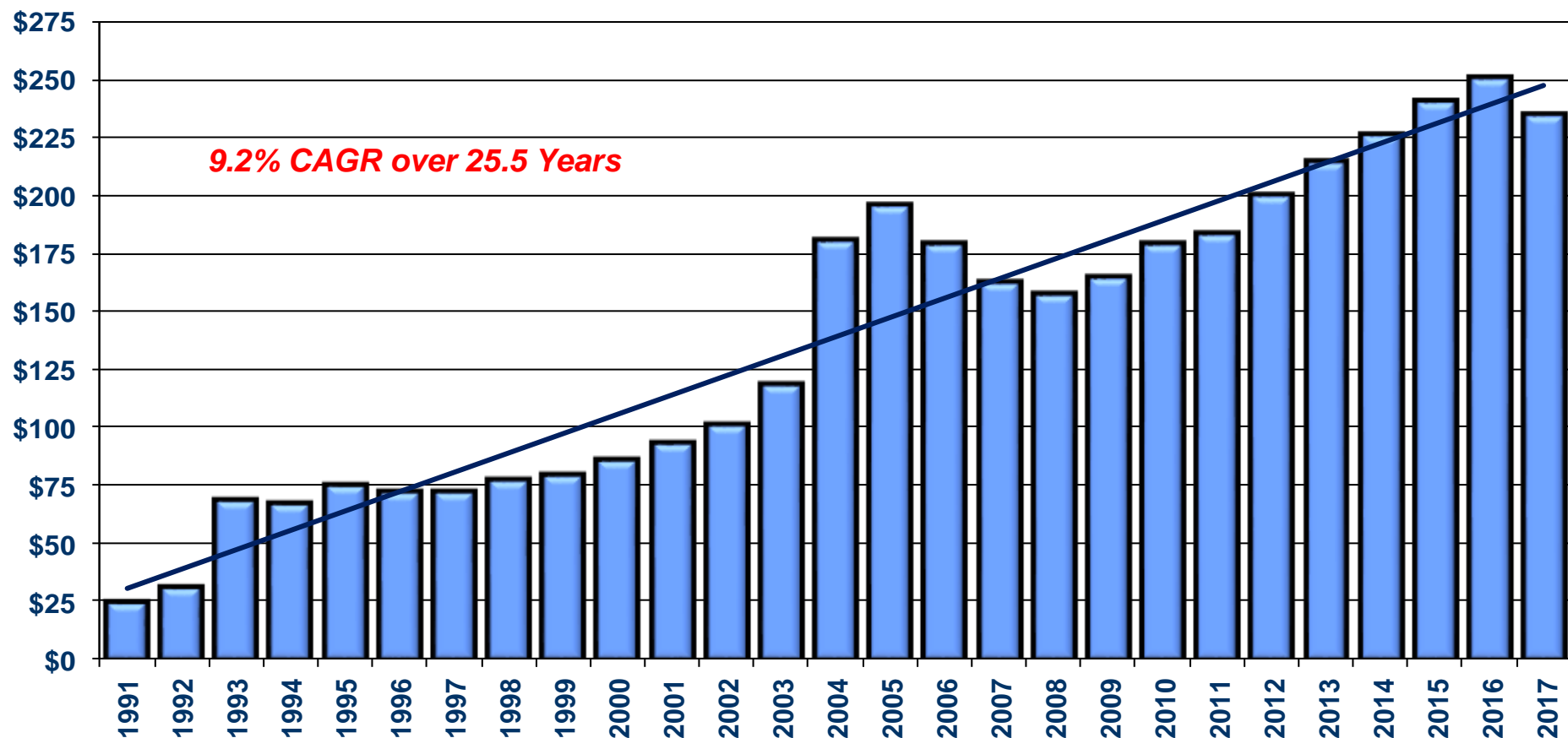
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FY 2017 FINANCIAL MILESTONES



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JBSS STOCKHOLDERS' EQUITY FYs 1991- 2017

