

WESTPEAK RESEARCH ASSOCIATION

Simply Good Foods Co (NASDAQ: SMPL)

Consumer Discretionary – Packaged Foods

Snack to the Future

January 30, 2025

The Simply Good Foods Company is in the nutritious snacking industry, offering a portfolio of health-focused brands, including Quest, Atkins, and OWYN. Founded in 2017, the company develops and distributes high-protein, low-carb, and plant-based snacks and meal replacements.

Industry Overview

The nutritional snacking industry is a fast-growing market, valued at \$108 billion globally in 2023 and projected to grow at a 6.2% CAGR through 2030, driven by increasing consumer demand for healthier snack options. The sector is highly fragmented, with major players like Kellogg's and Mondelez competing alongside emerging brands that focus on trends such as plant-based, allergen-free, and keto-friendly products. Brand loyalty and innovation play a pivotal role in driving success, as consumers prioritize quality, taste, and alignment with their health goals. E-commerce and the rising demand for sustainable, high-protein snacks continue to shape the industry.

Thesis

The Simply Good Foods Company (NASDAQ: SMPL) offers a compelling investment opportunity driven by the growth of its Quest brand, early synergies from the OWYN acquisition, and the strategic repositioning of Atkins. With a strong asset-light business model and exposure to high-growth trends in plant-based and high-protein snacks, SMPL is positioned to outperform market expectations. Simply Good Foods' innovative portfolio and strategic acquisitions provide significant upside potential.

Valuation

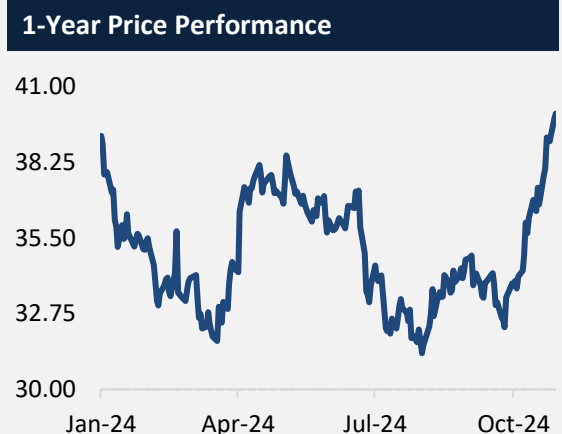
We initiate a **BUY** rating on The Simply Good Foods Company (NASDAQ: SMPL). Our target share price is \$41.38 based on the Perpetuity Growth DCF method and our EV/EBITDA Exit Multiple, method both weighted at a total of 90%. Additionally, we used our P/E Implied Price method weighted at 10%.

Analyst: Colin Illing, BCom. '27
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Equity Research	US
Price Target	US\$ 41.38
Rating	Buy
Share Price (Jan. 30 Close)	US\$ 37.39
Total Return	10.67%

Key Statistics	
52 Week H/L	\$40.53/\$30.00
Market Capitalization	\$3.76B
Average Daily Trading Volume	\$871M
Net Debt	\$397M
Enterprise Value	\$4.11B
Net Debt/EBITDA	1.45x
Diluted Shares Outstanding	101.3M
Free Float	91.7%
Dividend Yield	N/A

Analyst Forecast			
	2025E	2026E	2027E
Revenue	\$1.4B	\$1.5B	\$1.6B
EBITDA	\$240M	\$257M	\$276M
Net Income	\$184M	\$197M	\$212M
EPS	\$2.7	\$2.8	\$3.0
P/E	23.6x	20.4x	20.0x
EV/EBITDA	18.5x	17.3x	16.1x



Company Overview

Core Business and Market Position

The Simply Good Foods Company (NASDAQ: SMPL) is a leader in its specialized segment of nutritional, high-protein, and low-carb snacks and meal replacements. However, it is not an industry leader on a broad scale, as it lacks the market share and brand portfolio breadth of larger competitors like Mondelez or Kellogg's. Headquartered in Denver, Colorado, the company was established in 2017 following the merger of Atkins Nutritionals and Conyers Park Acquisition Corporation. Simply Good Foods operates through a portfolio of well-established brands, including Quest, Atkins, and the recently acquired OWYN, which cater to diverse dietary preferences such as keto, plant-based, and allergen-free options. The company leverages its asset-light model and strategic marketing to drive innovation and consumer engagement.

Key Brands and Product Portfolio

Quest: The brand offers a range of high-protein, low-sugar snacks, including protein bars, chips, cookies, and shakes. The brand remains Simply Good Foods' top performer, recognized for its innovative product expansion, such as the Bake Shop line and protein chips, which cater to the growing demand for indulgent yet nutritious snacks. Quest continues to be the primary revenue driver, contributing over 56% of total sales (\$777.4M in 2024), with sales expected to grow to \$820.4M in 2025. While its growth rate has slowed compared to previous years, Quest's expected 5.5% revenue growth in 2025 reflects its continued strength in the high-protein snack market.



Atkins: Atkins, a legacy brand in the low-carb movement, focuses on meal replacements and snacks for weight management. However, the brand has faced declining relevance as consumer preferences shift away from strict dieting. Management has pivoted its branding to emphasize sustainable, diet-free weight management, but Atkins' sales declined from \$524.7M in 2023 to \$496.8M expected in 2025. The brand currently represents approximately 34.1% of revenue, and repositioning of the brand signals potential growth in 2025.



OWYN (Only What You Need): Acquired in mid-2024, OWYN is a plant-based protein shake brand offering allergen-free products that align with the rising consumer demand for sustainable, functional nutrition. OWYN's integration into Simply Good Foods' portfolio marks a strategic move into the fast-growing plant-based protein segment. The brand is scaling rapidly, with revenue growing from \$29.2M in 2023 to \$140.1M expected in 2025, making up 9.6% of total projected sales. OWYN's extraordinary 379.4% growth in 2024 positions it as the company's fastest-growing brand, though it remains in the early stages of expansion.



Operating Model

Simply Good Foods operates an asset-light business model, outsourcing production to third-party manufacturers to minimize capital expenditures while maximizing flexibility. This strategy allows the company to focus on innovation, marketing, and expanding distribution rather than investing in costly infrastructure. With strong retail partnerships, particularly with Walmart (31% of sales) and Amazon (18%), Simply Good Foods maintains a significant market presence across brick-and-mortar and e-commerce channels, though this reliance presents some risk.

The company positions its brands as premium, health-conscious options, appealing to consumers prioritizing high-protein, low-carb, and clean-label nutrition.