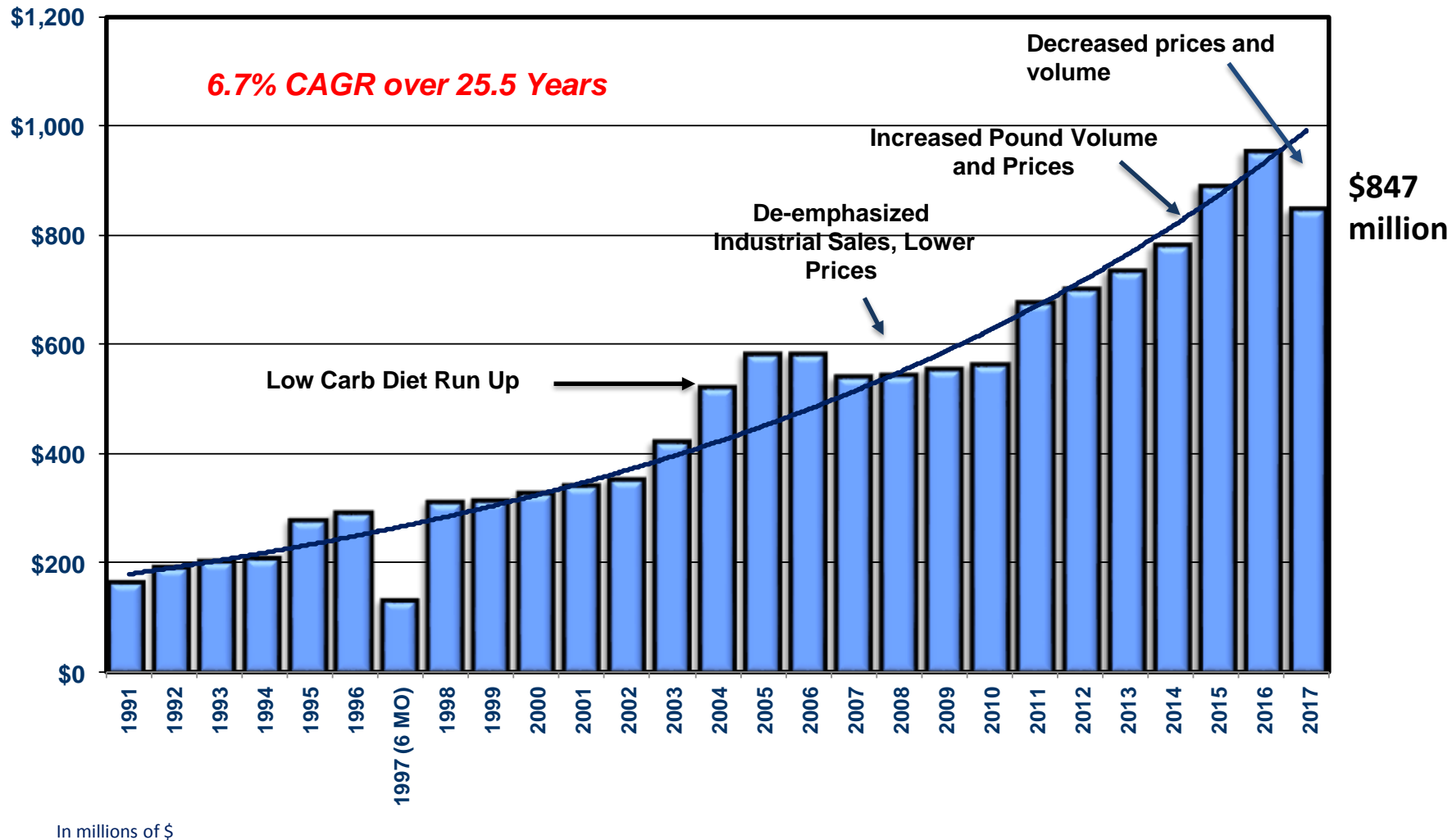


In millions of \$

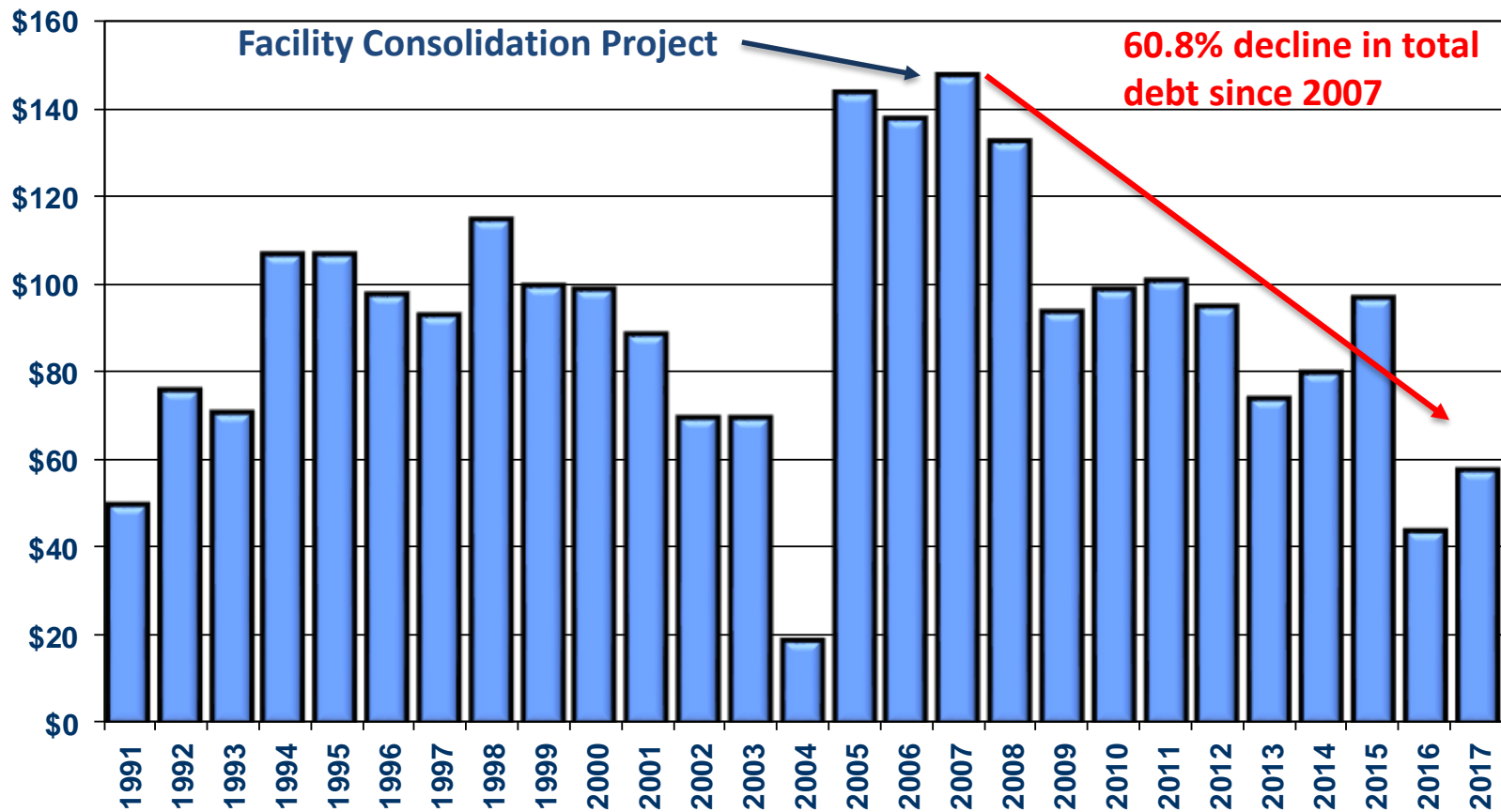


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JBSS NET SALES FYs 1991- 2017



JBSS TOTAL OUTSTANDING DEBT FYs 1991- 2017

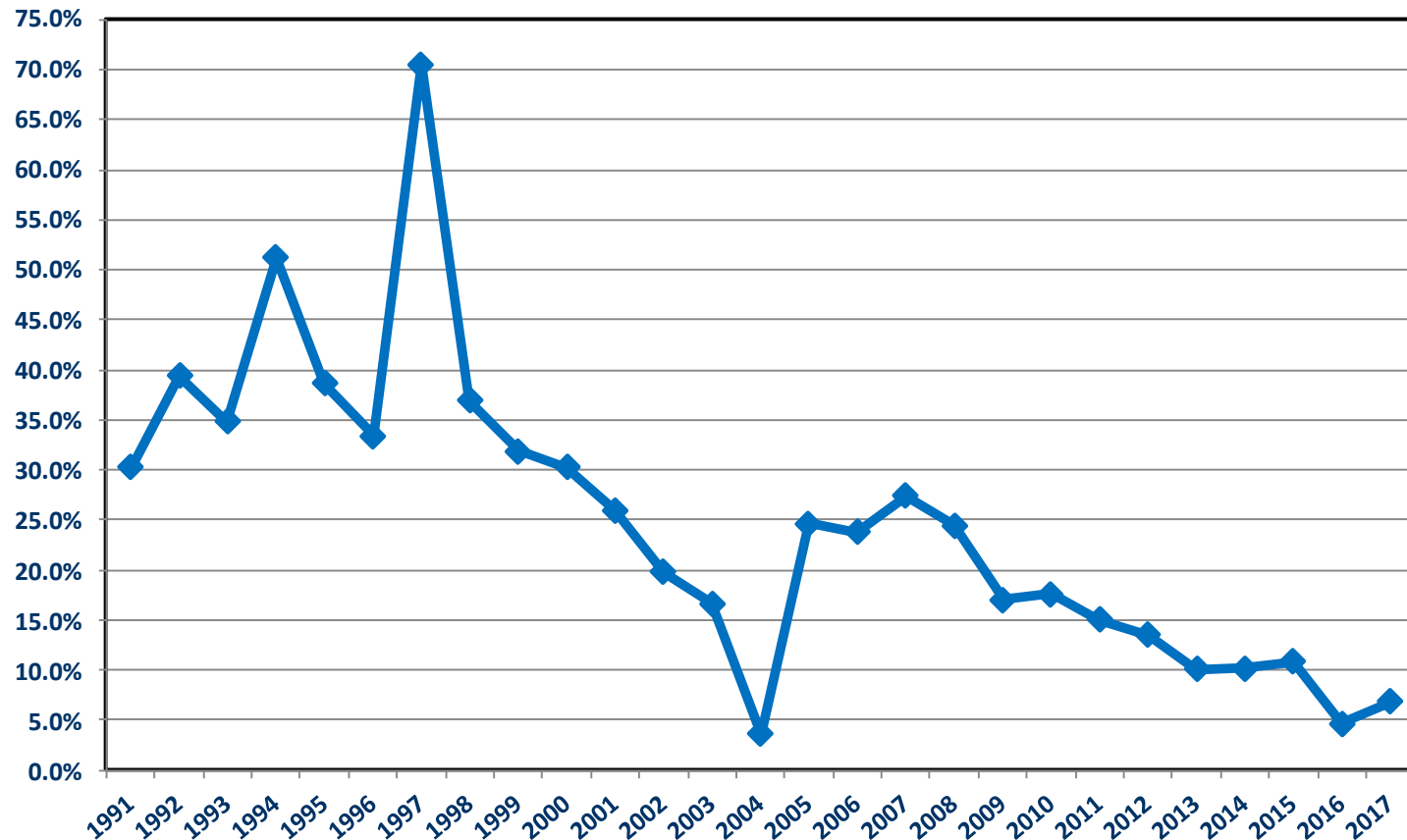


In millions of \$



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JBSS TOTAL OUTSTANDING DEBT AS % OF NET SALES FYs 1991 – 2017



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.

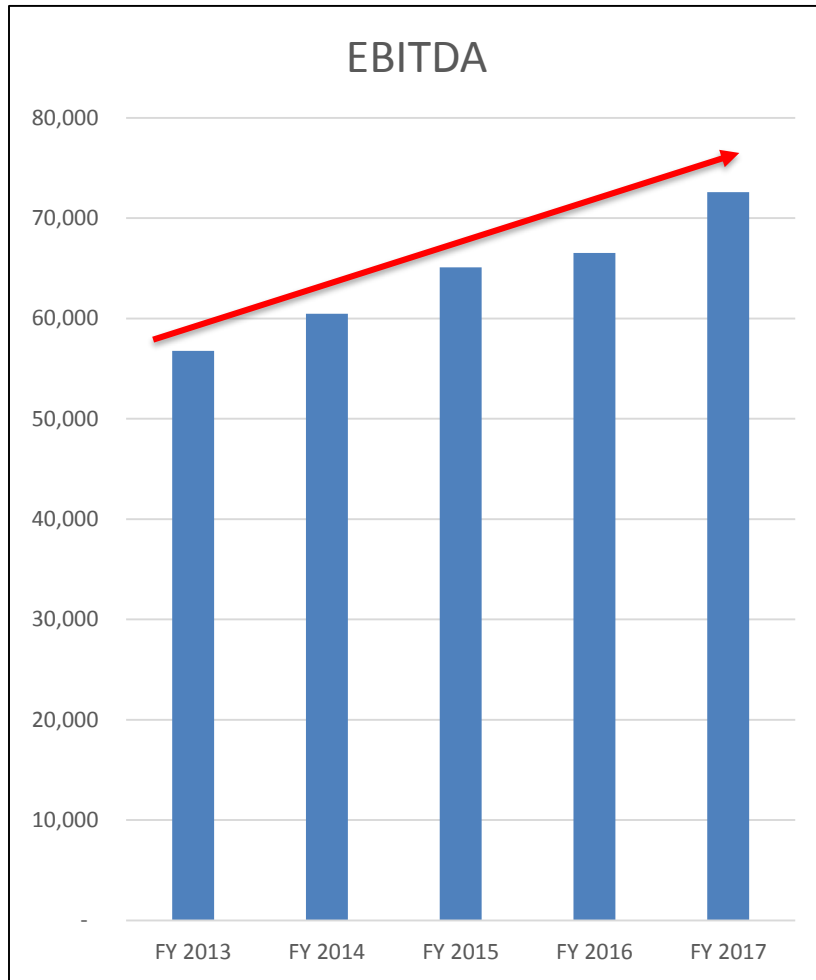


RECONCILIATION OF NET INCOME (LOSS) TO EBITDA

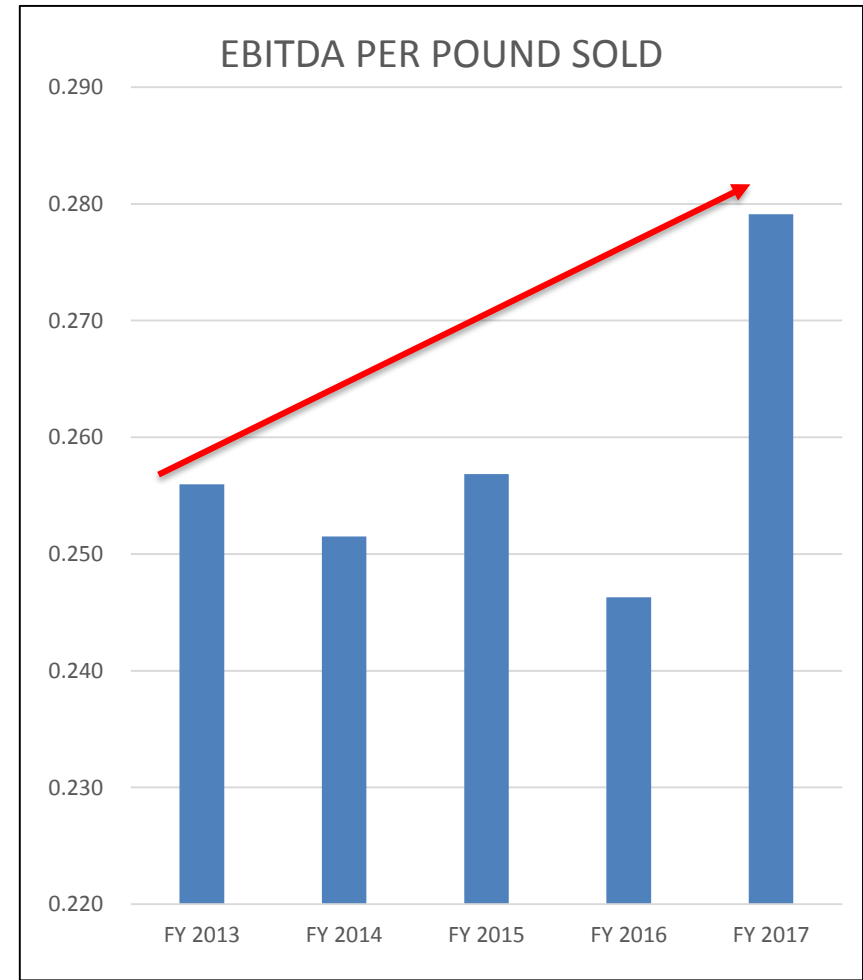
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
(in \$,000's)											
NET INCOME (LOSS)	(13,577)	(5,957)	6,917	14,425	2,835	17,122	21,760	26,287	29,305	30,395	36,125
INTEREST EXPENSE	9,347	10,502	7,646	5,653	6,444	5,364	4,754	4,354	3,966	3,492	2,910
INCOME TAX EXPENSE (BENEFIT)	(7,520)	(897)	(259)	8,447	(49)	9,099	13,536	13,545	15,559	16,067	18,013
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>	<u>15,559</u>
EBITDA	1,834	19,390	30,226	44,350	26,198	48,702	56,767	60,464	65,114	66,539	72,607
NET SALES	540,858	541,771	553,846	561,633	674,212	700,575	734,334	778,622	887,245	952,059	846,635
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%	8.6%
POUNDS SOLD (000'S)	246,142	221,958	217,465	224,302	232,746	212,553	221,762	240,417	253,514	270,144	260,123
EBITDA PER POUND SOLD	0.007	0.087	0.139	0.198	0.113	0.229	0.256	0.251	0.257	0.246	0.279



EBITDA TRENDS*



(in \$ thousands)