Growth Strategy

Simply Good Foods' growth strategy—innovation, portfolio diversification, and e-commerce expansion—has fueled consistent revenue growth over the past three years. Quest remains the primary driver, growing from \$682.8M in 2022 to \$777.4M in 2024, with an expected 10.9% increase in 2025. The OWYN acquisition in 2024 expanded Simply Good Foods' presence in the fast-growing plant-based market, contributing \$140.1M in expected revenue for 2025. While Atkins' sales have declined (-6.3% in 2024, -5.3% expected in 2025) due to shifting consumer trends, management has repositioned the brand to sustain relevance. With total revenue increasing from \$1.17B in 2022 to \$1.33B in 2024 (7.1% YoY growth) and \$1.46B expected in 2025, the strategy has driven steady expansion despite category headwinds.

Industry Analysis

Market Dynamics and Growth Drivers



The global nutritional snacking market, valued at approximately \$108 billion in 2023, is projected to grow at a robust CAGR of 6.2% through 2030. This growth is fueled by a shift in consumer preferences toward health-focused products and the increasing demand for convenient, on-the-go nutrition. The rise of e-commerce has also emerged as a significant driver, as platforms like Amazon and direct-to-consumer websites simplify access to these products for time-constrained consumers. The market's fragmentation is a defining characteristic, with established players like Kellogg's, Mondelez International, and General Mills competing alongside niche and emerging brands. No single entity dominates the market, highlighting the importance of branding, product differentiation, and consumer loyalty in securing market share. The trend toward plant-based, and allergen-free snacks demonstrates that innovation allows smaller brands to compete against larger incumbents.

Key Trends and Challenges

Several trends are shaping the nutritional snacking landscape. First, the rising demand for plant-based and high-protein snacks reflects growing consumer interest in sustainability and functional nutrition. This has driven increased mergers and acquisitions (M&A), exemplified by Simply Good Foods' acquisition of OWYN to enter the plant-based protein segment. Second, e-commerce continues to expand as a critical revenue channel, with convenience and direct-to-consumer options gaining traction. However, the industry also faces challenges. Nutritional snacks are moderately vulnerable to economic pressures, as higher price points for premium products may reduce demand during inflationary periods. Furthermore, cost volatility in key ingredients such as proteins, cocoa, and packaging materials puts pressure on profit margins. Larger companies often mitigate these issues through economies of scale and strategic pricing, but smaller competitors may struggle to pass on these costs without eroding consumer trust.

Competitive Landscape and Barriers to Entry

The nutritional snacking market is fiercely competitive, with branding and product quality playing central roles in consumer purchasing decisions. Companies must continually innovate in taste, texture, and packaging to meet evolving consumer preferences. Barriers to entry are moderate; contract manufacturing and digital marketing have reduced startup costs, established players maintain advantages through R&D capabilities, advertising budgets, and access to prime retail shelf space. Brand loyalty is critical in this space. Consumers are drawn to brands that align with their health goals and dietary preferences, making consistent product quality and perceived value essential for success. As a result, competition often centers on premiumization rather than price alone, with companies leveraging strong marketing strategies to justify higher prices.

Simply Good Foods' Current Place in the Industry

Simply Good Foods holds a strong but niche position in the nutritional snacking market, competing through high-protein, low-carb, and plant-based offerings. Quest leads in protein snacks, competing with RXBAR (Kellogg's) and Clif Bar (Mondelez), while Atkins faces challenges against keto-specific brands like Ratio (General Mills). OWYN expands its reach into plant-based nutrition, competing with Vega (Danone) and Orgain (Nestlé). Unlike CPG giants, Simply Good Foods lacks scale but excels in specialization, leveraging an asset-light model to focus on innovation and marketing. Despite 31% of sales coming from Walmart and 18% from Amazon, revenue has grown from \$1.17B in 2022 to \$1.33B in 2024, with \$1.46B expected in 2025. While not an industry giant, its strong brand loyalty and targeted growth strategy make it a competitive force in health-focused snacking.

Investment Theses



Investment Thesis 1: Quest – Sustaining Growth Through Innovation

The market's projection of Quest's revenue growth deceleration to 9-10% in FY25, due to concerns over category saturation, fails to account for key drivers that could sustain stronger performance. Quest's continued innovation, mainly through expanding its Bake Shop line and protein chips, aligns with shifting consumer preferences toward high-protein, low-sugar snacking. This is further supported by gross margin stability, with Good Foods' company-wide gross margin expected to remain above 36% through 2025, indicating pricing power and operational efficiency despite inflationary pressures. Quest's EBITDA contribution remains the highest among Simply Good Foods' brands, reinforcing its role in driving overall profitability. The company's projected EBITDA margin expansion from 22.9% in 2024 to 23.5% in 2025 reflects Quest's premium positioning and improved cost efficiencies as the business scales. Furthermore, capital expenditures remain minimal (1.2% of revenue in 2024 and 2025), highlighting Simply Good Foods' ability to grow Quest without significant reinvestment risks. With these factors overlooked by consensus estimates, Quest's revenue growth and margin expansion could outperform expectations, reinforcing its role as the key driver of Simply Good Foods' long-term success.

Investment Thesis 2: OWYN – Unlocking Value in Plant-Based Nutrition

OWYN’s integration into Simply Good Foods’ portfolio positions the company to capitalize on the rapidly growing plant-based protein market, which is projected to expand by 80%. While management forecasts FY25 net sales of \$135–145 million for OWYN, the market may undervalue the potential for early synergies. Simply Good Foods’ historical acquisitions have typically driven stronger-than-expected post-integration growth. Quest, for example, saw 58.2% growth in 2021 following its acquisition, suggesting that OWYN’s 379.4% YoY growth in 2024 could continue exceeding initial expectations. Leveraging Simply’s strong distribution network and marketing expertise, OWYN is poised for accelerated market penetration, particularly in e-commerce. Simply Good Foods has grown Amazon sales to 18% of total revenue. Additionally, OWYN’s expected gross margin of 34% in 2025, up from an estimated 30% in 2024, supports operational efficiency gains and long-term profitability improvement. Consumer preference for allergen-free and sustainable nutrition remains strong, with OWYN’s projected 9.6% revenue contribution in 2025 positioning it as a meaningful driver of Simply’s future growth. With Good Foods’ total revenue expected to grow from \$1.33B in 2024 to \$1.46B in 2025, OWYN’s contribution represents a key expansion area, mitigating risks associated with reliance on legacy brands like Atkins (-5.3% expected decline in 2025).