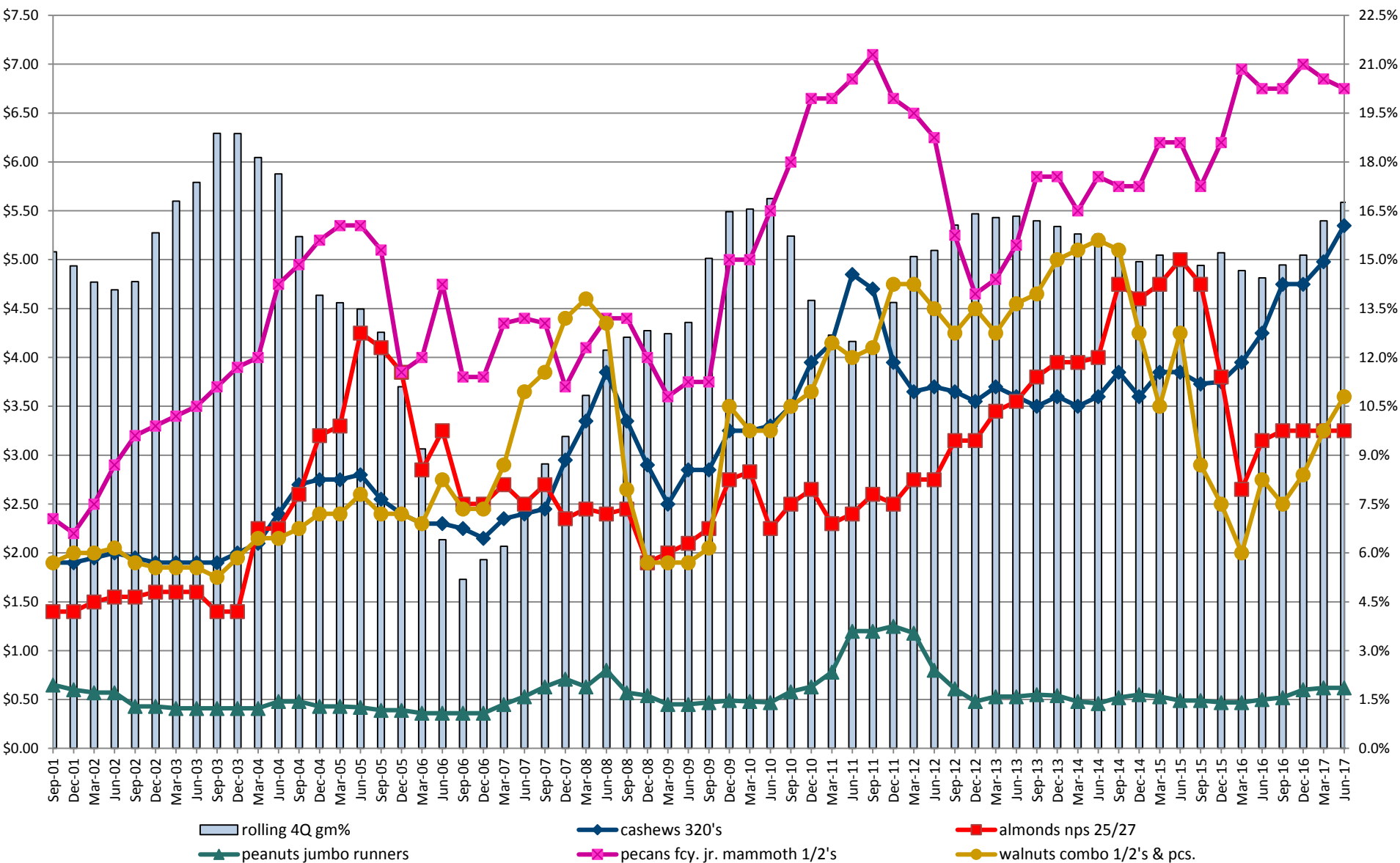


* EBITDA is a non-GAAP measure. See slide entitled "Reconciliation of Net Income (Loss) to EBITDA" for reconciliation to GAAP measure



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





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FY 2017 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



The Global Source For Nuts[®]

Fisher®

Recipe Nuts



amazon

Fisher nuts

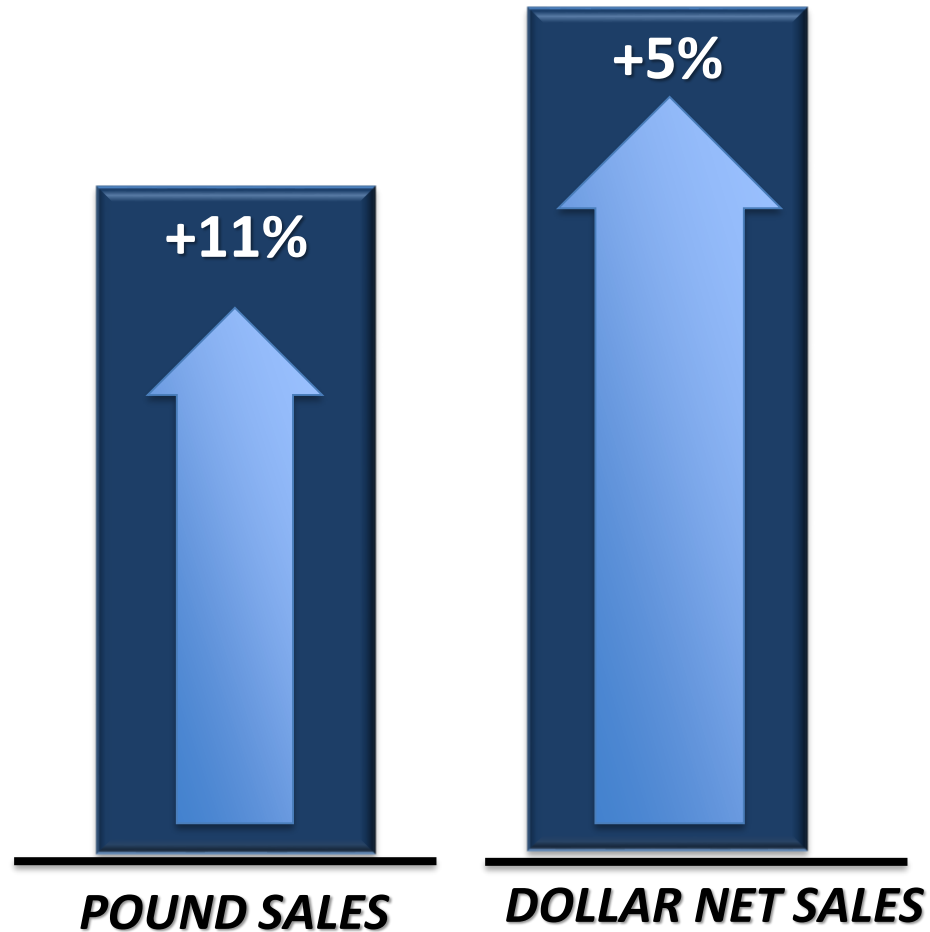
Recipe Distribution



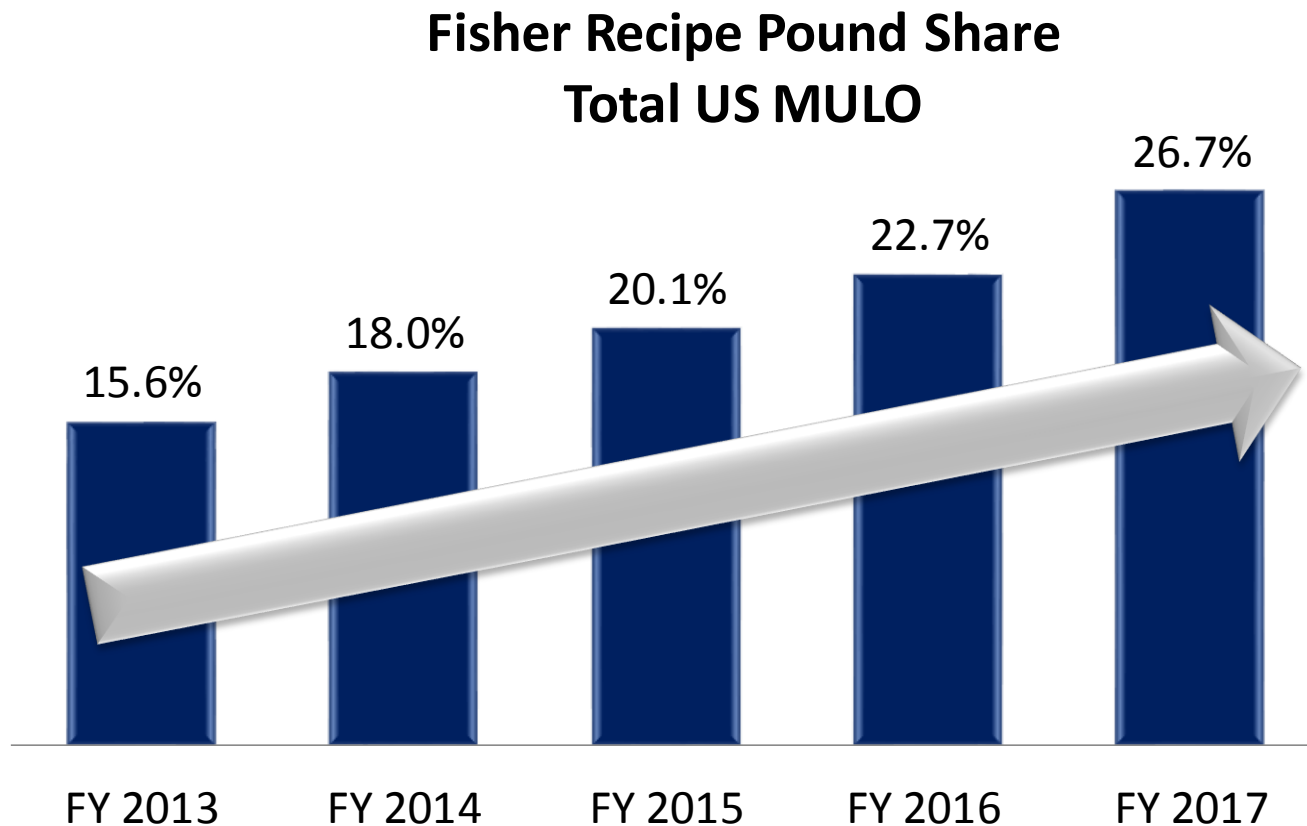
Strong Growth for Fisher Recipe in FY 17

Total Fisher Recipe Brand Growth FY 17 vs. FY 16

Fisher[®]
Recipe Nuts

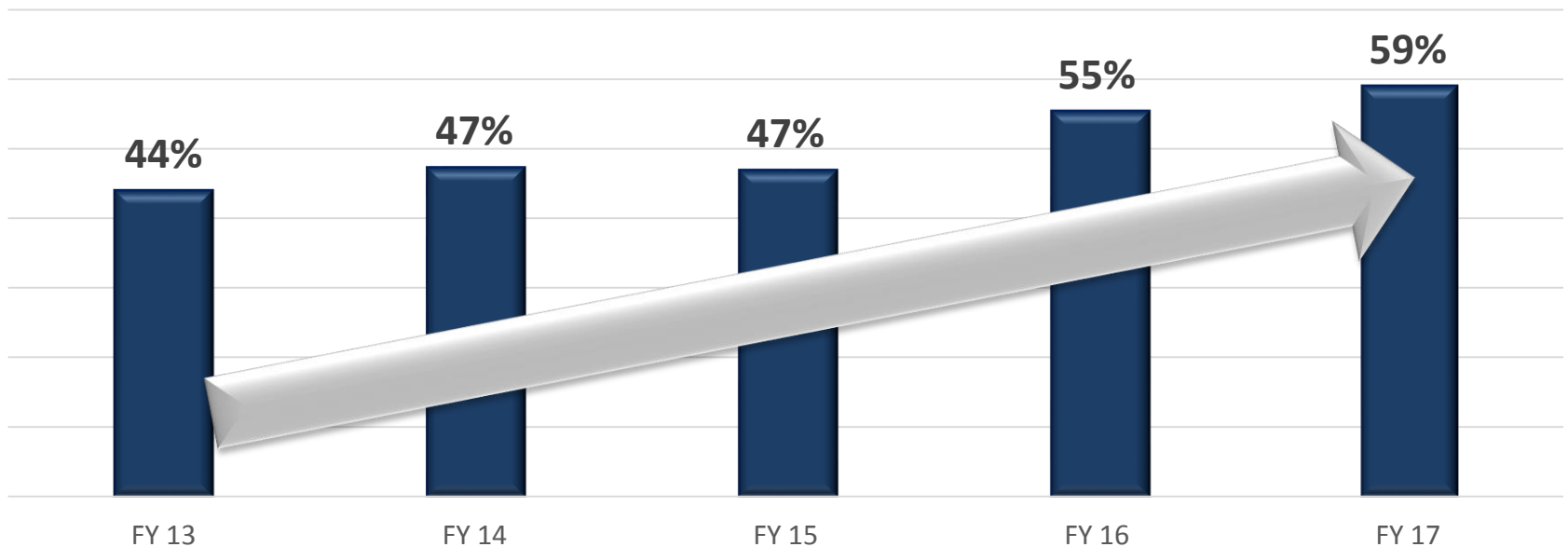


Fisher Recipe continues to Grow Market Share



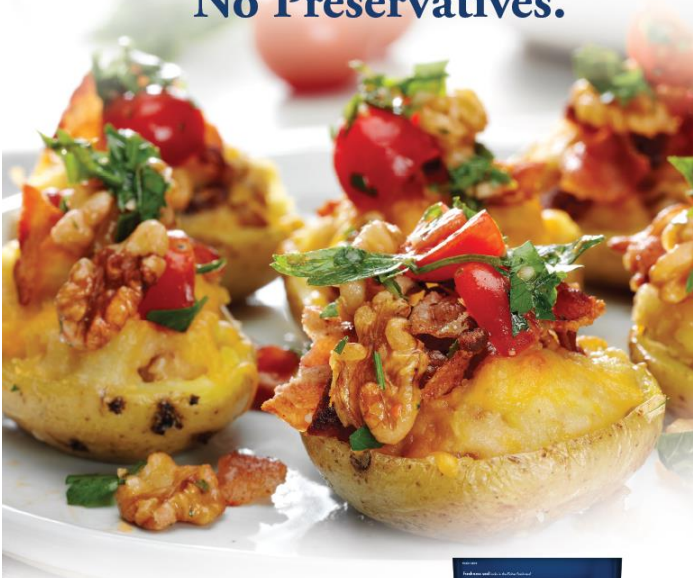
Steady Growth in Fisher Recipe Nut Distribution

FISHER RECIPE ACV 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.