Investment Thesis 3: Atkins 2.0: A Revitalized Brand the Market is Overlooking

Atkins, historically a leader in low-carb weight management, has faced declining relevance, with sales expected to fall from \$524.7M in 2023 to \$496.8M in 2025 (-5.3% YoY decline expected in 2025). However, the market overlooks Atkins’ ongoing revitalization strategy, which includes new product innovation, enhanced marketing efforts, and a shift toward sustainable, diet-free weight management messaging. Retail takeaway improved in Q1, declining only 4% vs. 5% in Q4, showing early signs of stabilization. Additionally, RTD shakes—a high-growth subcategory—saw a 5% increase, with e-commerce POS rising 12%, reflecting momentum in digital sales channels. The market fails to recognize that Atkins is actively restructuring its promotional strategy—intentionally reducing low-ROI investments and shifting toward higher-margin product categories. While fiscal 2025 retail takeaway is expected to decline in the high single digits, this is part of a longer-term repositioning effort to improve profitability. Simply Good Foods also leverages collaborative discussions with a club channel customer to mitigate planned distribution losses, further optimizing shelf space. With Atkins’ repositioning still in its early stages, the market underestimates its potential to regain relevance amid the renewed cultural conversation around weight management. As consumer trends shift toward balanced, health-conscious eating rather than strict dieting, Atkins’ revitalization efforts could lead to an upside beyond current projections, particularly if RTD shakes and new product categories continue to gain traction.



Valuation

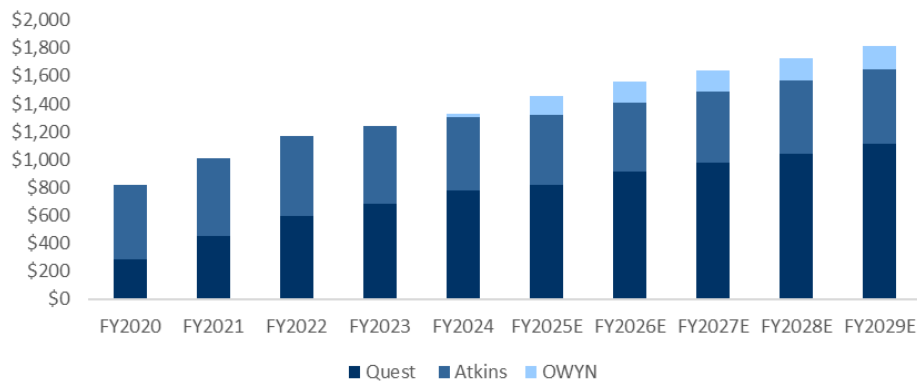
Discounted Cash Flow Analysis

Revenue Projections

Simply Good Foods' total revenue is expected to grow from \$1.33B in 2024 to \$1.46B in 2025, reflecting a 9.5% YoY increase, driven primarily by Quest's continued strength and OWYN's integration into the portfolio. Quest, the company's top-performing brand, is projected to grow 10.9% in 2025, reaching \$909.9M in sales, fueled by the expansion of its Bake Shop line and increasing consumer adoption of high-protein, low-sugar snacks. OWYN, expected to grow 379.4% in 2024 and another 5% in 2025, reflects Simply Good Foods' expansion into the fast-growing plant-based protein segment. Atkins, facing continued headwinds, is expected to decline 5.3% in 2025 as management shifts its focus to higher-margin product categories and a revamped marketing strategy catered towards younger generations by shifting away from restrictive dieting.

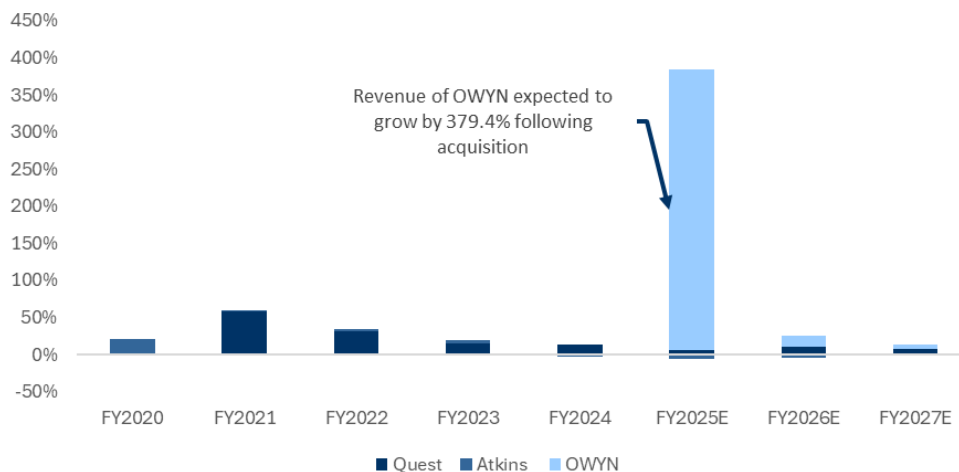
Revenue by Segment (in millions of USD)

FY2020 - FY2029E



Revenue YoY% Growth across Segments (2020-2027)

FY2020 - FY2027E



Cost of Goods Sold (COGS) and Margins

Simply Good Foods' gross margin was 38.4% in 2024, and it is expected to decline slightly to 37.9% in 2025 due to inflationary pressures on input costs. However, as Quest and OWYN contribute a larger revenue share, margins may stabilize in the long term. COGS is projected to reach \$905M in 2025, which is 62% of revenue, reflecting the higher costs associated with expanding product innovation and premium ingredients. This increase can also be attributed to the inclusion of OWYN and the production associated with the brand.

SG&A and Operating Margins

SG&A expenses are expected to increase from 21.8% of revenue in 2024 to 21.0% in 2025, reflecting ongoing marketing and digital expansion investments. EBIT margins are forecasted to expand from 15.5% in 2024 to 17.0% in 2025, driven by Quest's higher margin growth and improved operational efficiency.

Capital Expenditures (CapEx)

Simply Good Foods maintains an asset-light model, keeping capital expenditures low. CapEx as a percentage of revenue is expected to remain minimal at approximately 1.2% in 2025, reflecting ongoing investments in product innovation, digital infrastructure, and brand expansion without requiring heavy manufacturing investments.

Weighted Average Cost of Capital (WACC)

The WACC is estimated at 7.5%, factoring in a cost of equity of 9.3% and a cost of debt of 4.2%. The company benefits from low leverage and strong cash flow generation, keeping borrowing costs relatively low while maintaining financial flexibility.

Perpetuity Growth Rate & Terminal Multiple

A perpetuity growth rate of 3.0% was applied, reflecting the long-term industry CAGR of 6.2% through 2030 and the fact that Simply Good Foods is a relatively young brand. Simply can also maintain steady revenue expansion in the premium nutritional snacking market. A 12x EV/EBITDA multiple was used for the terminal value, in line with industry comparables and Simply Good Foods' premium positioning in high-growth snack categories.