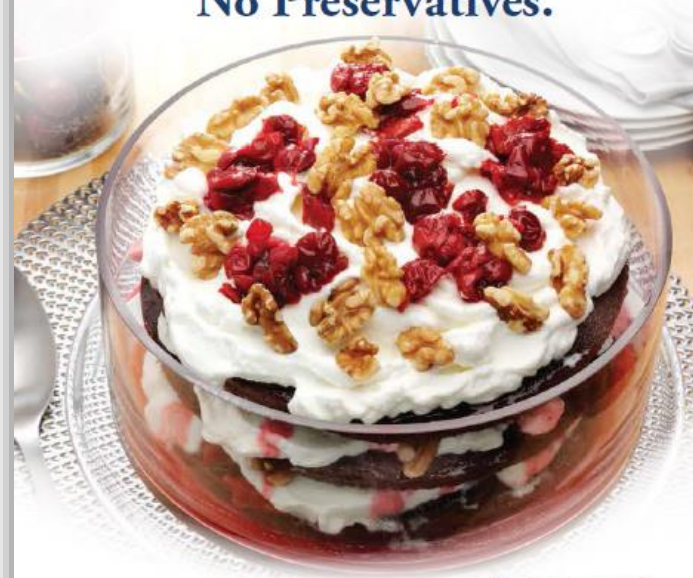


Fisher Live Life UNSHELLED.™


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Fisher® is a registered trademark of John B. Sanfilippo & Sons, Inc.
Live Life Uns Shelled™ is a registered trademark of John B. Sanfilippo & Sons, Inc.

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

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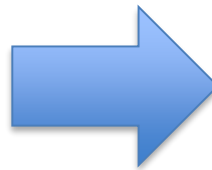
For the Black Forest Walnut Trifle
recipe and more, visit fishernuts.com



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Packaging Graphics Refresh

FROM



TO



The Global Source For Nuts®

Walnut “Upsize” helped deliver revenue in the face of declining commodities



Continue to Build *Fisher* Brand Equity with Food Network Sponsorship



Integrated Marketing Key to Building Brand Equity

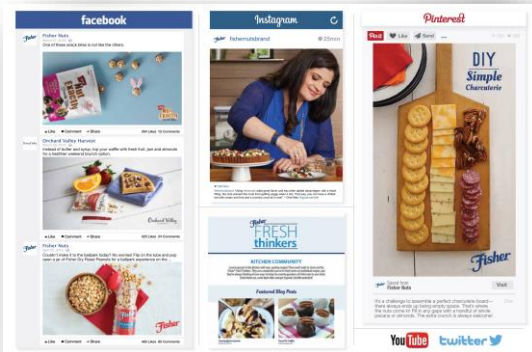
Public Relations



In-Store Programs



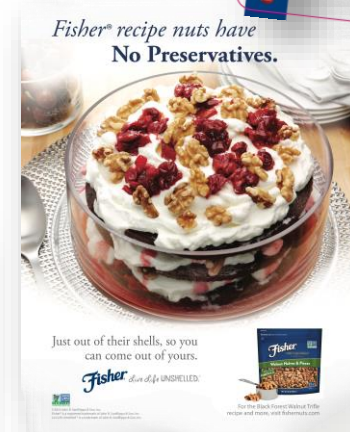
Social Media



Food Network



National Print



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Fisher®
Snack Nuts



The Global Source For Nuts®



Snack Distribution

amazon



As of 7/17/17

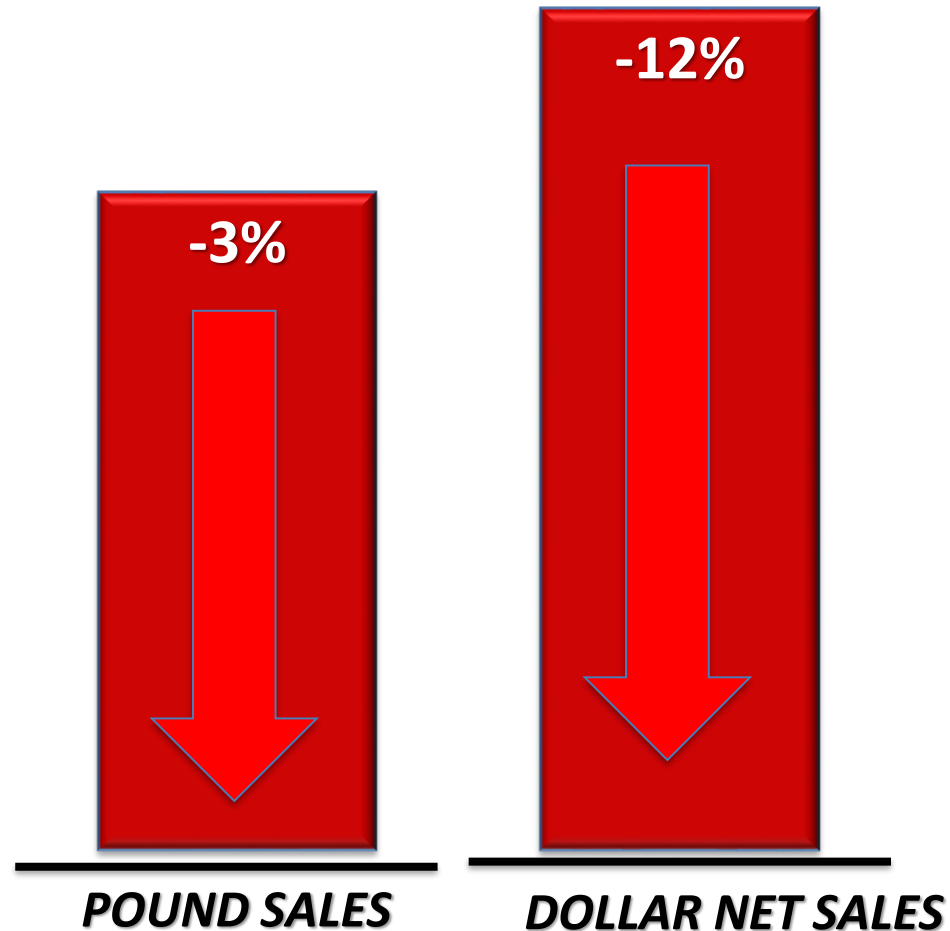


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Challenging Year for *Fisher* Snack in FY 17