Comparable Companies Analysis

The selected comparable companies—Utz Brands (UTZ), The Hain Celestial Group (HAIN), J&J Snack Foods (JJSF), Lancaster Colony (LANC), BellRing Brands (BRBR), SunOpta (STKL), and Conagra Brands (CAG)—align with Simply Good Foods' focus on health-conscious snacking, premium branding, and specialty nutrition. These companies operate in similar product categories, including high-protein, low-carb, and plant-based foods. They leverage multi-channel distribution across grocery, mass retail, e-commerce, and club stores, making them strong benchmarks for Simply Good Foods' business model.

Financially, these comparables have market caps ranging from ~\$445M (HAIN) to ~\$12.3B (CAG), reflecting the varying scale of players in the industry. Many, like BellRing Brands and SunOpta, specialize in protein-based and functional nutrition, directly competing with Simply Good Foods' Quest and OWYN brands. Others, like UTZ and J&J Snack Foods, demonstrate strong brand-driven growth in the snacking industry, comparable to Quest's dominance in protein snacks. Additionally,

BellRing and Conagra maintain strong EBITDA margins (above 15%), aligning with Simply Good Foods’ expected 17.0% EBIT margin in 2025. These companies were chosen for their comparable market positioning, growth strategies, and product portfolios. Using their financial metrics, we derived an EV/EBITDA implied price of \$47.96 and a P/E implied price of \$66.39, reflecting Simply Good Foods’ strong market position and robust growth potential.

Catalysts

Quest's Innovation and Category Expansion

Quest, Simply Good Foods’ flagship brand, continues to drive growth through its innovative product launches and category expansion. The recent rollout of its Bake Shop line, which includes high-protein, low-sugar indulgent snacks, has outperformed sales expectations. Additionally, the nationwide trial of protein chips at a leading club retailer highlights the untapped potential for incremental revenue streams. Quest’s superior R&D capabilities and its strategic marketing push position the brand to sustain higher-than-anticipated revenue growth, broadening its appeal across multiple consumer segments. As demand for indulgent yet nutritious snacks accelerates, Quest’s consistent innovation is expected to be a significant catalyst for Simply Good Foods’ performance in the coming years.



OWYN Integration and Plant-Based Synergies

The acquisition of OWYN has expanded Simply Good Foods’ portfolio into the rapidly growing plant-based protein market, which is projected to grow at 80% annually. OWYN benefits from Simply’s robust distribution network and proven marketing expertise, enabling faster-than-anticipated integration and sales growth. Consumer preference for sustainable and allergen-free nutrition products further amplifies OWYN’s potential. As the brand gains market share, synergies from streamlined operations and cross-brand leverage are expected to unlock additional value, solidifying OWYN as a long-term growth driver.

							
		Protein Shakes	Pro Elite High Protein Shakes	Doubleshot Protein Coffee Shakes	High Protein Complete Nutrition Shakes	Protein Powders	Pro Elite High Protein Powders
		Shop Now	Shop Now	Shop Now	Shop Now	Shop Now	Shop Now
Ideal For		Best used as protein packed snack on-the-go	Best used as post-workout fuel on-the-go	Best used as morning or afternoon energy boost	Best used as everyday nutrition support for weight control	Best used as a protein boost in smoothies, oatmeal and baked goods	Best used as post-workout fuel
Top 9 Allergen Free - No gluten, dairy, soy, eggs, nuts, tree nuts, sesame		✓	✓	✓	✓	✓	✓
High Quality Protein		20g	32g	20g	26g	20g	30g
Sugar		4g	0g	0g	0g	4g	0g
Fiber		3g	3g	3g	3g	0g	3-4g
Gut Health		Prebiotics	Prebiotics	Prebiotics	Prebiotics	Prebiotics	Prebiotics

Atkins' Strategic Repositioning

Atkins, which has faced challenges due to its historical association with restrictive dieting, is strategically repositioning to emphasize sustainable, diet-free weight management. This pivot aligns with shifting consumer preferences and addresses a new opportunity: consumers transitioning off GLP-1 weight management drugs. Targeted marketing campaigns and revamped product messaging are designed to re-establish Atkins as a relevant and trusted brand. If successful, this repositioning could stabilize and eventually grow Atkins' revenue contributions, acting as a turnaround catalyst for Simply Good Foods' overall portfolio.



Risks

Ingredient Price Volatility

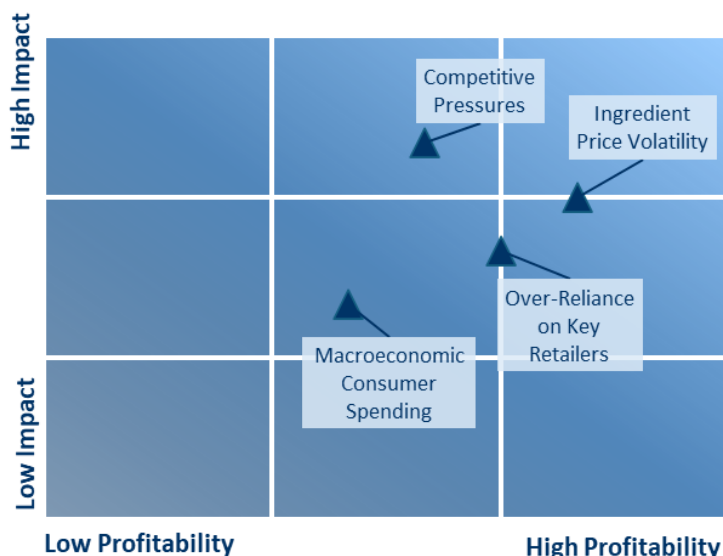
SMPL mitigates ingredient price volatility through supplier diversification, sourcing key ingredients (protein, cocoa, sweeteners, and dairy) from multiple suppliers. SMPL also uses forward-buying contracts and strategic inventory management to ensure stable costs despite market fluctuations.

Supply Chain Dependence

The company relies heavily on a limited number of contract manufacturers and suppliers, exposing it to risks of disruptions or shortages. However, Simply's diversified pool of suppliers and strong supply chain management practices allow it to respond quickly to potential disruptions.

Retail Concentration

Approximately 31% of the company's sales come from Walmart, with significant contributions from Amazon. The "at-will" nature of these contracts presents revenue volatility risks. Simply Good Foods mitigates this by expanding its e-commerce footprint and diversifying its retail partnerships, reducing dependency on any single channel.



Recommendation - Buy

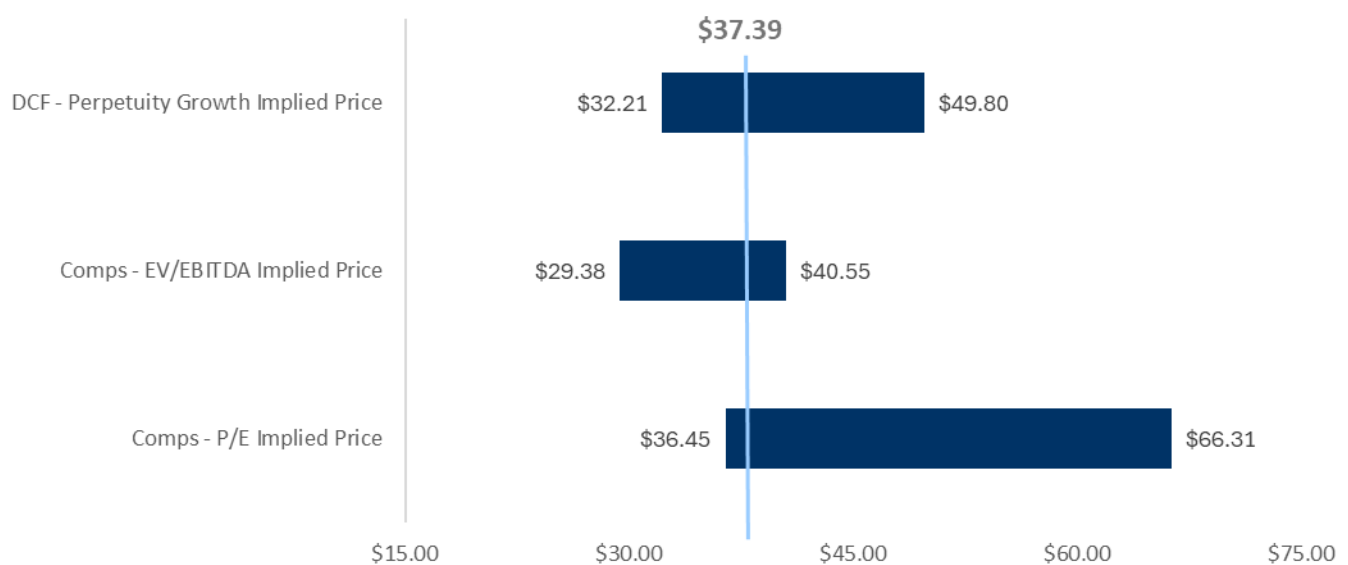
We recommend a **BUY** for The Simply Good Foods Company (NASDAQ: SMPL) at a target price of \$41.38, representing an implied upside of 10.67%. The company is well-positioned for sustained growth, supported by its innovative product portfolio, strategic acquisitions, and robust operational model. Simply Good Foods has demonstrated resilience in navigating industry challenges, such as cost pressures and intense competition, while maintaining its ability to meet evolving consumer demands for health-focused, high-protein, and plant-based products.

Our valuation reflects the company's strong brand positioning and growth potential, particularly through its Quest brand's continued success, its accelerated integration of OWYN, and the repositioning of Atkins. The market may underestimate the synergies from recent acquisitions and the market's response to innovation, creating a unique opportunity for investors. Our target price is based on a weighted average of the following valuation methods:

- 45% weighting on the Perpetuity Growth DCF method, which projects a share price of \$38.97.
- 45% weighting on the EV/EBITDA Implied Price method, which projects a share price of \$39.86.
- 10% weighting on the P/E Implied Price method, which projects a share price of \$59.02.

The Perpetuity Growth DCF method is given the highest weight due to Simply Good Foods' strong ability to generate long-term, consistent cash flows through its asset-light model and innovative portfolio. The EV/EBITDA method is equally weighted as it captures the company's operational efficiency and aligns well with peer comparisons in the consumer goods sector. The P/E method is assigned a lower weight because it focuses on short-term earnings, which may undervalue the impact of strategic investments and growth initiatives.

The Simply Good Foods Co. (NASDAQ: SMPL) Share Implied Price



Appendix 1: Model Summary

Operating Model											
	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29
<i>Figures in USD, in thousands, except per share</i>	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
x Model Drivers											
x Revenue Analysis - Growth											
Atkins - North America revenue growth, %	23.0%	0.7%	1.1%	6.6%	(2.5%)	(6.6%)	(5.0%)	1.0%	2.0%	2.0%	2.0%
Atkins - International revenue growth, %	(4.5%)	12.6%	59.1%	(23.8%)	(3.8%)	(1.2%)	(10.0%)	0.8%	2.0%	2.0%	2.0%
Atkins revenue growth, %	21.3%	1.2%	4.2%	4.1%	(2.6%)	(6.3%)	(5.3%)	1.0%	2.0%	2.0%	2.0%
Quest revenue growth, %			58.2%	30.9%	15.0%	13.9%	5.5%	10.9%	7.0%	7.0%	7.0%
Owyn revenue growth, %							379.4%	5.0%	5.0%	5.0%	5.0%
Total Revenue Growth, %	21.3%	56.0%	23.1%	16.2%	6.3%	7.1%	9.5%	7.0%	5.2%	5.3%	5.3%
x Revenue Analysis - Segmented Breakdown											
Atkins - North America sales, mm	498	501	507	540	527	492	467	472	482	491	501
Atkins - International sales, mm	25	28	45	34	33	33	29	30	30	31	32
Atkins sales, mm	523	530	552	575	560	525	497	502	512	522	532
Quest sales, mm		287	454	594	683	777	820	910	974	1,042	1,115
Owyn sales, mm						29	140	147	154	162	170
Total Sales, mm	523	817	1,006	1,169	1,243	1,331	1,457	1,559	1,640	1,726	1,817
property, plant											
North America sales, mm	498	788	960	1,134	1,210	1,299	1,428	1,529	1,609	1,695	1,786
International sales, mm	25	28	45	34	33	33	29	30	30	31	32
Total Sales, mm	523	817	1,006	1,169	1,243	1,331	1,457	1,559	1,640	1,726	1,817
x Schedules											
Property, Plant & Equipment											
Starting Property, Plant & Equipment		2	12	17	18	25	25	34	38	41	45
Capex	(1)	8	2	(2)	2	(6)	2	2	2	2	2
Depreciation	1	2	2	3	4	6	3	3	3	4	4
Ending Property, Plant & Equipment	2	12	17	18	25	25	34	38	41	45	48
Retained Earnings											
Starting Retained Earnings	106	171	65	106	214	348	487	649	841	1,039	1,257
Net Income	65	90	41	109	134	139	162	192	198	218	233
Dividends	-	-	-	-	-	-	-	-	-	-	-
Ending Retained Earnings	171	261	106	214	348	487	649	841	1,039	1,257	1,490
x Margin Analysis											
COGS Margin, %	58%	60%	59%	62%	64%	62%	62%	62%	61%	61%	61%
Gross Margin, %	41.5%	39.7%	40.7%	38.1%	36.5%	38.4%	37.9%	37.9%	39.0%	39.0%	39.0%
<i>Consensus Estimates - Gross Margin, %</i>											
SG&A Margin, %	26.2%	26.4%	23.5%	20.8%	20.0%	21.8%	21.0%	19.8%	21.0%	20.5%	20.5%
EBIT Margin, %	13.9%	9.6%	17.3%	17.3%	16.5%	15.5%	17.0%	18.1%	18.0%	18.5%	18.5%
Adjusted EBIT Margin, %	16.1%	12.0%	24.1%	20.0%	17.0%	17.2%	17.0%	18.1%	18.0%	18.5%	18.5%
Add back: D&A Margin, %	0.2%	0.2%	0.2%	0.3%	0.4%	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%
Add back: Amortization of intangibles Margin, %	1.2%	1.7%	1.6%	1.4%	1.3%	1.1%	1.3%	1.2%	1.1%	1.0%	1.0%
Add back: Other Margin, %	0.3%	3.9%	(6.1%)	(2.6%)	(0.0%)	0.1%	-	-	-	-	-
EBITDA Margin, %	15.6%	15.5%	13.0%	16.4%	18.1%	17.2%	18.4%	19.4%	19.3%	19.8%	19.7%
Adjusted EBITDA Margin, %	18.9%	18.8%	20.6%	20.0%	19.8%	20.2%	19.4%	20.4%	20.3%	20.8%	20.7%