Total Fisher Snack Sales FY 17 vs. FY 16

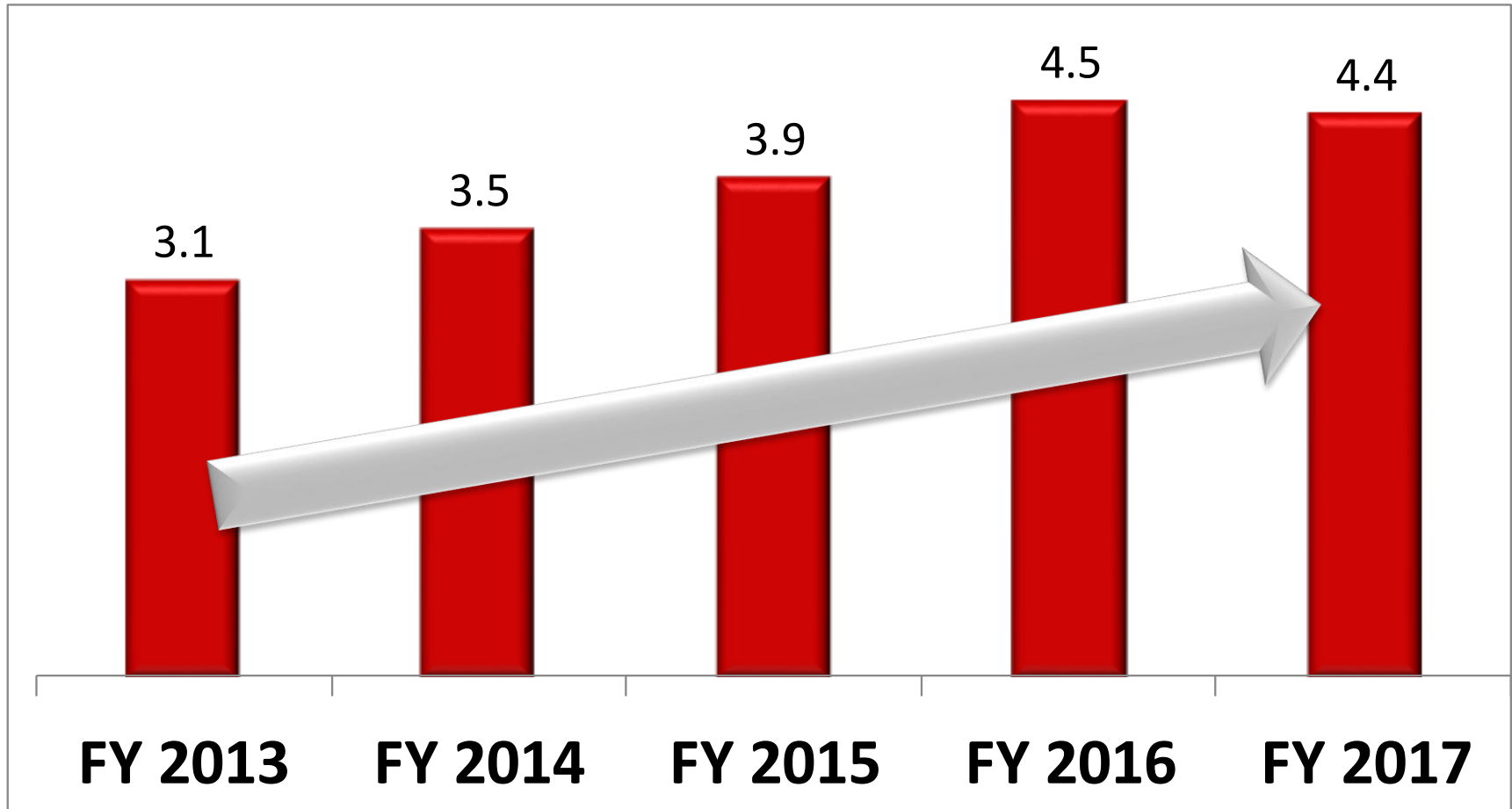
Fisher[®]
Snack Nuts



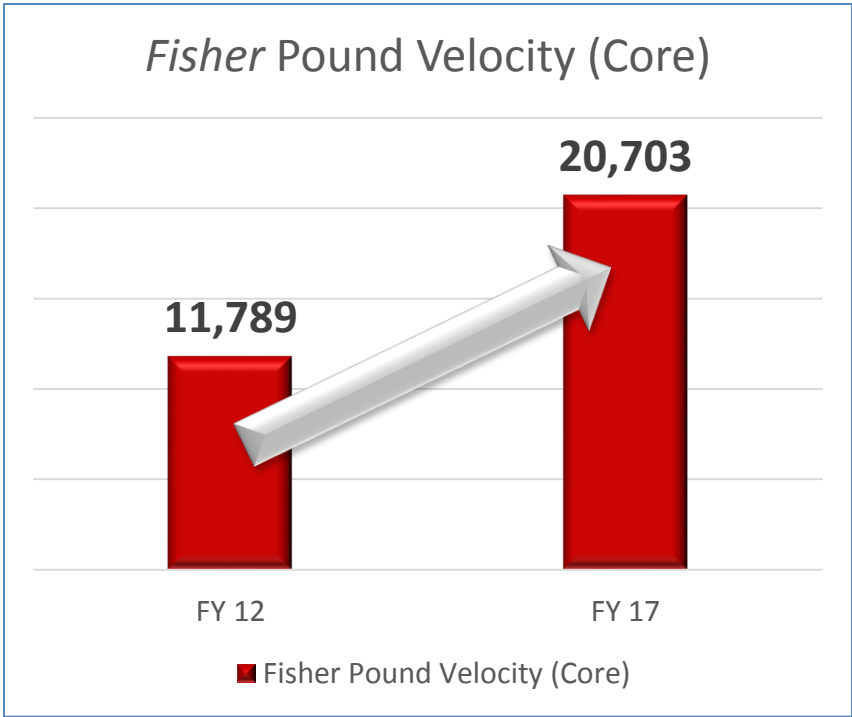
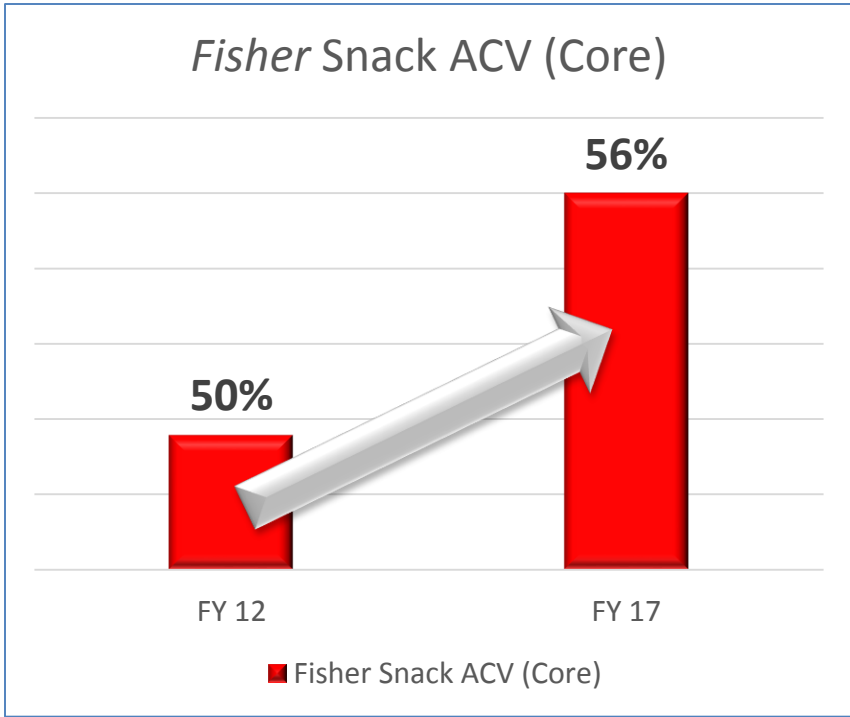
Fisher Snack Nut Strategy Focuses on Midwest High Franchise Markets



Fisher Market Share Plateaued in High Franchise in FY 17



Fisher Snack Share Driven by Distribution and Velocity Growth



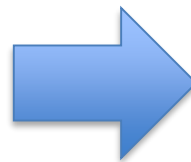
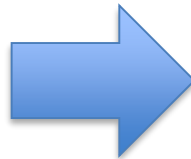
ACV: measure of total retail sales for a given geography as measured by All Commodity Volume (ACV)
Velocity is pounds sold per points of distribution

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 17 data ending 6/25/17

Driving Results on our Core Dry Roast Peanut Business



New Look for *Fisher* Snack Nuts





Orchard Valley

HARVEST



Pure and Simple Goodness



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Orchard Valley Harvest is the Pure and Simple Alternative for Consumers

Orchard Valley
HARVEST

Ingredients: **GLAZED PECANS** (PECANS, SUGAR, SEA SALT), **DRIED SWEETENED CRANBERRIES** (CRANBERRIES, SUGAR, EXPELLER PRESSED SUNFLOWER OIL) **ROASTED PEPITAS** (PEPITAS, EXPELLER PRESSED SUNFLOWER OIL, SEA SALT).