Appendix 1: Model Summary

Income Statement											
Net Revenue	523	817	1,006	1,169	1,243	1,331	1,457	1,559	1,640	1,726	1,817
COGS	306	492	596	723	789	820	905	968	1,000	1,053	1,109
Gross Profit	217	324	410	446	453	512	552	591	640	673	709
SG&A	137	216	236	243	248	291	305	309	344	354	373
One-time items	8	30	-	-	-	15	-	-	-	-	-
EBIT	73	78	174	203	205	206	247	282	295	319	336
Adjusted EBIT	84	98	242	233	211	228	247	282	295	319	336
Add back: D&A	1	2	2	3	4	6	3	3	3	4	4
Add back: Other	7	14	16	16	16	15	19	18	18	18	18
	1	32	(61)	(30)	(0)	1	-	-	-	-	-
EBITDA	82	126	131	192	225	229	268	303	317	341	358
Adjusted EBITDA	99	154	207	234	246	269	283	319	333	358	376
Interest expense	14	33	32	22	30	26	24	24	24	24	24
Interest income	(4)	(2)	(0)	(0)	(1)	(4)	(1)	(1)	(1)	(1)	(1)
Other items	0	(32)	66	30	0	(1)	-	-	-	-	-
One-time item	(2)	-	(5)	-	-	-	-	-	-	-	-
EBT	64	79	81	151	176	186	232	274	282	311	333
Current tax	6	5	31	30	32	38	46	55	56	62	67
Deferred tax	11	8	9	12	11	8	23	27	28	31	33
Net Income from Continued Operation	48	66	41	109	134	139	162	192	198	218	233
Earnings to Preferred and Other Securities	-	-	-	-	-	-	-	-	-	-	-
Net Income to Common Shareholders	48	66	41	109	134	139	162	192	198	218	233
Adjustments for Convertible Securities	-	31	-	-	-	-	-	-	-	-	-
Diluted Net Income to Common Shareholders	48	35	41	109	134	139	162	192	198	218	233
Non-GAAP Adjustments	(18)	(55)	(82)	(51)	(31)	(46)	(29)	(29)	(35)	(35)	(35)
Adjusted Net Income	65	90	123	160	165	185	191	220	233	253	268
Current tax rate	9.1%	6.5%	37.8%	20.1%	17.9%	20.6%	20.0%	20.0%	20.0%	20.0%	20.0%
Deferred tax rate	17.0%	10.4%	11.6%	7.8%	6.0%	4.5%	10.0%	10.0%	10.0%	10.0%	10.0%
Earnings Per Share - WAB	\$ 0.59	\$ 0.70	\$ 0.43	\$ 1.10	\$ 1.34	\$ 1.39	\$ 1.62	\$ 1.92	\$ 1.97	\$ 2.17	\$ 2.33
Earnings Per Share - WAD	\$ 0.56	\$ 0.35	\$ 0.42	\$ 1.08	\$ 1.32	\$ 1.38	\$ 1.60	\$ 1.89	\$ 1.94	\$ 2.14	\$ 2.30
Adjusted Earnings Per Share - WAD	\$ 0.77	\$ 0.91	\$ 1.26	\$ 1.59	\$ 1.63	\$ 1.83	\$ 1.88	\$ 2.17	\$ 2.29	\$ 2.49	\$ 2.64
Shares Outstanding - WAB	80.7	94.0	95.7	98.8	99.4	99.9	100.2	100.2	100.3	100.3	100.4
Shares Outstanding - WAD	85.2	98.3	97.4	100.6	100.9	101.3	101.5	101.6	101.6	101.7	101.7
Adjusted Shares Outstanding - WAD	85.2	98.3	97.4	100.6	100.9	101.3	101.5	101.6	101.6	101.7	101.7
Balance Sheet											
Current Assets											
Cash and cash equivalents	266	96	75	68	88	133	319	550	791	1,056	1,339
Accounts receivable	44	90	111	133	145	151	165	176	186	195	206
Inventories	38	59	97	125	117	142	156	166	175	184	194
Prepaid expenses	3	4	5	5	6	6	6	6	6	6	6
Other current assets	6	12	10	21	16	9	9	9	9	9	9
Total Current Assets	358	260	299	352	372	440	654	907	1,167	1,451	1,753
Non-Current Assets											
Property and equipment, net	2	12	17	18	25	25	34	38	41	45	48
Intangible assets, net	306	1,159	1,139	1,123	1,108	1,336	1,319	1,302	1,284	1,267	1,250
Goodwill	471	545	543	543	543	592	592	592	592	592	592
Other long term assets	4	33	55	58	49	43	43	43	43	43	43
Total Non-Current Assets	784	1,748	1,754	1,743	1,725	1,996	1,987	1,974	1,960	1,946	1,933
Total Assets	1,142	2,008	2,052	2,094	2,097	2,436	2,642	2,881	3,127	3,397	3,686
Current Liabilities											
Accounts payable	16	32	60	62	53	59	64	69	72	76	80
Accrued interest	2	1	0	0	2	0	0	0	0	0	0
Accrued expenses and other current liabilities	30	38	54	40	35	50	50	50	50	50	50
Current portion of TRA liability	-	-	-	-	-	-	-	-	-	-	-
Current maturities of long-term debt	1	0	0	0	0	0	-	-	-	-	-
Total Current Liabilities	48	71	114	102	90	109	114	119	122	126	130
Non-Current Liabilities											
Long-term debt, less current maturities	190	597	451	403	282	397	397	397	397	397	397
Warrant liabilities	-	94	160	-	-	-	-	-	-	-	-
Long term portion of TRA liability	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	65	84	94	106	116	166	189	217	245	276	309
Other long-term liabilities	1	23	45	45	38	37	37	37	37	37	37
Total Non-Current liabilities	256	798	750	553	436	600	623	651	679	710	743
Total Liabilities	304	869	863	656	526	709	737	769	801	836	873
Shareholders' Equity											
Common Stock	1	1	1	1	1	1	1	1	1	1	1
Treasury stock	(2)	(2)	(2)	(62)	(78)	(78)	(79)	(79)	(79)	(79)	(79)
Additional paid-in capital	734	1,076	1,085	1,287	1,303	1,320	1,334	1,350	1,366	1,384	1,402
Retained earnings	106	65	106	214	348	487	649	841	1,039	1,257	1,490
Accumulated other comprehensive loss	(1)	(1)	(1)	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(2)
Total SE	837	1,139	1,189	1,439	1,571	1,727	1,904	2,112	2,326	2,561	2,812
NCI	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities & SE	1,142	2,008	2,052	2,094	2,097	2,436	2,642	2,881	3,127	3,397	3,686

Appendix 1: Model Summary

x Cash Flow Statement											
CFO											
Net Income	48	66	41	109	134	139	162	192	198	218	233
Depreciation and amortization	8	16	18	19	20	21	21	22	22	22	22
Amortization of deferred financing costs	1	4	5	3	3	2	-	-	-	-	-
Stock compensation expense	6	8	8	12	14	18	15	16	16	17	18
Change in warrant liabilities	-	(31)	66	30	-	-	-	-	-	-	-
Loss on impairment	-	3	-	-	-	-	-	-	-	-	-
Change in fair value of contingent consideration	1	-	-	-	-	-	-	-	-	-	-
Gain on settlement of TRA liability	(2)	-	-	-	-	-	-	-	-	-	-
Estimated credit losses	-	-	1	1	0	(0)	-	-	-	-	-
Unrealized loss on FX transactions	0	(1)	0	(0)	0	(0)	-	-	-	-	-
Deferred income taxes	11	8	9	12	11	8	23	27	28	31	33
Loss on disposal of property and equipment	0	-	-	-	-	-	-	-	-	-	-
Amortization of operating lease right-of-use asset	-	4	5	7	7	7	-	-	-	-	-
Loss on operating lease right-of-use asset impairment	-	-	1	-	-	-	-	-	-	-	-
Gain on lease termination	-	-	(0)	(0)	-	-	-	-	-	-	-
Other	-	(0)	(0)	1	1	1	-	-	-	-	-
CFO before WC	72	76	154	192	190	197	221	257	264	288	307
Accounts receivable, net	(8)	(18)	(22)	(22)	(13)	9	(14)	(12)	(9)	(10)	(10)
Inventories	(8)	24	(39)	(30)	8	14	(13)	(11)	(9)	(9)	(10)
Prepaid expenses	(1)	1	(1)	(0)	(1)	1	-	-	-	-	-
Other current assets	(2)	(5)	2	(12)	7	5	-	-	-	-	-
Accounts payable	5	(9)	26	3	(10)	(15)	6	5	4	4	4
Accrued interest	1	(1)	(1)	0	2	(2)	-	-	-	-	-
Accrued expenses and other current liabilities	14	(6)	15	(15)	(5)	13	-	-	-	-	-
Other	0	(3)	(2)	(6)	(6)	(6)	-	-	-	-	-
Net CFO	73	59	132	111	171	216	199	239	250	273	291
CFI											
Purchases of PPE	(1)	(2)	(6)	(5)	(12)	(6)	(11)	(7)	(7)	(7)	(7)
Acquisition of business, net of cash acquired	-	(982)	-	-	-	(280)	-	-	-	-	-
Cash withdrawals from trust account	-	-	-	-	-	-	-	-	-	-	-
Issuance of note receivable	(1)	(1)	(2)	(2)	-	-	-	-	-	-	-
Proceeds from note receivable	-	1	-	-	-	-	-	-	-	-	-
Investments in intangible assets	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Proceeds from sale of business	-	-	6	-	-	-	-	-	-	-	-
Net CFI	(2)	(984)	(3)	(8)	(12)	(287)	(13)	(8)	(8)	(8)	(8)
CFF											
Proceeds from option exercises	1	4	1	4	5	4	-	-	-	-	-
Tax payments related to issuance of stock	(0)	(0)	(0)	(4)	(3)	(5)	-	-	-	-	-
Payments on finance lease obligations	-	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-
Proceeds from issuance of long term debt	-	460	-	-	-	250	-	-	-	-	-
Principal payments on long-term debt	(2)	(50)	(150)	(50)	(122)	(135)	-	-	-	-	-
Purchases of common stock	(2)	-	-	(60)	(16)	-	-	-	-	-	-
Issuance of common stock	-	353	-	-	-	-	-	-	-	-	-
Equity issuance costs	-	(3)	-	-	-	-	-	-	-	-	-
Proceeds from Revolving Credit Facility	-	25	-	-	-	-	-	-	-	-	-
Repayments of Revolving Credit Facility	-	(25)	-	-	-	-	-	-	-	-	-
Cash received from warrant exercises	113	-	-	-	-	-	-	-	-	-	-
Cash received on repayment of note receivable	-	-	-	-	-	3	-	-	-	-	-
Settlement of TRA liability	(26)	-	-	-	(3)	(1)	-	-	-	-	-
Deferred financing costs	-	(8)	-	(1)	(3)	(1)	-	-	-	-	-
Net CFF	83	755	(150)	(110)	(139)	116	-	-	-	-	-
FX	(0)	(0)	(0)	(0)	(0)	0	-	-	-	-	-
Net Change in Cash Balance	154	(170)	(21)	(8)	20	45	186	231	242	265	283
Beginning Cash Balance	112	266	96	75	68	88	133	319	550	791	1,056
Ending Cash Balance	266	96	75	68	88	133	319	550	791	1,056	1,339
Cash paid for interest	11	30	28	19	26	26	-	-	-	-	-
Cash paid for taxes	7	5	32	49	27	33	-	-	-	-	-