Pure & Simple Goodness™



NO Artificial
Ingredients

Orchard Valley Distribution

HARVEST

amazon

HOME SENSE®

WINNERS®



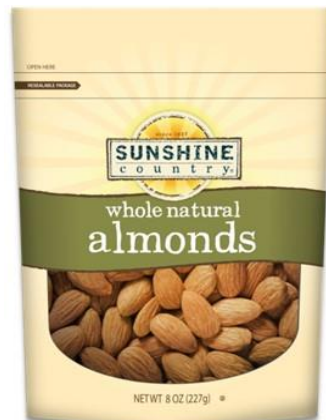
As of 7/19/17



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Strong Growth of Our Produce Brands

*Produce Brand Growth FY 17 vs. FY 16**



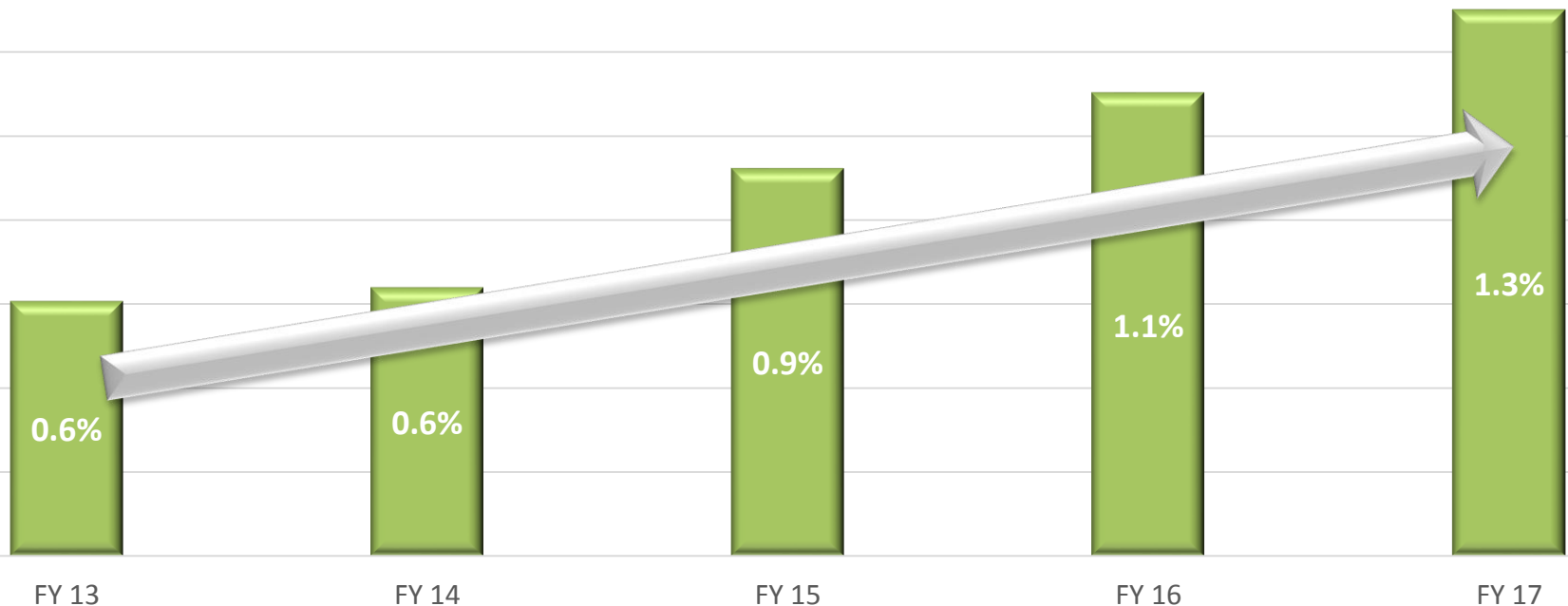
POUND SALES



DOLLAR NET SALES

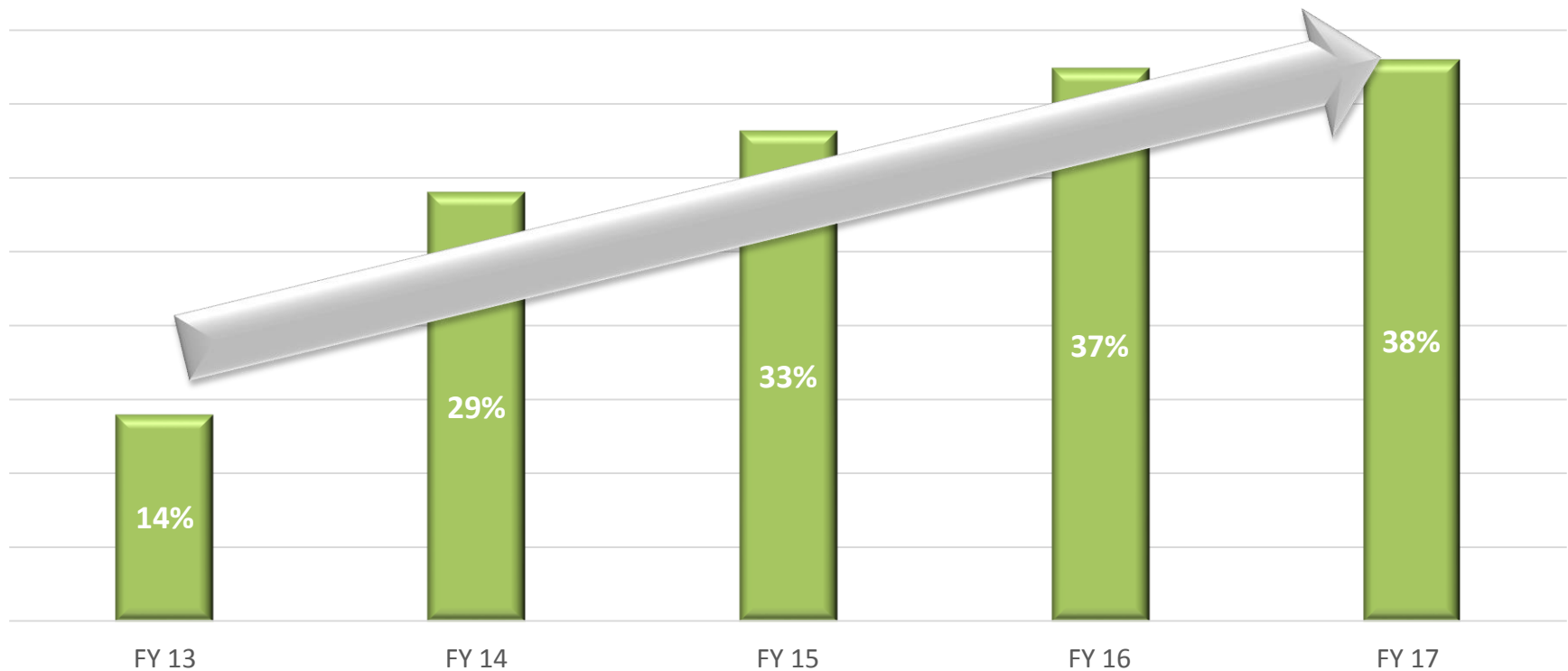
Share Growth Doubled in Produce Nut Category over the last 5 Fiscal Years

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

We Have Expanded our Portfolio to Address Growing Usage of Nuts in Salads

SALAD TOPPERS

Salads are the #1 Usage Occasion for Nuts!

NEW



NO Artificial
INGREDIENTS



Multi Pack!
8 Individual Servings



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SALAD IS THE #1 USAGE OCCASION FOR NON-SNACKING NUTS



- ✓ 22% of non-snacking nut usage is for Salads
- ✓ 19% of non-snacking nut usage is for Baking

High Impact Displays Drive Growth at Retail



Integrated Marketing Support

Print



NO ARTIFICIAL
INGREDIENTS

Public Relations



Instagram



Blogger



facebook



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Expanding to Front of House Foodservice Locations



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Thank You!