Appendix 2: Discounted Cash Flow Analysis

Discounted Cash Flow Analysis						
x Discount Rate Calculation						
<i>All Figures in mm CAD</i>						
Cost of Equity						
Risk-free Rate	4.4%					
Expected Market Return	8.4%					
Market Risk Premium						
Unlevered Beta	0.97x					
Levered Beta	1.05x					
Cost of Equity	8.6%					
Cost of Debt						
Pre-tax Cost of Debt	3.0%					
Effective Tax Rate	21.0%					
Cost of Debt	2.4%					
WACC						
Market Value of Equity	3,714,011					
Market Value of Debt	397,485					
Total Capitalization	4,111,496					
Cost of Equity	8.6%					
Cost of Debt	2.4%					
WACC	8.0%					
x Free Cash Flow						
<i>All Figures in thousands in USD</i>						
	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	
	2025E	2026E	2027E	2028E	2029E	
EBIT	222,529	239,488	258,590	279,124	301,198	
Corporate Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%	
Tax-affected EBIT	175,798	189,196	204,286	220,508	237,947	
Add-back: D&A (non-cash expense)	17,088	17,223	17,375	17,538	17,713	
Tax-affected EBIT + D&A	192,886	206,419	221,661	238,046	255,660	
Less: CapEx	-1854.18	-1986.45	-2135.44	-2295.60	-2467.77	
Plus / (Less): Change in Net Workin	(13,107)	(15,160)	(17,075)	(18,356)	(19,732)	
Unlevered Free Cash Flow (FCF)	177,925	189,272	202,450	217,394	233,460	
NPV of Unlevered FCF	172,540	172,603	173,615	175,288	177,020	
x Valuation						
Perpetuity Growth Rate			Exit Multiple Method			
Perpetuity Growth Rate	2.7%		Exit Multiple	18.2x		
PV Sum of UFCF	871,066		PV Sum of UFCF	871,066		
PV of Terminal Value	3,076,266		Terminal Value	3,166,236		
Enterprise Value	3,947,332		Enterprise Value	4,037,302		
Add: Cash	133		Add: Cash	133		
Less: Debt	397		Less: Debt	397		
Less: Other EV Adjustments	-		Less: Other EV Adjustments	-		
Equity Value	3,947,067		Equity Value	4,037,037		
Shares Outstanding	101,282		Shares Outstanding	101,282		
Implied Share Price	38.97		Implied Share Price	39.86		
Current Share Price	34.36		Current Share Price	34.36		
Total Return	13.4%		Total Return	16.0%		
<i>All Figures in mm CAD</i>						
		WACC				
		7.0%	7.5%	8.0%	8.5%	9.0%
Perpetuity Growth Rate	2.9%	\$49.80	\$44.48	\$40.22	\$36.74	\$33.85
	2.8%	\$48.78	\$43.68	\$39.58	\$36.22	\$33.42
	2.7%	\$47.81	\$42.92	\$38.97	\$35.72	\$33.00
	2.6%	\$46.88	\$42.19	\$38.38	\$35.24	\$32.60
	2.5%	\$46.00	\$41.48	\$37.81	\$34.77	\$32.21
		WACC				
		7.0%	7.5%	8.0%	8.5%	9.0%
Exit Multiple (EV / EBITDA)	18.3x	\$41.53	\$40.77	\$40.03	\$39.31	\$38.62
	17.8x	\$40.63	\$39.89	\$39.17	\$38.47	\$37.80
	17.3x	\$39.73	\$39.01	\$38.31	\$37.64	\$36.98
	16.8x	\$38.83	\$38.13	\$37.45	\$36.80	\$36.16
	16.3x	\$37.93	\$37.25	\$36.60	\$35.96	\$35.33

Appendix 3: Comparable Company Analysis

Comparable Company Analysis																				
All Figures in mm USD, except per share																				
Balance Sheet Data																				
Company	Ticker	Share Price	Diluted Shares Outstanding	Equity Value	Cash	LTM Net Debt	Other EV Adjustments	Enterprise Value	EV / EBITDA						Price / Earnings					
									2023A EBITDA	2024E EBITDA	2025E EBITDA	2023A EV/EBITDA	2024E EV/EBITDA	2025E EV/EBITDA	2023A Diluted EPS	2024E Diluted EPS	2025E Diluted EPS	2023A P/E	2024E P/E	2025E P/E
Utz Brands, Inc.	(NYSE:UTZ)	13.44	83	1,109		804	699	2,612	86	130	216	30.5x	20.2x	12.1x	(0.31)	(0.17)	0.80	(43.4x)	(79.1x)	16.8x
Heinz Brands, Inc.		33.30	105	4,425		864		5,289	277	292	295	19.1x	18.1x	17.9x	0.94	0.94	0.94	35.4x	35.4x	35.4x
J&J Snack Foods Corp.	(Nasdaq:JIS)	141.80	20	2,762		87		2,849	116	193	221	24.5x	14.7x	12.9x	4.10	4.45	5.55	34.6x	31.9x	25.5x
Lancaster Colony Corporat	(Nasdaq:LA)	166.74	28	4,596		(93)		4,503	205	273	292	22.0x	16.5x	15.4x	4.69	5.79	6.75	35.6x	28.8x	24.7x
BellRing Brands, Inc.	(NYSE:BRBF)	71.01	129	9,151		769		9,920	271	424	480	36.6x	23.4x	20.7x	1.23	1.86	2.18	57.7x	38.2x	32.6x
SunOpta Inc.	(Nasdaq: ST)	7.27	120	869		418	15	1,287	50	71	103	25.9x	18.2x	12.4x	(0.21)	(0.07)	0.22	(34.6x)	(103.9x)	33.0x
The Simply Good Foods Co.(Nasdaq:SN)		34.36	101	3,472		262		3,733	217	253	283	17.2x	14.8x	13.2x	1.31	1.41	1.93	26.2x	24.4x	17.8x
High				9,151				9,920				36.6x	23.4x	20.7x				57.7x	38.2x	35.4x
75th Percentile				5,735				6,446				32.1x	21.0x	18.6x				41.1x	36.1x	33.0x
Median				3,594				3,676				25.2x	18.2x	14.2x				35.0x	30.3x	29.1x
Mean				3,819				4,410				26.4x	18.5x	15.2x				14.2x	(8.1x)	28.0x
25th Percentile				5,735				6,446				32.1x	21.0x	18.6x				41.1x	36.1x	33.0x
Low				869				1,287				19.1x	14.7x	12.1x				(43.4x)	(103.9x)	16.8x

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